

SESSION LAWS
OF
HAWAII
PASSED BY THE
TWENTY-NINTH STATE LEGISLATURE
STATE OF HAWAII

REGULAR SESSION
2017

Convened on Wednesday, January 18, 2017 and
Adjourned sine die on Thursday, May 4, 2017

Published under Authority of
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by the
Revisor of Statutes
State of Hawaii
Honolulu, Hawaii

PREFACE

This volume contains all of the laws enacted by the Hawaii State Legislature during the Regular Session of 2017.

The text of the laws is printed in full except as provided herein. Statutory material that is being repealed is either bracketed or bracketed and stricken. New material is indicated by underscoring. However, as authorized by Section 23G-16.5, Hawaii Revised Statutes (HRS), the text is edited to omit the bracketed material for HRS sections that are being repealed in their entirety and to omit the underscoring for entirely new HRS sections. With the exception of the foregoing and certain obvious typographical errors that have been corrected, the text of the laws appears as enacted.

Explanatory notes appear at the end of the corresponding laws. The notes clarify editorial changes and inconsistencies in text.

Charlotte A. Carter-Yamauchi
Revisor of Statutes

Honolulu, Hawaii
July 15, 2017

STATE OF HAWAII
ELECTED OFFICIALS AND LEGISLATIVE OFFICERS

UNITED STATES CONGRESS

Senate:
Brian Schatz
Mazie K. Hirono

House of Representatives:
Tulsi Gabbard
Colleen Hanabusa

STATE EXECUTIVE OFFICERS

Governor of Hawaii.....David Y. Ige
Lieutenant GovernorShan S. Tsutsui

**OFFICERS AND MEMBERS OF THE
TWENTY-NINTH STATE LEGISLATURE
REGULAR SESSION 2017**

SENATE

PresidentRonald D. Kouchi
Vice PresidentMichelle N. Kidani
ClerkCarol T. Taniguchi

First District—(Hawaii) Kaiali‘i Kahele (D)	Eleventh District—(Oahu) Brian T. Taniguchi (D)
Second District—(Hawaii) Russell E. Ruderman (D)	Twelfth District—(Oahu) Brickwood Galuteria (D)
Third District—(Hawaii) Josh Green, M.D. (D)	Thirteenth District—(Oahu) Karl Rhoads (D)
Fourth District—(Hawaii) Lorraine R. Inouye (D)	Fourteenth District—(Oahu) Donna Mercado Kim (D)
Fifth District—(Maui) Gilbert S. C. Keith-Agaran (D)	Fifteenth District—(Oahu) Glenn Wakai (D)
Sixth District—(Maui) Rosalyn H. Baker (D)	Sixteenth District—(Oahu) Breene Harimoto (D)
Seventh District—(Maui/Molokai/Lanai) J. Kalani English (D)	Seventeenth District—(Oahu) Clarence K. Nishihara (D)
Eighth District—(Kauai/Niihau) Ronald D. Kouchi (D)	Eighteenth District—(Oahu) Michelle N. Kidani (D)
Ninth District—(Oahu) Stanley Chang (D)	Nineteenth District—(Oahu) Will Espero (D)
Tenth District—(Oahu) Les Ihara, Jr. (D)	Twentieth District—(Oahu) Mike Gabbard (D)

Twenty-First District—(Oahu)
Maile S. L. Shimabukuro (D)

Twenty-Fourth District—(Oahu)
Jill N. Tokuda (D)

Twenty-Second District—(Oahu)
Donovan M. Dela Cruz (D)

Twenty-Fifth District—(Oahu)
Laura H. Thielen (D)

Twenty-Third District—(Oahu)
Gil Riviere (D)

D – Democrats 25
R – Republicans 0

HOUSE OF REPRESENTATIVES

Speaker	Joseph M. Souki ¹ /Scott K. Saiki
Vice Speaker	John M. Mizuno
Clerk.....	Brian L. Takeshita

First District—(Hawaii) Mark M. Nakashima (D)	Sixteenth District—(Kauai/Niihau) Dee Morikawa (D)
Second District—(Hawaii) Chris Todd ² (D)	Seventeenth District—(Oahu) Gene Ward, Ph.D. (R)
Third District—(Hawaii) Richard H. K. Onishi (D)	Eighteenth District—(Oahu) Mark J. Hashem (D)
Fourth District—(Hawaii) Joy A. San Buenaventura (D)	Nineteenth District—(Oahu) Bertrand Kobayashi (D)
Fifth District—(Hawaii) Richard P. Creagan (D)	Twentieth District—(Oahu) Calvin K. Y. Say (D)
Sixth District—(Hawaii) Nicole E. Lowen (D)	Twenty-First District—(Oahu) Scott Y. Nishimoto (D)
Seventh District—(Hawaii) Cindy Evans (D)	Twenty-Second District—(Oahu) Tom Brower (D)
Eighth District—(Maui) Joseph M. Souki (D)	Twenty-Third District—(Oahu) Isaac W. Choy (D)
Ninth District—(Maui) Justin H. Woodson (D)	Twenty-Fourth District—(Oahu) Della Au Belatti (D)
Tenth District—(Maui) Angus L. K. McKelvey (D)	Twenty-Fifth District—(Oahu) Sylvia Luke (D)
Eleventh District—(Maui) Kaniela Ing (D)	Twenty-Sixth District—(Oahu) Scott K. Saiki (D)
Twelfth District—(Maui) Kyle T. Yamashita (D)	Twenty-Seventh District—(Oahu) Takashi Ohno (D)
Thirteenth District—(Maui/Molokai/ Lanai) Lynn DeCoite (D)	Twenty-Eighth District—(Oahu) John M. Mizuno (D)
Fourteenth District—(Kauai) Nadine K. Nakamura (D)	Twenty-Ninth District—(Oahu) Daniel Holt (D)
Fifteenth District—(Kauai) James Kunane Tokioka (D)	Thirtieth District—(Oahu) Romy M. Cachola (D)
	Thirty-First District—(Oahu) Aaron Ling Johanson (D)

¹Succeeded by Scott K. Saiki on May 4, 2017.

²Appointed to seat formerly held by Clift Tsuji
(deceased).

Thirty-Second District—(Oahu) Linda Ichiyama (D)	Forty-Second District—(Oahu) Sharon E. Har (D)
Thirty-Third District—(Oahu) Sam Satoru Kong (D)	Forty-Third District—(Oahu) Andria P. L. Tupola (R)
Thirty-Fourth District—(Oahu) Gregg Takayama (D)	Forty-Fourth District—(Oahu) Cedric Asuega Gates (D)
Thirty-Fifth District—(Oahu) Roy M. Takumi (D)	Forty-Fifth District—(Oahu) Lauren Kealohilani Matsumoto (R)
Thirty-Sixth District—(Oahu) Beth Fukumoto ³ (R)	Forty-Sixth District—(Oahu) Marcus R. Oshiro (D)
Thirty-Seventh District—(Oahu) Ryan I. Yamane (D)	Forty-Seventh District—(Oahu) Sean Quinlan (D)
Thirty-Eighth District—(Oahu) Henry J. C. Aquino (D)	Forty-Eighth District—(Oahu) Jarrett Keohokalole (D)
Thirty-Ninth District—(Oahu) Ty J. K. Cullen (D)	Forty-Ninth District—(Oahu) Ken Ito (D)
Fortieth District—(Oahu) Bob McDermott (R)	Fiftieth District—(Oahu) Cynthia Thielen (R)
Forty-First District—(Oahu) Matthew S. LoPresti (D)	Fifty-First District—(Oahu) Chris Lee (D)

D – Democrats	45
R – Republicans	6 ⁴

³Resigned from the Republican Party in March 2017 and joined the Democratic Party in June 2017.
⁴Includes Representative Beth Fukumoto. See footnote 3.

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**Session Laws of Hawaii
Passed By The
Twenty-Ninth State Legislature
Regular Session
2017**

ACT 1

H.B. NO. 1530

A Bill for an Act Making Appropriations to Provide for the Expenses of the Legislature, the Auditor, the Legislative Reference Bureau, the Ombudsman, and the Ethics Commission.

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

SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$9,588,608 or so much thereof as may be necessary to the senate for the following expenses:

- (1) The sum of \$8,326,108 for defraying any and all session and non-session expenses of the senate up to and including June 30, 2018, including the 2017 regular session, twenty-ninth legislature of the State of Hawaii, and pre-session expenses and the expenses of any committee or committees established during the interim between the 2017 and 2018 regular sessions;
- (2) The sum of \$1,150,000 for defraying the expenses of the legislative information system for cost items such as hardware, software, consultants, installation, materials, supplies, and other related costs associated with the legislative system that have been or will be incurred; and
- (3) The sum of \$112,500 for defraying the cost of the legislative broadcasting program to pay for the production and distribution of television broadcasts of legislative proceedings.

The sum appropriated in this section shall be expended by the senate.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$13,205,390 or so much thereof as may be necessary to the house of representatives for the following expenses:

- (1) The sum of \$12,154,466 for defraying any and all session and non-session expenses of the house of representatives up to and including June 30, 2018, including the 2017 regular session, twenty-ninth legislature of the State of Hawaii, and pre-session expenses and the expense of any committee or committees established during the interim between the 2017 and 2018 regular sessions;
- (2) The sum of \$938,424 for defraying the expenses of the legislative information system for cost items such as hardware, software, consultants, installation, materials, supplies, and other related costs as-

ACT 1

- sociated with the legislative information system that have been or will be incurred; and
- (3) The sum of \$112,500 for defraying the cost of the legislative broadcasting program to pay for the production and distribution of television broadcasts of legislative proceedings.

The sum appropriated in this section shall be expended by the house of representatives.

SECTION 3. Payment of expenses of the senate during the interim between the 2017 and 2018 regular sessions shall be made only with the approval of the president of the senate, and payment of expenses of the house of representatives during the interim between the 2017 and 2018 regular sessions shall be made only with the approval of the speaker of the house of representatives.

SECTION 4. Before January 17, 2018, the senate and the house of representatives shall each have their accounts audited, and a full report of the respective audits shall be presented to the senate and house of representatives convening on January 17, 2018.

SECTION 5. Unless otherwise prescribed by law, the expenses of any member of the legislature while traveling abroad on official business of the legislature shall be \$145 a day as authorized by the president of the senate and speaker of the house of representatives.

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$3,151,649 or so much thereof as may be necessary to the office of the auditor for the following expenses:

- (1) The sum of \$3,001,649 for defraying the expenses of the office of the auditor during fiscal year 2017-2018; and
- (2) The sum of \$150,000 during fiscal year 2017-2018 for:
- (A) Performing special studies;
 - (B) Improving capabilities for planning, programming, and budgeting;
 - (C) Fulfilling other special requests made of the auditor by the legislature or jointly by the president of the senate and the speaker of the house of representatives;
 - (D) Legislative studies and contractual services for those studies; and
 - (E) Such other purposes as may be determined by the joint action of the president of the senate and the speaker of the house of representatives.

The sum appropriated in this section shall be expended by the auditor.

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,800,000 or so much thereof as may be necessary to the office of the auditor during fiscal year 2017-2018 to be deposited into the audit revolving fund established pursuant to section 23-3.6, Hawaii Revised Statutes.

SECTION 8. There is appropriated out of the audit revolving fund the sum of \$6,300,000 or so much thereof as may be necessary to the office of the auditor during fiscal year 2017-2018 for the office to conduct or complete its audit functions as provided by law.

The sum appropriated shall be expended by the auditor.

SECTION 9. There is appropriated out of the general revenues of the State of Hawaii the sum of \$3,676,187 or so much thereof as may be necessary to the legislative reference bureau for defraying the expenses of the legislative reference bureau during fiscal year 2017-2018, including equipment relating to computer systems programming and operations.

The sum appropriated in this section shall be expended by the legislative reference bureau.

SECTION 10. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,316,799 or so much thereof as may be necessary to the office of the ombudsman for defraying the expenses of the office during fiscal year 2017-2018.

The sum appropriated in this section shall be expended by the ombudsman.

SECTION 11. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,112,093 or so much thereof as may be necessary to the office of the state ethics commission for defraying the expenses of the office during fiscal year 2017-2018.

The sum appropriated in this section shall be expended by the state ethics commission.

SECTION 12. There is appropriated out of the general revenues of the State of Hawaii the following sums or so much thereof as may be necessary to be expended for the purpose of accrued vacation payments and vacation transfer payments for any employee leaving the employ of the senate, house of representatives, office of the auditor, legislative reference bureau, office of the ombudsman, and state ethics commission:

<u>Expenditure Agency</u>	<u>Amount</u>
Senate	\$150,000
House of Representatives	\$224,524
Office of the Auditor	\$68,106
Legislative Reference Bureau	\$26,810
Office of the Ombudsman	\$14,035
State Ethics Commission	\$16,553

provided that the appropriate expending agency shall first make payments from the vacation payout allocation before expending funds from turnover and vacancy amounts; and provided further that any unexpended funds shall lapse to the general fund on June 30, 2018.

SECTION 13. Except for moneys in the audit revolving fund, as of the close of business on June 30, 2018, the unexpended or unencumbered balance of any appropriation made by this Act shall lapse into the general fund.

SECTION 14. Each section of this Act is declared to be severable from the remainder of this Act.

SECTION 15. This Act shall take effect upon its approval.

(Approved February 22, 2017.)

ACT 2

ACT 2

H.B. NO. 141

A Bill for an Act Relating to Non-General Funds.

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

PART I

SECTION 1. The purpose of this Act is to:

- (1) Repeal and abolish various non-general funds, pursuant to the recommendations made by the auditor in auditor's report nos. 16-09, 16-10, and 16-11; and
- (2) Transfer the unencumbered balances as recommended by the auditor.

PART II

SECTION 2. The emergency appropriation - office of the governor trust fund administratively established in 2011 is abolished, and any remaining unencumbered balances shall be transferred to the general fund.

PART III

SECTION 3. The healthcare transformation coordinator grant trust fund administratively established in 2012 by the office of the governor is abolished, and any remaining unencumbered balances shall be transferred to the Hawaii community foundation.

PART IV

SECTION 4. The planning and research special fund administratively established by the office of Hawaiian affairs is abolished, and any remaining unencumbered balances shall be transferred to the office of Hawaiian affairs main trust account.

PART V

SECTION 5. The purpose of this part is to repeal the education research and development revolving fund.

The legislature finds that the fund does not meet the self-sustaining criteria for a revolving fund and should be repealed.

SECTION 6. Section 302A-305, Hawaii Revised Statutes, is repealed.

SECTION 7. On July 1, 2017, all unencumbered balances remaining in the education research and development revolving fund repealed by section 6 of this Act shall lapse to the credit of the general fund.

PART VI

SECTION 8. The families for resources and early access to learning program special fund administratively established by the department of education is abolished, and any remaining unencumbered balances shall be transferred to

the emergency and budget reserve fund established pursuant to section 328L-3, Hawaii Revised Statutes.

PART VII

SECTION 9. The school community services (adult education) trust fund administratively established in 2011 by the department of education is abolished, and any remaining unencumbered balances shall be transferred to the general fund.

PART VIII

SECTION 10. Statutory material to be repealed is bracketed and stricken.¹

SECTION 11. This Act shall take effect on July 1, 2017.

(Approved April 26, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 3

H.B. NO. 147

A Bill for an Act Relating to Amending or Repealing Hawaii Net Income Tax Laws for the Purpose of Deleting Obsolete or Unnecessary Provisions.

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

SECTION 1. Section 235-110.9, Hawaii Revised Statutes, is amended to read as follows:

“§235-110.9 High technology business investment tax credit. (a) There shall be allowed to each taxpayer subject to the taxes imposed by this chapter a high technology business investment tax credit that shall be deductible from the taxpayer's net income tax liability, if any, imposed by this chapter for the taxable year in which the investment was made and the following four years provided the credit is properly claimed. The tax credit shall be as follows:

- (1) In the year the investment was made, thirty-five per cent;
- (2) In the first year following the year in which the investment was made, twenty-five per cent;
- (3) In the second year following the investment, twenty per cent;
- (4) In the third year following the investment, ten per cent; and
- (5) In the fourth year following the investment, ten per cent;

of the investment made by the taxpayer in each qualified high technology business, up to a maximum allowed credit in the year the investment was made, \$700,000; in the first year following the year in which the investment was made, \$500,000; in the second year following the year in which the investment was made, \$400,000; in the third year following the year in which the investment was made, \$200,000; and in the fourth year following the year in which the investment was made, \$200,000.

(b) The credit allowed under this section shall be claimed against the net income tax liability for the taxable year. For the purpose of this section, “net

ACT 3

income tax liability" means net income tax liability reduced by all other credits allowed under this chapter.

(c) If the tax credit under this section exceeds the taxpayer's income tax liability for any of the five years that the credit is taken, the excess of the tax credit over liability may be used as a credit against the taxpayer's income tax liability in subsequent years until exhausted. Every claim, including amended claims, for a tax credit under this section shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit.

(d) If at the close of any taxable year in the five-year period in subsection (a):

- (1) The business no longer qualifies as a qualified high technology business;
- (2) The business or an interest in the business has been sold by the taxpayer investing in the qualified high technology business; or
- (3) The taxpayer has withdrawn the taxpayer's investment wholly or partially from the qualified high technology business;

the credit claimed under this section shall be recaptured. The recapture shall be equal to ten per cent of the amount of the total tax credit claimed under this section in the preceding two taxable years. The amount of the credit recaptured shall apply only to the investment in the particular qualified high technology business that meets the requirements of paragraph (1), (2), or (3). The recapture provisions of this subsection shall not apply to a tax credit claimed for a qualified high technology business that does not fall within the provisions of paragraph (1), (2), or (3). The amount of the recaptured tax credit determined under this subsection shall be added to the taxpayer's tax liability for the taxable year in which the recapture occurs under this subsection.

(e) Every taxpayer, before March 31 of each year in which an investment in a qualified high technology business was made in the previous taxable year, shall submit a written, certified statement to the director of taxation identifying:

- (1) Qualified investments, if any, expended in the previous taxable year; and
 - (2) The amount of tax credits claimed pursuant to this section, if any, in the previous taxable year.
- (f) The department shall:
- (1) Maintain records of the names and addresses of the taxpayers claiming the credits under this section and the total amount of the qualified investment costs upon which the tax credit is based;
 - (2) Verify the nature and amount of the qualifying investments;
 - (3) Total all qualifying and cumulative investments that the department certifies; and
 - (4) Certify the amount of the tax credit for each taxable year and cumulative amount of the tax credit.

Upon each determination made under this subsection, the department shall issue a certificate to the taxpayer verifying information submitted to the department, including qualifying investment amounts, the credit amount certified for each taxable year, and the cumulative amount of the tax credit during the credit period. The taxpayer shall file the certificate with the taxpayer's tax return with the department.

The director of taxation may assess and collect a fee to offset the costs of certifying tax credits claims under this section. All fees collected under this

section shall be deposited into the tax administration special fund established under section 235-20.5.

(g) As used in this section:

“Investment tax credit allocation ratio” means, with respect to a taxpayer that has made an investment in a qualified high technology business, the ratio of:

- (1) The amount of the credit under this section that is, or is to be, received by or allocated to the taxpayer over the life of the investment, as a result of the investment; to
- (2) The amount of the investment in the qualified high technology business.

“Qualified high technology business” means a business, employing or owning capital or property, or maintaining an office, in this State; provided that:

- (1) More than fifty per cent of its total business activities are qualified research; and provided further that the business conducts more than seventy-five per cent of its qualified research in this State; or
- (2) More than seventy-five per cent of its gross income is derived from qualified research; and provided further that this income is received from:
 - (A) Products sold from, manufactured in, or produced in this State; or
 - (B) Services performed in this State.

“Qualified research” means the same as defined in section 235-7.3.

(h) Common law principles, including the doctrine of economic substance and business purpose, shall apply to any investment. There exists a presumption that a transaction satisfies the doctrine of economic substance and business purpose to the extent that the special allocation of the high technology business tax credit has an investment tax credit ratio of 1.5 or less of credit for every dollar invested.

Transactions for which an investment tax credit allocation ratio greater than 1.5 but not more than 2.0 of credit for every dollar invested and claimed may be reviewed by the department for applicable doctrines of economic substance and business purpose.

Businesses claiming a tax credit for transactions with investment tax credit allocation ratios greater than 2.0 of credit for every dollar invested shall substantiate economic merit and business purpose consistent with this section.

(i) For investments made on or after May 1, 2009, notwithstanding any other law to the contrary, no allocations, special or otherwise, of credits under this section may exceed the amount of the investment made by the taxpayer ultimately claiming this credit; and investment tax credit allocation ratios greater than 1.0 of credit for every dollar invested shall not be allowed. In addition, the credit shall be allowed only in accordance with subsection (a).

[~~(j) For investments made on or after May 1, 2009, this section shall be subject to section 235-109.5.~~

~~(k)] (j) This section shall not apply to taxable years beginning after December 31, 2010.”~~

SECTION 2. Section 241-4.8, Hawaii Revised Statutes, is amended to read as follows:

“§241-4.8 High technology business investment tax credit. [(a)] The high technology business investment tax credit provided under section 235-110.9 shall be operative for this chapter on July 1, 1999.

~~[(b) For investments made on or after May 1, 2009, this section shall be subject to section 235-109.5.]”~~

ACT 4

SECTION 3. Section 431:7-209, Hawaii Revised Statutes, is amended to read as follows:

“§431:7-209 High technology business investment tax credit. [(a)] The high technology business investment tax credit provided under section 235-110.9 shall be operative for this chapter on July 1, 1999.

[(b) For investments made on or after May 1, 2009, this section shall be subject to section 235-109.5.]”

SECTION 4. Section 235-2.45, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) Section 704 of the Internal Revenue Code (with respect to a partner’s distributive share) shall be operative for purposes of this chapter; except that section 704(b)(2) shall not apply to:

- (1) Allocations of the high technology business investment tax credit allowed by section 235-110.9 for investments made before May 1, 2009;
- (2) Allocations of net operating loss pursuant to section 235-111.5;
- ~~(3) Allocations of the attractions and educational facilities tax credit allowed by section 235-110.46;]~~ or
- ~~(4) (3)~~ Allocations of low-income housing tax credits among partners under section 235-110.8.”

SECTION 5. Section 235-109.5, Hawaii Revised Statutes, is repealed.

SECTION 6. Section 235-110.46, Hawaii Revised Statutes, is repealed.

SECTION 7. Statutory material to be repealed is bracketed and stricken.¹ New statutory material is underscored.

SECTION 8. This Act shall not cause the expiration of any tax credits legally claimed and carried forward in accordance with law in effect prior to enactment of this Act.

SECTION 9. This Act shall take effect upon its approval.

(Approved April 26, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 4

H.B. NO. 1079

A Bill for an Act Relating to Post-Secondary Education Authorization.

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

SECTION 1. Chapter 305J, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§305J- Candidates for accreditation; requirements; sanctions. (a) A candidate for accreditation shall:

- (1) Provide an accreditation plan that, at a minimum, identifies an accrediting agency recognized by the United States Department of Education from which the candidate will seek accreditation, covers the offering of at least one degree program, and outlines the process by which the candidate will achieve accreditation;
- (2) Provide all additional documentation the department deems necessary to determine if the candidate for accreditation will become fully accredited within five years of its provisional authorization to operate. Additional documentation may include financial statements as required by the accrediting agency, documentation of accrediting agency's required accreditation applicant workshop and a self-evaluation report;
- (3) Provide written notification to students, prior to the execution of any student enrollment agreement, that the approval to offer a degree program is contingent upon the candidate for accreditation being subsequently accredited. The student and the candidate's representative shall initial and date the notice prior to executing any enrollment agreement. An initialed copy of the notice shall be given to the student and the original shall be retained in the enrolled student's records;
- (4) Provide written disclosures in the candidate's catalog, website, and brochures that the candidate's approval to offer a degree program is contingent upon the candidate being subsequently accredited;
- (5) Pay an annual fee of \$5,000; and
- (6) File with the director a surety bond in favor of the State in the amount of \$50,000. The surety bond shall be executed by the candidate for accreditation as the principal and by a surety company authorized to do business in the State and shall run concurrently with the provisional authorization period and any period of reauthorization, unless terminated or canceled by the surety company. The surety bond shall be conditioned as follows: That the candidate for accreditation shall satisfy all claims of any student or enrollee of the candidate for accreditation, or of any parent or legal guardian of a student or enrollee of the candidate for accreditation, whom the director finds to have suffered a loss of tuition or fees as a result of an act or practice that is a violation of this chapter.

(b) If a candidate for accreditation ceases operation, the director may make demand on the surety bond upon the claim for a refund by a student or the parent or legal guardian of a student, and the surety on the surety bond shall pay the claim in a timely manner. The student or a parent or legal guardian of the student who claims loss of tuition or fees as a result of the cessation of operations of a candidate for accreditation may file a claim with the department if the claim results from an act or practice that violates this chapter. If the amount of the surety bond is less than the total prepaid, unearned tuition and fees that have been paid by students at the time that the candidate for accreditation ceases operation, the department shall prorate the amount of the surety bond among the students. This subsection shall apply only to those students enrolled at a candidate for accreditation at the time it ceases operation.

(c) A candidate for accreditation that is no longer covered by a surety bond as required by this section or that fails to obtain accreditation within the required time frame with no extension of time for good cause shall have its provisional authorization automatically suspended pursuant to section 305J-12(a) and shall immediately cease enrolling new students.

ACT 4

(d) A candidate for accreditation's failure to reinstate a suspended provisional authorization within sixty days of suspension shall result in the revocation of the authorization, and the candidate shall forfeit all fees. The candidate shall provide written notice to all students within thirty days following the date of revocation.

(e) A candidate for accreditation that fails to obtain accreditation within the required time frame or that elects to stop pursuing accreditation shall refund students for any classes students are currently enrolled in or have not yet completed and shall comply with any applicable rules, policies, and procedures for closures of institutions or transition to a non-accredited status.

(f) Any candidate for accreditation that violates this chapter may be subject to one or more of the sanctions provided by section 305J-11(c)."

SECTION 2. Section 305J-2, Hawaii Revised Statutes, is amended by adding two new definitions to be appropriately inserted and to read as follows:

"Candidate for accreditation" or "candidate" means a degree-granting institution that has submitted an application for accreditation to a regional or national accrediting agency recognized by the United States Department of Education; provided that the application has been accepted pursuant to the accrediting agency's application requirements and is pending approval by the accrediting agency.

"Provisional authorization" means authorization of a candidate for accreditation for no more than a five-year period, unless an extension is granted by the director for good cause, while the candidate for accreditation seeks to satisfy the requirement for institutional accreditation; provided that no provisional authorization shall be given for more than a ten year period."

SECTION 3. Section 305J-5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The director shall:

- (1) Unless otherwise provided by law, adopt, amend, and repeal rules pursuant to chapter 91 to carry out the purposes of this chapter;
- (2) Adopt policies and procedures as necessary, without regard to chapter 91, for reauthorization pursuant to section 305J-10;
- (3) Issue declaratory rulings or informal, nonbinding interpretations and conduct contested case proceedings pursuant to chapter 91;
- (4) Grant, deny, confirm, forfeit, renew, reinstate, or restore authorizations, including provisional, conditional, probationary, or qualified authorizations;
- (5) Revoke, suspend, condition, or otherwise limit the authorization of an institution for any violation of this chapter, applicable rules, or the Higher Education Act of 1965, as amended;
- (6) Establish requirements for authorization in accordance with this chapter;
- (7) Investigate and conduct hearings regarding any violation of this chapter, applicable rules, or the Higher Education Act of 1965, as amended;
- (8) Create fact-finding committees, including the appointment of one or more advisory committees, which may assist the department and make recommendations for consideration;
- (9) Contract with qualified persons, including investigative and legal staff, who may be exempt from chapter 76, to assist the director in exercising the director's powers and duties;

- (10) Subpoena witnesses and documents, administer oaths, and receive affidavits and oral testimony, including communications through electronic media;
- (11) Establish the types and amounts of fees that the department may assess in order to carry out the purposes of this chapter;
- (12) Establish policies to require authorized institutions to submit to the department, upon request, data that is directly related to student enrollment and degree completion and, if applicable, student financial aid and educator preparation programs, which policies shall include a determination as to whether data received may be disclosed to the public;
- (13) Establish policies and procedures for the handling of proprietary information;
- (14) Enter into any post-secondary education authorization reciprocity agreement with other post-secondary educational authorizers of schools whose home state is not Hawaii pursuant to section 305J-16; [and]
- (15) Grant a temporary waiver of the requirement for accreditation if the director finds there is good cause and it is necessary for the protection of students facing imminent financial hardship; and
- [15] (16) Do any and all things necessary or incidental to the exercise of the director's powers and duties."

SECTION 4. Section 305J-8, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) To operate in the State, a private college or university shall be accredited on the basis of an on-site review[.]; provided that a candidate for accreditation seeking authorization to operate may be issued a provisional authorization to operate on an annual basis without accreditation subject to a determination by the director that issuance is in accordance with administrative rules, policies, or procedures adopted by the director. A candidate for accreditation may annually renew its provisional authorization for a period not to exceed five years, unless an extension is granted by the director for good cause."

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 6. This Act shall take effect on July 1, 2017.

(Approved April 26, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 5

H.B. NO. 1509

A Bill for an Act Relating to Water Management.

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

SECTION 1. Section 174C-31, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

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“(d) The water resource protection plan shall include[5] but not be limited to:

- (1) Nature and occurrence of water resources in the State;
- (2) Hydrologic units and their characteristics, including the quantity and quality of available resource, requirements for beneficial instream uses and environmental protection, desirable uses worthy of preservation by permit, and undesirable uses for which permits may be denied;
- (3) Existing and contemplated uses of water, as identified in the water use and development plans of the State and the counties, their impact on the resource, and their consistency with objectives and policies established in the water resource protection and water quality plans;
- (4) Programs to conserve, augment, and protect the water resource[s; and, including plans for storm water management, reuse, reclamation, and remediation; and]
- (5) Other elements necessary or desirable for inclusion in the plan.

Thereafter, the commission, in coordination with the counties and the department of health, shall formulate an integrated coordinated program for the protection, conservation, and management of the waters in each county based on the above studies. This program, with such amendments, supplements, and additions as may be necessary, shall be known as the water resource protection and water quality plans.

Thereafter, each county shall prepare a water use and development plan and the appropriate state agency shall prepare the state water projects plan.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved April 26, 2017.)

ACT 6

S.B. NO. 103

A Bill for an Act Relating to the Disposition of Excess General Funds Authorized Under Article VII, Section 6, of the Constitution of the State of Hawaii.

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

SECTION 1. The purpose of this Act is to establish a statute to implement the amendment to the Constitution of the State of Hawaii by senate bill no. 2554, which was passed during the regular session of 2016 and ratified on November 8, 2016.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

“CHAPTER DISPOSITION OF EXCESS REVENUES

§ -1 Purpose. (a) Article VII, section 6, of the Constitution of the State of Hawaii requires the disposition of excess general funds when the state

general fund balance at the close of each of two successive fiscal years exceeds five per cent of general fund revenues for each of the two fiscal years.

When conditions occur requiring compliance with article VII, section 6, of the Constitution of the State of Hawaii, this chapter sets forth provisions authorizing the pre-payment of general obligation bond debt service or pension or other post-employment benefit liabilities in lieu of providing a tax refund or credit or depositing funds into a reserve fund.

(b) Nothing in this chapter or any other law shall prevent the legislature from complying with article VII, section 6, of the Constitution of the State of Hawaii for a fiscal year, by taking for that fiscal year a single action or multiple actions authorized under article VII, section 6(1), (2), (3)(A), or (3)(B).

§ -2 Pre-payment of general obligation bond debt service. (a) To comply with article VII, section 6, of the Constitution of the State of Hawaii, the legislature may pre-pay general obligation bond debt service. When choosing to do so, the legislature shall appropriate general funds to be expended to pay more than the general obligation bond debt service due in a fiscal year in order to retire general obligation bonds earlier than scheduled at the time of the appropriation.

(b) For the purpose of this section, the "general obligation bond debt service due in a fiscal year" means the principal of and interest on general obligation bonds that mature and are payable in a fiscal year under the applicable bond covenant and section 39-12. The term shall not mean any delinquent debt service payment accrued from a prior fiscal year, penalty or interest imposed because of the delinquent payment, or principal or interest on bond anticipation notes.

(c) An appropriation of general funds to pre-pay general obligation bond debt service may include an appropriation to pay a redemption premium.

§ -3 Pre-payment of other post-employment benefit liability. (a) To comply with article VII, section 6, of the Constitution of the State of Hawaii, the legislature may pre-pay the State's other post-employment benefit liability. When choosing to do so, the legislature shall appropriate general funds to be expended to pay more than the annual required contribution owed by the State for a fiscal year in order to reduce future annual required contributions to amortize the unfunded other post-employment liability of the State.

(b) For the purpose of this section, the "annual required contribution owed by the State for a fiscal year" means the annual required contribution owed by the State for the fiscal year as determined by the board of trustees of the Hawaii employer-union health benefits trust fund under section 87A-43.

(c) An appropriation of general funds to pay more than the annual required contribution owed by the State for a fiscal year shall be deposited into the trust fund for other post-employment benefits established under section 87A-42.

(d) In no case shall an appropriation of general funds made pursuant to this section be expended for or credited to any cost or liability of a county under chapter 87A.

§ -4 Pre-payment of pension liability. (a) To comply with article VII, section 6, of the Constitution of the State of Hawaii, the legislature may pre-pay the State's unfunded accrued pension liability. When choosing to do so, the legislature shall appropriate general funds to be expended to pay more than the required contribution for a fiscal year for the State's unfunded accrued pension liability in order to amortize that unfunded liability earlier than scheduled at the time of the appropriation.

(b) For the purpose of this section, the "required contribution for a fiscal year for the State's unfunded accrued pension liability" means the portion

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of the contribution for a fiscal year payable by the State that is allocated to amortize the unfunded accrued liability of the State as determined under sections 88-122(d) and 88-123. The term shall not include the portion of the contribution allocated to fund the State's normal cost for state employees.

(c) An appropriation of general funds to pay more than the required contribution for a fiscal year for the State's unfunded accrued pension liability shall be deposited into the pension accumulation fund established under section 88-114.

(d) In no case shall an appropriation of general funds made pursuant to this section be expended for or credited to any cost or liability of a county under chapter 88.

§ -5 No effect on tax refund or credit or reserve fund deposit to comply with constitutional provision. This chapter shall not affect the authority or discretion of the legislature to provide a tax refund or credit or make a deposit into a reserve fund in order to comply with article VII, section 6, of the Constitution of the State of Hawaii, as provided in the same."

SECTION 3. Section 328L-3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There is established in the state treasury the emergency and budget reserve fund, which shall be a special fund administered by the director of finance, and into which shall be deposited:

- (1) Twenty-four and one-half per cent of the moneys received from the tobacco settlement moneys under section 328L-2(b)(1);
- (2) Appropriations made by the legislature to the fund; and
- (3) Five per cent of the state general fund balance at the close of the fiscal year, whenever state general fund revenues for each of two successive fiscal years exceeds revenues for each of the preceding fiscal years by five per cent[, pursuant to article VII, section 6 of the Hawaii constitution]. For the purpose of this section, the general fund balance at the close of the fiscal year shall be calculated [before] after any [tax]:
 - (A) Tax refund or tax credit is [authorized] provided by the legislature[, pursuant to article VII, section 6 of the Hawaii constitution, that is provided];
 - (B) Deposit into the emergency and budget reserve fund or another reserve fund is appropriated by the legislature; or
 - (C) Pre-payment of general obligation bond debt service or pension or other post-employment benefit liability is appropriated by the legislature;

during the same regular session as the transfer depositing such moneys to the emergency and budget reserve fund; provided that transfers shall not be made to the emergency and budget reserve fund whenever the balance of the emergency and budget reserve fund is equal to or more than ten per cent of general fund revenues for the preceding fiscal year. The transfer shall be executed by the director of finance[;

provided that all]. All moneys deposited into the emergency and budget reserve fund under paragraphs (1) and (2) and all moneys deposited under paragraph (3) shall be kept in separate and distinct accounts."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on June 30, 2017.

(Approved April 26, 2017.)

ACT 7

S.B. NO. 1007

A Bill for an Act Relating to Withholding Tax.

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

SECTION 1. The legislature finds that requiring quarterly returns of withheld income tax is more efficient than monthly reporting. The legislature finds that the department can adequately reconcile withholding tax payments with quarterly filing. This measure will change the reporting frequency from monthly reporting to quarterly reporting for all employers. This measure does not change the withholding tax payment frequency.

SECTION 2. Section 235-62, Hawaii Revised Statutes, is amended to read as follows:

“§235-62 Return and payment of withheld taxes. (a) Every employer required by this chapter to withhold taxes on wages paid in any [month] quarter of the calendar year shall make a return of such wages to the department of taxation on or before the fifteenth day of the calendar month following the [month] close of each such quarter for which the taxes have been withheld[, except as provided in subsection (e)].

(b) The return shall be in such form, including computer printouts or other electronic formats, and contain such information as may be prescribed by the director of taxation. The return shall be filed with the director at the first taxation district in Honolulu.

(c) Every return required under this section shall be accompanied by a remission of the complete amount of tax withheld, as reported in the return; provided that each employer whose liability for taxes withheld exceeds \$40,000 annually shall remit the complete amount of tax withheld on a semi-weekly schedule[.]; provided further that each employer whose liability for taxes withheld exceeds \$5,000 but does not exceed \$40,000 annually shall remit the complete amount of tax withheld on a monthly schedule. Notwithstanding the tax liability threshold in this subsection, the director of taxation is authorized to require any employer who is required to remit any withheld taxes to the federal government on a semi-weekly schedule, to remit the complete amount of tax withheld to the department on a semi-weekly schedule. The director of taxation may grant an exemption to the requirement to remit the complete amount of tax withheld on a semi-weekly schedule for good cause.

(d) If the director believes collection of the tax may be in jeopardy, the director may require any person required to make a return under this section to make such return and pay such tax at any time.

(e) [The director may grant permission to employers, whose liability to pay over the taxes withheld as provided in this section shall not exceed \$5,000 a year, to make returns and payments of the taxes due on a quarterly basis during the calendar year, the returns and payments to be made on or before the fifteenth day of the calendar month after the close of each quarter, to wit, on or before April 15, July 15, October 15, and January 15. The director may grant permission to employers to make monthly payments based on an estimated quarterly liability; provided that the employer files a reconciliation return on or before the

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fifteenth day of the calendar month after the close of each quarter during the calendar year as provided by this section.] The director, for good cause, may extend the time for making returns and payments, but not beyond the fifteenth day of the second month following the regular due date of the return. With respect to wages paid out of public moneys, the director, in the director's discretion, may prescribe special forms for, and different procedures and times for the filing of, the returns by employers paying the wages, or may waive the filing of any returns upon the conditions and subject to rules the director may prescribe.

(f) For purposes of this section, "semi-weekly schedule" means:

- (1) On or before the following Wednesday if wages were paid on the immediately preceding Wednesday, Thursday, or Friday; or
- (2) On or before the following Friday if wages were paid on the immediately preceding Saturday, Sunday, Monday, or Tuesday.

In addition to the allowances provided under section 231-21, each employer shall have at least three banking days following the close of the semi-weekly period by which to remit the taxes withheld as provided for in section 6302 of the Internal Revenue Code.

(g) For the purposes of this section, "monthly schedule" means on or before the fifteenth day of the calendar month following the month for which the taxes have been withheld."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act, upon its approval, shall take effect on January 1, 2018.

(Approved April 26, 2017.)

ACT 8

S.B. NO. 942

A Bill for an Act Relating to the Emergency and Budget Reserve Fund.

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

SECTION 1. Section 328L-3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There is established in the state treasury the emergency and budget reserve fund which shall be a special fund administered by the director of finance, into which shall be deposited:

- (1) [Twenty-four and one-half per cent of the moneys received from the tobacco settlement moneys under section 328L-2(b)(1);] Moneys received from the tobacco settlement moneys under section 328L-2;
- (2) Appropriations made by the legislature to the fund; and
- (3) Five per cent of the state general fund balance at the close of the fiscal year, whenever state general fund revenues for each of two successive fiscal years exceeds revenues for each of the preceding fiscal years by five per cent, pursuant to article VII, section 6 of the Hawaii constitution. For the purpose of this section, the general fund balance at the close of the fiscal year shall be calculated before any tax refund or tax credit is authorized by the legislature, pursuant to article VII, section 6 of the Hawaii constitution, that is provided during the same regular session as the transfer depositing such monies to the emergency and budget reserve fund; provided that trans-

fers shall not be made to the emergency and budget reserve fund whenever the balance of the emergency and budget reserve fund is equal to or more than ten per cent of general fund revenues for the preceding fiscal year. The transfer shall be executed by the director of finance;

provided that all moneys deposited into the emergency and budget reserve fund under paragraphs (1) and (2) and all moneys deposited under paragraph (3) shall be kept in separate and distinct accounts.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved April 26, 2017.)

ACT 9

S.B. NO. 939

A Bill for an Act Relating to State Funds.

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

SECTION 1. The purpose of this Act is to update and clarify pertinent sections of the statutes relating to the investment and funds management functions of the department of budget and finance.

SECTION 2. Section 36-21, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The director of finance may invest any moneys of the State which in the director’s judgment are in excess of the amounts necessary for meeting the immediate requirements of the State and where in the director’s judgment the action will not impede or hamper the necessary financial operations of the State in:

- (1) Any bonds or interest-bearing notes or obligations:
 - (A) Of the State (including state director of finance’s warrant notes issued pursuant to chapter 40);
 - (B) Of the United States;
 - (C) For which the faith and credit of the United States are pledged for the payment of principal and interest;
- (2) Federal Farm Credit System notes and bonds;
- (3) Federal Agricultural Mortgage Corporation notes and bonds;
- (4) Federal Home Loan Bank notes and bonds;
- (5) Federal Home Loan Mortgage Corporation bonds;
- (6) Federal National Mortgage Association notes and bonds;
- [~~(7) Student Loan Marketing Association notes and bonds;~~]
- [~~(8) Tennessee Valley Authority notes and bonds;~~]
- [~~(9) Securities of a mutual fund whose portfolio is limited to bonds or securities issued or guaranteed by the United States or an agency thereof or repurchase agreements fully collateralized by any such bonds or securities;~~]
- [~~(10) Securities of a money market mutual fund that is rated AAA, or its equivalent, by a nationally recognized rating agency or whose portfolio consists of securities that are rated as first tier securities by~~]

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- a nationally recognized statistical rating organization as provided in 17 Code of Federal Regulations section 270.2a-7;
- [(11)] (10) Federally insured savings accounts;
- [(12)] (11) Time certificates of deposit;
- [(13)] (12) Certificates of deposit open account;
- [(14)] (13) Repurchase agreements with federally insured banks, savings and loan associations, and financial services loan companies;
- [(15)] Student loan resource securities including:
- (A) Student loan auction rate securities;
- (B) Student loan asset backed notes;
- (C) Student loan program revenue notes and bonds; and
- (D) Securities issued pursuant to Rule 144A of the Securities Act of 1933, including any private placement issues;
- issued with either bond insurance or overcollateralization guaranteed by the United States Department of Education; provided all insurers maintain a triple A rating by Standard & Poor's, Moody's, Duff & Phelps, Fitch, or any other major national securities rating agency;
- [(16)] (14) Commercial paper with an A1/P1 or equivalent rating by any national securities rating service; and
- [(17)] (15) Bankers' acceptances with an A1/P1 or equivalent rating by any national securities rating service;
- provided that for authorized investments with stated maturity dates, the investment, as well as the underlying securities of those investments, are due to mature not more than five years from the date of investment. Income derived from those investments shall be a realization of the general fund; provided that income earned from moneys invested by the general funds, special funds, bond funds, and trust and agency funds on an investment pool basis shall be paid into and credited to the respective funds based on the contribution of moneys into the investment pool by each fund. As used in this section, "investment pool" means the aggregate of state treasury moneys that are maintained in the custody of the director of finance for investment and reinvestment without regard to fund designation."

SECTION 3. Section 40-32, Hawaii Revised Statutes, is amended to read as follows:

"§40-32 Payments by [Honolulu] public accountants. Every public accountant collecting or receiving revenue or other moneys [~~in Honolulu~~] on behalf of the State shall pay weekly, or at such times as may be otherwise specially appointed, into the treasury all sums of money collected or received by the public accountant on account of the revenue or otherwise."

SECTION 4. Section 40-33, Hawaii Revised Statutes, is repealed.

SECTION 5. Statutory material to be repealed is bracketed and stricken.¹ New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2017.

(Approved April 26, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 10

S.B. NO. 882

A Bill for an Act Relating to Farm to School Month in Hawaii.

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

SECTION 1. Chapter 8, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§8- Farm to school month in Hawaii. The month of October shall be known and designated as “Farm to School Month in Hawaii” to promote public awareness of the state’s farm to school initiative “connecting keiki to the ‘aina” through coordinated activities and resources connecting schools and local farms with the objectives of serving healthy Hawaii-grown meals in school cafeterias; improving student nutrition; lowering childhood obesity; supporting local farmers; and exposing students to agriculture, nutrition, and educational opportunities through classroom activities, farm field trips, and school gardens. This month is not and shall not be construed to be a state holiday.”

SECTION 2. New statutory material is underscored.¹

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

(Approved April 26, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 11

S.B. NO. 283

A Bill for an Act Relating to Transportation.

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

SECTION 1. The legislature finds that Maui has no major roadways commemorating veterans and their role in Maui history. During World War II, Maui became a forward training center for the war in the Pacific. Many of the beaches were used to rehearse the invasion of Guadalcanal. To this day there are remnants of concrete bunkers at some of the beaches in south Maui. Native Hawaiians and cattle ranchers who lived on the island of Kaho’olawe, a part of Maui county, were forced to move and the island was made into a target range for the United States Navy.

The legislature further finds that Puunene Airport was built in 1938 by the Territory of Hawaii. In 1940, the United States Navy started using the airport as a base for the Navy’s utility squadron VJ-3. The base was commissioned as “Naval Air Station Maui” in 1942. When the Navy built a larger airport at Kahului, it was renamed Puunene Naval Air Station. Puunene Naval Air Station was used for fighter plane training and a base for small planes which towed targets for practice and retrieved the parachutes of target flares. Puunene Naval Air Station was used by the United States Navy and the United States Army. After the war, Puunene Naval Air Station was transferred back to the Territory of Hawaii.

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According to the American Community Survey, which produces population, demographic, and housing unit estimates for the United States Census Bureau, in 2015, there were nine thousand four hundred fifty-one veterans living on Maui, including one thousand thirty Gulf War veterans (September, 2001 or later); nine hundred twenty-five Gulf War veterans (August, 1990 to August, 2001); three thousand nine hundred sixty-nine Vietnam conflict veterans; seven hundred ninety-one Korean conflict veterans; and six hundred ninety-four World War II veterans.

In addition, Mokulele highway passes along the former location of the Puunene airport, and the Maui army national guard Puunene armory is located just off the highway, which taken together, gives Mokulele highway a symbolic connection to military history.

The legislature finds that Mokulele highway has a clear connection to Maui's military history and that the heroic veterans living on Maui should be remembered for their sacrifice to our country by naming a highway in their honor.

The purpose of this Act is to rename the Mokulele highway to the Maui veterans highway.

SECTION 2. Route 311, known as Mokulele highway, on the island of Maui shall be renamed the "Maui veterans highway".

SECTION 3. The renaming of Mokulele highway under this Act shall not be deemed to affect any federal or state funding for Mokulele highway.

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

(Approved April 26, 2017.)

ACT 12

S.B. NO. 1218

A Bill for an Act Relating to Statutory Revision: Amending Various Provisions of the Hawaii Revised Statutes and the Session Laws of Hawaii for the Purposes of Correcting Errors and References, Clarifying Language, and Deleting Obsolete or Unnecessary Provisions.

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

SECTION 1. Sections 88-15, 171-22, 171-36(a)(2), 171-73(7), 171-93(4), 205-4.5(b), 206E-101, 249-6, 323D-13(b), 334-72, 363-11, 412:5-305(a)(1), 412:6-306(a)(1), 412:7-306(a)(1), 412:8-301(a)(1), 412:10-502(a)(1), 447-1.5(e), 448-1(2), 448-9.6(e), 516-35.1, 516-63, and 516-91, Hawaii Revised Statutes, are amended by substituting the term "Department of Veterans Affairs" wherever the term "Veterans Administration", "Veterans' Administration", or "veterans administration", or similar term, appears, as the context requires.

SECTION 2. Section 23G-14, Hawaii Revised Statutes, is amended to read as follows:

"§23G-14 Publication of supplements. As soon as possible after the close of each regular session of the legislature, the revisor of statutes, subject to section 23G-15, shall prepare for publication a cumulative [pocket part] supplement to the last revision of the laws of Hawaii. The supplement shall contain all laws of a general and permanent nature enacted at any session of the legislature subsequent to the last revision of the laws and not included therein and a cumu-

lative index of the material. The material in the supplement shall be arranged in the same order as like material is arranged in the last revision, shall show all sections repealed or amended, and shall be annotated to decisions and opinions subsequent to those included in the last revision."

SECTION 3. Section 28-152, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

"(f) Notwithstanding any law to the contrary, no member shall be liable in any civil action founded upon a statute or the case law of this State, for damage, injury, or loss caused by or resulting from the member's performance of [or] failure to perform any duty that is required or authorized to be performed by a person holding the position to which the member was appointed, unless the member acted with a malicious or improper purpose, except when the plaintiff in a civil action is the State."

SECTION 4. Section 37-68, Hawaii Revised Statutes, is amended to read as follows:

"§37-68 Responsibilities of agencies. Under rules as may be prescribed by the director of finance with the approval of the governor:

- (1) Each agency assigned the task of developing programs and preparing program and financial plans, budgetary requests, and program performance reports shall develop the programs and prepare the plans, requests, and reports and submit [the same] them to the director of finance at times, on forms, and in a manner as the director may prescribe. For informational purposes, the University of Hawaii shall submit its program and financial plans, budgetary requests, and program performance reports to the legislature at the same time the university submits them to the director of finance. Where new programs are being proposed, each agency shall demonstrate that the program:
 - (A) Is an appropriate function of state government; and, [as applicable]
 - (B) [Can] As applicable, can be implemented by the public sector as cost-effectively as the private sector while meeting the same plans, goals, objectives, standards, measures of effectiveness, wage, salary, conditions of employment, and employee benefit programs of the State;
- (2) Each agency administering state programs and each agency responsible for the formulation of programs and the preparation of program and financial plans, budgetary requests, and program performance reports[,] shall furnish the department of budget and finance all documents and information as the department may from time to time require. Each agency shall make available all documents and information, as may be requested, to the legislature and any member or committee of either house of the legislature;
- (3) The director of finance or any employee of the department of budget and finance, when duly authorized, for the purpose of securing information, shall have access to and may examine any books, documents, papers, or records of any agency;
- (4) Each agency submitting a capital improvement project proposal shall furnish the department of budget and finance with an estimate of operational costs for the proposed capital improvement project and all documents that support the estimate of operational costs.

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Each agency shall make available all documents and related information, as may be requested, to the legislature and any member or committee of either house.

- The director of finance shall provide a summary of this information in the multi-year program and financial plan and budget submitted to the legislature before the regular session of each odd-numbered year and the supplemental budget submitted to the legislature before the regular session of each even-numbered year; and
- (5) Each agency responsible for operating or maintaining a state-owned building, facility, or other improvement shall furnish the department of budget and finance with an estimate of the deferred maintenance costs for the building, facility, or other improvement.

The director of finance shall provide a summary of this information in the multi-year program and financial plan and budget submitted to the legislature before the regular session of each odd-numbered year and the supplemental budget submitted to the legislature before the regular session of each even-numbered year.

For the purposes of this paragraph, "deferred maintenance costs" means the costs to catch up on the repair and maintenance of the state-owned building, facility, or other improvement that has been delayed past the ordinarily scheduled repair and maintenance cycle. The department of budget and finance may further refine this definition in its instructions to the agencies furnishing the information."

SECTION 5. Section 87A-34, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) This section shall apply to state and county contributions to the fund for employees specified in paragraph [(1)(E)] (1)(D) of the definition of "employee" in section 87A-1 who:

- (1) Were hired on or before June 30, 1996; and
- (2) Retired after June 30, 1984, with fewer than ten years of credited service, excluding sick leave."

SECTION 6. Section 87A-36, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) The State, through the department of budget and finance, and the counties, through their respective departments of finance, shall pay to the fund:

- (1) For retired employees based on the self plan with ten or more years but fewer than fifteen years of service, a monthly contribution equal to one-half of the base medicare or non-medicare monthly contribution set forth under section 87A-33(b);
- (2) For retired employees based on the self plan with at least fifteen but fewer than twenty-five years of service, a monthly contribution equal to seventy-five per cent of the base medicare or non-medicare monthly contribution set forth under section 87A-33(b);
- (3) For retired employees based on the self plan with twenty-five or more years of service, a monthly contribution equal to [one-hundred] one hundred per cent of the base medicare or non-medicare monthly contribution set forth under section 87A-33(b); and
- (4) One-half of the monthly contributions for the employee-beneficiary or employee-beneficiary with dependent-beneficiaries upon the death of the employee, as defined in paragraph [(1)(E)] (1)(D) of the definition of "employee" in section 87A-1.

If both husband and wife are employee-beneficiaries, the total contribution by the State or county shall not exceed the monthly contribution for two supplemental medicare self or non-medicare self plans, as appropriate."

SECTION 7. Section 88-211, Hawaii Revised Statutes, is amended to read as follows:

"§88-211 Definitions. For the purposes of this part:

- (1) The term "wages" means all remuneration for employment as defined herein, including the cash value of all remuneration paid in any medium other than cash, except that the term shall not include that part of the remuneration which, even if it were for "employment" within the meaning of the Federal Insurance Contributions Act, would not constitute "wages" within the meaning of that Act;
- (2) The term "employment" means any service performed by an employee in the employ of the State, or any political subdivision thereof, for such employer except
 - (A) Service which in the absence of an agreement entered into under this part would constitute "employment" as defined in the Social Security Act; or
 - (B) Service which under the Social Security Act may not be included in an agreement between the State and the Department of Health and Human Services entered into under this part. Service which under the Social Security Act may be included in an agreement only upon certification by the governor in accordance with section 218(d)(3) of that Act shall be included in the term "employment" if and when the governor issues, with respect to such service, a certificate to the Secretary of Health and Human Services pursuant to section 88-219;
- (3) The term "employee" includes an officer of the State or political subdivision thereof;
- (4) The term "state agency" means the executive director of the state employees' retirement system;
- (5) The term "Secretary of Health and Human Services" includes an individual to whom the Secretary of Health and Human Services has delegated any of the Secretary's functions under the Social Security Act with respect to coverage under the Act of employees of the states and territories and their political subdivisions;
- (6) The term "political subdivision" includes an instrumentality of the State, of one or more of its political subdivisions, or of the State and one or more of its political subdivisions, but only if the instrumentality is a juristic entity which is legally separate and distinct from the State or subdivision and only if its employees are not by virtue of their relation to the juristic entity employees of the State or subdivision;
- (7) The term "Social Security Act" means the Act of Congress approved August 14, 1935, chapter 531, 49 Statutes At Large 620, officially cited as the "Social Security Act", (including regulations and requirements issued pursuant thereto), as such Act has been and may from time to time be amended;
- (8) The term "Federal Insurance Contributions Act" means subchapter A of chapter 9 of the federal Internal Revenue Code of 1939 and subchapters A and B of chapter 21 of the federal Internal Revenue Code of 1954, as such Codes have been and may from time to time

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~~be amended; and the term "employee tax" means the tax imposed by section 1400 of the Code of 1939 and section 3101 of the Code of 1954.]~~

"Employee" includes an officer of the State or political subdivision thereof.

"Employment" means any service performed by an employee in the employ of the State, or any political subdivision thereof, for that employer, except:

- (1) Service that, in the absence of an agreement entered into under this part, would constitute "employment" as defined in the Social Security Act; or
- (2) Service that under the Social Security Act may not be included in an agreement between the State and the Department of Health and Human Services entered into under this part. Service that under the Social Security Act may be included in an agreement only upon certification by the governor in accordance with section 218(d)(3) of that Act shall be included in the term "employment" if and when the governor issues, with respect to the service, a certificate to the Secretary of Health and Human Services pursuant to section 88-219.

"Federal Insurance Contributions Act" means subchapter A of chapter 9 of the Internal Revenue Code of 1939 and subchapters A and B of chapter 21 of the Internal Revenue Code of 1954, as those Codes have been and may from time to time be amended; and the term "employee tax" means the tax imposed by section 1400 of the Code of 1939 and section 3101 of the Code of 1954.

"Political subdivision" includes an instrumentality of the State, of one or more of its political subdivisions, or of the State and one or more of its political subdivisions, but only if the instrumentality is a juristic entity that is legally separate and distinct from the State or subdivision and only if its employees are not by virtue of their relation to the juristic entity employees of the State or subdivision.

"Secretary of Health and Human Services" includes an individual to whom the Secretary of Health and Human Services has delegated any of the Secretary's functions under the Social Security Act with respect to coverage under the Act of employees of the states and territories and their political subdivisions.

"Social Security Act" means the Act of Congress approved August 14, 1935, chapter 531, 49 Statutes At Large 620, officially cited as the "Social Security Act", (including regulations and requirements issued pursuant thereto), as that Act has been and may from time to time be amended.

"State agency" means the executive director of the state employees' retirement system.

"Wages" means all remuneration for employment as defined in this section, including the cash value of all remuneration paid in any medium other than cash, except that the term shall not include that part of the remuneration that, even if it were for "employment" within the meaning of the Federal Insurance Contributions Act, would not constitute "wages" within the meaning of that Act."

SECTION 8. Section 103-55, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) This section shall apply to all contracts to perform services in excess of \$25,000, including contracts to supply ambulance service and janitorial service.

This section shall not apply to:

- (1) Managerial, supervisory, or clerical personnel[-];

- (2) Contracts for supplies, materials, or printing[.];
- (3) Contracts for utility services[.];
- (4) Contracts to perform personal services under [paragraphs (2), (3), (12), and (15) of section 76-16, paragraphs (7), (8), and (9) of section 46-33, and paragraphs (7), (8), and (12) of section 76-77.] ~~section 46-33(7), (8), and (9), section 76-16(b)(2), (3), (12), and (15), and section 76-77(7), (8), and (12);~~
- (5) Contracts for professional services[.];
- (6) Contracts to operate refreshment concessions in public parks, or to provide food services to educational institutions[.];
- (7) Contracts to provide transportation services for school children[.];
or
- (8) Contracts with nonprofit institutions."

SECTION 9. Section 183D-66, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

"(e) To the extent permitted under federal law, none of the prohibitions set forth in this section shall apply if:

- (1) The covered animal species part or product is part of a bona fide antique; provided that:
 - (A) The antique status of [such a] the part or product is established by the owner or seller thereof with historical documentation showing the antique to be not less than one hundred years old;
 - (B) The covered animal species part or product is less than twenty per cent by volume of [such an] the antique; and
 - (C) The covered animal species part or product is a fixed component or components of a larger manufactured item and is not, in its current form, the primary source of value of the item;
- (2) The distribution of the covered animal species part or product is:
 - (A) For a bona fide educational or scientific purpose; or
 - (B) To or from a museum;
- (3) The distribution of the covered animal species part or product is to a legal beneficiary of an estate, trust, or other inheritance;
- (4) The covered animal species part or product is less than twenty per cent by volume of a gun, knife, or musical instrument, including without limitation string instruments and bows, wind and percussion instruments, and pianos, if the owner or seller provides historical documentation showing the item was manufactured no later than 1975 and the covered animal species part or product is a fixed component or components of a larger manufactured item and is not, in its current form, the primary source of value of the item;
- (5) The sale, offer for sale, purchase, trade, [] possession [] with intent to sell, or barter of the covered animal species part or product is expressly authorized by federal law or permit; or
- (6) The activity is authorized under section 183D-6."

SECTION 10. Section 188-70, Hawaii Revised Statutes, is amended by amending subsections (b), (c), and (d) to read as follows:

"(b) Any person violating section 188-23, is guilty of a class C felony and shall be sentenced pursuant to chapter 706; provided that the environmental court, in addition to any term of imprisonment or any other terms and conditions of probation, shall order the defendant to pay a fine of not less than \$1,000. Notwithstanding section 706-669 and any other law to the contrary, any person in violation of [subsection (b),] section 188-23(b), as a first offense, shall

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be sentenced to a mandatory minimum period of imprisonment without possibility of parole [for] of thirty days. Repeat offenders shall be sentenced pursuant to chapter 706.

(c) The environmental court may require the defendant to complete an aquatic resources educational class administered by the department of land and natural resources in addition to or in lieu of paying all or any part of any monetary fine authorized by this section.

(d) The environmental court may direct the defendant to perform community service as administered by the department of land and natural resources in lieu of paying any monetary fine authorized by this section."

SECTION 11. Section 201H-110, Hawaii Revised Statutes, is amended to read as follows:

"~~[§201H-110]~~ **Loans; default.** The corporation may [renegotiate,]:

- (1) Renegotiate, refinance, or foreclose any loan in default[·];
- (2) [The corporation may waive] Waive any default or consent to the modification of the terms of any loan or security agreement[·];
- (3) [The corporation may commence] Commence any action to protect or enforce any right conferred upon it by any law, mortgage, insurance policy, contract, or other agreement[·];
- (4) [The corporation may bid] Bid for and purchase the property secured by the loan at any foreclosure or other sale, or acquire or take possession of the property secured by the loan[·]; and
- (5) [The corporation may operate,] Operate, manage, lease, dispose of, or otherwise deal with the property secured by the loan."

SECTION 12. Section 201M-6, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Upon submission of the petition, the agency shall forward a copy of the petition to the board, as notification of a petition filed under this chapter. The agency shall promptly consider the petition and may seek advice and counsel regarding the petition from the appropriate departmental advisory committee on small business. Within sixty days after the submission of the petition, the agency shall determine whether the impact statement or the public hearing addressed the actual and significant impact on small business. The agency shall submit a written response of the agency's determination to the [small business review] board within sixty days after receipt of the petition. If the agency determines that the petition merits the adoption, amendment, or repeal of a rule, it may initiate proceedings in accordance with section 91-3."

SECTION 13. Section 201M-8, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Subsection (a) shall not apply:

- (1) When a small business fails to exercise good faith in complying with the statute or rules;
- (2) When a violation involves wilful or criminal conduct;
- (3) When a violation results in serious health and safety impacts;
- (4) To violations of chapters 6E, 180, 180C, 181, 182, 183, 183C, 183D, 186, 187A, 188, 188F, 189, 190, 190D, 195, 195D, 195F, 205, 205A, 340A, 340E, 341, 342B, 342C, 342D, 342E, 342F, 342G, 342H, 342I, 342J, 342L, and 342P;
- (5) To violations of sections 200-9(b) [and (e),] to (d), 200-24(4), 200-37, and 200-38; or

- (6) To violations of administrative rules promulgated pursuant to section [§200-4(a)(6)]; except for rules pertaining to matters listed in section [§200-4(a)(6)(A), (B), (C), and (D)].”

SECTION 14. Section 202-2, Hawaii Revised Statutes, is amended to read as follows:

“§202-2 Duties of council. In accordance with P.L. 113-128 (29 U.S.C. section 3111), the workforce development council shall assist the governor in:

- (1) The development, implementation, and modification of the state plan consistent with P.L. 113-128 (29 U.S.C. section 3112);
- (2) The review of statewide policies, statewide programs, and recommendations on actions that should be taken by the State to align workforce development programs in a manner that supports a comprehensive and streamlined workforce development system in the State, including consideration of programs and activities of one-stop partners that are not core programs;
- (3) The development and continuous improvement of the workforce development system in the State;
- (4) The development and updating of comprehensive state performance accountability measures, including state adjusted levels of performance, to assess the effectiveness of the core programs in the State as required under P.L. 113-128 (29 U.S.C. section 3141(b));
- (5) The identification and dissemination of information on best practices for the effective operation of one-stop centers, and the development of effective local boards and effective training programs;
- (6) The development and review of statewide policies affecting the co-ordinated provision of services through the State's one-stop delivery system;
- (7) The development of strategies for technological improvements to facilitate access to, and improve the quality of, services and activities provided through the one-stop delivery system;
- (8) The development of strategies for aligning technology and data systems across one-stop partner programs to enhance service delivery and improve efficiencies in reporting on performance accountability measures, including the design and implementation of common intake, data collection, case management information, and performance accountability measurement and reporting processes, and the incorporation of local input into [such] the design and implementation, to improve coordination of services across one-stop partner programs;
- (9) The development of allocation formulas for the distribution of funds for employment and training activities for adults, and youth workforce investment activities, to local areas as permitted under P.L. 113-128 (29 U.S.C. sections 3163(b)(3), 3173(b)(3));
- (10) The preparation of annual reports as described in P.L. 113-128 (29 U.S.C. section 3141(d));
- (11) The development of the statewide workforce and labor market information system described in the Wagner-Peyser Act (29 U.S.C. section 491-2(e));
- (12) The development of [such] other policies as may promote statewide objectives for, and enhance the performance of, the workforce development system;

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- (13) Creating public awareness and understanding of the State's workforce development plans, policies, programs, and activities, and promoting the plans, policies, programs, and activities as economic investments;
- (14) Submitting annual reports of the council's activities and recommendations to the governor and the legislature, and posting the annual reports electronically on the council's website no later than twenty days before the convening of each regular session. Annual reports shall include:
 - (A) The status of the comprehensive state plan for workforce development; and
 - (B) Information regarding the workforce development programs offered throughout the State, the number of individuals placed in high-demand or high-growth employment through workforce development programs by departments, the type or category of employment garnered, and allocations of state, federal, and other funding to achieve placements into higher-skilled jobs;
- (15) Evaluating the state workforce development plan in terms of how its purposes, goals, and objectives have been carried out throughout the State;
- (16) Providing technical assistance to local workforce development boards and other similar organizations;
- (17) Carrying out required functions and duties related to workforce development of any advisory body required or made optional by federal legislation;
- (18) The review and certification of local workforce development boards and plans prepared by local workforce development boards for the use of federal workforce development funds as provided in P.L. 113-128 (29 U.S.C. section 3122(b)-(c)); and
- (19) Commenting on the measures taken pursuant to section 122(c)(17) of the Carl D. Perkins Career and Technical Education Act of 2006, P.L. 109-270.”

SECTION 15. Section 205-2, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) Agricultural districts shall include:

- (1) Activities or uses as characterized by the cultivation of crops, crops for bioenergy, orchards, forage, and forestry;
- (2) Farming activities or uses related to animal husbandry and game and fish propagation;
- (3) Aquaculture, which means the production of aquatic plant and animal life within ponds and other bodies of water;
- (4) Wind generated energy production for public, private, and commercial use;
- (5) Biofuel production, as described in section 205-4.5(a)(16), for public, private, and commercial use;
- (6) Solar energy facilities; provided that:
 - (A) This paragraph shall apply only to land with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class B, C, D, or E; and
 - (B) Solar energy facilities placed within land with soil classified as overall productivity rating class B or C shall not occupy more than ten per cent of the acreage of the parcel, or twenty acres

- of land, whichever is lesser, unless a special use permit is granted pursuant to section 205-6;
- (7) Bona fide agricultural services and uses that support the agricultural activities of the fee or leasehold owner of the property and accessory to any of the above activities, regardless of whether conducted on the same premises as the agricultural activities to which they are accessory, including farm dwellings as defined in section 205-4.5(a)(4), employee housing, farm buildings, mills, storage facilities, processing facilities, photovoltaic, biogas, and other small-scale renewable energy systems producing energy solely for use in the agricultural activities of the fee or leasehold owner of the property, agricultural-energy facilities as defined in section 205-4.5(a)(17), vehicle and equipment storage areas, and plantation community subdivisions as defined in section 205-4.5(a)(12);
- (8) Wind machines and wind farms;
- (9) Small-scale meteorological, air quality, noise, and other scientific and environmental data collection and monitoring facilities occupying less than one-half acre of land; provided that these facilities shall not be used as or equipped for use as living quarters or dwellings;
- (10) Agricultural parks;
- (11) Agricultural tourism conducted on a working farm, or a farming operation as defined in section 165-2, for the enjoyment, education, or involvement of visitors; provided that the agricultural tourism activity is accessory and secondary to the principal agricultural use and does not interfere with surrounding farm operations; and provided further that this paragraph shall apply only to a county that has adopted ordinances regulating agricultural tourism under section 205-5;
- (12) Agricultural tourism activities, including overnight accommodations of twenty-one days or less, for any one stay within a county; provided that this paragraph shall apply only to a county that includes at least three islands and has adopted ordinances regulating agricultural tourism activities pursuant to section 205-5; provided further that the agricultural tourism activities coexist with a bona fide agricultural activity. For the purposes of this paragraph, "bona fide agricultural activity" means a farming operation as defined in section 165-2;
- (13) Open area recreational facilities;
- (14) Geothermal resources exploration and geothermal resources development, as defined under section 182-1;
- (15) Agricultural-based commercial operations, including:
- (A) A roadside stand that is not an enclosed structure, owned and operated by a producer for the display and sale of agricultural products grown in Hawaii and value-added products that were produced using agricultural products grown in Hawaii;
- (B) Retail activities in an enclosed structure owned and operated by a producer for the display and sale of agricultural products grown in Hawaii, value-added products that were produced using agricultural products grown in Hawaii, logo items related to the producer's agricultural operations, and other food items; and
- (C) A retail food establishment owned and operated by a producer and permitted under [title 11, chapter 12 of the rules of the department of health] chapter 11-50, Hawaii administrative

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rules, that prepares and serves food at retail using products grown in Hawaii and value-added products that were produced using agricultural products grown in Hawaii.

The owner of an agricultural-based commercial operation shall certify, upon request of an officer or agent charged with enforcement of this chapter under section 205-12, that the agricultural products displayed or sold by the operation meet the requirements of this paragraph; and

- (16) Hydroelectric facilities as described in section 205-4.5(a)(23).

Agricultural districts shall not include golf courses and golf driving ranges, except as provided in section 205-4.5(d). Agricultural districts include areas that are not used for, or that are not suited to, agricultural and ancillary activities by reason of topography, soils, and other related characteristics.”

SECTION 16. Section 205-4, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

“(e) Any other provisions of law to the contrary notwithstanding, agencies and persons may intervene in the proceedings in accordance with this subsection.

- (1) The petitioner, the office of planning, and the county planning department shall in every case appear as parties and make recommendations relative to the proposed boundary change[.];
- (2) All departments and agencies of the State and of the county in which the land is situated shall be admitted as parties upon timely application for intervention[.];
- (3) All persons who have some property interest in the land, who lawfully reside on the land, or who otherwise can demonstrate that they will be so directly and immediately affected by the proposed change that their interest in the proceeding is clearly distinguishable from that of the general public shall be admitted as parties upon timely application for intervention[.];
- (4) All other persons may apply to the commission for leave to intervene as parties. Leave to intervene shall be freely granted[,]; provided that the commission or its hearing officer, if one is appointed, may deny an application to intervene when in the commission's or hearing officer's sound discretion it appears that:
 - (A) [the] The position of the applicant for intervention concerning the proposed change is substantially the same as the position of a party already admitted to the proceeding; and
 - (B) [the] The admission of additional parties will render the proceedings inefficient and unmanageable.
- (5) A person whose application to intervene is denied may appeal [such] the denial to the circuit court pursuant to section 91-14[-]; and The commission [shall], pursuant to chapter 91, shall adopt rules governing the intervention of agencies and persons under this subsection. [Such] The rules shall without limitation establish:
 - (A) [the] The information to be set forth in any application for intervention;
 - (B) [time] The limits within which [such] applications shall be filed; and
 - (C) [reasonable] Reasonable filing fees to accompany [such] applications.”

SECTION 17. Section 206-1, Hawaii Revised Statutes, is amended by amending the definition of "government" to read as follows:

"Government" shall have the [respective] meaning set forth in section 201H-1."

SECTION 18. Section 206-6, Hawaii Revised Statutes, is amended to read as follows:

"§206-6 Acquisition of land within a development area. (a) After the declaration of a development area, the board of land and natural resources may acquire a parcel or parcels of land, which it shall thereafter designate for the appropriate development project or projects within the area. If necessary lands cannot reasonably be acquired by voluntary transaction, the board may institute eminent domain proceedings to acquire the land and improvements; provided that negotiations for the acquisition by voluntary transaction shall not be required before the institution of eminent domain proceedings. The board [shall], within twelve months [next] following its designation, shall acquire or institute eminent domain proceedings to acquire the lands so designated. If the lands are not acquired or eminent domain proceedings are not instituted within the twelve month period, [it] the board shall reimburse the owner of the lands so designated for out-of-pocket expenses of appraisal, survey, and [attorney] attorney's fees [as] that the owner may have incurred as a result of the designation.

(b) Subject to the restrictions in [the following section,] section 206-7, the board may acquire for development projects any lands suitable for residential use or suitable for such use or uses upon subdivision and development. The board may also acquire, in connection with the development projects, lands necessary for roads, sidewalks, parks, schools, utilities, and playground and recreational facilities[; and]; rights to water and access[. The board may also acquire, in connection with the development projects,; and lands for business use where the use is reasonably necessary to provide services to the prospective occupants of the projects. Plans and specifications for projects shall include provisions for roads, sidewalks, parks, schools, utilities, playground and recreational facilities, and other appropriate improvements, so that they will be suitable for disposition as hereinafter provided.]

SECTION 19. Section 206-7, Hawaii Revised Statutes, is amended to read as follows:

"§206-7 Property [which] that shall not be acquired for development projects. (a) In declaring development areas, and acquiring land therein, the board of land and natural resources shall avoid disturbing existing uses [which] that are in accord with the highest use permitted under any existing zoning ordinance in the political subdivision concerned.

(b) The board shall not acquire for development projects:

- (1) Lands already developed and improved as business or industrial areas where use of the lands for residential purposes or as a part of a development project would be economically unsound or where an undue hardship would be suffered by the community through loss of service because of the acquisition;
- (2) Lands already in use for residential purposes by the owner thereof or by a lessee holding a lease with an original term of twenty years or more, except where the acquisition of parts of the lands is reasonably necessary for the proper development of a project, but in no

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case shall any part of the lands be taken where the taking will reduce the parcel to less than three acres in extent;

- (3) Lands in the process of subdivision and development where the owner or the owner's agent has provided that at least fifty per cent of the lots to be sold shall be sold in fee simple, prepared subdivision and construction plans, arranged for financing, and applied to government agencies and otherwise taken [such] steps [as] that may be appropriate for the construction of the proposed development in good faith and filed an affidavit with the board to that effect; or
- (4) Lands used or to be used as sites for churches, private or parochial schools, clubs, meeting houses, or other private uses of a community, civic, social, or religious nature;

provided that portions of the lands mentioned under paragraphs (1), (2), (3), and (4) [of this section], or interests therein, may be taken to provide access and utility easements where no other reasonable means of access or utility easements are available.

(c) In acquiring agricultural land for a development project, where the land though used for agricultural purposes is not being used in accord with the highest use permitted under any existing zoning ordinance, the board shall exercise all reasonable care not to jeopardize the agricultural enterprise concerned. If, however, the board finds that the land is necessary for a development project, [it] the board may provide assistance, monetary or otherwise, in relocating the enterprise elsewhere or pay [such] damages to the owner or operator of [such] the enterprise [as] that will reasonably compensate the owner or operator for the owner's or operator's loss, if the owner or operator has not already been so compensated under a lease agreement, or both."

SECTION 20. Section 206-10, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Any original purchaser intending to sell [such] any lot and improvements within the five-year period shall first notify the board in writing of the original purchaser's intention. The notice shall specify the original purchaser's address and shall expressly offer to sell [such] the property to the board at a price [which] that shall not exceed the sum of the:

- (1) [the original] Original cost of the land[;] and
- (2) [the replacement] Replacement value, less depreciation at the rates used for real property tax purposes, of all buildings and improvements thereon, to be determined by three appraisers; one appointed by the board, one appointed by the owner, and the third by the two appraisers so appointed, the cost to be borne equally by the parties.

Within thirty days after the receipt of the notice, the board [shall] in writing shall notify the original purchaser at the specified address [so specified] whether it elects to exercise the option. If the board refuses, or fails within the thirty-day period, to reply to the offer, the original purchaser may sell the property to any other person free from any price restrictions[;] provided that if the board elects to purchase, the board shall [thereupon] use its best efforts to dispose of [it] the property as soon as practicable subject to the lien of any mortgage, to a qualified and responsible person who will assume the obligation of mortgage and debt secured thereby."

SECTION 21. Section 206-11, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) Nothing in this chapter shall be construed as limiting the power of the board[:(1)] to vest in an obligee the right, in the event of a default by the [board]:

- (1) Board or by the purchaser, to take possession of a development project or lot or cause the appointment of a receiver thereof, free from all the restrictions imposed by this chapter; or
- (2) ~~[to vest in the obligee the right, in the event of a default by the purchaser]~~ Purchaser, to acquire title to a lot or the property mortgaged by the purchaser free from all the restrictions imposed by this chapter."

SECTION 22. Section 206E-2, Hawaii Revised Statutes, is amended to read as follows:

“§206E-2 Definitions. As used in this chapter, the following [words and] terms [shall] have the following meanings, unless the context [shall indicate another or] indicates a different meaning or intent:

[**(1)**] "Authority" means the Hawaii community development authority established by section 206E-3.

[**(2)**] "County" means any county of the State.

[**(3)**] "Local governing body" means the county council.

[**(4)**] "Project" means a specific work or improvement, including real and personal properties, or any interest therein, acquired, owned, constructed, reconstructed, rehabilitated, or improved by the authority, including a [residential] commercial project, a redevelopment project, or a [commercial] residential project, all as defined [herein,] as follows, or any combination thereof, which combination shall hereinafter be called and known as a "multipurpose project".

[**(A)**] "Residential project" means a project or that portion of a multipurpose project, including residential dwelling units, designed and intended for the purpose of providing housing and such facilities as may be incidental or appurtenant thereto;

[**(B)**] "Redevelopment project" means an undertaking for the acquisition, clearance, replanning, reconstruction, and rehabilitation or a combination of these and other methods, of an area for a residential project, for an incidental commercial project, and for other facilities incidental or appurtenant thereto, pursuant to and in accordance with this chapter. The terms "acquisition, clearance, replanning, reconstruction, and rehabilitation" shall include renewal, redevelopment, conservation, restoration, or improvement, or any combination thereof;

[**(C)**] "Commercial project" means an undertaking involving commercial or light industrial development, which includes a mixed-use development where commercial or light industrial facilities may be built into, adjacent to, under or above residential units.] As used in this definition:

[**(1)**] "Commercial project" means an undertaking involving commercial or light industrial development, which includes a mixed-use development where commercial or light industrial facilities may be built into, adjacent to, under, or above residential units;

[**(2)**] "Redevelopment project" means an undertaking for the acquisition, clearance, replanning, reconstruction, and rehabilitation, or a combination of these and other methods, of an area for a residential project, for an incidental commercial project, and for other facilities

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incidental or appurtenant thereto, pursuant to and in accordance with this chapter. The terms "acquisition, clearance, replanning, reconstruction, and rehabilitation" shall include renewal, redevelopment, conservation, restoration, or improvement, or any combination thereof; and

(3) "Residential project" means a project or that portion of a multi-purpose project, including residential dwelling units, designed and intended for the purpose of providing housing and any facilities as may be incidental or appurtenant thereto.

[§] "Project cost" means the total of all costs incurred by the authority in carrying out all undertakings [which] that it deems reasonable and necessary for the development of a project, including but not limited to: studies; surveys; plans; specifications; architectural, engineering, or any other development related services; acquisition of land and any improvement thereon; site preparation and development; construction; reconstruction; rehabilitation; the necessary expenses in administering the chapter; the cost of financing the project; and relocation costs.

[§] "Public agency" means any office, department, board, commission, bureau, division, public corporation agency, or instrumentality of the federal, state, or county government.

[§] "Public facilities" includes streets, utility and service corridors, and utility lines where applicable, sufficient to adequately service developable improvements in the district, sites for schools, parks, parking garage, sidewalks, pedestrian ways, and other community facilities. "Public facilities" shall also include public highways, as defined by statute, storm drainage systems, water systems, street lighting systems, off-street parking facilities, and sanitary sewerage systems.

[§] "Qualified person" includes any individual, partnership, corporation, or any public agency[,] possessing the competence, expertise, experience, and resources, including financial, personnel, and tangible resources, required for the purposes of the project and [such] other qualifications as may be deemed desirable by the authority in administering [the] this chapter.

[§] "Real property" means lands, structures, and interests in land, including lands under water and riparian rights, space rights, and air rights and any and all other things and rights usually included within the term. Real property also means any and all interests in [such] the property less than full title, such as easements, incorporeal hereditaments, and every estate, interest, or right, legal or equitable, including terms for years and liens thereon by way of judgments, mortgages, or otherwise."

SECTION 23. Section 206J-12, Hawaii Revised Statutes, is amended as follows:

1. By amending subsections (d) and (e) to read:

"(d) [Should] If any bond issued under this chapter or any coupon appertaining thereto [be] is mutilated or [be] lost, stolen, or destroyed, the development corporation may cause a new bond or coupon of like date, number, and tenor to be executed and delivered in exchange and substitution for, and upon the cancellation of [such] the mutilated bond or coupon, or in lieu of and in substitution for, [such] the lost, stolen, or destroyed bond or coupon. [Such] The new bond or coupon shall not be executed or delivered until the holder of the mutilated, lost, stolen, or destroyed bond or coupon:

(1) [has] Has paid the reasonable expense and charges in connection therewith[;]:

- (2) [in] In the case of a lost, stolen, or destroyed bond or coupon, has filed with the development corporation or its fiduciary evidence satisfactory to the development corporation or its fiduciary that [such] the bond or coupon was lost, stolen, or destroyed and that the holder was the owner thereof[;]; and
- (3) [has] Has furnished indemnity satisfactory to the development corporation.
- (e) The development corporation in its discretion may provide that CUSIP identification numbers shall be printed on [such] bonds. [In the event such] If CUSIP identification numbers are imprinted on any [such] bonds:
 - (1) [no such] No CUSIP identification number shall constitute a part of the contract evidenced by the particular bond upon which it is imprinted[;]; and
 - (2) [no] No liability shall attach to the development corporation or any officer or agent thereof, including any fiscal agent, paying agent, or registrar for [such] any bonds by reason of [such] any CUSIP identification numbers or any use made thereof, including any use thereof made by the development corporation[; or] any [such] officer[; or] [any such agent,] agent thereof, or by reason of any inaccuracy, error, or omission with respect thereto or in such use.

The development corporation in its discretion may require that all costs of obtaining and imprinting [such] CUSIP identification numbers shall be paid by the purchaser of [such] the bonds. For the purposes of this subsection, the term "CUSIP identification numbers" means the numbering system adopted by the Committee for Uniform Security Identification Procedures formed by the Securities Industry Association."

2. By amending subsection (i) to read:

"(i) The development corporation may issue bonds for the purpose of refunding any bonds then outstanding and issued under this chapter whether or not [such] the outstanding bonds have matured or are then subject to redemption. The development corporation may issue bonds for the combined purposes of:

- (1) [financing] Financing or refinancing the cost of a project, improvement, or expansion thereof[;]; and
- (2) [refunding] Refunding bonds [which] that shall theretofore have been issued under this chapter and shall then be outstanding, whether or not [such] the outstanding bonds have matured or are then subject to redemption.

Nothing in this subsection shall require or be deemed to require the development corporation to elect to redeem or prepay bonds being refunded, or to redeem or prepay bonds being refunded [which] that were issued, in the form customarily known as term bonds in accordance with any sinking fund installment schedule specified in any proceedings authorizing the issuance thereof, or, [in the event] if the development corporation elects to redeem or prepay any [such] bonds, to redeem or prepay as of any particular date or dates. The issuance of [such] bonds, the maturities and other details thereof, the rights and remedies of the holders thereof, and the rights, powers, privileges, duties, and obligations of the development corporation with respect to the bonds, shall be governed by the foregoing provisions of this chapter insofar as the same may be applicable."

SECTION 24. Section 207-11, Hawaii Revised Statutes, is amended by amending the definition of "foreign lender" to read as follows:

"Foreign lender" means [(A)] "a":

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- (1) A depository institution as defined in section 501(a)(2) of the federal Depository Institutions Deregulation and Monetary Control Act of 1980, a “real estate investment trust” as defined in the Internal Revenue Code, an insurance company, the principal office of which is in another state, whether incorporated or unincorporated and whether acting in its individual capacity or in a fiduciary capacity[~~B the~~];
- (2) The trustee or trustees from time to time in office of any employee benefit plan[~~(C)a~~];
- (3) A lender approved by the Secretary of the United States Department of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act[~~(D) any~~];
- (4) Any corporation of which all of the capital stock (except the directors' qualifying shares) is owned by one or more foreign lenders specified in [(A), (B),] paragraphs (1), (2), and [(C),] (3); and [(E) any]
- (5) Any corporation of which all of the capital stock (except for the directors' qualifying shares) is owned by one or more foreign lenders specified in [(D), but] paragraph (4);
provided that the term “foreign lender” does not include any financial services loan company licensed under article 9 of chapter 412.”

SECTION 25. Section 207-12, Hawaii Revised Statutes, is amended to read as follows:

“§207-12 Exemptions and immunities. A foreign lender [~~which~~] that:

- (1) [does] Does not maintain a place of business in this State[~~s~~];
- (2) [conducts] Conducts its principal activities outside this State[~~s~~]; and
- (3) [complies] Complies with this part,

does not by engaging in this State in any or all of the activities specified in section 207-13, violate the laws of this State relating to doing business or doing a banking, trust, or insurance business, or become subject to chapter 412, 414, or 431, or become subject to any taxation [~~which~~] that would otherwise be imposed for doing business in or doing a banking, trust, or insurance business in, or having gross income or receipts from sources in, property in, or the conduct of any activity in, this State, or become subject to any taxation under chapter 235, 237, or 241, and no income or receipts of any foreign lender arising out of any of the activities specified in [the following] section 207-13 shall constitute income from sources in, property in, or activities conducted in this State for the purposes of any tax imposed by this State[~~s~~ provided that nothing]. Nothing in this part shall be construed to exempt the real property of a foreign lender from taxation to the same extent, according to its value, as other real property is taxed, or to preclude the inclusion of the dividends or other income from foreign lenders in the income of individuals taxable under chapter 235 to the same extent as is included dividends and other income from domestic lenders; [and] provided [further] that if any [such] foreign lender shall acquire any property in this State in enforcement of the rights of the foreign lender in the event of a default by any borrower, as permitted by section 207-13(4), then commencing one year after title to [such] that property has vested in the foreign lender, the rents or other receipts received by the foreign lender from, and the proceeds of sale by the foreign lender of, [such] that property shall be subject to taxation under chapters 235 and 237 in the same manner and to the same extent as if the rents, other receipts, or proceeds were received by a resident of this State; and provided further that

if any [such] foreign lender shall otherwise acquire any property in this State or engage in any business or activities in this State not specified in section 207-13, then the rents and other receipts received by the foreign lender from [such] that property and the proceeds of sale by the foreign lender of [such] that property and all income and receipts from the foreign lender's business or activities in this State not specified in section 207-13 shall be subject to taxation under chapters 235 and 237 in the same manner and to the same extent as if [such] the rents, other receipts, proceeds, and income were received by a resident of this State, but [such] the other activities and business shall not deprive the foreign lender of the immunities and exemptions from taxation [hereinabove-stated] provided in this section with respect to the activities specified in section 207-13."

SECTION 26. Section 207-13, Hawaii Revised Statutes, is amended to read as follows:

"§207-13 Permitted activities. The activities referred to in [the preceding] section 207-12 are:

- (1) Making loans;
- (2) Receiving security for loans;
- (3) Acquiring, by assignment or otherwise, partial or entire interests in loans or in security for loans;
- (4) Servicing (but servicing only by or through individuals who are residents of, or corporations doing business in, this State), collecting, enforcing, or otherwise realizing upon loans or upon security for loans or upon interests therein; and taking, holding, and disposing of any property acquired (whether by purchase at any sale pursuant to foreclosure by suit or foreclosure under power of sale, or by foreclosure by entry, or by conveyance in lieu of foreclosure) in enforcement of the rights of the foreign lender in the event of default by any borrower; and
- (5) Empowering agents and servants or in connection with, and entering into and performing contracts, and doing other acts and things necessary or appropriate for or preliminary or incident to, any of the foregoing activities, but not maintaining any office in this State for the conduct of any such activities."

SECTION 27. Section 209-2, Hawaii Revised Statutes, is amended to read as follows:

"§209-2 [Governor's determination.] State disaster; determination by governor. (a) After [the occurrence of] any sudden and extraordinary event [which] that causes losses and suffering, the governor shall make a determination as to whether a state disaster has occurred and thereafter may declare a state disaster for the entire State or any portion thereof. In making this determination, the governor shall consider whether the effect on the health and living standards of a substantial number of persons and the effect on the economy of the State are of such a nature[,] as to warrant assistance from the state government.

(b) The governor [may], in [the] a proclamation, may designate the whole or any part of the State eligible for the relief provided for in this chapter and unless otherwise provided herein may authorize any or all of the relief measures provided for in parts II, III, and IV [of this chapter]."

SECTION 28. Section 211F-5.7, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

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- “(b) Moneys in the fund shall be expended by the corporation [to]:
- (1) [Provide] To provide seed capital for and venture capital investments in private sector and federal projects for research, development, testing, and implementation of the Hawaii renewable hydrogen program, as set forth in section 196-10; and
 - (2) For any other purpose deemed necessary to carry out the purposes of section 196-10.”

SECTION 29. Section 214-2, Hawaii Revised Statutes, is amended to read as follows:

“§214-2 Funds, allotment, and expenditure. Money allotted under this chapter by the State shall be available to the several counties; provided that no part of state or county moneys shall be expended for capital improvement projects [which] that are not a part of the general plan of the State[;] or [which] that will not reasonably contribute to the economic development of the county. The determination of:

- (1) [the] The extent of participation by the State[;]; and
- (2) [what] What capital improvement projects shall reasonably contribute to the economic development of a county,

shall be made by the governor, taking into consideration the State's goal for specific segments of its general plan and the financial position of the county.”

SECTION 30. Section 225M-3, Hawaii Revised Statutes, is amended to read as follows:

“§225M-3 Cooperation. (a) The office of planning shall seek the widest possible cooperation from public and private agencies and individuals and the federal government to achieve the purposes of this chapter. [It] The office of planning shall work closely with and assist the counties in the promotion of coordinated state and county planning.

(b) Every state department, county agency, or other public or private [agencies] agency or [individuals] individual providing planning programs and services shall be encouraged to participate actively in the activities of the office of planning. The executive heads of all state departments and agencies shall cooperate with the office of planning by providing information as the governor and the director of business, economic development, and tourism [deem] necessary for the effective discharge of its duties.

(c) Nothing in this chapter shall be deemed to delegate or detract in any way from the functions, powers, and duties conferred by law on any state or county department or agency [of the State or county].”

SECTION 31. Section 231-2, Hawaii Revised Statutes, is amended to read as follows:

“§231-2 Taxation districts. For the purpose of taxation, the State is divided into the following four districts[, viz.]:

- [a] (1) The city and county of Honolulu, to be called the first district;
- [b] (2) The counties of Maui and Kalawao, to be called the second district;
- [c] (3) The county of Hawaii, to be called the third district; and
- [d] (4) The county of Kauai, to be called the fourth district.”

SECTION 32. Section 231-11, Hawaii Revised Statutes, is amended to read as follows:

“§231-11 Police to aid assessing or collecting officers. The director of taxation or any assessing or collecting officer of the department of taxation, when resisted or impeded in the exercise of [his] the director's or assessing or collecting officer's office, may require any police officer to aid [him] the director or assessing or collecting officer in the discharge of [his] the director's or assessing or collecting officer's duties, and if any [such] police officer refuses to render aid [he], the police officer shall be deemed guilty of a misdemeanor.”

SECTION 33. Section 231-15.5, Hawaii Revised Statutes, is amended to read as follows:

“§231-15.5 Disclosure by return preparers. (a) Any person who is engaged in the business of preparing, or providing services in connection with the preparation of, tax returns or any person who, for compensation, prepares any [such] tax return for any other person and [who], without the written consent or request of [such other] the person[, discloses] for whom the return is prepared:

- (1) Discloses any information furnished to [him] the return preparer or person providing services for[,] or in connection with[,] the preparation of any [such] return; or [uses any such]
- (2) Uses the information for any purpose other than to prepare[,] or assist in preparing any [such] return,

shall be guilty of a misdemeanor[,] and, upon conviction thereof, shall be fined not more than \$1,000 or imprisoned not more than one year, or both.

(b) Except as otherwise provided, this section shall not apply to a disclosure of information if [such] the disclosure is made pursuant to section 231-3 or [pursuant to] an order of a court.”

SECTION 34. Section 231-37, Hawaii Revised Statutes, is amended to read as follows:

“§231-37 Neglect of duty, etc., misdemeanor. Any officer of the department of taxation, the state director of finance, any person duly authorized by the director of taxation, or any police officer, on whom duties are imposed under this chapter, who wilfully fails or refuses or neglects to perform faithfully any duty or duties [of him] as required by this chapter, shall be deemed guilty of a misdemeanor.”

SECTION 35. Section 231-59, Hawaii Revised Statutes, is amended to read as follows:

“[§§231-59][Procedure additional. The setoff procedure authorized by sections 231-53 to [231-57] 231-57.5 is in addition to and not in substitution of any other remedy available by law.”

SECTION 36. Section 231-62, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Upon enforcement or foreclosure by the State, in any manner whatsoever, of any state tax lien on real property, all state taxes of whatsoever nature and howsoever accruing and due at the time of the foreclosure sale from the taxpayer against whose property the tax lien is so enforced or foreclosed shall be

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satisfied as far as possible out of the proceeds of the sale remaining after payment of the:

- (1) [~~the costs~~] Costs and expenses of the enforcement and foreclosure, including a title search, if any[~~,~~];
- (2) [~~the amount~~] Amount of subsisting state tax liens on real property[~~,~~]; and
- (3) [~~the amount~~] Amount of any recorded liens against the property, in the order of their priority."

SECTION 37. Section 232-3, Hawaii Revised Statutes, is amended to read as follows:

"§232-3 Grounds of appeal, real property taxes. In the case of a real property tax appeal, no taxpayer or county shall be deemed aggrieved by an assessment, nor shall an assessment be lowered or an exemption allowed, unless there is shown:

- (1) Assessment of the property exceeds by more than twenty per cent the ratio of assessment to market value used by the director of taxation as the real property tax base[~~, or~~];
- (2) Lack of uniformity or inequality, brought about by illegality of the methods used or error in the application of the methods to the property involved[~~, or~~];
- (3) Denial of an exemption to which the taxpayer is entitled and for which the taxpayer has qualified[~~,~~]; or
- (4) Illegality, on any ground arising under the Constitution or laws of the United States or the laws of the State (in addition to the ground of illegality of the methods used, mentioned in [elause] paragraph (2))."

SECTION 38. Section 233-2, Hawaii Revised Statutes, is amended to read as follows:

"§233-2 Same: application of taxes. In the event of the adoption of a rule or regulation pursuant to section 233-1:

- (1) The person, firm, corporation, or the like, who is the subject of the rule or regulation and thereafter engages or continues in the business of selling tangible personal property shall be:
 - (A) [~~shall be deemed~~] Deemed to be selling the same property to the persons or entities who would be the buyers if, in fact, [~~such~~] the representatives, distributors, dealers, salespersons, peddlers, canvassers, carriers, truckers, or the like were employees[~~,~~];
 - (B) [~~shall be deemed~~] Deemed to be the employer of the persons classed by [~~such~~] the rule or regulation as employees[~~,~~]; and
 - (C) [~~shall be subject~~] Subject to all of the liabilities, duties, and obligations of the sellers and employers under the tax laws administered by the department of taxation[~~,~~];
- (2) The persons so classed as employees shall:
 - (A) [~~shall not~~] Not be deemed to be buying [~~such~~] the property or reselling the same property;
 - (B) [~~shall be~~] Be deemed to be the employees of the person so deemed an employer[~~,~~]; and

- (C) [shall be] Be subject to all of the liabilities, duties, and obligations of employees, under the tax laws administered by the department[.]; and
- (3) The rule or regulation of the department shall:
 - (A) [shall provide] Provide for the collection, in lieu of withholding, of taxes levied upon the persons so classed as employees in cases in which the persons themselves retain, from receipts handled by them, their fees, charges, commissions, markups, percentages, or other remuneration[.];
 - (B) [shall designate] Designate the fees, charges, commissions, markups, percentages, or other remuneration[.] constituting the taxable compensation of the [person] persons classed as employees[.]; and
 - (C) [shall contain such] Contain other provisions [as] that may be necessary or proper to effectuate this chapter."

SECTION 39. Section 235-1, Hawaii Revised Statutes, is amended by amending the definitions of "legal service plan", "person totally disabled", and "resident" to read as follows:

"Legal service plan" [(Plan)] or plan means a plan in which the cost of the services are paid by a member or by some other person or organization in the member's behalf. A legal service plan is a plan by which legal services are rendered to members identifiable in terms of some common interest. A plan shall provide:

- (A) (1) That individual members shall be afforded freedom of choice in the selection of their own attorney or attorneys to provide legal services under [such] the plan[.]; and
- (B) (2) For the payment of equal amounts for the cost of services rendered without regard to the identity of the attorney or attorneys selected by the plan member or members. No plan shall otherwise discriminate on the basis of [such] the selection.

"Person totally disabled" means a person who is totally and permanently disabled, either physically or mentally, which results in the person's inability to engage in any substantial gainful business or occupation.

The disability shall be certified to by a:

- (1) [a physician] Physician or osteopathic physician licensed under chapter 453[.];
- (2) [a qualified] Qualified out-of-state physician who is currently licensed to practice in the state in which the physician resides[.]; or
- (3) [a commissioned] Commissioned medical officer in the United States Army, Navy, Marine Corps, or Public Health Service, engaged in the discharge of [one's] the officer's official duty.

Certification shall be on forms prescribed by the department of taxation.

"Resident" means every:

- (1) [every individual] Individual domiciled in the State[.]; and
- (2) [every other] Other individual, whether domiciled in the State or not, who resides in the State. To "reside" in the State means to be in the State for other than a temporary or transitory purpose. Every individual who is in the State more than two hundred days of the taxable year in the aggregate shall be presumed to be a resident of the State. This presumption may be overcome by evidence satisfactory to the department of taxation that the individual maintains a permanent place of abode outside of the State and is in the State for a temporary or transitory purpose. No person shall be deemed to

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have gained or lost a residence simply because of the person's presence or absence in compliance with military or naval orders of the United States, or while engaged in aviation or navigation, or while a student at any institution of learning."

SECTION 40. Section 235-5.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) For purposes of this section, the term "individual housing account" means a trust created or organized in Hawaii for the exclusive benefit of an individual, or, in the case of a married individual, for the exclusive benefit of the individual and spouse jointly, but only if the written governing instrument creating the trust meets the following requirements:

- (1) Contributions shall not be accepted for the taxable year in excess of \$5,000 (or \$10,000 in the case of a joint return) or in excess of \$25,000 for all taxable years, exclusive of interest paid or accrued;
- (2) The trustee is a bank, a savings and loan association, a credit union, or a depository financial services loan company, chartered, licensed, or supervised under federal or state law, whose accounts are insured by the Federal Deposit Insurance Corporation, the National Credit Union Administration, or any agency of this State or any federal agency established for the purpose of insuring accounts in these financial institutions. The financial institution must actively make residential real estate mortgage loans in Hawaii;
- (3) The assets of the trust shall be invested only in fully insured savings or time deposits. Funds held in the trust may be commingled for purposes of investment, but individual records shall be maintained by the trustee for each individual housing account holder [which] that show all transactions in detail;
- (4) The entire interest of an individual or married couple for whose benefit the trust is maintained shall be distributed to the individual or couple not later than one hundred twenty months after the date on which the first contribution is made to the trust;
- (5) Except as provided in subsection (g), the trustee shall not distribute the funds in the account unless [it] the trustee:
 - (A) [verifies] Verifies that the money is to be used for the purchase of a first principal residence located in Hawaii, and provides that the instrument of payment is payable to the mortgagor, construction contractor, or other vendor of the property purchased; or
 - (B) [withholds] Withholds an amount equal to ten per cent of the amount withdrawn from the account and remits this amount to the director within ten days after the date of the withdrawal. The amount [so] withheld shall be applied to the liability of the taxpayer under subsections (c) and (e); and
- (6) If any amounts are distributed before the expiration of three hundred sixty-five days from the date on which a contribution is made to the account, the trustee shall so notify in writing the taxpayer and the director. If the trustee makes the verification required in paragraph (5)(A), then the department shall disallow the deduction under subsection (a) and subsections (c), (e), and (f) shall not apply to that amount. If the trustee withdraws an amount under paragraph (5)(B), then the department shall disallow the deduction under subsection (a) and subsection (e) shall apply, but subsection (c) shall not apply."

SECTION 41. Section 235-34, Hawaii Revised Statutes, is amended to read as follows:

“§235-34 Compensation; where paid. Compensation is paid in this State if:

- (1) The individual's service is performed entirely within the State; [or]
- (2) 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
- (3) Some of the service is performed in the State and:
 - (A) [the] 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
 - (B) [the] 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.”

SECTION 42. Section 235-36, Hawaii Revised Statutes, is amended to read as follows:

“§235-36 Apportionment; sales factor; tangible personalty. Sales of tangible personal property are in this State if:

- (1) 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
- (2) The property is shipped from an office, store, warehouse, factory, or other place of storage in this State and the:
 - (A) [the-purchaser] Purchaser is the United States government; or
 - (B) [the-taxpayer] Taxpayer is not taxable in the state of the purchaser.”

SECTION 43. Section 235-51, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) There is hereby imposed on the taxable income of every:

(1) [every taxpayer] Taxpayer who files a joint return under section 235-93; and

(2) [every surviving] Surviving spouse,

a tax determined in accordance with the following table:

In the case of any taxable year beginning after December 31, 2001:

If the taxable income is:	The tax shall be:
Not over \$4,000	1.40% of taxable income
Over \$4,000 but not over \$8,000	\$56.00 plus 3.20% of excess over \$4,000
Over \$8,000 but not over \$16,000	\$184.00 plus 5.50% of excess over \$8,000
Over \$16,000 but not over \$24,000	\$624.00 plus 6.40% of excess over \$16,000
Over \$24,000 but not over \$32,000	\$1,136.00 plus 6.80% of excess over \$24,000
Over \$32,000 but not over \$40,000	\$1,680.00 plus 7.20% of excess over \$32,000
Over \$40,000 but not over \$60,000	\$2,256.00 plus 7.60% of excess over \$40,000

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Over \$60,000 but not over \$80,000	\$3,776.00 plus 7.90% of excess over \$60,000
Over \$80,000	\$5,356.00 plus 8.25% of excess over \$80,000.

In the case of any taxable year beginning after December 31, 2006:

If the taxable income is:	The tax shall be:
Not over \$4,800	1.40% of taxable income
Over \$4,800 but not over \$9,600	\$67.00 plus 3.20% of excess over \$4,800
Over \$9,600 but not over \$19,200	\$221.00 plus 5.50% of excess over \$9,600
Over \$19,200 but not over \$28,800	\$749.00 plus 6.40% of excess over \$19,200
Over \$28,800 but not over \$38,400	\$1,363.00 plus 6.80% of excess over \$28,800
Over \$38,400 but not over \$48,000	\$2,016.00 plus 7.20% of excess over \$38,400
Over \$48,000 but not over \$72,000	\$2,707.00 plus 7.60% of excess over \$48,000
Over \$72,000 but not over \$96,000	\$4,531.00 plus 7.90% of excess over \$72,000
Over \$96,000	\$6,427.00 plus 8.25% of excess over \$96,000."

2. By amending subsection (e) to read:

"(e) Any taxpayer, other than a corporation, acting as a business entity in more than one state who is required by this chapter to file a return may elect to report and pay a tax of .5 per cent of [its] the taxpayer's annual gross sales if the:

- (1) [where the taxpayer's] Taxpayer's only activities in this State consist of sales; [and]
- (2) [who] Taxpayer does not own or rent real estate or tangible personal property; and
- (3) [whose] Taxpayer's annual gross sales in or into this State during the tax year is not in excess of \$100,000."

SECTION 44. Section 235-61, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) As used in this section:

[+] "Wages" means wages, commissions, fees, salaries, bonuses, and every and all other kinds of remuneration for, or compensation attributable to, services performed by an employee for the employee's employer, including the cash value of all remuneration paid in any medium other than cash and the cost of living allowances and other payments included in gross income by section 235-7(b), but excluding income excluded from gross income by section 235-7 or other provisions of this chapter;

[2)] "Employee" includes an officer or elected official, or any other employee[;].

[3)] "Employer" means [(A) the]:

(1) The person or government for whom an individual performs or performed any service, of whatever nature, as the employee of [such] that person or government[-, and (B) the]:

- (2) The person having control of the payment of the wages if the employer as heretofore defined does not have control thereof[;]; and [if] any]

- (3) Any person subject to the jurisdiction of the State and paying wages on behalf of an employer as heretofore defined if the employer is not subject to the jurisdiction of the State;

provided that the term employer shall not include any government that is not subject to the laws of the State except as, and to the extent that, it consents to the application of sections 235-61 to 235-67 to it.

"Wages" means wages, commissions, fees, salaries, bonuses, and every and all other kinds of remuneration for, or compensation attributable to, services performed by an employee for the employee's employer, including the cash value of all remuneration paid in any medium other than cash and the cost-of-living allowances and other payments included in gross income by section 235-7(b), but excluding income excluded from gross income by section 235-7 or other provisions of this chapter."

2. By amending subsection (c) to read:

"(c) For each withholding period (whether weekly, biweekly, monthly, or otherwise) the amount of tax to be withheld under this section shall be at a rate [which] that, for the taxable year, will yield the tax imposed by section 235-51 upon each employee's annual wage, as estimated from the employee's current wage in any withholding period, but for the purposes of this subsection of the rates provided by section 235-51 the maximum to be taken into consideration shall be eight per cent. The tax for the taxable year shall be calculated upon the following assumptions:

- (1) That the employee's annual wage, as estimated from the employee's current wage in the withholding period, will be the employee's sole income for the taxable year;

- (2) That there will be no deductions therefrom in determining adjusted gross income;

- (3) That in determining taxable income there shall be a standard deduction allowance, which shall be an amount equal to one exemption (or more than one exemption if so prescribed by the director) unless the taxpayer:

- (A) [the taxpayer is] Is married and the taxpayer's spouse is an employee receiving wages subject to withholding[;]; or

- (B) [the taxpayer has] Has withholding exemption certificates in effect with respect to more than one employer.

For the purposes of this section, any standard deduction allowance under this paragraph shall be treated as if it were denominated a withholding exemption;

- (4) That in determining taxable income there also will be deducted the amount of exemptions and withholding allowances granted to the employee in the computation of taxable income, as shown by a certificate to be filed with the employer as provided by subsection (f); and

- (5) If it appears from the certificate filed pursuant to subsection (f) that the employee, under section 235-93, is entitled to make a joint return, that the employee and the employee's spouse will so elect."

3. By amending subsection (e) to read:

"(e) The department, by rule, may require the deduction and withholding of tax from any remuneration or compensation paid for or attributable to services that are not subject to the general excise tax imposed by chapter 237, whether or not [such] a withholding is provided for hereinabove. Every person

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so required to deduct and withhold tax, or from whom tax is required to be deducted and withheld, shall be subject to sections 235-61 to 235-67, and every person so required to deduct and withhold tax shall be deemed an employer for the purposes of this chapter.

The department, by rule, may exempt any employer from the requirement of deduction and withholding of taxes, even though the requirement is imposed by this section, if and to the extent that the department finds the requirement unduly onerous or impracticable of enforcement."

SECTION 45. Section 235-101, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) It shall be the duty of every person who is required by section 235-92 to make a return, to report to the department, as to any taxable year governed by this chapter, if:

- (1) [the] The amount of taxable income as returned to the United States is changed, corrected, or adjusted by an officer of the United States or other competent authority[,-or];
- (2) [a] A change in taxable income results from a renegotiation of a contract with the United States or a subcontract thereunder[,-or];
- (3) [a] A recomputation of the income tax imposed by the United States under the Internal Revenue Code results from any cause[,-]; or
- (4) [aa] An amended income tax return is made to the United States.

The report shall be made within ninety days after the change, correction, adjustment, or recomputation is finally determined or the amended return is filed, as the case may be. The report required by this subsection shall be made in the form of an amendment of the person's return filed under this chapter. The amended return shall be accompanied by a copy of the document issued by the United States under paragraphs (1) to (3). The statutory period for the assessment of any deficiency or the determination of any refund attributable to this report shall not expire before the expiration of one year from the date the department is notified by the taxpayer or the Internal Revenue Service, whichever is earlier, of [such a] the report in writing. Before the expiration of this one-year period, the department and the taxpayer may agree in writing to the extension of this period. The period so agreed upon may be further extended by subsequent agreements in writing made before the expiration of the period previously agreed upon."

SECTION 46. Section 235-110.8, Hawaii Revised Statutes, is amended by amending subsection (g) to read as follows:

"(g) As provided in section 42(e), rehabilitation expenditures shall be treated as a separate new building and their treatment under this section shall be the same as in section 42(e). The definitions and special rules relating to credit period in section 42(f) and the definitions and special rules in section 42(i) shall be operative for the purposes of this section."

SECTION 47. Section 236E-5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The Internal Revenue Code, so far as made operative by this chapter, is a statute adopted and incorporated by reference. The Internal Revenue Code shall be applied using changes in nomenclature and other language, including the omission of inapplicable language, where necessary to effectuate the intent of this section. References to the following terms in the Internal Revenue Code shall have the following meanings:

- [+] "Secretary or his delegate" means the director of taxation or the director's duly authorized subordinates; and

(2)] “Interest at the underpayment rate” or “interest at the overpayment rate” means the interest rate set forth in section 231-39(b)(4) or section 231-23(d)(1), as the case may be.

“Secretary or his delegate” means the director of taxation or the director’s duly authorized subordinates.”

SECTION 48. Section 237-1, Hawaii Revised Statutes, is amended by amending the definition of “legal service plan” to read as follows:

“Legal service plan” [~~“Plan”~~] or “plan” means a plan in which the cost of the services are paid by a member or by some other person or organization in the member’s behalf. A legal service plan is a plan by which legal services are rendered to members identifiable in terms of some common interest. A plan shall provide:

- [A] (1) That individual members shall be afforded freedom of choice in the selection of their own attorney or attorneys to provide legal services under [such] the plan; and
- [B] (2) For the payment of equal amounts for the cost of services rendered without regard to the identity of the attorney or attorneys selected by the plan member or members. No plan shall otherwise discriminate on the basis of [such] the selection.”

SECTION 49. Section 237-2, Hawaii Revised Statutes, is amended to read as follows:

“§237-2 “Business”, “engaging” in business, defined. As used in this chapter:

“Business” [~~as used in this chapter~~] includes all activities (personal, professional, or corporate)[,] engaged in or caused to be engaged in with the object of gain or economic benefit either direct or indirect, but does not include casual sales.

[~~The term “engaging” as used in this chapter~~] “Engaging”, with reference to engaging or continuing in business [~~also~~], includes the exercise of corporate or franchise powers.”

SECTION 50. Section 237-39, Hawaii Revised Statutes, is amended to read as follows:

“§237-39 Audits; procedure, penalties. (a) For the purpose of verification or audit of a return made by the taxpayer, or where there is reasonable ground to believe that any return made is so deficient as not to form the basis of a satisfactory assessment of the tax, or for the purpose of making an assessment where no return has been made, the department of taxation or the Multi-state Tax Commission pursuant to chapter 255, or the authorized representative thereof, may examine all account books, bank books, bank statements, records, vouchers, taxpayer’s copies of federal tax returns, and any and all other documents and [~~evidences~~] evidence having any relevancy to the determination of the gross income or gross proceeds of sales of any taxpayer as required to be returned under this chapter and may summon or require the attendance of the person by or for whom the return, if any, has been made or whose tax is being assessed, and any employee of the person, and may summon or require the attendance of any person having knowledge in the premises, naming the time and place in the summons, and may require the production of any books, statements, or other [~~evidences~~] evidence open to [his] examination, and may take testimony in reference to any [such] matter relevant to the gross income or gross proceeds

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of sales of the taxpayer for the period under consideration, with power to require that the person so called and appearing shall be interrogated under oath and to administer the oath.

(b) If the department determines that any gross income or gross proceeds of sales liable to the tax have not been assessed, the department may assess the same as provided in sections 237-36 and 237-38.

(c) Any individual knowingly giving false testimony under oath at any [such] hearing before the department shall be guilty of perjury and shall be punished as provided by law.

(d) Any person refusing or neglecting to obey any summons issued by the department, and any individual appearing and refusing to testify under oath, shall be fined \$50 for the first offense and \$100 for each succeeding offense."

SECTION 51. Section 237-44, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) As used in this section:

[+] "Admission" means the amount paid for admission to any place, including admission by season ticket or subscription, and also includes the amount paid for seats and tables, reserved or otherwise, and other similar accommodations.

[2] "Cabaret" means any roof garden, cabaret, or other similar place furnishing a public performance, by or for any patron or guest who is entitled to be present during any portion of the performance, including any room in any hotel, restaurant, hall, or other public place where music and dancing privileges or any other entertainment are afforded the patrons in connection with the serving or selling of food, refreshment, or merchandise.

[3] "Transient taxpayer" refers to any person subject to the tax imposed by this chapter who has no permanent place of business in the State."

2. By amending subsection (d) to read:

"(d) Whenever a transient taxpayer is engaged in business at any place for which admissions are charged, or at any cabaret whether or not admissions are charged, the person engaging the transient taxpayer shall collect from [him.] the transient taxpayer, by withholding or otherwise, the tax levied by this chapter on the transient taxpayer, shall hold the [same] tax in trust for the State, and shall return and pay over the [same] tax to the proper collecting officer of the State in the manner and at the time required by this chapter, for the account of the transient taxpayer[; in the event of his failure]. If the person fails to do so [he], the person shall be liable to pay to the State the amount of the tax levied by this chapter on the transient taxpayer, together with penalties and interest as provided by law. The amount of the liability may be collected from the guarantee fund, if any, or may be assessed against and collected from the person so becoming liable in the same manner as if the tax had been levied upon [him.] the person."

SECTION 52. Section 238-13, Hawaii Revised Statutes, is amended to read as follows:

"§238-13 Other provisions of general excise tax law applicable. In respect of:

- (1) [the] The examination of books and records and of taxpayers and other persons[;];
- (2) [procedure] Procedure and powers upon failure or refusal by a taxpayer to make a return or a proper return[;]; and

(3) [the] The general administration of this chapter, the director of taxation shall have all the rights and powers conferred upon the director by the general excise tax law with respect to taxes thereby or thereunder imposed; and, without restriction upon these rights and powers, sections 237-8, 237-30, 237-34, and 237-36 to 237-41 are hereby made applicable to and with respect to the taxes and the taxpayers, tax officers, and other persons, and the matters and things affected or covered by this chapter, insofar as not inconsistent with this chapter, in the same manner, as nearly as may be, as in similar cases covered by the general excise tax law."

SECTION 53. Section 239-2, Hawaii Revised Statutes, is amended by amending the definition of "net operating income" to read as follows:

"[The "net"] Net operating income" of a public utility subject to the tax rate imposed by section 239-5(a) is the operating revenues less the operating expenses and tax accruals, including in the computation of [such] those revenues and expenses, debits and credits arising from equipment rents and joint facility rents. [In the event that,] If, but for this sentence, deductions could not be had for expenses of services because [such] the services were rendered by the same person or persons constituting the public utility or could not be had for income taxes, because [such] the taxes were levied against the person or persons constituting the public utility in the person's or their individual capacity and not as a separate entity, there nevertheless shall be allowed as deductions in computing the net operating income a:

- [A] (1) [a reasonable] Reasonable allowance for the value of personal services actually rendered[.]; and
- [B] (2) [such proportion] Proportion of the actual amount of income taxes, federal and state, [as] that fairly represents the portion of the income so taxed [which] that was derived from the public utility business."

SECTION 54. Section 239-7, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) The department shall prescribe the forms in which returns shall be made, so as to reflect clearly the liability of each public service company subject to this tax, and may provide in the forms for [such] any additional information as it may deem necessary. All provisions of the laws, not inapplicable and not inconsistent with this chapter, relating to returns for income tax purposes[.] and the assessment (including additional assessments), collection, and payment (in installments or otherwise) of income taxes, and the powers and duties of the department and the state director of finance in connection therewith[.]; and relating to appeals from or other adjustments of [such] assessments, limitation periods for assessments, enforcement of attendance of witnesses, and the production of evidence, examination of witnesses and records, the effect of assessments, tax books, and lists and other official tax records as evidence, delinquent dates and penalties, and the rights and liabilities (civil and criminal) of taxpayers and other persons in connection with any matters dealt with by chapter 235, are made applicable to:

- (1) [to the] The taxes and the assessment, payment, and collection thereof, provided by this chapter[. and];
- (2) [to the] The department and the state director of finance in connection with the taxes and the assessment, payment, or enforcement of payment and collection thereof[.]; and
- (3) [to taxpayers] Taxpayers and other persons affected by this chapter,

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as the case may be. The provisions of chapter 235 regarding the limitation period for assessment and refunds shall run from the filing of the return for the taxable year, or the due date prescribed for the filing of the return, whichever is later. With respect to payments due to a county of the revenues generated from the tax in excess of the four per cent rate imposed under section 239-5(a), a county director of finance shall be afforded [such] the rights and procedures of the department in the enforcement of payment and collection of the taxes assessed and levied under this chapter."

SECTION 55. Section 239-8, Hawaii Revised Statutes, is amended to read as follows:

"§239-8 Allocation and apportionment. (a) The gross income included in the measure of the tax, as defined in [subparagraphs (B)] paragraphs (2) and [(C)] (3) of the definition of "gross income" in section 239-2, shall be determined by an allocation and separate accounting so far as practicable.

(b) If under [subparagraph (B)] paragraph (2) of the definition of "gross income" in section 239-2, an apportionment of gross income is necessary, there shall be apportioned to the State and included in the measure of the tax that proportion of the total gross income, so requiring apportionment, [which] that the direct cost of the transportation, conveyance, or transmission designated in [subparagraph (B)] paragraph (2) of the definition of "gross income" in section 239-2, bears to the total direct cost of the transportation, conveyance, or transmission the gross income from which requires apportionment.

(c) If under [subparagraph (C)] paragraph (3) of the definition of "gross income" in section 239-2, an apportionment of gross income is necessary, there shall be apportioned to the State and included in the measure of the tax that proportion of the total gross income, so requiring apportionment, [which] that the total direct cost of the transportation, conveyance, or transmission within the State bears to the total direct cost of the transportation, conveyance, or transmission the gross income from which requires apportionment."

SECTION 56. Section 241-1, Hawaii Revised Statutes, is amended by amending the definitions of "financial corporation" and "interbank broker" to read as follows:

"Financial corporation" means:

- (1) [any] Any corporation, domestic or foreign, other than a bank or building and loan association, [which] that is a financial corporation within the meaning of section 5219 of the Revised Statutes of the United States, as amended (12 U.S.C. section 548), or other similar law, doing business in the State and not subject to the taxes imposed by chapter 235, but shall not include an insurance company [which] that pays the tax on premiums imposed by chapter 431[;]; and
- (2) [an] An interbank broker doing business in the State and not subject to the taxes imposed by chapter 235.

"Interbank broker" means a person, who for a fee, brokerage, or other compensation, either directly or indirectly, provides brokerage services as an intermediary or agent in transactions between financial institutions where one financial institution:

- (1) [supplies] Supplies funds to another financial institution by making a loan, placing funds in a deposit account, or otherwise extending credit to the other institution[;];

- (2) [buys,] Buys, sells, trades, or swaps currency, commercial paper, banker's acceptances, negotiable certificates of deposit, treasury bills, notes, or bonds with another financial institution[.]; or
- (3) [enters] Enters into interest rate swaps, forward rate agreements, or interest rate futures contracts with another financial institution.

[A “financial” “Financial institution”, as used in this [paragraph,] definition, means a bank, a savings bank, a building and loan association, a trust company, a financial services loan company, an insurance company, a pension and profit sharing trust, an investment company as defined in the federal Investment Company Act of 1940, an Edge or Agreement Corporation, an international banking facility, and similar United States or foreign institutions.”]

SECTION 57. Section 244D-1, Hawaii Revised Statutes, is amended by amending the definition of “cooler beverage” to read as follows:

““Cooler beverage” means either a:

- (1) [a-wine] Wine cooler containing wine and more than fifteen per cent added natural or artificial blending material, such as fruit juices, flavors, flavorings, or adjuncts, water (plain, carbonated, or sparkling), colorings, or preservatives, and [which] that contains less than seven per cent of alcohol by volume; or
- (2) [a-malt] Malt beverage cooler containing beer and added natural or artificial blending material, such as fruit juices, flavors, flavorings, colorings, or preservatives, and [which] that contains less than seven per cent of alcohol by volume.”

SECTION 58. Chapter 249, Hawaii Revised Statutes, is amended by amending the title of the part entitled “BICYCLES AND MOPEDS” to read as follows:

“[BICYCLES AND MOPEDS]”

SECTION 59. Section 249-14, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) An owner of a bicycle having two tandem wheels that are less than twenty inches in diameter is not required to register [such] that bicycle, but may do so to facilitate the return of recovered stolen bicycles by payment of the registration fee. The fee collected shall not be refunded or prorated. Upon receipt of the fee, the director of finance shall number and register each bicycle for which the fee is paid, in the owner's name, and furnish the owner with a metallic tag or decal for each bicycle, which shall be attached to the bicycle [or moped]. [On bicycles the] The decal shall be affixed to a bicycle on the upright post attached to the sprocket facing in the forward direction. Upon initial registration by an owner or transferee, the director of finance shall require proof of ownership and require the owner to furnish verification of the serial number and description contained in the proof of ownership and application for registration. The metallic tags or decals shall be in a form as the director of finance shall from time to time prescribe. It shall be the duty of the director of finance of each county to purchase a sufficient number of these tags or decals.”

SECTION 60. Section 249-14.5, Hawaii Revised Statutes, is amended to read as follows:

“§249-14.5 New bicycles and mopeds. All new bicycles and mopeds, otherwise requiring the payment of fees under section 249-14, held in stock for

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purposes of sale shall be exempt from the fee. At the time of first sale, the dealer selling the new bicycle or moped shall:

- (1) Require the buyer to complete a license application form furnished by the director of finance;
- (2) Issue a copy of the completed form to the buyer; and
- (3) Transmit a copy of the completed form to the director of finance with the required fees [which] that the dealer has collected from the buyer.

Upon receipt of the fee and the completed license application form, the director of finance shall mail a license plate and [tags] tag or [emblems] emblem for mopeds, or tag or decal for bicycles, and certificate of registration to the registered owner. Until the license plate and [tags] tag or [emblems] emblem for mopeds, or tag or decal for bicycles, is received, the bicycle or moped owner shall keep a copy of the completed application form upon the owner's person when riding the bicycle or moped on a public street."

SECTION 61. Chapter 286, Hawaii Revised Statutes, is amended by amending the title of part II to read as follows:

"PART II. [INSPECTION OF VEHICLES AND MOPEDS]"

SECTION 62. Section 304A-120, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) All University of Hawaii students and employees shall complete the training required under subsection (a)(1), (a)(2), (a)(3), and (a)(4) or may be subject to fines, sanctions, or other discipline, as deemed [appropriate] by the University of Hawaii."

SECTION 63. Section 328-91, Hawaii Revised Statutes, is amended by amending the definitions of "interchangeable biological product" and "purple book" to read as follows:

"Interchangeable biological product" means a biological product approved by the director as substitutable by pharmacists and included in the Hawaii list of equivalent generic [drugs] drug products and interchangeable biological products.

"Purple Book" means the United States Food and Drug Administration's ["List] Lists of Licensed Biological Products with Reference Product Exclusivity and Biosimilarity or Interchangeability Evaluations" publication and its cumulative supplements, which include [a-list] lists of licensed biological products with biosimilarity and interchangeability evaluations."

SECTION 64. Section 328-96, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The director shall maintain an official record of, and update as necessary, the Hawaii list of equivalent generic [drugs] drug products and interchangeable biological products electronically on the department's website, which shall be accessible to pharmacists and other interested persons."

SECTION 65. Section 587A-3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The department or an authorized agency, as resource family or permanent custodian, shall abide by the following guiding principles and ensure that a child in foster care:

- (1) Lives in a safe and healthy home, free from physical, psychological, sexual, and other abuse;
- (2) Has adequate:
 - (A) Food that is nutritious and healthy;
 - (B) Clothing;
 - (C) Medical care, dental and orthodontic services, and corrective vision care; and
 - (D) Mental health services;
- (3) Has supervised or unsupervised in-person, telephone, or other forms of contact with the child's parents and siblings while the child is in foster care, unless prohibited by court order;
- (4) Has in-person contact with the child's assigned child protective services worker, guardian ad litem, and if applicable, the child's probation officer;
- (5) Meets with the presiding judge in the child's case;
- (6) Is enrolled in a comprehensive health insurance plan and, within forty-five days of out-of-home placement, is provided with a comprehensive health assessment and treatment as recommended;
- (7) May freely exercise the child's own religious beliefs, including the refusal to attend any religious activities and services;
- (8) Has a personal bank account and assistance in managing the child's personal income consistent with the child's age and development, unless safety or other concerns require otherwise;
- (9) Has the right to attend school and, if the child is moved during a school year, has the right to complete the school year at the same school, if practicable;
- (10) Beginning at age twelve, is provided with age-appropriate life skills training and a transition plan for appropriately moving out of the foster care system, as well as written information concerning independent living programs, foster youth organizations, transitional planning services, and independent living case management programs that are available to all children in foster care who are twelve years of age or older and their resource families; and
- (11) May participate in extracurricular, enrichment, cultural, and social activities; provided that the child caring institution or resource caregiver authorizes the participation in accordance with the reasonable and prudent parent standard as defined in title 42 United States Code section [§]675(10)(A)[§]."

SECTION 66. Section 621-9, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) Except as provided for in section 802-7, whenever a witness subpoenaed on behalf of the State in a criminal case or on behalf of a defendant at the expense of the State in a criminal case is discharged, the clerk of the court shall issue to [him] the witness, under seal of the court, a numbered certificate from a book having a stub with like designations, stating the name of the witness, when and where [he] the witness was summoned or subpoenaed, the date of [his] the witness' discharge, the number of miles necessarily traveled from [his] the witness' place of residence to the place of holding court, the number of days' service, and the amount due for transportation and for service. The certificate, when correct, must be so certified by the public prosecutor or county attorney for witnesses subpoenaed on behalf of the State, and by the public defender for witnesses subpoenaed on behalf of a defendant, but no certificate shall be so

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certified unless presented to [him] the public prosecutor, county attorney, or public defender within twelve months after the date of issue. Duly certified witness certificates shall be paid upon vouchers approved by the state director of finance and warrants drawn by the state comptroller.”

2. By amending subsection (c) to read:

“(c) Each public prosecutor or county attorney and the public defender shall submit to the state department of budget and finance for inclusion in the department’s budget request for each fiscal biennium the amount required for each fiscal year for expenses for witnesses subpoenaed by [him] the public prosecutor, county attorney, or public defender and for defendants and postconviction petitioners summoned on [his] behalf of, or required by [him], the public prosecutor, county attorney, or public defender.”

SECTION 67. Section 633-33, Hawaii Revised Statutes, is amended to read as follows:

“§633-33 Judgment for wages; oral examination; payment. When a judgment in an action pursuant to this chapter is founded in whole or in part on a claim for wages or personal services, the court [shall], upon motion of the party obtaining judgment, shall order the appearance of the party against whom the judgment has been entered but not more often than once each week for four consecutive weeks, for oral examination under oath as to [his] the financial status of the party against whom the judgment has been entered and [his] that party's ability to pay the judgment, and the court shall make [such] supplementary orders as seems just and proper to effectuate the payment of the judgment upon reasonable terms.”

SECTION 68. Section 651-8, Hawaii Revised Statutes, is amended to read as follows:

“§651-8 Amount levied on. The police officer shall attach a sufficient amount of the property of the defendant if a sufficient amount of property not exempt from execution can be found, giving [that] preference to property to which the defendant has an unquestionable title [a preference over that] over any property to which the defendant's title is doubtful. The police officer [shall], as nearly as the circumstances of the case will permit, shall levy upon property twenty per cent greater in value than the amount [which] that the plaintiff in the plaintiff's affidavit claims to be due. When property is seized on attachment, the court may allow reasonable and just compensation to the officer having charge [thereof such compensation] of the property for the officer's trouble and expenses in keeping the [same as is reasonable and just.] property.”

SECTION 69. Section 656-3, Hawaii Revised Statutes, is amended to read as follows:

“§656-3 Representation of another's credit, etc., when actionable. No action shall be brought and maintained[,] to charge any person upon, or by reason of, any representation or assurance[,] made concerning the character, conduct, credit, ability, trade, or dealings of another person, unless [such] the representation or assurance is made in writing[.] and signed by the party to be charged thereby, or by [some] a person[,-thereunto by the party lawfully authorized.] lawfully authorized by the party to sign.”

SECTION 70. Section 662-6, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

~~"[¶(b)] Sections]~~ Section 661-2 [and 661-9] shall apply to actions under this chapter."

SECTION 71. Section 663-9.1, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

(a) As used in this section:

(+) "Premises" includes any building or portion thereof or any real property owned, leased, or occupied by the owner or harborer of an animal.

(2) "Enter or remain unlawfully" means to be in or upon premises when the person is not licensed, invited, or otherwise privileged to be upon the premises. A person is not licensed or privileged to enter or remain in or upon [a] premises if a warning or warnings have been posted that are reasonably adequate to warn other persons that an animal is present on the premises. A person who, regardless of the person's intent, enters or remains in or upon premises [which] that are at the time open to the public does so with license and privilege unless the person defies a lawful order not to enter or remain, personally communicated to the person by the owner of the premises or some other authorized person. A license or privilege to enter or remain in a building [which] that is only partly open to the public is not a license or privilege to enter or remain in that part of the building [which] that is not open to the public. A person who enters or remains upon unimproved and apparently unused land~~[, which]~~ that is neither fenced nor otherwise enclosed in a manner designed to exclude intruders~~[,]~~ does so with license and privilege, unless notice against trespass is personally communicated to the person by the owner of the land or some other authorized person, or unless notice is given by posting in a conspicuous manner.

(3) The definitions of "intentionally" and "knowingly" as contained in sections 702-206(1) and 702-206(2) shall apply.]

"Intentionally" shall have the same meaning as in section 702-206(1).

"Knowingly" shall have the same meaning as in section 702-206(2).

"Premises" includes any building or portion thereof or any real property owned, leased, or occupied by the owner or harborer of an animal."

SECTION 72. Section 663-10.5, Hawaii Revised Statutes, is amended to read as follows:

"§663-10.5 Government entity as a tortfeasor; abolition of joint and several liability. (a) Any other law to the contrary notwithstanding, including but not limited to sections 663-10.9, 663-11 to 663-13, 663-16, 663-17, and 663-31, in any case where a government entity is determined to be a tortfeasor along with one or more other tortfeasors, the government entity shall be liable for no more than that percentage share of the damages attributable to the government entity; provided that joint and several liability shall be retained for tort claims relating to the maintenance and design of highways pursuant to section 663-10.9.

[For purposes of this section, "government entity" means any unit of government in this State, including the State and any county or combination of counties, department, agency, institution, board, commission, district, council, bureau, office, governing authority, or other instrumentality of state or county government, or corporation or other establishment owned, operated, or managed by or on behalf of this State or any county.]

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(b) For purposes of this section, the liability of a government entity shall include its vicarious liability for the acts or omissions of its officers and employees.

(c) For purposes of this section, “government entity” means any unit of government in this State, including:

- (1) The State;
- (2) Any county or combination of counties, department, agency, institution, board, commission, district, council, bureau, office, governing authority, or other instrumentality of state or county government; and
- (3) Any corporation or other establishment owned, operated, or managed by or on behalf of this State or any county.”

SECTION 73. Section 663-15.5, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) The court may determine the issue of good faith for purposes of subsection (a) on the basis of affidavits or declarations served with the petition under subsection [(a),] (b) and any affidavits or declarations filed in response. In the alternative, the court, in its discretion, may receive other evidence at a hearing.”

SECTION 74. Section 668-11, Hawaii Revised Statutes, is amended to read as follows:

“§668-11 Liens and [ineumbrances.] encumbrances. Where partition is made of any property [which] that is subject as a whole to any lien or [ineumbrance,] encumbrance, the court [may], with the consent of the [ineumbrance] encumbrancer, may apportion the [ineumbrance] encumbrance against the separate portions as partitioned to the parties, or if the property is sold and the [ineumbrance's] encumbrancer's claim is due and may be discharged by payment, the court may discharge the [same] claim out of the proceeds. Otherwise, unless the [ineumbrance] encumbrancer consents to receive payment, the court [may], without disturbing or then making any adjudication as to the [ineumbrance,] encumbrance, may sell, subject to the [ineumbrance,] encumbrance, the property affected thereby; or if any lien or [ineumbrance] encumbrance is only upon the undivided share or interest of any particular party, the court [may], by [its] decree, may make the same a lien and charge only upon the parcel of land partitioned to the party or a charge against the party's share of the proceeds of sale thereof. In every case, the property sold shall first be charged with its just proportion of the costs of the partition in preference to the lien or charge. Any party holding a lien or [ineumbrance] encumbrance and also having other securities, [may] in the court's discretion, may be required to exhaust [such others] the other securities before a distribution of the proceeds of sale in partition, or the court may order a just deduction to be made from the amount of the lien on the property on account of [such] the other security.”

SECTION 75. Section 668A-8, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) The purchase price for each of the interests of a cotenant that requested partition by sale is the value of the entire parcel determined under section [§]668A-7[§] multiplied by that cotenant's fractional ownership of the entire parcel.”

SECTION 76. Act 48, Session Laws of Hawaii 2016, is amended by amending section 14 to read as follows:

“**SECTION 14.** This Act shall take effect on August 1, 2016, and shall be repealed on July 1, 2019; provided that sections 91-14, 174C-12, 183C-8, [206E-5.6(h),] 206E-5.6, 269-15.5, and 602-5(a), Hawaii Revised Statutes, shall be re-enacted in the form in which they read on the day prior to the effective date of this Act.”

SECTION 77. Act 76, Session Laws of Hawaii 2016, is amended by amending section 5 to read as follows:

“**SECTION 5.** This Act shall take effect upon its approval; provided that [section] sections 1 and 2 shall be applied retroactively and shall be effective on and after January 1, 2016.”

SECTION 78. Act 171, Session Laws of Hawaii 2016, is amended by amending section 3 to read as follows:

“**SECTION 3.** Chapter 155, Hawaii Revised Statutes, is amended by designating sections 155-1 to [155-14] 155-15 as part I and inserting a title before section 155-1 to read as follows:

“PART I. AGRICULTURAL LOAN PROGRAM””

SECTION 79. Act 173, Session Laws of Hawaii 2016, is amended by amending section 5 to read as follows:

“**SECTION 5.** This Act shall take effect on July 1, 2016; provided that the amendments made to section [205-4.5(a)(23),] 205-4.5(a)(19) and (23), Hawaii Revised Statutes, by section 3 of this Act shall not be repealed when section 205-4.5, Hawaii Revised Statutes, is reenacted on June 30, 2019, pursuant to section 3 of Act 52, Session Laws of Hawaii 2014.”

SECTION 80. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 81. This Act shall take effect upon its approval; provided that:

- (1) Section 46 shall be applied retroactively and shall be effective on January 1, 2017; and
- (2) Section 77 shall be applied retroactively and shall be effective on June 20, 2016.

(Approved April 26, 2017.)

ACT 13

H.B. NO. 775

A Bill for an Act Relating to Agriculture.

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

SECTION 1. Section 147-75, Hawaii Revised Statutes, is amended to read as follows:

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“§147-75 Notice of grade and size; designation of origin of imported eggs[.]; violation. It shall be unlawful for any person to sell, or offer to sell, or expose for sale to a consumer, any eggs, other than those of the person's own production at the place of production, intended for human consumption, without notifying, by suitable sign or label, the person purchasing or intending to purchase the same whether the same are imported from the mainland United States or foreign countries or of island production, and the exact grade or quality and the size or weight of the eggs, according to the standards prescribed by the department of agriculture.

The word “island” shall be used to designate the geographic origin of eggs produced in this State.

Eggs imported from the mainland United States or foreign countries shall be individually marked as to origin. Imported eggs shall not be [removed from any dock or landing without permission of the department of agriculture and shall not be] processed, sold, or offered for sale until [the consignee thereof has been furnished with a certificate from the department of agriculture certifying that the eggs contained in the shipment in which the eggs arrived are marked as provided in this section and rules of the department of agriculture;] importation and other documentation required by the department of agriculture are furnished to the department; provided that eggs [which] that are intended for hatching or sale as balut and eggs [which] that are preserved with an outer covering of ashes and salt need not be marked as [herein] provided[-] in this section.

Any violation of this section shall be considered an unfair method of competition and unfair or deceptive act or practice under Chapter 481A upon which any person may bring an action.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved April 27, 2017.)

ACT 14

H.B. NO. 850

A Bill for an Act Relating to the University of Hawaii.

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

SECTION 1. Act 187, Session Laws of Hawaii 2012, is amended by amending section 3 to read as follows:

“SECTION 3. The University of Hawaii John A. Burns school of medicine and the University of Hawaii at Manoa school of nursing and dental hygiene shall implement the Hawaii health corps program no later than June 30, 2013.

[The deans of the University of Hawaii John A. Burns school of medicine and the University of Hawaii at Manoa school of nursing and dental hygiene shall report to the legislature on the status of the Hawaii health corps program no later than twenty days prior to the convening of each regular session of the legislature, beginning with the regular session of 2013.]”

SECTION 2. Section 304A-1144, Hawaii Revised Statutes, is repealed.

SECTION 3. Section 304A-3305, Hawaii Revised Statutes, is repealed.

SECTION 4. Section 4 of Act 281, Session Laws of Hawaii 2007, is repealed.

[“SECTION 4. The Hawaii P-20 initiative council shall prepare progress reports for the legislature no later than the last day of each calendar year for which it is funded by this and future Acts.”]

SECTION 5. Statutory material to be repealed is bracketed and stricken.¹

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

(Approved April 27, 2017.)

ACT 15

H.B. NO. 1041

A Bill for an Act Relating to Reporting by the Department of Business, Economic Development, and Tourism.

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

SECTION 1. Act 234, Session Laws of Hawaii 2007, is amended by amending section 7, to read as follows:

“SECTION 7. Not less than twenty days prior to the convening of the regular session of 2010 [and every fifth regular session following the regular session of 2010,] the greenhouse gas emission reduction task force shall submit to the legislature a copy of its work plan and proposed regulatory scheme, along with any proposed legislation, [and any five year update to the work plan and proposed regulatory scheme,] for achieving the maximum practically and technically feasible and cost-effective reductions in greenhouse gas emissions from sources or categories of sources of greenhouse gases.”

SECTION 2. Section 304A-1893.1, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The initial evaluation shall be conducted beginning July 1, 2017, and every three years thereafter by a two-person panel of independent energy and environmental technical experts who shall be appointed by [the director of business, economic development, and tourism and who shall not be affiliated with the Hawaii natural energy institute.] the University of Hawaii office of the vice president for research and innovation. The panel shall submit a report of the findings and recommendations of each evaluation to the legislature no later than twenty days prior to the convening of the following regular session. The Hawaii natural energy institute shall cooperate with and provide support to the evaluation panel.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved April 27, 2017.)

A Bill for an Act Relating to Reports of Child Abuse.*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the mandatory reporting of child abuse by certain reporters should be expanded to include reports on known or suspected child victims of sex trafficking to bring the State in compliance with the Justice for Victims of Trafficking Act of 2015, Public Law 114-22. The legislature also finds that to comply with the Child Abuse Prevention and Treatment Act of 2010, Public Law 111-320, it is necessary to ensure that reports of child abuse and neglect, which are expunged from the State's central registry of reported child abuse and neglect cases, may be retained by the department of human services for future risk and safety assessment purposes.

The purpose of this Act is to:

- (1) Amend the definition of "child abuse or neglect" to ensure that mandated reporters of child abuse and neglect report to the department of human services known or suspected child victims of sex trafficking or severe forms of trafficking in persons;
- (2) Ensure that records and information contained in child abuse and neglect reports that are expunged may be retained by the department of human services solely for future risk and safety assessment purposes; and
- (3) Replace references to unsubstantiated reports with "not confirmed" reports.

SECTION 2. Section 350-1, Hawaii Revised Statutes, is amended as follows:

1. By adding three new definitions to be appropriately inserted and to read:
“Child means a person who is born alive and is less than eighteen years of age.
“Severe forms of trafficking in persons” has the same meaning as provided in title 22 United States Code Annotated section 7102(9).
“Sex trafficking” has the same meaning as provided in title 22 United States Code Annotated section 7102(10).”

2. By amending the definition of "child abuse or neglect" to read:

- “Child abuse or neglect” means [the]:
- (1) The acts or omissions of any person who, or legal entity which, is in any manner or degree related to the child, is residing with the child, or is otherwise responsible for the child's care, that have resulted in the physical or psychological health or welfare of the child, who is under the age of eighteen, to be harmed, or to be subject to any reasonably foreseeable, substantial risk of being harmed. The acts or omissions are indicated for the purposes of reports by circumstances that include but are not limited to:
[(A)] (A) When the child exhibits evidence of:
[(A)] (i) Substantial or multiple skin bruising or any other internal bleeding;
[(B)] (ii) Any injury to skin causing substantial bleeding;
[(C)] (iii) Malnutrition;
[(D)] (iv) Failure to thrive;
[(E)] (v) Burn or burns;

- [F] (vi) Poisoning;
- [G] (vii) Fracture of any bone;
- [H] (viii) Subdural hematoma;
- [I] (ix) Soft tissue swelling;
- [J] (x) Extreme pain;
- [K] (xi) Extreme mental distress;
- [L] (xii) Gross degradation; or
- [M] (xiii) Death; and

such injury is not justifiably explained, or when the history given concerning such condition or death is at variance with the degree or type of such condition or death, or circumstances indicate that such condition or death may not be the product of an accidental occurrence;

- (2) (B) When the child has been the victim of sexual contact or conduct, including[,] but not limited to[,] sexual assault as defined in the Penal Code, molestation, sexual fondling, incest, or prostitution; obscene or pornographic photographing, filming, or depiction; or other similar forms of sexual exploitation, including but not limited to acts that constitute an offense pursuant to section 712-1202(1)(b);
 - (3) (C) When there exists injury to the psychological capacity of a child as is evidenced by an observable and substantial impairment in the child's ability to function;
 - (4) (D) When the child is not provided in a timely manner with adequate food, clothing, shelter, psychological care, physical care, medical care, or supervision;
 - (5) (E) When the child is provided with dangerous, harmful, or detrimental drugs as defined by section 712-1240; provided that this [paragraph] subparagraph shall not apply when such drugs are provided to the child pursuant to the direction or prescription of a practitioner, as defined in section 712-1240; or
 - (6) (F) When the child has been the victim of labor trafficking under chapter 707[-]; or
- (2) The acts or omissions of any person that have resulted in sex trafficking or severe forms of trafficking in persons; provided that no finding by the department pursuant to this chapter shall be used as conclusive evidence that a person has committed an offense under part VIII of chapter 707 or section 712-1202.”

SECTION 3. Section 350-2, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) The department shall maintain a central registry of reported child abuse or neglect cases and shall promptly expunge the reports in cases if:

- (1) The [department has found the reports to be unsubstantiated;] report is determined not confirmed by the department, an administrative hearing officer, or a Hawaii state court on appeal; or
- (2) The petition arising from the report has been dismissed by order of the family court after an adjudicatory hearing on the merits pursuant to chapter 587A.

[For purposes of expungement under paragraph (1), a report is unsubstantiated only when the department has found the allegations to be frivolous or to have been made in bad faith.]

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~~However, the department may retain records and information of alleged child abuse and neglect with respect to the child who is the subject of the alleged abuse.]~~

Records and information contained in a report that is expunged may be retained by the department solely for future risk and safety assessment purposes.

The department shall adopt rules as may be necessary in carrying out this section."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on May 29, 2017.

(Approved May 18, 2017.)

ACT 17

S.B. NO. 936

A Bill for an Act Relating to the Employees' Retirement System.

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

PART I

SECTION 1. Section 88-74.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The system shall finalize a retireant's pension benefit within six calendar months following the month of the retireant's retirement[.] ~~when the effective date of retirement is the first day of the month. When the effective date of retirement is December 31, the system shall finalize a retireant's pension benefit within seven calendar months following the month of the retireant's retirement. For pension benefits finalized after the sixth calendar month following the month of the retireant's retirement[,] when the effective date of retirement is on the first day of the month, or the seventh calendar month following the month of the retireant's retirement when the effective date of retirement is December 31, an interest payment amounting to [four and one half] an amount to be established by the board that shall not be less than the ninety day United States treasury bill rate as of the end of the prior year plus one per cent per [annum] year shall be paid to the retireant. Interest shall be calculated on the difference between the amount the retireant is entitled to receive from the retireant's retirement date up to the day the payment is made and the amount the retireant was paid, including any refund of member contributions.~~

Beginning January 1, 2004, or the first day of the seventh calendar month following the month of retirement[,] ~~when the effective date of retirement is on the first day of the month, or the first day of the eighth calendar month following the month of retirement when the effective date of retirement is December 31, whichever is [later,] the latest, interest payments calculated as simple interest shall be prorated up to the date payment is made; provided that any pension adjustment made after the retireant's pension has once been finalized shall not be subject to any interest payment.~~

The system shall finalize ordinary and service-connected disability retirements within six calendar months following the month that the member's retirement is approved by the board or the actual retirement date specified by the member, whichever is later."

SECTION 2. Section 88-100, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

“(e) The additional contributions required by this section shall be payable in a lump sum [~~in the~~] within two fiscal [year] years following the fiscal year in which the employee or former employee retired; provided that, if the additional contributions required for the employees or former employees who retire in a fiscal year are greater than ten per cent of the employer's contributions (excluding the additional contributions) to the pension accumulation fund for that fiscal year, the employer may pay the additional contributions over a period of three fiscal years in installments equal to no less than one-third of the original amount of the required additional contributions, plus interest on the unpaid balance, commencing on the first day of the second fiscal year following the retirement of the employees or former employees, at an annual rate equal to the investment yield rate assumption for actuarial valuations of the system.”

PART II

SECTION 3. Section 88-75, Hawaii Revised Statutes, is amended to read as follows:

“§88-75 Ordinary disability retirement. (a) [Upon Under rules the board of trustees may adopt, upon application of a member in service or on leave without pay, or the person appointed by the family court as guardian of an incapacitated member, any member who has ten or more years of credited service shall be retired by the [board of trustees] system on an ordinary disability retirement allowance if the medical board[,] or other entity designated by the board of trustees, after a medical examination of the member, certifies that:

(1) The member is mentally or physically incapacitated for the further performance of duty at the time of application;

(2) The incapacity is likely to be permanent; and

(3) The member should be retired.

(b) Upon approval by the [board,] system, the member shall be eligible to receive an ordinary disability retirement benefit no earlier than thirty days from the date the application was filed or the date the member terminated service, whichever is later. Retirement shall be effective on the first day of a month, except for the month of December when retirement on the first or last day of the month shall be allowed. A member whose application for an ordinary disability retirement allowance is approved by the [board] system while the member is still in service may terminate service and retire at any time following the approval; provided that retirement shall become effective on the first day of the month following the month the applicant terminates employment or goes off the payroll, except for the month of December when retirement on the first or last day of the month shall be allowed.”

SECTION 4. Section 88-79, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

(a) [Upon Under rules the board of trustees may adopt, upon application of a member, or the person appointed by the family court as guardian of an incapacitated member, any member who has been permanently incapacitated for duty as the natural and proximate result of an accident occurring while in the actual performance of duty at some definite time and place, or as the cumulative result of some occupational hazard, through no wilful negligence on the mem-

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ber's part, may be retired by the [board] system for service-connected disability; provided that:

- (1) In the case of an accident occurring after July 1, 1963, the employer shall file with the system a copy of the employer's report of the accident submitted to the director of labor and industrial relations;
- (2) An application for retirement is filed with the system within two years of the date of the accident, or the date upon which workers' compensation benefits cease, whichever is later;
- (3) Certification is made by the head of the agency in which the member is employed, stating the time, place, and conditions of the service performed by the member resulting in the member's disability and that the disability was not the result of wilful negligence on the part of the member; and
- (4) The medical board or other entity designated by the board of trustees certifies that the member is incapacitated for the further performance of duty at the time of application and that the member's incapacity is likely to be permanent."

2. By amending subsections (c), (d), and (e) to read:

"(c) The [board] system may waive strict compliance with the time limits within which a report of the accident and an application for service-connected disability retirement must be filed with the [board] system if it is satisfied that the failure to file within the time limited by law was due to ignorance of fact or law, inability, or to the fraud, misrepresentation, or deceit of any person, or because the applicant was undergoing treatment for the disability or was receiving vocational rehabilitation services occasioned by the disability.

(d) The [board] system may determine whether or not the disability is the result of an accident occurring while in the actual performance of duty at some definite time and place and that the disability was not the result of wilful negligence on the part of the member. The [board] system may accept as conclusive:

- (1) The certification made by the head of the agency in which the member is employed; or
- (2) A finding to this effect by the medical board[-] or other entity designated by the board of trustees.

(e) Upon approval by the [board] system, the member shall be eligible to receive a service-connected disability retirement benefit after the member has terminated service. Retirement shall become effective on the first day of a month, except for the month of December when retirement on the first or last day of the month shall be allowed."

SECTION 5. Section 88-85, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) In the case of an accidental death as determined by the [board] system pursuant to section 88-85.5, there shall be paid to the member's designated beneficiary or to the member's estate the amount of the member's accumulated contributions and there shall be paid in lieu of the ordinary death benefit payable under section 88-84, a pension of one-half of the average final compensation of the member:

- (1) To the surviving spouse or reciprocal beneficiary of the member to continue until the surviving spouse or reciprocal beneficiary remarries, marries, or enters into a new reciprocal beneficiary relationship;
- (2) If there be no surviving spouse or reciprocal beneficiary, or if the surviving spouse or reciprocal beneficiary dies or remarries, marries, or enters into a new reciprocal beneficiary relationship before any

child of the deceased member shall have attained the age of eighteen years, then to the deceased member's child or children under the age of eighteen, divided in the manner as the [board] system in its discretion shall determine, to continue as a joint and survivor pension of one-half of the deceased member's final compensation until every child dies, or attains the age of eighteen; or

- (3) If there is no surviving spouse or reciprocal beneficiary or child under the age of eighteen years surviving the deceased member, then to the deceased member's dependent father or dependent mother, as the deceased member shall have nominated by written designation duly acknowledged and filed with the [board,] system, or if there is no nomination, then to the deceased member's dependent father or to the deceased member's dependent mother as the [board,] system, in its discretion, shall direct to continue for life.

The pension shall be effective on the first day of the month following the member's death, except for the month of December, when benefits shall be effective on the first or last day of the month."

SECTION 6. Section 88-85.5, Hawaii Revised Statutes, is amended to read as follows:

"§88-85.5 Applications for accidental death benefits; approval by the [board,] system. (a) [An] Under rules the board of trustees may adopt, an application for service-connected accidental death benefits may be filed with the system by or on behalf of the claimant pursuant to section 88-85, 88-286, or 88-339, on a form provided by the system. The application shall be filed no later than three years from the date of the member's death.

(b) After the claimant files an application for service-connected accidental death benefits, the system shall obtain the following:

- (1) A copy of the employer's report of the accident submitted by the employer to the department of labor and industrial relations, workers' compensation division, and other reports relating to the accident;
- (2) A certified statement from the head of the department in which the deceased member was employed, stating the date, time, and place of the accident, and the nature of the service being performed when the accident occurred. The statement shall also include an opinion as to whether or not the accident was the result of wilful negligence on the deceased member's part;
- (3) A copy of the latest position description of the deceased member's duties and responsibilities;
- (4) A certified copy of the death certificate; and
- (5) A copy of an autopsy report, if performed.

(c) Upon the system's receipt of the application and documents specified in subsection (b), the medical board or other entity designated by the board of trustees shall determine and certify to the [board] system whether the member's death was an accidental death as defined in section 88-21.

(d) The [board] system may accept as conclusive as to whether or not the member's death was caused by wilful negligence on the part of the member:

- (1) A certification made by the head of the agency in which the member is employed; or
- (2) A finding by the medical board[-] or other entity designated by the board of trustees.

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(e) After the medical board or other entity designated by the board of trustees submits its certification to the system, the [board] system shall approve or disapprove the application. Upon approval of an application, benefits shall be paid as provided in section 88-85, 88-286, or 88-339."

SECTION 7. Section 88-284, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) [Upon] Under rules the board of trustees may adopt, upon application of a member in service or on leave without pay, or the person appointed by the family court as guardian of an incapacitated member, any member who has ten or more years of credited service shall be retired by the [board of trustees] system on an ordinary disability retirement allowance if the medical board[.] or other entity designated by the board of trustees, after a medical examination of the member, certifies that:

- (1) The member is mentally or physically incapacitated for the further performance of duty at the time of application;
- (2) The incapacity is likely to be permanent; and
- (3) The member should be retired.

(b) Upon approval by the [board,] system, the member shall be eligible to receive an ordinary disability retirement benefit no earlier than thirty days from the date the application was filed or the date the member terminated service, whichever is later. Retirement shall be effective on the first day of a month, except for the month of December when retirement on the first or last day of the month shall be allowed. A member whose application for an ordinary disability retirement allowance is approved by the [board] system while the member is still in service may terminate service and retire at any time following the approval; provided that retirement shall become effective on the first day of the month following the month the applicant terminates employment or goes off the payroll, except for the month of December when retirement on the first or last day of the month shall be allowed."

SECTION 8. Section 88-286, Hawaii Revised Statutes, shall be amended by amending subsection (c) to read as follows:

"(c) In the case of accidental death as determined by the [board] system pursuant to section 88-85.5, the death benefit shall be effective on the first day of the month following the member's death, except for the month of December when retirement on the first or last day of the month shall be allowed, as follows:

- (1) For the surviving spouse or reciprocal beneficiary, an allowance equal to thirty per cent of the member's average final compensation, payable until remarriage, marriage, or upon entry into a new reciprocal beneficiary relationship;
- (2) If there is a surviving spouse or reciprocal beneficiary, each child under the age of eighteen shall receive an allowance equal to the greater of:
 - (A) Ten per cent of the member's accrued maximum retirement allowance unreduced for age; provided that the aggregate death benefits for all the children under the age of eighteen shall not exceed twenty per cent of the member's accrued maximum retirement allowance unreduced for age; or
 - (B) Three per cent of the member's average final compensation; provided that the aggregate death benefits for all the children under the age of eighteen shall not exceed six per cent of the member's average final compensation.

The death benefit under this paragraph shall be payable to each child until the child attains age eighteen; and

- (3) If there is no surviving spouse or reciprocal beneficiary, each child under the age of eighteen shall receive an allowance equal to the greater of:
 - (A) Twenty per cent of the member's accrued maximum retirement allowance unreduced for age; provided that the aggregate death benefits for all the children under the age of eighteen shall not exceed forty per cent of the member's accrued maximum retirement allowance unreduced for age; or
 - (B) Six per cent of the member's average final compensation; provided that the aggregate death benefits for all the children under the age of eighteen shall not exceed twelve per cent of the member's average final compensation.

The death benefit under this paragraph shall be payable to each child until the child attains age eighteen."

SECTION 9. Section 88-334, Hawaii Revised Statutes, is amended to read as follows:

"§88-334 Ordinary disability retirement. (a) [Upon] Under rules the board of trustees may adopt, upon application of a class H member in service or on leave without pay, or the person appointed by the family court as guardian of an incapacitated member, any member who has ten or more years of credited service shall be retired by the [board] system on an ordinary disability retirement allowance if the medical board[,] or other entity designated by the board of trustees, after a medical examination of the member, certifies that:

- (1) The member is mentally or physically incapacitated for the further performance of duty at the time of application;
- (2) The incapacity is likely to be permanent; and
- (3) The member should be retired.

(b) Upon approval by the [board] system, the member shall be eligible to receive an ordinary disability retirement benefit no earlier than thirty days from the date the application was filed or the date the member terminated service, whichever is later. Retirement shall be effective on the first day of a month, except for the month of December when retirement on the first or last day of the month shall be allowed. A member whose application for an ordinary disability retirement allowance is approved by the [board] system while the member is still in service may terminate service and retire at any time following the approval; provided that retirement shall become effective on the first day of the month following the month the applicant terminates employment or goes off the payroll, except for the month of December when retirement on the first or last day of the month shall be allowed."

SECTION 10. Section 88-336, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) [Upon] Under rules the board of trustees may adopt, upon application of a class H member, or the person appointed by the family court as guardian of an incapacitated member, any class H member who has been permanently incapacitated for duty as the natural and proximate result of an accident occurring while in the actual performance of duty at some definite time and place, or as the cumulative result of some occupational hazard, through no wilful negli-

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gence on the member's part, may be retired by the [board] system for service-connected disability; provided that:

- (1) In the case of an accident occurring after July 1, 1963, the employer shall file with the system a copy of the employer's report of the accident submitted to the director of labor and industrial relations;
- (2) An application for retirement is filed with the system within two years of the date of the accident, or the date upon which workers' compensation benefits cease, whichever is later;
- (3) Certification is made by the head of the agency in which the member is employed, stating the time, place, and conditions of the service performed by the member resulting in the member's disability and that the disability was not the result of wilful negligence on the part of the member; and
- (4) The medical board or other entity designated by the board of trustees certifies that the member is incapacitated for the further performance of duty at the time of application and that the member's incapacity is likely to be permanent."

2. By amending subsections (c), (d), and (e) to read:

"(c) The [board] system may waive strict compliance with the time limits within which a report of the accident and an application for service-connected disability retirement must be filed with the [board] system if it is satisfied that the failure to file within the time limited by law was due to ignorance of fact or law, inability, or the fraud, misrepresentation, or deceit of any person, or because the applicant was undergoing treatment for the disability, or was receiving vocational rehabilitation services occasioned by the disability.

(d) The [board] system may determine whether the disability is the result of an accident occurring while in the actual performance of duty at some definite time and place and that the disability was not the result of wilful negligence on the part of the member. The [board] system may accept as conclusive:

- (1) The certification made by the head of the agency in which the member is employed; or
- (2) A finding to this effect by the medical board[.] or other entity designated by the board of trustees.

(e) Upon approval by the [board] system, the member shall be eligible to receive a service-connected disability retirement benefit after the member has terminated service. Retirement shall be effective on the first day of a month, except for the month of December when retirement on the first or last day of the month shall be allowed."

SECTION 11. Section 88-339, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) [In] Under rules the board of trustees may adopt, in the case of an accidental death as determined by the [board] system pursuant to section 88-85.5, there shall be paid to the member's designated beneficiary or to the member's estate the amount of the member's accumulated contributions and there shall be paid in lieu of the ordinary death benefit payable under section 88-338 a pension of one-half of the average final compensation of the member:

- (1) To the surviving spouse or reciprocal beneficiary of the member to continue until the surviving spouse or reciprocal beneficiary remarries, marries, or enters into a new reciprocal beneficiary relationship;
- (2) If there be no surviving spouse or reciprocal beneficiary, or if the surviving spouse or reciprocal beneficiary dies or remarries, marries, or enters into a new reciprocal beneficiary relationship before any child of the deceased member shall have attained the age of eighteen

years, then to the deceased member's child or children under that age, divided in a manner as the [board] system in its discretion shall determine, to continue as a joint and survivor pension of one-half of the deceased member's final compensation until every child dies, or attains that age; or

- (3) If there is no surviving spouse or reciprocal beneficiary and no child under the age of eighteen years surviving the deceased member, then to the deceased member's dependent father or dependent mother, as the deceased member shall have nominated by written designation duly acknowledged and filed with the [board,] system, or if there is no nomination, then to the deceased member's dependent father or to the deceased member's dependent mother as the [board,] system, in its discretion, shall direct to continue for life.

The pension shall be effective on the first day of the month following the member's death, except for the month of December, when benefits shall be effective on the first or last day of the month."

PART III

SECTION 12. The legislature finds that on December 12, 2016, the board of trustees of the employees' retirement system adopted the recommendation of their actuary to change the assumptions used for required employer contribution rates based upon the actuary's assessment completed on June 30, 2016. Under these new assumptions, the period required to amortize the unfunded accrued liability of the employees' retirement system would increase from twenty-seven years to over thirty years. Pursuant to section 88-122, Hawaii Revised Statutes, contribution rates are subject to adjustment if the period required to amortize the unfunded liability exceeds thirty years. To maintain the thirty-year funding period, the actuary recommended increasing the employer contribution rates to:

- (1) Forty-one per cent for police officers, firefighters, and corrections officers; and
- (2) Twenty-four per cent for all other employees.

The purpose of this Part is to incrementally increase the rates for employer contributions to the employees' retirement system to maintain the thirty-year funding period.

SECTION 13. Section 88-122, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

"(e) Commencing with fiscal year 2005-2006 and each subsequent fiscal year[.] until fiscal year 2007-2008, the employer contributions for normal cost and accrued liability for each of the two groups of employees in subsection (a) shall be based on fifteen and three-fourths per cent of the member's compensation for police officers, firefighters, and corrections officers and thirteen and three-fourths per cent of the member's compensation for all other employees. Commencing with fiscal year 2008-2009 and each subsequent fiscal year until fiscal year 2011-2012, the employer contributions for normal cost and accrued liability for each of the two groups of employees in subsection (a) shall be based on nineteen and seven-tenths per cent of the member's compensation for police officers, firefighters, and corrections officers and fifteen per cent of the member's compensation for all other employees. In fiscal year 2012-2013, the employer contributions for normal cost and accrued liability for each of the two groups of employees in subsection (a) shall be based on twenty-two per cent of the member's compensation for police officers, firefighters, and corrections officers and fifteen and one-half per cent of the member's compensation for all other

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employees. In fiscal year 2013-2014, the employer contributions for normal cost and accrued liability for each of the two groups of employees in subsection (a) shall be based on twenty-three per cent of the member's compensation for police officers, firefighters, and corrections officers and sixteen per cent of the member's compensation for all other employees. In fiscal year 2014-2015, the employer contributions for normal cost and accrued liability for each of the two groups of employees in subsection (a) shall be based on twenty-four per cent of the member's compensation for police officers, firefighters, and corrections officers and sixteen and one-half per cent of the member's compensation for all other employees. Commencing with fiscal year 2015-2016 [~~and each subsequent fiscal year, until fiscal year 2016-2017,~~ the employer contributions for normal cost and accrued liability for each of the two groups of employees in subsection (a) shall be based on twenty-five per cent of the member's compensation for police officers, firefighters, and corrections officers and seventeen per cent of the member's compensation for all other employees. In fiscal year 2017-2018, the employer contributions for normal cost and accrued liability for each of the two groups of employees in subsection (a) shall be based on twenty-eight per cent of the member's compensation for police officers, firefighters, and corrections officers and eighteen per cent of the member's compensation for all other employees. In fiscal year 2018-2019, the employer contributions for normal cost and accrued liability for each of the two groups in subsection (a) shall be based on thirty-one per cent of the member's compensation for police officers, firefighters, and corrections officers and nineteen per cent of the member's compensation for all other employees. In fiscal year 2019-2020, the employer contributions for normal cost and accrued liability for each of the two groups in subsection (a) shall be based on thirty-six per cent of the member's compensation for police officers, firefighters, and corrections officers and twenty-two per cent of the member's compensation for all other employees. Commencing with fiscal year 2020-2021 and each subsequent fiscal year, the employer contributions for normal cost and accrued liability for each of the two groups in subsection (a) shall be based on forty-one per cent of the member's compensation for police officers, firefighters, and corrections officers and twenty-four per cent of the member's compensation for all other employees. The contribution rates shall amortize the total unfunded accrued liability of the entire plan over a period not to exceed thirty years.

The contribution rates shall be subject to adjustment:

- (1) If the actual period required to amortize the unfunded accrued liability exceeds thirty years;
- (2) If there is no unfunded accrued liability; or
- (3) Based on the actuarial investigation conducted in accordance with section 88-105."

SECTION 14. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 15. This Act shall take effect on July 1, 2017.

(Approved May 18, 2017.)

ACT 18

S.B. NO. 207

A Bill for an Act Relating to Employees.

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

PART I

SECTION 1. The purpose of this part is to authorize the expenditure of general funds to minimize the impact of the transfer of affected Maui region hospital employees of the Hawaii health systems corporation entitled to reduction-in-force rights under chapter 89, Hawaii Revised Statutes, resulting from the transfer of the Hawaii health systems corporation's Maui memorial medical center, Kula hospital, and Lanai community hospital to Maui Health System, a Kaiser Foundation Hospitals LLC. The transition of the operations of the Maui region hospitals was approved by the legislature pursuant to Act 103, Session Laws of Hawaii 2015.

SECTION 2. Each affected Maui region hospital employee of the Hawaii health systems corporation who is entitled to reduction-in-force rights under chapter 89, Hawaii Revised Statutes, resulting from the transfer of the Hawaii health systems corporation's Maui memorial medical center, Kula hospital, and Lanai community hospital to Maui Health System, a Kaiser Foundation Hospitals LLC, shall receive a one-time lump sum cash bonus severance benefit, to be calculated at the rate of five per cent of the individual employee's annual base salary for each year of service worked up to and including July 20, 2016, not to exceed ten years, and shall not exceed fifty per cent of the employee's annual base salary.

The severance benefit shall be in addition to any payment owed to the employee upon separation from service, including accumulated unused vacation allowances and compensatory time credits. The severance benefit provided under this section shall not be considered part of a transferred employee's salary, service credit, or cost item as defined in section 89-2, Hawaii Revised Statutes, when calculating retirement benefits or sick and vacation leave.

Severance benefits shall be expended by the department of budget and finance from funds appropriated pursuant to the General Appropriations Act of 2017 for the purposes of this part.

PART II

SECTION 3. Chapter 89E, Hawaii Revised Statutes, is repealed.

SECTION 4. Act 1, Second Special Session, Session Laws of Hawaii 2016, is repealed.

PART III

SECTION 5. This Act shall take effect on July 1, 2017; provided that sections 3 and 4 shall take effect retroactively to July 20, 2016.

(Approved May 18, 2017.)

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H.B. NO. 1022

A Bill for an Act Making Appropriations for Claims Against the State, Its Officers, or Its Employees.

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

PART I

SECTION 1. The following sums or so much thereof as may be necessary for fiscal year 2016-2017 are appropriated out of the general revenues of the State of Hawaii to the department of the attorney general for the purpose of satisfying claims for legislative relief as to the following named persons, firms, corporations, and entities, for claims against the State or its officers or employees for the overpayment of taxes, or for refunds, reimbursements, payments of judgments or settlements, or other liabilities, in the amounts set forth opposite their names:

1. MISCELLANEOUS CLAIMS:

Eaton Arakaki	\$ 557.99
Paquito and Natividad Dimaya	\$ 1,001.00
Ronald Martinez, Jr.	\$ 92.00
Kan Shimada	\$ 250.00
Shigeko Kiyojima	\$ 697.00
Kiyomi Young	\$ 399.60
Jocelyn Valdez	\$ 837.00
SUBTOTAL:	<hr/> \$ 3,834.59
Total (SECTION 1):	\$ 3,843.59 ¹

The sums appropriated shall be expended by the department of the attorney general for the purposes of this Act.

PART II

SECTION 2. The following sums or so much thereof as may be necessary for fiscal year 2016-2017 are appropriated out of the state highway fund for the purpose of satisfying claims for legislative relief as to the following named persons, for claims against the State or its officers or employees for payments of judgments or settlements, or other liabilities, in the amount set forth opposite their names:

**JUDGMENTS AGAINST THE STATE
AND SETTLEMENTS OF CLAIMS:**

DEPARTMENT OF TRANSPORTATION, HIGHWAYS DIVISION:

	AMOUNT
Burley v. State of Hawaii	\$ 85,000.00
Civil No. 14-1-2102-10, First Circuit	Settlement
Lee, et al. v. Tavai, et al.	\$ 1,565,154.00
Civil No. 14-1-1659-07, First Circuit	Settlement
Lopez, et al. v. State of Hawaii	\$ 3,901,866.44
Civil No. 13-1-0885(2), Second Circuit	Settlement
Kawamura, et al. v. State of Hawaii, et al.	\$ 95,000.00
Civil No. 11-1-0311, Fifth Circuit	Settlement
SUBTOTAL:	<hr/> \$ 5,647,020.44
TOTAL (SECTION 2)	\$ 5,647,020.44

The sums appropriated shall be expended by the department of transportation, highways division, for the purposes of this Act.

PART III

SECTION 3. The following sums or so much thereof as may be necessary for fiscal year 2016-2017 are appropriated out of the harbor special fund for the purpose of satisfying claims for legislative relief as to the following named persons, for claims against the State or its officers or employees for payments of judgments or settlements, or other liabilities, in the amount set forth opposite their names:

**JUDGMENTS AGAINST THE STATE
AND SETTLEMENTS OF CLAIMS:**

DEPARTMENT OF TRANSPORTATION, HARBORS DIVISION:

	AMOUNT
Smith v. State of Hawaii, et al.	\$ 116,000.00
Civil No. 15-1-0549-03, First Circuit	Settlement
SUBTOTAL:	<hr/> \$ 116,000.00
TOTAL (SECTION 3)	\$ 116,000.00

The sums appropriated shall be expended by the department of transportation, harbors division, for the purposes of this Act.

PART IV

SECTION 4. The following sums or so much thereof as may be necessary for fiscal year 2016-2017 are appropriated out of the airport revenue fund for the purpose of satisfying claims for legislative relief in the following case, to be paid exclusively to those subcontractors and suppliers for work and supplies that have been provided and accepted as reasonable and appropriate by the department of transportation, airports division, for claims against the State or its officers or employees for payments of judgments or settlements, or other liabilities, in the amount set forth below:

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JUDGMENTS AGAINST THE STATE AND SETTLEMENTS OF CLAIMS:

DEPARTMENT OF TRANSPORTATION, AIRPORTS DIVISION:

	AMOUNT
Helix Electric, Inc. v. DCK Pacific	\$ 10,080,000.00
Construction, LLC, et al.,	Settlement
Civil No. 16-1-1090-06, First Circuit	
SUBTOTAL:	\$ 10,080,000.00
TOTAL (SECTION 4)	\$ 10,080,000.00

The sums appropriated shall be expended by the department of transportation, airports division, for the purposes of this Act.

PART V

SECTION 5. The legislature finds and declares that the following claim for legislative relief recommended for approval as to the following named person for claims against the State or the department of education or its officers or employees for the payment of judgments or settlements, or other liabilities, in the amount set forth opposite their name, is approved for payment:

JUDGMENTS AGAINST THE STATE AND SETTLEMENTS OF CLAIMS:

1. DEPARTMENT OF EDUCATION:

	AMOUNT
Westbrook, et al. v. State of Hawaii, et al.	\$ 21,000.00
Civil No. 12-1-1596-06, First Circuit	Settlement
SUBTOTAL:	\$ 21,000.00
TOTAL (SECTION 5):	\$ 21,000.00

Provided that of legislative appropriation item G-1 for the department of education for fiscal year 2016-2017 in section 3 of Act 119, Session Laws of Hawaii 2015, as amended by section 3 of Act 124, Session Laws of Hawaii 2016, the general fund sum of \$21,000 shall be expended from the 2016-2017 budget (EDN 100, weighted student formula funds) by the department of education for the purposes of this Act.

PART VI

SECTION 6. The legislature finds and declares that the following claim for legislative relief recommended for approval as to the following named person for claims against the State or the Hawaii state public charter school or its officers or employees for the payment of judgments or settlements, or other liabilities, in the amount set forth opposite their name, is approved for payment:

JUDGMENTS AGAINST THE STATE AND SETTLEMENTS OF CLAIMS:

1. HAWAII STATE PUBLIC CHARTER SCHOOL:

	AMOUNT
Grievance of Dr. Ardith Renteria	\$ 30,000.00
Civil No. 12-1-1596-06, First Circuit	Settlement
SUBTOTAL:	\$ 30,000.00
TOTAL (SECTION 6):	\$ 30,000.00

Provided that of legislative appropriation item G-7 for the department of education for fiscal year 2016-2017 in section 3 of Act 119, Session Laws of Hawaii 2015, as amended by section 3 of Act 124, Session Laws of Hawaii 2016, the general fund sum of \$30,000 shall be expended from the 2016-2017 budget (EDN 600, general funds) by the Hawaii state public charter school for the purposes of this Act.

PART VII

SECTION 7. The legislature finds and declares that the following claim for legislative relief recommended for approval as to the following named person for claims against the State or the campaign spending commission or its officers or employees for the payment of judgments or settlements, or other liabilities, in the amount set forth opposite their name, is approved for payment:

JUDGMENTS AGAINST THE STATE AND SETTLEMENTS OF CLAIMS:	AMOUNT
1. HAWAII CAMPAIGN SPENDING COMMISSION:	
Yamada, et al. v. Snipes, et al. Civil No. 10-00497, USDC Ninth Circuit No. 12-17845	\$ 66,701.10 Judgment
The Committee to Elect Julia Allen, et al. v. Campaign Spending Commission, et al. Civil No. 15-1-1147-06, First Circuit	\$ 2,415.00 Settlement
SUBTOTAL:	\$ 69,116.10
TOTAL (SECTION 7):	\$ 69,116.10

Provided that of legislative appropriation item K-9 for the department of education for fiscal year 2016-2017 in section 3 of Act 119, Session Laws of Hawaii 2015, as amended by section 3 of Act 124, Session Laws of Hawaii 2016, the general fund sum of \$69,116.10 shall be expended from the 2016-2017 budget (AGS 871, trust funds) by the campaign spending commission for the purposes of this Act.

PART VIII

SECTION 8. The legislature finds and declares that the following claim for legislative relief recommended for approval as to the following named person for claims against the State or the department of land and natural resources or its officers or employees for the payment of judgments or settlements, or other liabilities, in the amount set forth opposite their name, is approved for payment:

JUDGMENTS AGAINST THE STATE AND SETTLEMENTS OF CLAIMS:	AMOUNT
1. DEPARTMENT OF LAND AND NATURAL RESOURCES:	
Claim of First Insurance Company of Hawaii, Inc.	\$ 18,000.00 Settlement
Silva v. State of Hawaii, et al. Civil No. 15-1-269K, Third Circuit	\$ 75,000.00 Settlement
SUBTOTAL:	\$ 93,000.00
TOTAL (SECTION 8):	\$ 93,000.00

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Provided that of legislative appropriation item D-9 for the department of land and natural resources for fiscal year 2016-2017 in section 3 of Act 119, Session Laws of Hawaii 2015, as amended by section 3 of Act 124, Session Laws of Hawaii 2016, the general fund sum of \$93,000.00 shall be expended from the 2016-2017 budget (LNR 906, general funds) by the department of land and natural resources for the purposes of this Act.

PART IX

SECTION 9. The legislature finds and declares that the following claim for legislative relief recommended for approval as to the following named person for claims against the State or the department of public safety or its officers or employees for the payment of judgments or settlements, or other liabilities, in the amount set forth opposite their name, is approved for payment:

**JUDGMENTS AGAINST THE STATE
AND SETTLEMENTS OF CLAIMS:**

1. DEPARTMENT OF PUBLIC SAFETY:

Antoque v. State of Hawaii, et al. Civil No. 15-1-0262, Third Circuit	\$ 35,000.00
	<hr/>
SUBTOTAL:	\$ 35,000.00
TOTAL (SECTION 9):	\$ 35,000.00

Provided that of legislative appropriation item I-4 for the department of public safety for fiscal year 2016-2017 in section 3 of Act 119, Session Laws of Hawaii 2015, as amended by section 3 of Act 124, Session Laws of Hawaii 2016, the general fund sum of \$35,000 shall be expended from the 2016-2017 budget (PSD 405, general funds) by the department of public safety for the purposes of this Act.

PART X

SECTION 10. The legislature finds and declares that the following claim for legislative relief recommended for approval as to the following named person for claims against the State or the department of public safety or its officers or employees for the payment of judgments or settlements, or other liabilities, in the amount set forth opposite their name, is approved for payment:

**JUDGMENTS AGAINST THE STATE
AND SETTLEMENTS OF CLAIMS:**

1. DEPARTMENT OF PUBLIC SAFETY:

Freitas, et al. v. Gillespie, et al. Civil No. 13-1-0365, Fifth Circuit	\$ 400,000.00
	<hr/>
SUBTOTAL:	\$ 400,000.00
TOTAL (SECTION 10):	\$ 400,000.00

Provided that of legislative appropriation item I-19 for the department of public safety for fiscal year 2016-2017 in section 3 of Act 119, Session Laws of Hawaii 2015, as amended by section 3 of Act 124, Session Laws of Hawaii 2016, the general fund sum of \$400,000 shall be expended from the 2016-2017 budget (PSD 900, general funds) by the department of public safety for the purposes of this Act.

PART XI

SECTION 11. The legislature finds and declares that the following claim for legislative relief recommended for approval as to the following named person for claims against the State or the department of public safety or its officers or employees for the payment of judgments or settlements, or other liabilities, in the amount set forth opposite their name, is approved for payment:

JUDGMENTS AGAINST THE STATE AND SETTLEMENTS OF CLAIMS:	AMOUNT
1. DEPARTMENT OF PUBLIC SAFETY:	
Leolao, et al. v. State of Hawaii, et al. Civil No. 13-1-3038-11, First Circuit	\$ 60,000.00 <hr/>
SUBTOTAL:	\$ 60,000.00
TOTAL (SECTION 11):	\$ 60,000.00

Provided that of legislative appropriation item I-1 for the department of public safety for fiscal year 2016-2017 in section 3 of Act 119, Session Laws of Hawaii 2015, as amended by section 3 of Act 124, Session Laws of Hawaii 2016, the general fund sum of \$60,000 shall be expended from the 2016-2017 budget (PSD 402, general funds) by the department of public safety for the purposes of this Act.

PART XII

SECTION 12. The legislature finds and declares that the following claim for legislative relief recommended for approval as to the following named person for claims against the State or the department of public safety or its officers or employees for the payment of judgments or settlements, or other liabilities, in the amount set forth opposite their name, is approved for payment:

JUDGMENTS AGAINST THE STATE AND SETTLEMENTS OF CLAIMS:	AMOUNT
1. DEPARTMENT OF PUBLIC SAFETY:	
Obata v. State of Hawaii, et al. Civil No. 14-1-1660-07 KTN, First Circuit	\$ 20,000.00 <hr/>
Muller v. State of Hawaii, et al. Civil No. 14-1-2133-10, First Circuit	\$ 80,000.00 <hr/>
SUBTOTAL:	\$ 100,000.00
TOTAL (SECTION 12):	\$ 100,000.00

Provided that of legislative appropriation item I-11 for the department of public safety for fiscal year 2016-2017 in section 3 of Act 119, Session Laws of Hawaii 2015, as amended by section 3 of Act 124, Session Laws of Hawaii 2016, the general fund sum of \$100,000 shall be expended from the 2016-2017 budget (PSD 421, general funds) by the department of public safety for the purposes of this Act.

PART XII¹

SECTION 5.¹ The legislature finds and declares that the following claim for legislative relief recommended for approval as to the following named person

ACT 19

for claims against the State or the department of public safety or its officers or employees for the payment of judgments or settlements, or other liabilities, in the amount set forth opposite their name, is approved for payment:

JUDGMENTS AGAINST THE STATE AND SETTLEMENTS OF CLAIMS:	AMOUNT
1. DEPARTMENT OF PUBLIC SAFETY:	
Sullivan, et al. v. State of Hawaii, et al.	\$ 48,000.00
Civil No. 15-1-2429-12 VLC, First Circuit	Settlement
SUBTOTAL:	\$ 48,000.00
TOTAL (SECTION 13):	\$ 48,000.00

Provided that of legislative appropriation item I-8 for the department of public safety for fiscal year 2016-2017 in section 3 of Act 119, Session Laws of Hawaii 2015, as amended by section 3 of Act 124, Session Laws of Hawaii 2016, the general fund sum of \$48,000 shall be expended from the 2016-2017 budget (PSD 409, general funds) by the department of public safety for the purposes of this Act.

PART XIV

SECTION 14. The legislature finds and declares that the following claim for legislative relief recommended for approval as to the following named person for claims against the State or the department of human services or its officers or employees for the payment of judgments or settlements, or other liabilities, in the amount set forth opposite their name, is approved for payment:

JUDGMENTS AGAINST THE STATE AND SETTLEMENTS OF CLAIMS:	AMOUNT
1. DEPARTMENT OF HUMAN SERVICES:	
Rooney, et al. v. State of Hawaii, et al.	\$ 875,000.00
Civil No. 14-0323(2), Second Circuit	Settlement
SUBTOTAL:	\$ 875,000.00
TOTAL (SECTION 14):	\$ 875,000.00

Provided that of legislative appropriation item F-1 for the department of human services for fiscal year 2016-2017 in section 3 of Act 119, Session Laws of Hawaii 2015, as amended by section 3 of Act 124, Session Laws of Hawaii 2016, the general fund sum of \$875,000 shall be expended from the 2016-2017 budget (HMS 301, general funds) by the department of human services for the purposes of this Act.

PART XV

SECTION 15. The legislature finds and declares that the following claim for legislative relief recommended for approval as to the following named person for claims against the State or the department of human services or its officers or employees for the payment of judgments or settlements, or other liabilities, in the amount set forth opposite their name, is approved for payment:

**JUDGMENTS AGAINST THE STATE
AND SETTLEMENTS OF CLAIMS:**

AMOUNT

1. DEPARTMENT OF HUMAN SERVICES:

Carroll, et al. v. Camit, et al.	\$ 18,500.00
Civil No. 12-1-0622(2), Second Circuit	Settlement
SUBTOTAL:	\$ 18,500.00
TOTAL (SECTION 15):	\$ 18,500.00

Provided that of legislative appropriation item F-8 for the department of human services for fiscal year 2016-2017 in section 3 of Act 119, Session Laws of Hawaii 2015, as amended by section 3 of Act 124, Session Laws of Hawaii 2016, the general fund sum of \$18,500 shall be expended from the 2016-2017 budget (HMS 601, general funds) by the department of human services for the purposes of this Act.

PART XVI

SECTION 16. The legislature finds and declares that the following claim for legislative relief recommended for approval as to the following named person for claims against the State or the department of human services or its officers or employees for the payment of judgments or settlements, or other liabilities, in the amount set forth opposite their name, is approved for payment:

**JUDGMENTS AGAINST THE STATE
AND SETTLEMENTS OF CLAIMS:**

AMOUNT

1. DEPARTMENT OF HUMAN SERVICES:

J.E., et al. v. Wong, et al.	\$ 396,858.00
Civil No. 14-00399 HG-KJM, USDC	Settlement
SUBTOTAL:	\$ 396,858.00
TOTAL (SECTION 16):	\$ 396,858.00

Provided that of legislative appropriation item F-18 for the department of human services for fiscal year 2016-2017 in section 3 of Act 119, Session Laws of Hawaii 2015, as amended by section 3 of Act 124, Session Laws of Hawaii 2016, the general fund sum of \$396,858.00 shall be expended from the 2016-2017 budget (HMS 401, general funds) by the department of human services for the purposes of this Act.

PART XVII

SECTION 17. The sums hereinabove may be paid to the respective persons, or for the satisfaction or settlement of the respectively identified cases, and in several amounts hereinabove set forth or in lesser amounts deemed appropriate, upon checks issued by the comptroller; provided departments shall obtain the approval of the attorney general before payment of any claim can be made.

SECTION 18. Notwithstanding the sums hereinabove stated as interest upon judgments against the State, payment of interest shall be limited to the period from the date of judgment, if applicable, to thirty days after the effective date of this Act, as provided in section 662-8, Hawaii Revised Statutes, for those cases to which the statute applies.

ACT 20

SECTION 19. All unexpended and unencumbered balances of the appropriations made in this Act as of the close of business on June 30, 2018, shall lapse.

SECTION 20. 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.

SECTION 21. This Act shall take effect upon its approval.

(Approved May 18, 2017.)

Note

1. So in original.

ACT 20

S.B. NO. 969

A Bill for an Act Making an Emergency Appropriation to the Department of Human Resources Development.

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

SECTION 1. This Act is recommended by the governor for immediate passage in accordance with section 9 of article VII of the Constitution of the State of Hawaii.

SECTION 2. Act 119, Session Laws of Hawaii 2015, appropriated \$6,735,183 in general funds for fiscal year 2016-2017 to the department of human resources development for the payment of claims against the State, as required by Hawaii workers' compensation law, chapter 386, Hawaii Revised Statutes. Act 124, Session Laws of Hawaii 2016, appropriated an additional \$666,000 in general funds to the department of human resources development for fiscal year 2016-2017.

At this time, however, fiscal year 2016-2017 workers' compensation expenses - led primarily by costs for medical care, services, and supplies, and permanent disability indemnity benefits - are outpacing the appropriated funds such that it is estimated that the funds to pay claims will be exhausted by April 30, 2017. Therefore, a critical funding crisis exists and the department of human resources development will not be able to meet its legal obligation to pay the workers' compensation benefits that are owed to employees who sustain work-related injuries and illnesses for the remainder of fiscal year 2016-2017.

The purpose of this Act is to make an emergency appropriation to provide additional funds for the department of human resources development to pay claims as required under chapter 386, Hawaii Revised Statutes.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$2,400,000 or so much thereof as may be necessary for fiscal year 2016-2017 for the department of human resources development to pay claims as required under chapter 386, Hawaii Revised Statutes.

The sum appropriated shall be expended by the department of human resources development for the purposes of this Act.

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

(Approved May 18, 2017.)

ACT 21

H.B. NO. 110

A Bill for an Act Making Appropriations for Public Employment Cost Items.

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

PART I

SECTION 1. There is appropriated from the general revenues of the State of Hawaii to the legislative agencies indicated below, the following sums or so much thereof as may be necessary for fiscal biennium 2017-2019, to fund Hawaii employer-union health benefits trust fund costs and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for legislative officers and employees excluded from collective bargaining:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
State ethics commission	\$ 24,802	\$ 52,397
Office of the auditor	\$ 60,007	\$ 126,772
Office of the legislative reference bureau	\$ 79,676	\$ 168,325
Office of the ombudsman	\$ 31,330	\$ 66,189
Senate	\$ 207,372	\$ 438,108
House of representatives	\$ 262,946	\$ 555,507

SECTION 2. Funds appropriated by this part shall be allotted to the heads of the respective legislative agencies for expenditure for the purposes of this part.

PART II

SECTION 3. Cost items and cost adjustments provided in this Act for any legislative officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 4. Funds appropriated by this Act that are not expended or encumbered by the end of the fiscal year for which the appropriation is made shall lapse as of those dates.

SECTION 5. This Act shall take effect on July 1, 2017.

(Approved May 19, 2017.)

ACT 22

S.B. NO. 914

A Bill for an Act Relating to Public Employment Cost Items.

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

PART I

SECTION 1. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 all collective bargaining cost items in the agreement negotiated with

ACT 22

the exclusive bargaining representative of collective bargaining units (2), (8), (9), and (13):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$13,367,269	\$32,376,455
Special Funds	\$1,969,087	\$4,701,631
Federal Funds	\$1,471,093	\$3,495,393
Other Federal Funds	\$347,698	\$821,154
Trust Funds	\$46,016	\$103,460
Interdepartmental Transfers	\$30,661	\$74,487
Revolving Funds	\$326,130	\$795,492
Other Funds	\$132,908	\$287,938
Special Fund CIP	\$521,273	\$1,259,794

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$1,989,880	\$4,776,146
Special Funds	\$13,815	\$41,196
Federal Funds	\$40,128	\$98,975
Other Federal Funds	\$6,735	\$17,983
Trust Funds	\$195	\$447
Revolving Funds	\$6,333	\$16,792

SECTION 2. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART II

SECTION 3. There are appropriated or authorized from the sources of funding indicated below to administration (JUD 601) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (2), (8), (9), and (13):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$983,335	\$2,309,331
Special Funds	\$17,212	\$41,093
Trust Funds	\$3,954	\$12,801

SECTION 4. Funds appropriated or authorized by this part shall be expended by the chief justice in the respective fiscal year for the purposes of this part.

PART III

SECTION 5. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining units (2), (8), (9), and (13):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$2,547,715	\$6,058,942
Special Funds	\$480,679	\$1,163,108
Federal Funds	\$149,603	\$381,137
Other Federal Funds	\$46,227	\$110,690
Trust Funds	\$21,736	\$48,404
Interdepartmental Transfers	\$190,985	\$457,008
Revolving Funds	\$41,086	\$95,534
Other Funds	\$32,011	\$73,215
Special Fund CIP	\$35,983	\$92,580

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$110,165	\$262,371
Special Funds	\$16	\$40
Federal Funds	\$2,329	\$10,502
Revolving Funds	\$578	\$1,371

SECTION 6. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART IV

SECTION 7. There are appropriated or authorized from the sources of funding indicated below to administration (JUD 601) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining units (2), (8), (9), and (13):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$279,012	\$688,900
Special Funds	\$3,760	\$8,923

SECTION 8. Funds appropriated or authorized by this part shall be expended by the chief justice in the respective fiscal year for the purposes of this part.

PART V

SECTION 9. There are authorized from the source of funding indicated below to Hawaii health systems corporation - corporate office (HTH 210) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the collective bargaining cost items in the agreement negotiated with the exclusive representative of collective bargaining units (2), (8), (9), and (13) assigned to the Hawaii health systems corporation:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
Special Funds	\$2,564,632	\$6,326,666

SECTION 10. Funds authorized by this part shall be allotted by the director of finance to the Hawaii health systems corporation for expenditure in the respective fiscal year for the purposes of this part.

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PART VI

SECTION 11. There are authorized from the source of funding indicated below to Hawaii health systems corporation - corporate office (HTH 210) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining units (2), (8), (9), and (13) assigned to the Hawaii health systems corporation:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
Special Funds	\$167,164	\$392,157

SECTION 12. Funds authorized by this part shall be allotted by the director of finance to the Hawaii health systems corporation for expenditure in the respective fiscal year for the purposes of this part.

PART VII

SECTION 13. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (2), (8), (9), and (13):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$4,539,991	\$10,441,567

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$595,310	\$1,353,032

SECTION 14. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART VIII

SECTION 15. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining units (2), (8), (9), and (13):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$1,144,789	\$2,758,623

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$40,543	\$96,406

SECTION 16. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART IX

SECTION 17. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 18. Funds appropriated or authorized by this Act that are not expended or encumbered by June 30, 2018, and June 30, 2019, of the respective fiscal years, shall lapse as of those dates.

SECTION 19. This Act shall take effect on July 1, 2017.

(Approved May 19, 2017.)

ACT 23

S.B. NO. 915

A Bill for an Act Relating to Public Employment Cost Items.

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

PART I

SECTION 1. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (3) and (4):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$10,360,205	\$23,858,687
Special Funds	\$1,135,070	\$2,610,488
Federal Funds	\$1,015,970	\$2,346,009
Other Federal Funds	\$199,390	\$459,990
Trust Funds	\$45,529	\$103,767
Interdepartmental Transfers	\$38,164	\$87,846
Revolving Funds	\$147,344	\$339,264
Other Funds	\$36,791	\$84,233
Special Fund CIP	\$200,025	\$462,713

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$4,422,584	\$10,133,297
Special Funds	\$13,810	\$32,156
Federal Funds	\$131,868	\$313,982
Other Federal Funds	\$278	\$641
Trust Funds	\$8,509	\$19,667
Interdepartmental Transfers	\$1,992	\$4,507
Revolving Funds	\$10,916	\$26,742

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SECTION 2. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART II

SECTION 3. There are appropriated or authorized from the sources of funding indicated below to administration (JUD 601) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (3) and (4):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$1,143,770	\$2,646,690
Special Funds	\$43,380	\$99,602

SECTION 4. Funds appropriated or authorized by this part shall be expended by the chief justice in the respective fiscal year for the purposes of this part.

PART III

SECTION 5. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining units (3) and (4):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$1,062,490	\$2,478,149
Special Funds	\$153,714	\$357,243
Federal Funds	\$604,973	\$1,397,146
Other Federal Funds	\$7,037	\$15,922
Trust Funds	\$7,019	\$16,189
Interdepartmental Transfers	\$5,957	\$13,554
Revolving Funds	\$10,718	\$24,892
Other Funds	\$7,195	\$16,650
Special Fund CIP	\$16,698	\$38,314

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$217,464	\$500,785
Special Funds	\$3,207	\$7,388
Federal Funds	\$546,568	\$1,261,446
Trust Funds	\$9	\$20
Interdepartmental Transfers	\$2,509	\$5,741
Revolving Funds	\$183	\$422

SECTION 6. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART IV

SECTION 7. There are appropriated from the source of funding indicated below to administration (JUD 601) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, by the chief justice for state officers and employees who are excluded from collective bargaining units (3) and (4):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$76,730	\$178,693

SECTION 8. Funds appropriated by this part shall be expended by the chief justice in the respective fiscal year for the purposes of this part.

PART V

SECTION 9. There are authorized from the source of funding indicated below to Hawaii health systems corporation - corporate office (HTH 210) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the collective bargaining cost items in the agreement negotiated with the exclusive representative of collective bargaining units (3) and (4) assigned to the Hawaii health systems corporation:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
Special Funds	\$556,022	\$1,289,159

SECTION 10. Funds authorized by this part shall be allotted by the director of finance to the Hawaii health systems corporation for expenditure in the respective fiscal year for the purposes of this part.

PART VI

SECTION 11. There are authorized from the source of funding indicated below to Hawaii health systems corporation - corporate office (HTH 210) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining units (3) and (4) assigned to the Hawaii health systems corporation:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
Special Funds	\$29,434	\$71,230

SECTION 12. Funds authorized by this part shall be allotted by the director of finance to the Hawaii health systems corporation for expenditure in the respective fiscal year for the purposes of this part.

PART VII

SECTION 13. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs in the agreement negoti-

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ated with the exclusive bargaining representative of collective bargaining units (3) and (4):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$3,576,848	\$8,240,543

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$1,542,768	\$3,559,525

SECTION 14. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART VIII

SECTION 15. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining units (3) and (4):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$204,582	\$482,533

Of the above amounts, the following amounts are for the department of education:

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$33,535	\$78,776

SECTION 16. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART IX

SECTION 17. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 18. Funds appropriated or authorized by this Act that are not expended or encumbered by June 30, 2018, and June 30, 2019, of the respective fiscal years, shall lapse as of those dates.

SECTION 19. This Act shall take effect on July 1, 2017.

(Approved May 19, 2017.)

ACT 24

S.B. NO. 917

A Bill for an Act Relating to Public Employment Cost Items.

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

PART I

SECTION 1. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (5):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$32,636,694	\$67,930,483
Federal Funds	\$858,637	\$1,790,321
Other Federal Funds	\$8,209	\$17,375
Trust Funds	\$27,572	\$58,447
Interdepartmental Transfers	\$6,117	\$10,180
Revolving Funds	\$1,121	\$2,372

SECTION 2. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART II

SECTION 3. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (5):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$1,218,916	\$2,536,860
Federal Funds	\$261,013	\$544,217
Other Federal Funds	\$5,500	\$11,643
Trust Funds	\$6,417	\$13,603
Interdepartmental Transfers	\$12	\$20

SECTION 4. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART III

SECTION 5. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs in the agreement negotiated with the exclusive representative of collective bargaining unit (5):

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	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$5,817,327	\$12,358,299

SECTION 6. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART IV

SECTION 7. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (5):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$4,075	\$11,445

SECTION 8. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART V

SECTION 9. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 10. Funds appropriated or authorized by this Act that are not expended or encumbered by June 30, 2018, and June 30, 2019, of the respective fiscal years, shall lapse as of those dates.

SECTION 11. This Act shall take effect on July 1, 2017.

(Approved May 19, 2017.)

ACT 25

S.B. NO. 918

A Bill for an Act Relating to Public Employment Cost Items.

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

PART I

SECTION 1. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (6):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$2,566,050	\$6,414,898
Federal Funds	\$107,725	\$268,776
Other Federal Funds	\$22,903	\$54,752
Revolving Funds	\$5,272	\$13,154

SECTION 2. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART II

SECTION 3. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining unit (6):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$339,618	\$839,301
Special Funds	\$8,810	\$21,940
Federal Funds	\$24,438	\$60,973
Other Federal Funds	\$2,966	\$7,398
Revolving Funds	\$2,844	\$7,095

SECTION 4. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART III

SECTION 5. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (6):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$463,025	\$1,033,253

SECTION 6. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART IV

SECTION 7. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining unit (6):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$58,651	\$133,344

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SECTION 8. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART V

SECTION 9. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 10. Funds appropriated or authorized by this Act that are not expended or encumbered by June 30, 2018, and June 30, 2019, of the respective fiscal years, shall lapse as of those dates.

SECTION 11. This Act shall take effect on July 1, 2017.

(Approved May 19, 2017.)

ACT 26

S.B. NO. 919

A Bill for an Act Relating to Public Employment Cost Items.

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

PART I

SECTION 1. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (7):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$310,965	\$2,544,481

SECTION 2. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART II

SECTION 3. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining unit (7):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$21,736	\$120,602

SECTION 4. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART III

SECTION 5. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining units (1) and (10):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$3,280,477	\$7,481,732

SECTION 6. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART IV

SECTION 7. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining units (1) and (10):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$16,555	\$36,341

SECTION 8. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART V

SECTION 9. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 10. Funds appropriated by this Act that are not expended or encumbered by June 30, 2018, and June 30, 2019, of the respective fiscal years, shall lapse as of those dates.

SECTION 11. This Act shall take effect on July 1, 2017.

(Approved May 19, 2017.)

A Bill for an Act Relating to Public Employment Cost Items.

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

PART I

SECTION 1. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 all collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (11):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$75,838	\$181,365
Special Funds	\$394,057	\$942,911

SECTION 2. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART II

SECTION 3. There are appropriated or authorized from the sources of funding indicated below to collective bargaining statewide (BUF 102) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the salary increases and other cost adjustments authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (11):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$5,108	\$12,695
Special Funds	\$24,975	\$62,049

SECTION 4. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART III

SECTION 5. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs in the agreement negotiated with the exclusive representative of collective bargaining unit (11):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$83,466	\$202,608

SECTION 6. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART IV

SECTION 7. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining and belong to the same compensation plans as those officers and employees within collective bargaining unit (11):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$6,121	\$13,002

SECTION 8. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART V

SECTION 9. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 10. Funds appropriated or authorized by this Act that are not expended or encumbered by June 30, 2018, and June 30, 2019, of the respective fiscal years, shall lapse as of those dates.

SECTION 11. This Act shall take effect on July 1, 2017.

(Approved May 19, 2017.)

ACT 28

S.B. NO. 926

A Bill for an Act Relating to Public Employment Cost Items.

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

PART I

SECTION 1. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs in the agreement negotiated with the exclusive bargaining representative of collective bargaining unit (14):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$190,905	\$434,255

SECTION 2. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

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PART II

SECTION 3. There are appropriated from the source of funding indicated below to health premium payments (BUF 761) the following sums or so much thereof as may be necessary to fund for fiscal biennium 2017-2019 the Hawaii employer-union health benefits trust fund costs authorized by chapter 89C, Hawaii Revised Statutes, for state officers and employees who are excluded from collective bargaining unit (14):

	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
General Funds	\$4,526	\$9,851

SECTION 4. Funds appropriated by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART III

SECTION 5. Salary increases and cost adjustments provided in this Act for any officer or employee whose compensation is paid, in whole or in part, from federal, special, or other funds shall be paid wholly or proportionately, as the case may be, from the respective funds.

SECTION 6. Funds appropriated or authorized by this Act that are not expended or encumbered by June 30, 2018, and June 30, 2019, of the respective fiscal years, shall lapse as of those dates.

SECTION 7. This Act shall take effect on July 1, 2017.

(Approved May 19, 2017.)

ACT 29

H.B. NO. 1152

A Bill for an Act Relating to the Department of Transportation, Airports Division, Project Adjustment Fund.

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

SECTION 1. The legislature finds that the Supplemental Appropriations Act of 2016, Act 124, Session Laws of Hawaii 2016, item C-38.02, project adjustment fund, statewide, establishes a contingency fund for the airports division's project adjustment purposes, subject to the provisions of Act 124. However, Act 124, which amends Act 119, Session Laws of Hawaii 2015, does not contain a budget proviso that permits the utilization of the department of transportation, airports division, project adjustment fund. A budget proviso relating to the department of transportation, airports division, project adjustment fund is necessary to authorize the governor to make supplemental allotments from the project adjustment fund to supplement any currently authorized capital investment cost elements for airports division capital improvement projects.

SECTION 2. Act 119, Session Laws of Hawaii 2015, as amended by Act 124, Session Laws of Hawaii 2016, is amended by adding a new section to Part VII to read as follows:

"SECTION . If authorized appropriations specified for department of transportation, airports division, capital improvement projects listed in this Act or in any other act currently authorized by the legislature are insufficient, and where the source of funding for the project is designated as revenue bond funds, the governor may make supplemental allotments from the department of transportation, airports division, project adjustment fund appropriated in part II and described in part IV of this Act to supplement any currently authorized capital investment cost elements; provided that the supplemental allotments from the project adjustment fund shall not be used to increase the scope of the project; and provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular session of 2018."

SECTION 3. New statutory material is underscored.

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

(Approved May 19, 2017.)

ACT 30

H.B. NO. 1396

A Bill for an Act Relating to Community Care Foster Family Homes.

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

SECTION 1. The legislature finds that there is an ever-increasing need for community care foster family homes to support the health and long-term care needs of an aging population and families. Community care foster family homes provide an essential function in the State by providing twenty-four-hour living accommodations, which include housing, supervision, personal care, and assistance with daily living activities for their residents. These homes provide individuals who are at a nursing facility level of care with living accommodations in a family-like setting, an alternative to living in an institutional setting.

Community care foster family homes are generally licensed to provide accommodations and services to not more than two adults at any one time, at least one of whom shall be a medicaid recipient, who are at the nursing facility level of care. The department of health may certify a community care foster family home for a third adult who is at the nursing level of care and a medicaid recipient, provided certain requirements are met.

The legislature further finds that not only do medicaid clients have limited options for long-term care, so do individuals who do not rely on medicaid for long-term care. Besides providing accommodations to medicaid recipients, community care foster family homes also provide accommodations to private-pay individuals. There is also a recognized need to accommodate private-pay individuals who share a long-term relationship. As the cost of medical care continues to rise, it is becoming apparent that even those who do not rely on medicaid for their long-term care cannot afford the cost of private care, leaving this population also with limited options.

The purpose of this Act is to recognize the varied needs of the State's aging population by allowing the department of health flexibility to permit two private-pay individuals to be cared for in the same community care foster family home, provided they meet certain qualifying conditions.

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SECTION 2. Section 321-481, Hawaii Revised Statutes, is amended by amending the definition of "community care foster family home" or "home" to read as follows:

- "Community care foster family home" or "home" means a home that:
- (1) Is regulated by the department in accordance with rules that are equitable in relation to rules that govern expanded adult residential care homes;
 - (2) Is issued a certificate of approval by the department or its designee to provide, for a fee, twenty-four-hour living accommodations, including personal care and homemaker services, for not more than two adults at any one time, at least one of whom shall be a medicaid recipient, who are at the nursing facility level of care, who are unrelated to the foster family, and who are receiving the services of a licensed home and community-based case management agency; provided that [the]:
 - (A) The department, in its discretion, may certify a home for a third adult who is at the nursing facility level of care and is a medicaid recipient; provided further that [the]:
 - [A] Home (i) The home has been certified and in operation for not less than one year;
 - [B] Primary (ii) The primary caregiver is a certified nurse aide, as defined in section 457A-1.5, who has completed a state-approved training program and other training as required by the department; and
 - [C] Substitute (iii) The substitute caregiver is a nurse aide, as defined in section 457A-1.5, who has completed a state-approved training program and other training as required by the department; [and]
 - (B) The department, in consultation with the department of human services, and in its discretion, and considering the past admission history and current client mix of the community care foster family home, may allow two private-pay individuals to be cared for in the same community care foster family home after considering the following relevant factors:
 - (i) The community care foster family home is certified for three beds;
 - (ii) The operator of the three-bed community care foster family home has had a vacant medicaid bed for at least six months; provided that the operator shall not transfer out a medicaid or private-pay client from the community care foster family home in order to accept a private-pay individual;
 - (iii) The two private-pay individuals are in a relationship with each other as a married couple or in a civil union and one of the private-pay individuals is currently residing in the community care foster family home for at least six months;
 - (iv) The department, in its discretion, determines that no other adult residential care home, expanded adult residential care home, or healthcare facility within the area has an available opening and is capable of providing care to both private-pay individuals; and

- (v) There are no medicaid recipients seeking placement in the community care foster family home that the married or civil union private-pay individuals are seeking to occupy;
- (C) If the legal relationship of the marriage or civil union of the individuals ceases to exist, including but not limited to as a result of death or divorce, one of the two private-pay beds shall immediately, upon the death or the effective date of divorce, become a medicaid bed; and
- (D) The department and its officers, employees, and agents, in exercising discretion and in considering any other factors that the department deems relevant to its decision, shall be immune from suit and liability in the exercise of its discretion under this section; and
- (3) Does not include expanded adult residential care homes or assisted living facilities.”

SECTION 3. The department of health shall submit a report of its findings and recommendations to the legislature no later than twenty days prior to the convening of the regular session of 2018 on the authorization to allow two private-pay individuals to be cared for in the same community care foster family home as provided under this Act, including its impact on the availability of space for medicaid clients.

SECTION 4. It is the intent of this Act not to jeopardize the receipt of any federal aid. If this Act is found to be in conflict with federal requirements that are a prescribed condition for the allocation of federal funds to the State, this Act shall be deemed void.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved May 31, 2017.)

ACT 31

H.B. NO. 655

A Bill for an Act Relating to the Rose-Ringed Parakeet.

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

SECTION 1. The rose-ringed parakeet, *Psittacula krameri*, is one of the most widespread invasive birds on the planet. In the United States, established populations occur in Florida, Hawaii, and southern California. In its native range of Africa and India, this bird is considered to be one of the most significant agricultural pests of important food crops. In Hawaii, the rose-ringed parakeet has been particularly damaging on Kauai, where its population has been growing exponentially. Although the first pair of rose-ringed parakeets was introduced in Kauai in the 1960s, the population was estimated at one hundred fifty to two hundred birds by 1994, five hundred to one thousand birds by the late 2000s, and over two thousand birds by 2011. The current number of rose-ringed parakeets on Kauai is unknown, but observations suggest over five thousand birds.

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The legislature further finds that the rose-ringed parakeet has been introduced in over thirty-five countries and five continents. It is gregarious, is a dietary generalist, has a high reproductive rate, is well-adapted to living in populated areas, and is without predation pressure. The rose-ringed parakeet is a successful invader and poses a significant threat to local economies by damaging agriculture and the local ecology, thereby causing invasive plant dispersion and competing with native wildlife.

On Kauai, these birds cause more crop damage than all other birds and mammals. Kauai residents have complained about the noise from rose-ringed parakeet calls, feces spreading below roosts, damage to local gardens and orchards, and loss of business profits and tourism. This bird is also a potential vector of various pathogens and diseases (e.g., avian influenza, avian malaria, and salmonella) that could be passed to humans, pets, and native wildlife.

The legislature further finds that the staff of the National Wildlife Research Center of the United States Department of Agriculture has observed the rose-ringed parakeet on Kauai and has concluded that these birds are: (1) probably dispersing invasive plant species, including liliokoi and strawberry and yellow guava; (2) possibly destroying native seeds, including koa; and (3) potentially competing with native birds for fruits, seeds, and nesting sites.

The legislature also finds that the greatest negative effects of the rose-ringed parakeet on Kauai, however, are economic. These parakeets are known for damaging crops, and reports from fruit farmers suggest that the parakeets are damaging and reducing the yield of many crops, including lychee, longan, and rambutan. In response to reports of damage to crops and reduced yields, the National Wildlife Research Center conducted a two-month research study in 2011 that documented the movement and foraging patterns of the parakeet, contained additional estimates of their population, and identified roost site locations. This study is the only formal research study of the rose-ringed parakeet on Kauai.

Additional research is needed for the development and preliminary implementation of an effective control plan for rose-ringed parakeets on Kauai. While the National Wildlife Research Center of the United States Department of Agriculture completed some preliminary analysis of rose-ringed parakeet population dynamics in 2011, the population appears to have grown substantially since then, and the current number and distribution of birds are unknown. There is a strong need for more cost-effective rose-ringed parakeet control to benefit economically important crops on Kauai, as well as a need to reduce the potential for these birds to damage natural resources and adversely affect human health and safety.

The purpose of this Act is to appropriate funds to the department of land and natural resources to provide assistance and supplemental funding to the National Wildlife Research Center of the United States Department of Agriculture to:

- (1) Determine an estimate of the current population size of the rose-ringed parakeet on Kauai;
- (2) Locate and map the roost and rookery locations of rose-ringed parakeets on Kauai;
- (3) Describe and map rose-ringed parakeet habitat uses, daily dispersal patterns, and overall range on Kauai;
- (4) Estimate generally the agricultural, commercial, residential, and natural area damages by rose-ringed parakeets on Kauai;
- (5) Determine the types of human and wildlife diseases carried by rose-ringed parakeets on Kauai;

- (6) Conduct trials using different devices and methods that will reduce or deter rose-ringed parakeet populations; and
- (7) Develop and implement the beginning of an effective control plan for reducing the adverse effects of the rose-ringed parakeet on Kauai with an initial reduction target of five hundred birds or an estimated ten per cent of the population.

SECTION 2. The department of land and natural resources shall provide assistance to and collaborate with the National Wildlife Research Center of the United States Department of Agriculture, including providing supplemental funding for completion of the Center's research study on the rose-ringed parakeet on the island of Kauai and related research, development, and implementation programs to reduce the adverse effects of the parakeet on the island of Kauai.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$75,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the department of land and natural resources to assist the National Wildlife Research Center of the United States Department of Agriculture to conduct research on and develop and begin implementation of a control plan for the rose-ringed parakeet as set forth in this Act.

The sum appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved June 1, 2017.)

ACT 32

S.B. NO. 559

A Bill for an Act Relating to Climate Change.

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

PART I

SECTION 1. The legislature finds that not only is climate change real, but it is the overriding challenge of the 21st century and one of the priority issues of the senate. Climate change poses immediate and long-term threats to the State's economy, sustainability, security, and way of life. Hawai'i has a tradition of environmental leadership, having prioritized policies regarding conservation, reduction in greenhouse gas emissions, and development and use of alternative renewable energy. The legislature has passed numerous measures over the last decade to address climate change.

The legislature recognized in Act 234, Session Laws of Hawaii 2007, that "climate change poses a serious threat to the economic well-being, public health, natural resources, and the environment of Hawaii . . ." and that the "potential adverse effects of global warming include a rise in sea levels resulting in the displacement of businesses and residences and the inundation of Hawaii's freshwater aquifers, damage to marine ecosystems and the natural environment, extended drought and loss of soil moisture, an increase in the spread of infectious diseases, and an increase in the severity of storms and extreme weather events." Countless scientific studies have concluded that greenhouse gas emissions are a leading contributing factor to global warming. The purpose of Act

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234 was to achieve a cost-effective statewide greenhouse gas emissions limit at or below the State's greenhouse gas emissions estimates of 1990 by 2020. However, even if greenhouse gas emissions are reduced to 1990 levels, Hawai'i will still be significantly impacted by climate change well into the future, thus the legislature acknowledges that climate change requires a two-pronged approach - reduction of activities that contribute to global warming and adaptations to mitigate the impacts of climate change on the State.

Act 73, Session Laws of Hawaii 2010, established the environmental response, energy, and food security tax, otherwise known as the barrel tax, to provide resources for addressing the effects of climate change. Act 286, Session Laws of Hawaii 2012, amended the Hawaii State Planning Act to establish climate change adaptation priority guidelines, which require that all county and state activities consider the impacts of climate change in land use, capital improvement, and program decisions. The legislature also finds that in 2013, President Barack Obama appointed former Governor Neil Abercrombie to serve on the President's Task Force on Climate Preparedness and Resilience to develop recommendations on how the federal government can better support state, local, and tribal efforts in climate mitigation, adaptation, and resilience in the areas of Disaster Management; Built Systems (water, transportation, energy, facilities, and coastal infrastructure); Natural Resources and Agriculture; and Community Development and Health. The Hawaii Climate Adaptation Initiative Act, Act 83, Session Laws of Hawaii 2014, established an Interagency Climate Adaptation Committee and authorized the Department of Land and Natural Resources and Office of Planning to create a Sea Level Rise Vulnerability and Adaption Report by December 2017. Act 83 further authorized the Office of Planning to coordinate development of statewide climate adaptation plans to address the effects of climate change through 2050 to protect the State's economy, health, environment, and way of life.

In September 2016, the International Union for the Conservation of Nature at the Hawaii World Conservation Conference adopted The Pacific Region Climate Resiliency Plan and the Aloha+ Challenge Model for Sustainable Development Policy Motions to facilitate climate mitigation, adaption, and resiliency efforts in the Pacific region.

The legislature further finds that on December 12, 2015, one hundred ninety-five countries at the 21st Conference of the Parties of the United Nations Framework Convention on Climate Change adopted an agreement addressing greenhouse gas emissions mitigation, adaptation, and finance starting in the year 2020, known as the Paris Agreement. Under the Agreement, the parties will set greenhouse gas reduction goals, record and communicate information through a transparency mechanism, and provide support to undeveloped countries through a finance mechanism. Specifically, the Paris Agreement aims to strengthen the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty, including by:

- (1) Holding the increase in the global average temperature to well below 2 degrees Celsius above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5 degrees Celsius above pre-industrial levels, recognizing that this would significantly reduce the risks and impacts of climate change;
- (2) Increasing the ability to adapt to the adverse impacts of climate change and foster climate resilience and low greenhouse gas emissions development, in a manner that does not threaten food production; and
- (3) Making finance flows consistent with a pathway toward low greenhouse gas emissions and climate-resilient development.

The Agreement will be implemented to reflect equity and the principle of common but differentiated responsibilities and respective capabilities, in light of different national circumstances. The Paris Agreement was adopted on November 4, 2016, and is the largest concerted global effort to combat climate change to date. Regardless of federal action, the legislature supports the goals of the Paris Agreement to combat climate change and its effects on environments, economies, and communities around the world.

Therefore, the purpose of this part is to document the State's commitment to combat climate change by systematically reducing greenhouse gas emissions and improving our resiliency to climate change aligned with the principles and contributing to the goals set by the Paris Agreement.

The State recognizes that to promote a statewide response to climate change collaboration and cooperation are needed in:

- (1) Early warning systems;
- (2) Emergency preparedness;
- (3) Slow onset events;
- (4) Events that may involve irreversible and permanent loss and damage;
- (5) Comprehensive risk assessment and management;
- (6) Risk insurance facilities, climate risk pooling, and other insurance solutions;
- (7) Non-economic losses; and
- (8) Resilience of communities, livelihoods, and ecosystems.

SECTION 2. (a) The State shall expand strategies and mechanisms to reduce the greenhouse gas emissions statewide through the reduction of energy use, adoption of renewable energy, and control of air pollution among all agencies, departments, industries, and sectors, including transportation. Such strategies and mechanisms shall utilize the best available science, technologies, and policies to reduce greenhouse gas emissions and shall be closely aligned with the climate change principles and goals adopted in the Paris Agreement and Hawaii's share of obligations within the expectations apportioned to the United States in the Paris Agreement, regardless of federal action.

(b) The State shall strive to formulate and communicate long-term low greenhouse gas emission development strategies and shall take actions to conserve and enhance long-term sinks and reservoirs of greenhouse gases, by prioritizing the development of parks, greenways, and restoration of native upland and coastal forests and wetlands.

PART II

SECTION 3. Chapter 225P, Hawaii Revised Statutes, is amended by amending its title to read as follows:

"HAWAII CLIMATE CHANGE MITIGATION AND ADAPTATION INITIATIVE"

SECTION 4. Section 225P-2, Hawaii Revised Statutes, is amended as follows:

1. By adding a new definition to be appropriately inserted and to read:
“Commission” means the Hawaii climate change mitigation and adaptation commission.”
2. By repealing the definition of “committee”.
[“Committee” means the interagency climate adaptation committee.”]

SECTION 5. Section 225P-3, Hawaii Revised Statutes, is amended to read as follows:

~~"[§]§225P-3[]] [Interagency climate adaptation committee;] Hawaii climate change mitigation and adaptation commission; general functions, duties, and powers.~~ (a) There is established [an interagency climate adaptation committee] the Hawaii climate change mitigation and adaptation commission that shall be placed within the department of land and natural resources for administrative purposes only.

~~(b) Coordination of the [committee] commission shall be headed jointly by the chairperson of the board of land and natural resources, or the chairperson's designee, and the director of the office of planning, or the director's designee. [Among the various potential impacts of climate change, the committee shall, as a first step, focus on and develop sea level rise vulnerability and adaptation reports that shall include:~~

- ~~(1) Identification of the major areas of sea level rise impacts affecting the State and counties through 2050;~~
- ~~(2) Identification of expected impacts of sea level rise based on the latest scientific research for each area through 2050;~~
- ~~(3) Identification of the economic ramifications of sea level rise;~~
- ~~(4) Identification of applicable federal laws, policies, or programs that impact affected areas; and~~
- ~~(5) Recommendations for planning, management, and adaptation for hazards associated with increasing sea level rise.~~

~~The report shall be made publicly available no later than December 31, 2017.]~~

~~[§]§(c)] The [committee] commission shall include the following members:~~

- ~~(1) The chairs of the standing committees of the legislature with subject matter jurisdiction encompassing environmental protection and land use;~~
- ~~(2) The chairperson of the board of land and natural resources or the chairperson's designee, who shall be the co-chair of the [committee;] commission;~~
- ~~(3) The director of the office of planning or the director's designee, who shall be the co-chair of the [committee;] commission;~~
- ~~(4) The director of business, economic development, and tourism or the director's designee;~~
- ~~(5) The chairperson of the board of directors of the Hawaii tourism authority or the chairperson's designee;~~
- ~~(6) The chairperson of the board of agriculture or the chairperson's designee;~~
- ~~(7) The chief executive officer of the office of Hawaiian affairs or the officer's designee;~~
- ~~(8) The chairperson of the Hawaiian homes commission or the chairperson's designee;~~
- ~~(9) The director of transportation or the director's designee;~~
- ~~(10) The director of health or the director's designee;~~
- ~~(11) The adjutant general or the adjutant general's designee;~~
- ~~(12) The chairperson of the board of education or the chairperson's designee;~~
- ~~(13) The directors of each of the county planning departments, or the directors' designees; and~~
- ~~(14) The manager of the coastal zone management program.~~

[§(d)] In addition to the members listed in subsection (c), the chairs of the [committee] commission may request the participation or input of members of the public; experts in the field; and county, state, or federal officials [necessary for the formulation of the report.] or others as necessary.

[(e)] In developing the report, the committee shall:

(1) Solicit public views and concerns; and

(2) Coordinate with the various county, state, and federal agencies involved in ongoing climate change adaptation planning initiatives.

[(f)] The committee shall reevaluate and update the sea level rise vulnerability and adaptation report every five years.]

[(g)] (e) The members of the [committee] commission shall serve without pay but shall be reimbursed for their actual and necessary expenses, including travel expenses, incurred in carrying out their duties.

(f) The commission shall provide policy direction, facilitation, coordination, and planning among state and county agencies, federal agencies, and other partners as appropriate.

(g) The commission shall establish climate change mitigation and adaptation strategies and goals to help guide planning and implementation statewide using the latest scientific analysis and risk assessment to monitor and forecast climate change related impacts at the regional, state, and local level, including any additional information deemed necessary.

(h) The commission shall identify vulnerable people, communities, industries, ecosystems, and the potential economic ramifications for climate change related impacts.

(i) The commission shall identify existing climate change mitigation and adaptation efforts at the federal, state, and local levels and make recommendations for how to meet or exceed Hawaii's state mitigation goals and shall adopt a liberal approach in preparation, so as to minimize future risk to the people and environment of Hawaii.

(j) The commission shall assess the capacity and availability of existing resources and identify new sources of revenue necessary to address climate change mitigation and adaptation and shall advise the governor, legislature, and counties on the economic and budgetary ramifications of climate change impacts, mitigation, and adaptation.

(k) The commission shall identify the information necessary to track progress in implementing climate change mitigation and adaptation efforts and shall submit an annual report to the governor and legislature no later than twenty days prior to the convening of each regular session of the legislature.

(l) The commission shall maintain a website that includes a mission statement as well as access to climate change related actions, plans, policies, and results.

(m) The commission shall conduct a comprehensive review of the implementation as required by this section and submit a report to the governor, legislature, and the counties no later than twenty days prior to the convening of the regular session of 2023 and every five years thereafter.

(n) The commission shall, as a first step, focus on and develop sea level rise vulnerability and adaptation reports that shall include:

(1) Identification of the major areas of sea level rise impacts affecting the State and counties through 2050;

(2) Identification of expected impacts of sea level rise based on the latest scientific research for each area through 2050;

(3) Identification of the economic ramifications of sea level rise;

(4) Identification of applicable federal laws, policies, or programs that impact affected areas; and

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- (5) Recommendations for planning, management, and adaptation for hazards associated with increasing sea level rise.

The reports shall be made publicly available no later than December 31, 2017, and the commission shall reevaluate and update the sea level rise vulnerability and adaptation report every five years.

- (o) In developing the report, pursuant to subsection (n), the commission shall:

(1) Solicit public views and concerns; and

(2) Coordinate with the various county, state, and federal agencies involved in ongoing climate change adaptation planning initiatives.”

SECTION 6. Chapter 225P, Hawaii Revised Statutes, is repealed.

PART III

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$40,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 for the purposes of this Act.

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 8. There is appropriated out of the general revenues of the State of Hawaii the sum of \$65,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 for the establishment of one full-time equivalent (1.00 FTE) climate change mitigation and adaptation coordinator position, who shall be exempt from chapter 76, Hawaii Revised Statutes, to support the Hawaii climate change mitigation and adaptation commission.

The sums appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

PART IV

SECTION 9. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 10. This Act shall take effect on July 1, 2017; provided that section 6 shall take effect on July 1, 2022.

(Approved June 6, 2017.)

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H.B. NO. 1578

A Bill for an Act Relating to Climate Change.

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

SECTION 1. The legislature finds that the State of California and numerous other states and private industries have established carbon credits that polluters buy to offset their carbon emissions. Billions of dollars have been raised by the State of California alone, and many industries are seeking new places to invest these dollars to offset their carbon emissions.

The legislature also finds that local farmers in Hawaii can benefit from additional subsidies and support to grow local agriculture, create jobs, and diversify our economy. Accordingly, the legislature finds that it is in the public interest to establish a basic certification for carbon-negative agricultural practices to allow local farmers to qualify for carbon credit subsidies.

The legislature further finds that agricultural land management practices that sequester carbon could provide greenhouse gas benefits, enhance the sustainability of Hawaii's agricultural lands, decrease sedimentation of the marine environment, improve the climate resistance of Hawaii's agricultural sector, and create new opportunities for local farmers.

The purpose of this Act is to create a carbon farming task force to identify agricultural or aquacultural activities and best practices that provide carbon sequestration benefits that may be used to establish a carbon farming certification.

SECTION 2. For the purposes of this Act:

"Agricultural activities" shall have the same meaning as in section 166-2, Hawaii Revised Statutes.

"Agricultural or aquacultural practices" means management practices for agricultural activities or aquacultural activities.

"Aquacultural activities" shall have the same meaning as in section 166-2, Hawaii Revised Statutes.

"Greenhouse gas benefits" means greenhouse gas emissions source reduction or carbon sequestration.

"Healthy soils" means soils that enhance their continuing capacity to function as a biological system, increase soil organic matter, improve soil structure and water- and nutrient-holding capacity, and result in net long-term greenhouse gas benefits.

"On-farm demonstration projects" means projects that incorporate farm management practices in agricultural activities or aquacultural activities that result in greenhouse gas benefits.

SECTION 3. (a) The carbon farming task force is established within the office of planning for administrative purposes only. The task force shall have the following objectives:

- (1) Identify and study agricultural and aquacultural practices, public land and marine use policies, and on-farm management practices that would increase climate resiliency and improve carbon sequestration in Hawaii;
- (2) Work with public and private stakeholders to establish short- and long-term benchmarks for increasing carbon sequestration in Hawaii's agricultural and natural environment;
- (3) Identify appropriate criteria to measure baseline levels and increases in carbon sequestration, improvements in soil health, and other key indicators of greenhouse gas benefits from beneficial agricultural and aquacultural practices that may be used to create a certification program for promoting agricultural and aquacultural practices that generate greenhouse gas benefits;
- (4) Identify land and marine use policies, agricultural policies, and mitigation options that would encourage agricultural and aquacultural practices and land use practices that would promote increased carbon sequestration, build healthy soils, and provide greenhouse gas benefits;
- (5) Identify ways to increase the generation and use of compost in Hawaii to build healthy soils;

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- (6) Identify agroforestry practices that can be used to enhance carbon sequestration in Hawaii; and
 - (7) Make recommendations to the legislature and governor on measures that would increase climate resiliency, build healthy soils, or provide greenhouse gas benefits.
- (b) In addition to the objectives listed in subsection (a), the task force may consider:
- (1) Developing incentives and funding mechanisms for these incentives, including but not limited to loans, tax credits, or grants; research; technical assistance; or educational materials and outreach, to participating agricultural activities, aquacultural activities, or on-farm demonstration projects that are identified and approved by the task force as those that would promote greenhouse gas benefits, build healthy soils, sequester carbon, increase water-holding capacity, and increase crop yields; and
 - (2) Providing for research, education, and technical support for agricultural activities and aquacultural activities identified by the task force.
 - (c) The carbon farming task force shall consist of the following:
 - (1) The director of the office of planning or the director's designee, who shall serve as chairperson;
 - (2) The chairperson of the board of agriculture or the chairperson's designee;
 - (3) The deputy director of the department of health's environmental health administration or the deputy director's designee;
 - (4) The director of the office of environmental quality control or the director's designee;
 - (5) The director of the center for island climate adaptation and policy at the University of Hawaii at Manoa;
 - (6) The administrator of the division of forestry and wildlife within the department of land and natural resources or the administrator's designee;
 - (7) One researcher from the college of tropical agriculture and human resources at the University of Hawaii at Manoa;
 - (8) One extension agent from the college of tropical agriculture and human resources at the University of Hawaii at Manoa;
 - (9) Four members; provided that the mayors of Hawaii, Honolulu, Kauai, and Maui counties shall each appoint one member; and
 - (10) Three members to be jointly selected by the president of the senate and the speaker of the house of representatives, of which one member shall be selected from an environmental nonprofit organization, and another member from an agricultural or ranching association.

Task force members may recommend additional members with appropriate specialized expertise to the task force, for approval by the chairperson.

- (d) Members of the task force shall be exempt from section 26-34, Hawaii Revised Statutes, and shall serve without compensation, but shall be reimbursed for reasonable expenses necessary for the performance of their duties, including travel expenses.

- (e) The carbon farming task force shall:

- (1) Submit a preliminary report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2023; provided that the preliminary report shall discuss the objectives and issues listed in subsections (a) and (b), including the following:

- (A) Types of agricultural and aquacultural practices, public land and marine use policies, and on-farm managing practices that would provide greenhouse gas benefits;
- (B) Short-term and long-term benchmarks on how agricultural activities and aquacultural activities can help the State of Hawaii reach carbon neutrality;
- (C) Appropriate criteria that may be used in a certification program to measure baseline levels and increases in carbon sequestration, improvements in soil health, and other key indicators of greenhouse gas benefits from beneficial agricultural and aquacultural practices; and
- (D) Kinds of incentives, grants, research, and assistance that would promote:
 - (i) Agricultural and aquacultural practices to produce greenhouse gas benefits; and
 - (ii) Land and marine use policies and agricultural policies that would encourage agricultural and aquacultural practices and land use practices to provide greenhouse gas benefits; and
- (2) Submit a final report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2025.
- (f) The office of planning shall provide administrative and clerical support required by the task force.
- (g) The task force shall cease to exist on June 30, 2025.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$25,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the purposes of this Act.

The sum appropriated shall be expended by the office of planning for the purposes of this Act.

SECTION 5. This Act shall take effect on July 1, 2017.

(Approved June 6, 2017.)

ACT 34

S.B. NO. 149

A Bill for an Act Relating to Procurement.

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

SECTION 1. Section 103F-401.5, Hawaii Revised Statutes, is repealed.

SECTION 2. Statutory material to be repealed is bracketed and stricken.¹

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

(Approved June 7, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 35**ACT 35**

H.B. NO. 942

A Bill for an Act Relating to Filipino Veterans.

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

SECTION 1. The legislature finds that it is of great importance to honor and commemorate the Filipino veterans of World War II who fought with remarkable valor and dedication alongside the victorious Allied forces during World War II.

In December 2016, President Obama signed into a law a measure that collectively awarded the Congressional Gold Medal, the nation's highest civilian honor, to more than two hundred sixty thousand surviving and deceased Filipino veterans of World War II, including those from the Philippines, United States, and Territory of Hawaii, who fought under the American flag during World War II.

Establishing a monument to honor and commemorate Filipino veterans of World War II would show Hawaii's gratitude to these Filipino veterans, provide a visual reminder of these Filipino veterans' unique place in American and global history, and educate the public on the role that minorities played in the outcome of World War II.

The purpose of this Act is to authorize the state foundation on culture and the arts to commission an artist to design and build a monument to honor and commemorate Filipino veterans of World War II.

SECTION 2. The state foundation on culture and the arts shall:

- (1) Commission an artist to design and build a monument to honor and commemorate Filipino veterans of World War II; and
- (2) Select the location of the monument.

SECTION 3. There is appropriated out of the works of art special fund established by section 103-8.5, Hawaii Revised Statutes, the sum of \$200,000 or so much thereof as may be necessary for fiscal year 2017-2018 to design and build the monument identified in section 2 of this Act.

The sum appropriated shall be expended by the state foundation on culture and the arts for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved June 19, 2017.)

ACT 36

H.B. NO. 1534

A Bill for an Act Relating to Residence Requirements for Appointed Officers.

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

SECTION 1. Section 78-1, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) All appointive officers in the service of the government of the State or any county who are employed as department heads and deputies or assistants to a department head shall be citizens of the United States and residents of the State for at least one year immediately preceding their appointment; provided that the foregoing one year residency requirement may be waived by the appointing authority when the appointive officer is [required]:”

- (1) Required to have highly specialized or scientific knowledge and training and a qualified applicant who is a resident for at least one year is not available to fill the position[.]; or
- (2) Employed as the head of a county police department.

All others appointed in the service of the government of the State or in the service of any county or municipal subdivision of the State shall be [e]citizens, residents of the State at the time of their appointment and:

- (1) Citizens, nationals, or permanent resident aliens of the United States [and residents of the State at the time of their appointment.]; or
- (2) Eligible under federal law for unrestricted employment in the United States.

A national or permanent resident alien appointee shall not be eligible for continued employment unless such person diligently seeks citizenship upon becoming eligible to apply for United States citizenship.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved June 19, 2017.)

ACT 37

S.B. NO. 850

A Bill for an Act Relating to Information Technology.

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

SECTION 1. The purpose of this Act is to address information technology. More specifically, this Act makes the chief information officer responsible for the independent verification and validation of information technology projects of the executive branch, including the department of education and University of Hawaii. This Act gives the chief information officer the discretion to identify the information technology projects that require independent verification and validation.

This Act is intended to provide for the monitoring by a third party of the quality, progress, and cost of major information technology projects. The legislature finds that this Act establishes a proactive approach to achieving the successful development and implementation of information technology projects that are necessary for the efficient and effective functioning of state government. The legislature further finds that the expense to the taxpayers of such projects necessitates the centralization of the independent verification and validation authority under the chief information officer.

SECTION 2. Chapter 27, Hawaii Revised Statutes, is amended by adding a new section to part VII to be appropriately designated and to read as follows:

“§27- Additional duties of the chief information officer relating to independent verification and validation of information technology projects of the executive branch. (a) The chief information officer shall identify the information technology projects of the executive branch, including those of the department of education and the University of Hawaii, that shall be subject to independent verification and validation.

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(b) If the chief information officer identifies an information technology project for independent verification and validation, the sponsoring department or agency shall cooperate with the chief information officer and the independent verification and validation contractor during the independent verification and validation process.

(c) The chief information officer shall require all independent verification and validation reports to be submitted to the chief information officer.

(d) The chief information officer shall submit each independent verification and validation report to the legislature within ten days of receiving the report.

(e) As used in this section, "independent verification and validation of an information technology project" means a rigorous independent process that evaluates the correctness and quality of the business product of the project to ensure that the product is being developed in accordance with customer requirements and well-engineered."

SECTION 3. New statutory material is underscored.¹

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved June 19, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 38

H.B. NO. 425

A Bill for an Act Relating to Technology Transfer at the University of Hawaii.

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

SECTION 1. The legislature finds that it is a matter of concern to support the contributions of the University of Hawaii to the economic health and diversification of the State. The legislature further finds that the timely and efficient commercialization of intellectual property created by basic and applied research at the university greatly benefits the public and the State.

Through prior legislation, the legislature has authorized and provided funding to support efforts by state agencies to promote entrepreneurial development, research commercialization, and access to startup investment capital. These efforts include, for example, the HI growth initiative, the venture accelerator funding program, and other projects sponsored by the Hawaii strategic development corporation. The University of Hawaii can play a vital and complementary role in this initiative.

The legislature further finds that the board of regents of the University of Hawaii has established a regulatory framework and research compliance program to balance the unique benefits and ethical issues specific to university research and technology transfer and to ensure compliance with applicable external regulations. The university regulatory framework and research compliance program incorporates long-standing ethical research principles and technology transfer regulations currently used by the federal government.

The board of regents periodically reviews and updates its policies and procedures to reflect the best practices currently in place at several of the university's peer institutions. In this manner, the university strives to remain compliant

with federal regulation and be competitive for external research funding opportunities. By updating its research and commercialization policies and guidelines, the university is able to attract innovative faculty.

The purpose of this Act is to facilitate the University of Hawaii's contribution to research commercialization and economic development for the State by clarifying and updating the application of ethics principles set forth in the state code of ethics to technology transfer activities sponsored by the university.

SECTION 2. Chapter 84, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§84- University of Hawaii; technology transfer activities; exemption.”

(a) Sections 84-12, 84-13, 84-14 to 84-16, and 84-18 shall not apply to technology transfer activities sponsored by the University of Hawaii; provided that the technology transfer activities comply with the regulatory framework and research compliance program and policies approved by the University of Hawaii board of regents.

(b) As used in this section, “technology transfer activities” means the process of transferring scientific findings from the public sector to the private sector for the purpose of commercial development and application for personal or financial gain. “Technology transfer activities” may include creating joint ventures, limited partnerships, or other corporate forms; allocating equity shares, partnership interests, or other forms of participation; identifying new technologies; protecting technologies through patents and copyrights; forming development and commercialization strategies, arrangements, or projects; and other related activities.”

SECTION 3. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§304A- Technology transfer; reporting.” The board of regents of the University of Hawaii shall submit a written report to the legislature no later than twenty days prior to the convening of each regular session regarding:

- (1) The development and implementation of its regulatory framework and research compliance program to reflect ethical research principles and technology transfer regulations used by the federal government; and
- (2) The technology transfer activities of the University of Hawaii, as defined in section 84-, and the status of such activities.”

SECTION 4. New statutory material is underscored.¹

SECTION 5. This Act shall take effect upon its approval; provided that this Act shall be repealed on June 30, 2022.

(Approved June 19, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to University of Hawaii Research.

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

SECTION 1. The legislature finds that it is a matter of concern to promote the economic health and diversify workforce opportunities of the State. The legislature further finds that transforming ideas and concepts arising from basic and applied research conducted at the University of Hawaii, the sole public institution of higher education in this State, into commercially viable and sustainable products and businesses will contribute to economic health and workforce diversification. Commercialization of intellectual property created at or by the university thus achieves a public purpose and benefits the State.

In the past, the legislature has authorized and provided public funds to support efforts by other state agencies to promote entrepreneurial development, support research commercialization, or provide access to startup investment capital. These state efforts include, for example, the HI growth initiative, the venture accelerator funding programs, and other projects sponsored by the Hawaii strategic development corporation.

Because a core function of the University of Hawaii is to conduct basic and applied research, the legislature further finds that the university is uniquely positioned to identify promising innovations and new discoveries arising from university research. For inventions that show commercial potential, the university can use the educational resources from its various professional schools, such as business, law, and engineering, to provide focused instruction, expert mentorship, practical guidance, and advanced training in business development. A systematic program of support in the early stages of commercialization is essential to ensure the viability of businesses and sustainable employment opportunities. The legislature further finds that education and instruction are integral components of the university's core mission, and applying university resources to support the commercialization of inventions and concepts is a proper use of public resources.

The legislature also finds that an impediment to the effective transformation of university innovation into commercial products and viable businesses is the lack of clear and express legal authority to frame and support the university's technology transfer programs. Lack of express statutory authority for these commercialization and technology transfer activities sponsored by the university creates business uncertainty that deters private interests from fully engaging in collaborative efforts promoted by the university. Lack of clear authority for any innovation or commercialization program within the university may also deter university faculty or students from seeking and actively participating in the program.

The purpose of this Act is to provide express statutory authority to enable and facilitate the deployment of university educational and instructional resources, university managerial and fiscal resources, and university personnel to promote the economic health and diversification of workforce opportunities in the State through the commercialization of inventions and discoveries generated by or at the university. The legislature finds that there is a public benefit when university resources are used for such purposes, and accordingly, other state laws, including the state code of ethics, should be construed, on balance, to effectuate the intent and public purposes of this Act.

SECTION 2. Chapter 304A, part IV, Hawaii Revised Statutes, is amended by adding a new subpart to be appropriately designated and to read as follows:

" . INNOVATION AND COMMERCIALIZATION INITIATIVE PROGRAM

§304A- Innovation and commercialization initiative program; establishment. There is established within the University of Hawaii an innovation and commercialization initiative program under the direction of the vice president for research and innovation.

§304A- Innovation and commercialization initiative program; implementation. In implementing the innovation and commercialization initiative program, the University of Hawaii may promote, sponsor, and participate in the transformation of the products of its research and instructional activities into viable economic enterprises, and may create, finance, and participate in organizations that contribute to the economic development and workforce diversification of the State using university research and university personnel. The university, without limitation, may:

- (1) Adopt policies and management procedures to carry out the purposes of the program;
- (2) Contribute equity, loan funds, or participate directly or indirectly to finance concepts or proposals that are likely to lead to viable businesses, economic development, or workforce opportunities based on university research;
- (3) Enter into contracts and other appropriate arrangements with start-up ventures to provide loans, initial and expansion capital, and other forms of financial assistance;
- (4) Solicit, evaluate, and assist in the preparation, drafting, and refinement of business plans and proposals;
- (5) Provide advice, instruction, training, and technical and marketing assistance to support and promote the enterprises in which the university invests;
- (6) Develop, coordinate, and deliver instruction, training, and outreach programs to build and maintain the capacity to sustain these economic enterprises;
- (7) Implement specialized programs designed to encourage the development of new products, businesses, and markets;
- (8) Prepare, publish, and distribute technical studies, reports, bulletins, and other materials consistent with customary standards of university publication, subject to the maintenance and respect for confidentiality of client proprietary information;
- (9) Organize, sponsor, and participate in conferences, workshops, seminars, and other educational activities relating to the formation and financial viability of businesses that use university research products or university personnel;
- (10) Provide and pay for advisory or consulting services and technical, managerial, and marketing assistance, support, and promotion to carry out the purposes of this subpart;
- (11) Acquire, hold, and sell qualified securities;
- (12) Consent, subject to the provisions of any contract with noteholders or bondholders, whenever the university deems it necessary or desirable in the fulfillment of the purposes of this subpart, to the modification, with respect to rate of interest, time of payment of

- any installment of principal or interest, or any other terms, of any contract or agreement of any kind to which the university is a party;
- (13) With the assistance of an appropriate foundation or development entity, accept donations, grants, bequests, and devises of money, property, service, or other things of value that may be received from the United States or any agency thereof, any governmental agency, or any public or private institution, person, firm, or corporation, to be held, used, or applied for any or all of the purposes in support of this program;
- (14) Invest any funds held in reserves or sinking funds, or any funds not required for immediate disbursement, in such investments as may be lawful for fiduciaries in the State;
- (15) Acquire real property, or an interest therein, by purchase or foreclosure, where that acquisition is necessary or appropriate to protect or secure any investment or loan in which the university has an interest; sell, transfer, and convey the property to a buyer and, if the sale, transfer, or conveyance cannot be effected with reasonable promptness or at a reasonable price, to lease the property;
- (16) Consistent with the purposes of the program, acquire, own, hold, dispose of, and encumber personal property of any nature, or any interest therein, either directly or through intermediate entities formed or established specifically for the program's purposes;
- (17) Enter into agreements or other transactions with any federal, state, or county agency to implement the purposes of this subpart;
- (18) Contract with other entities, public or private, for the provision of all or a portion of the services necessary for the management and operation of the program. The university may use all appropriations, grants, contractual reimbursements, and all other funds made available for the purposes of the program to pay for the proper general expenses of the program;
- (19) Appear on its own behalf before state, county, or federal agencies on matters relating to the program;
- (20) Establish a risk management program appropriate to the activities of the program, which may include, among other components, the purchase of insurance, participation in the State's risk management program, or retention and management of risks;
- (21) Appoint advisory committees as deemed necessary; and
- (22) Exercise any other powers of a corporation organized under the laws of the State not inconsistent with the purpose and intent of the program.

§304A- University innovation and commercialization initiative special fund. (a) There is established the university innovation and commercialization initiative special fund into which shall be deposited, and shall not be considered part of the general fund, all funds consistent with the purposes of this subpart that are:

- (1) Appropriated by the legislature;
- (2) Received as repayments of loans;
- (3) Earned on investments;
- (4) Received pursuant to a venture agreement;
- (5) Received as royalties;
- (6) Received as premiums or fees charged by the university; or
- (7) Otherwise received by the program.

(b) Revenues deposited into the special fund may be expended by the University of Hawaii for all costs and expenses associated with the operation of the innovation and commercialization initiative program without regard to chapters 76, 78, 89, 102, 103, and 103D. Revenues not expended as provided in this section may be transferred to other university funds to be expended for the general benefit of the university.

§304A- Confidentiality of trade secrets; disclosure of financial information. Any documents or data made or received by the University of Hawaii under this subpart, to the extent that the material or data consist of trade secrets or confidential commercial or financial information that may be withheld from public disclosure under chapter 92F, shall not be publicly disclosed; provided that if the university purchases a qualified security, the non-confidential commercial and financial information regarding that security shall be a public record of the university. The board of regents, or any subcommittee of the board, may hold an executive session as provided in section 92-4 to discuss trade secrets or confidential commercial or financial information that may be withheld under chapter 92F.

§304A- Limitation on liability. (a) The University of Hawaii shall not assume or otherwise promise to answer for the debt, contract, or liability of any other person or private entity involved with the innovation and commercialization initiative program.

(b) Notwithstanding chapters 661 and 662, or any other law to the contrary, nothing in this subpart shall create an obligation, debt, claim, cause of action, claim for relief, charge, or any other liability of any kind whatsoever in favor of any person or entity, without regard to whether that person or entity receives any benefits under this subpart, against the State or its officers and employees. The State and its officers and employees shall not be liable for the results of any investment, purchase of securities, loan, or other assistance provided pursuant to this subpart. Nothing in this subpart shall be construed as authorizing any claim against the University of Hawaii in excess of any note, loan, or other specific indebtedness incurred by the university or in excess of any insurance policy acquired for the university or its employees.

§304A- Preservation of governmental immunity; full faith and credit. No contract, agreement, or statement made by the University of Hawaii pursuant to this subpart shall constitute an express or implied waiver by the university of its governmental or sovereign immunity as a public agency of the State, nor shall the contracts, agreements, or statements constitute an express or implied acceptance of liabilities in excess of liabilities allowable under applicable governmental immunity laws. No activity conducted by the university or agreement entered into pursuant to this subpart shall be deemed a pledge of the full faith and credit of the State.

§304A- Cooperation with the University of Hawaii by state agencies. Every state agency may render services to the University of Hawaii upon the university's request for any purpose related to this subpart.

§304A- Construction of subpart. Other state laws, including without limitation the state code of ethics, shall be applied and construed on balance in recognition of the public benefits created and state interests advanced by the activities conducted by the University of Hawaii pursuant to this subpart.

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§304A- Biennial report. No later than twenty days prior to the convening of the regular session of each odd-numbered year, the University of Hawaii shall submit a report to the legislature concerning:

- (1) All funds deposited into the university innovation and commercialization initiative special fund and a detailed description of the use of those funds; and
- (2) Coordinated efforts between the innovation and commercialization initiative program and other state agencies, including the high technology development corporation, the Hawaii strategic development corporation, and the Hawaii state energy office, to move the State's innovation goals forward, and to more efficiently and effectively utilize resources to achieve these outcomes."

SECTION 3. This Act shall take effect on July 1, 2017, and shall be repealed on June 30, 2021.

(Approved June 19, 2017.)

ACT 40

H.B. NO. 428

A Bill for an Act Relating to Physician Workforce Assessment.

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

SECTION 1. The legislature finds that there is a critical need for recruitment and retention of physicians to serve rural and medically underserved areas of the State. The shortage of physicians is compounded by the fact that Hawaii has the fifth oldest physician workforce of all the states and more than half of the State's physicians will be over age sixty-five within ten years. The physician workforce assessment project has assisted with malpractice reform, thousands of hours of continuing education, loan repayment to physicians working in areas of need, and the advertising of all open positions in Hawaii to graduates and on the Internet, and is working to make regional physician supply and demand maps and all available national data available on the Internet. Future efforts include state-matched loan relief to new providers in the areas of highest unmet need, promotion of Hawaii careers at mainland physician conferences, efforts to provide bonuses for providers practicing in underserved areas, and the formation of an office of rural training for promoting practice in underserved areas in the State. The funding received through the physician workforce assessment will allow Hawaii to act rapidly on tangible solutions to the physician workforce shortage to adequately address the ongoing need for a strong physician workforce.

The purpose of this Act is to allow the John A. Burns school of medicine to continue to receive a portion of the physician workforce assessment fee to support physician workforce assessment and planning to effect the strategic recruitment and retention of physicians for rural and medically underserved areas of the State, including planning efforts.

SECTION 2. Act 18, Special Session Laws of Hawaii 2009, as amended by section 3(2) of Act 186, Session Laws of Hawaii 2012, is amended by amending section 9 to read as follows:

"SECTION 9. This Act shall take effect on July 1, 2009[; provided that sections 3 and 4 shall be repealed on June 30, 2017]."

SECTION 3. Act 186, Session Laws of Hawaii 2012, is amended by amending section 5 to read as follows:

"SECTION 5. This Act shall take effect on June 29, 2012[; provided that ~~section 1 shall be repealed on June 30, 2017, and section 304A-2171(e), Hawaii Revised Statutes, shall be reenacted in the form in which it read on June 28, 2012]~~."]

SECTION 4. Statutory material to be repealed is bracketed and stricken.

SECTION 5. This Act shall take effect on June 29, 2017.

(Approved June 20, 2017.)

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H.B. NO. 1488

A Bill for an Act Relating to Medical Marijuana.

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

SECTION 1. The legislature finds that Act 241, Session Laws of Hawaii 2015, codified as chapter 329D, Hawaii Revised Statutes, established a licensing framework for a statewide system of medical marijuana dispensaries to ensure access to medical marijuana for qualifying patients. Act 230, Session Laws of Hawaii 2016, clarified the system's implementation. Generally, Act 241 required the department of health to announce the selection of medical marijuana dispensary licensees by April 15, 2016, and to allow retail dispensing of medical marijuana from July 15, 2016. However, the department of health only recently authorized a few medical marijuana dispensary licensees to proceed with the planting or cultivation of medical marijuana, and has been unable to provide assurances that the dispensary program envisioned by Acts 241 and 230 will be fully implemented in the near future.

The legislature also finds that the delay in implementing the medical marijuana dispensing system is affecting patient access to medical marijuana. One cause of the delay is the department of health's struggle to implement the computer tracking system required pursuant to Acts 241 and 230. The legislature notes that although the computer tracking system is intended to serve an important role in ensuring the safety of the product, patient, and public, the need for the system must be balanced against the patients' need to receive their medicine. Recently, some medical marijuana dispensary programs on the mainland United States experienced failures of their computer tracking systems, but the affected jurisdictions fortunately had pre-determined alternate systems to track marijuana product sales during any tracking system shutdown. The legislature believes that the department of health should also have a pre-determined alternate system to track marijuana product sales so that qualified patients will have uninterrupted access to medical marijuana during any shutdown of the initial tracking system in this State.

The legislature further finds that, although laboratory testing of medical marijuana is necessary to ensure product and patient safety, testing should be performed within reasonable scope and tolerance levels. The State of Oregon has implemented testing standards that are appropriate, practical, and evidence-based. Unreasonably strict and expansive testing standards will lead to unnecessarily high production costs that will result in medical marijuana that

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is unaffordable for patient use and may push patients to use the black market instead of legal dispensaries.

Accordingly, the purpose of this Act is to amend and clarify the regulatory framework for the use of medical marijuana and the dispensary system by:

- (1) Increasing the number of marijuana plants that a qualified patient and primary caregiver may jointly possess from seven to ten plants at any stage of growth;
- (2) Including rheumatoid arthritis, lupus, epilepsy, and multiple sclerosis as conditions that qualify a patient for the legal use of medical marijuana;
- (3) Permitting qualified patients and primary caregivers to access laboratory testing for their medical marijuana;
- (4) Amending certain dates and deadlines in existing law and establishing new deadlines to address the delays in implementation of the medical marijuana dispensary system;
- (5) Authorizing the department of health to permit additional retail dispensing locations and cultivation of additional plants for dispensary licensees;
- (6) Allowing an alternate, backup system for tracking and monitoring data related to dispensary sales;
- (7) Requiring retention of video security recordings of production centers and dispensaries for not less than fifty days;
- (8) Amending requirements for laboratory standards and testing to ensure product and patient safety at reasonable tolerance levels with reasonable cost implications; and
- (9) Ensuring that qualifying patients who require transportation or mobility assistance are able to access dispensary premises by permitting providers of paratransit or other assistive services to have limited access to the premises while providing assistance to a qualifying patient.

SECTION 2. Section 329-121, Hawaii Revised Statutes, is amended as follows:

1. By amending the definition of "adequate supply" to read:

"Adequate supply" means an amount of medical marijuana jointly possessed between the qualifying patient and the primary caregiver that is not more than is reasonably necessary to ensure the uninterrupted availability of marijuana for the purpose of alleviating the symptoms or effects of a qualifying patient's debilitating medical condition; provided that an "adequate supply" shall not exceed: [seven] ten marijuana plants, whether immature or mature, and four ounces of usable marijuana at any given time. The four ounces of usable marijuana shall include any combination of usable marijuana and manufactured marijuana products, as provided in chapter 329D, with the marijuana in the manufactured marijuana products being calculated using information provided pursuant to section 329D-9(c)."

2. By amending the definition of "debilitating medical condition" to read:

"Debilitating medical condition" means:

- (1) Cancer, glaucoma, lupus, epilepsy, multiple sclerosis, rheumatoid arthritis, positive status for human immunodeficiency virus, acquired immune deficiency syndrome, or the treatment of these conditions;
- (2) A chronic or debilitating disease or medical condition or its treatment that produces one or more of the following:
 - (A) Cachexia or wasting syndrome;

- (B) Severe pain;
 - (C) Severe nausea;
 - (D) Seizures, including those characteristic of epilepsy;
 - (E) Severe and persistent muscle spasms, including those characteristic of multiple sclerosis or Crohn's disease; or
 - (F) Post-traumatic stress disorder; or
- (3) Any other medical condition approved by the department of health pursuant to administrative rules in response to a request from a physician or advanced practice registered nurse or potentially qualifying patient."

SECTION 3. Section 329-122, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) For the purposes of this section, "transport" means the transportation of marijuana, usable marijuana, or any manufactured marijuana product between:

- (1) A qualifying patient and the qualifying patient's primary caregiver;
- (2) The production centers and the retail dispensing locations under a dispensary licensee's license; or
- (3) A production center [or], retail dispensing location, qualifying patient, or primary caregiver and a certified laboratory for the purpose of laboratory testing; provided that a qualifying patient or primary caregiver may only transport up to one gram of marijuana per test to a certified laboratory for laboratory testing and may only transport the product if the qualifying patient or primary caregiver:
 - (A) Secures an appointment for testing at a certified laboratory;
 - (B) Obtains confirmation, which may be electronic, that includes the specific time and date of the appointment and a detailed description of the product and amount to be transported to the certified laboratory for the appointment; and
 - (C) Has the confirmation, which may be electronic, available during transport.

For purposes of interisland transportation, "transport" [does not include the interisland transportation] of marijuana, usable marijuana, or any manufactured marijuana product, [except when the transportation is performed] by any means is allowable only between a production center or retail dispensing location and a certified laboratory for the sole purpose of laboratory testing pursuant to section 329D-8, as permitted under section 329D-6(m) and subject to section 329D-6(j), and with the understanding that state law and its protections do not apply outside of the jurisdictional limits of the State. Allowable transport pursuant to this section does not include interisland transportation by any means or for any purpose between a qualified patient or primary caregiver and any other entity or individual, including an individual who is a qualified patient or primary caregiver.]

SECTION 4. Section 329-130, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) After December 31, [2018,] 2023, a qualifying patient shall obtain medical marijuana or manufactured marijuana products only:

- (1) From a dispensary licensed pursuant to chapter 329D; provided that the marijuana shall be purchased and paid for at the time of purchase; or
- (2) By cultivating marijuana in an amount that does not exceed an adequate supply for the qualifying patient, pursuant to section 329-

122[.]; provided that each location used to cultivate marijuana shall be used by no more than five qualifying patients.
After December 31, [2018,] 2023, no primary caregiver shall be authorized to cultivate marijuana for any qualifying patient."

SECTION 5. Section 329D-2, Hawaii Revised Statutes, is amended to read as follows:

"§329D-2 Medical marijuana dispensaries; authorized; licensure. (a) No person shall operate a medical marijuana dispensary unless the person has a license issued by the department pursuant to this chapter.

(b) The director of health shall grant medical marijuana dispensary licenses to allow dispensaries to produce, manufacture, and dispense marijuana and manufactured marijuana products pursuant to this chapter.

(c) Each medical marijuana dispensary license shall allow production, manufacture, and dispensing of marijuana and manufactured marijuana products only in the county for which the license is granted.

(d) The department shall issue eight dispensary licenses statewide; provided that three dispensary licenses shall be issued for the city and county of Honolulu, two dispensary licenses each shall be issued for the county of Hawaii and the county of Maui, and one dispensary license shall be issued for the county of Kauai; provided further that no dispensary license shall be issued for the county of Kalawao.

(e) No person may be granted a dispensary license in more than one county.

(f) Up to two production centers shall be allowed under each dispensary license[.]; provided that, except as otherwise specified in subsection (k), each production center shall be limited to no more than three thousand marijuana plants. For purposes of this subsection, "plant" means a marijuana plant that is greater than twelve vertical inches in height from where the base of the stalk emerges from the growth medium to the tallest point of the plant, or greater than twelve horizontal inches in width from the end of one branch to the end of another branch; provided that multiple stalks emanating from the same root ball or root system shall be considered part of the same single plant.

(g) A dispensary licensee may establish up to two retail dispensing locations under the licensee's dispensary license[.], except as otherwise specified in subsection (l).

(h) Each dispensary licensee may commence dispensing medical marijuana and manufactured marijuana products to qualifying patients or primary caregivers no sooner than July 15, 2016, with approval by the department, in accordance with this chapter.

(i) Retail dispensing locations shall not be at the same location as the dispensary licensee's production centers.

(j) Notwithstanding subsection (d), the department shall determine whether, based on the qualifying patient need, additional dispensary licenses shall be offered to qualified applicants in the State after October 1, [2017,] 2018; provided that the department shall make available not more than one license per five hundred qualifying patients residing in any single county[.]; provided further that in considering whether to award a new license, the department shall consider an applicant's capability to serve and supply medical marijuana to qualified patients in a rural or underserved geographical area of a county; provided further that a "rural or underserved geographical area" shall be determined by considering the number of registered medical marijuana patients that reside within a

certain zip code compared to the quantity of medical marijuana that the closest production center and retail dispensing location have the capability to provide.

(k) Notwithstanding subsection (f) to the contrary, the department may determine whether dispensary licensees shall be allowed an additional two thousand marijuana plants at each of the licensee's production centers. In no case shall a licensee be allowed more than five thousand plants at a single production center.

(l) Notwithstanding any provision of subsection (g) to the contrary, the department may determine whether dispensary licensees shall be allowed one additional retail dispensing location per licensee. In considering whether to allow additional retail dispensing locations, the department shall consider the licensee's capability to serve and supply medical marijuana to qualified patients in a rural or underserved geographical area of a county. For purposes of this subsection, a "rural or underserved geographical area" shall be determined by considering the number of registered medical marijuana patients that reside within a certain zip code compared to the quantity of medical marijuana that the closest production center and retail dispensing location have the capability to provide.

[{(k)}] (m) Notwithstanding any other law to the contrary, a dispensary shall not be subject to the prescription requirement of section 329-38 or to the board of pharmacy licensure or regulatory requirements under chapter 461."

SECTION 6. Section 329D-6, Hawaii Revised Statutes, is amended by amending subsections (j) and (k) to read as follows:

"(j) The department shall establish, maintain, and control a computer software tracking system that shall have real time, [twenty-four hour] twenty-four-hour access to the data of all dispensaries.

(1) The computer software tracking system shall collect data relating to:

[{(1)}] (A) The total amount of marijuana in possession of all dispensaries from either seed or immature plant state, including all plants that are derived from cuttings or cloning, until the marijuana, marijuana plants, or manufactured marijuana product is sold or destroyed pursuant to section 329D-7;

[{(2)}] (B) The total amount of manufactured marijuana product inventory, including the equivalent physical weight of marijuana that is used to manufacture manufactured marijuana products, purchased by a qualifying patient and primary caregiver from all retail dispensing locations in the State in any fifteen day period;

[{(3)}] (C) The amount of waste produced by each plant at harvest; and

[{(4)}] (D) The transport of marijuana and manufactured marijuana products between production centers and retail dispensing locations, including tracking identification issued by the tracking system, the identity of the person transporting the marijuana or manufactured marijuana products, and the make, model, and license number of the vehicle being used for the transport[.];

(2) The procurement of the computer software tracking system established pursuant to this subsection shall be exempt from chapter 103D; provided that: [the]

(A) The department shall publicly solicit at least three proposals for the computer software tracking system; and [the]

(B) The selection of the computer software tracking system shall be approved by the director of the department and the chief information officer[.]; and

- (3) Notwithstanding any other provision of this subsection to the contrary, once the department has authorized a licensed dispensary to commence sales of marijuana or manufactured marijuana products, if the department's computer software tracking system is inoperable or is not functioning properly, as an alternative to requiring dispensaries to temporarily cease operations, the department may implement an alternate tracking system that will enable qualifying patients to purchase marijuana or manufactured marijuana products from a licensed dispensary on a temporary basis. The department shall seek input regarding the alternate tracking system from medical marijuana licensees. The alternate tracking system may operate as follows:
- (A) The department may immediately notify all licensed dispensaries that the computer software tracking system is inoperable; and
- (B) Once the computer software tracking system is operational and functioning to meet the requirements of this subsection, the department may notify all licensed dispensaries, and the alternate tracking system in this subsection shall be discontinued.
- (k) A dispensary licensed pursuant to this chapter shall purchase, operate, and maintain a computer software tracking system that shall:
- (1) Interface with the department's computer software tracking system established pursuant to subsection (j);
- (2) Allow each licensed dispensary's production center to submit to the department in real time, by automatic identification and data capture, all marijuana, marijuana plants, and manufactured marijuana product inventory in possession of that dispensary from either seed or immature plant state, including all plants that are derived from cuttings or cloning, until the marijuana or manufactured marijuana product is sold or destroyed pursuant to section 329D-7; [and]
- (3) Allow the licensed dispensary's retail dispensing location to submit to the department in real time for the total amount of marijuana and manufactured marijuana product purchased by a qualifying patient and primary caregiver from the dispensary's retail dispensing locations in the State in any fifteen day period; provided that the software tracking system shall impose an automatic stopper in real time, which cannot be overridden, on any further purchases of marijuana or manufactured marijuana products, if the maximum allowable amount of marijuana has already been purchased for the applicable fifteen day period; provided further that additional purchases shall not be permitted until the next applicable period[.]; and
- (4) Allow the licensed dispensary to submit all data required by this subsection to the department and permit the department to access the data if the department's computer software tracking system is not functioning properly and sales are made pursuant to the alternate tracking system under subsection (j)."

SECTION 7. Section 329D-7, Hawaii Revised Statutes, is amended to read as follows:

"§329D-7 Medical marijuana dispensary rules. The department shall establish standards with respect to:

- (1) The number of medical marijuana dispensaries that shall be permitted to operate in the State;

- (2) A fee structure for the submission of applications and renewals of licenses to dispensaries; provided that the department shall consider the market conditions in each county in determining the license renewal fee amounts;
- (3) Criteria and procedures for the consideration and selection, based on merit, of applications for licensure of dispensaries; provided that the criteria shall include but not be limited to an applicant's:
 - (A) Ability to operate a business;
 - (B) Financial stability and access to financial resources; provided that applicants for medical marijuana dispensary licenses shall provide documentation that demonstrates control of not less than \$1,000,000 in the form of escrow accounts, letters of credit, surety bonds, bank statements, lines of credit or the equivalent to begin operating the dispensary;
 - (C) Ability to comply with the security requirements developed pursuant to paragraph (6);
 - (D) Capacity to meet the needs of qualifying patients;
 - (E) Ability to comply with criminal background check requirements developed pursuant to paragraph (8); and
 - (F) Ability to comply with inventory controls developed pursuant to paragraph (13);
- (4) Specific requirements regarding annual audits and reports required from each production center and dispensary licensed pursuant to this chapter;
- (5) Procedures for announced and unannounced inspections by the department or its agents of production centers and dispensaries licensed pursuant to this chapter; provided that inspections for license renewals shall be unannounced;
- (6) Security requirements for the operation of production centers and retail dispensing locations; provided that, at a minimum, the following shall be required:
 - (A) For production centers:
 - (i) Video monitoring and recording of the premises; provided that recordings shall be retained for fifty days;
 - (ii) Fencing that surrounds the premises and that is sufficient to reasonably deter intruders and prevent anyone outside the premises from viewing any marijuana in any form;
 - (iii) An alarm system; and
 - (iv) Other reasonable security measures to deter or prevent intruders, as deemed necessary by the department;
 - (B) For retail dispensing locations:
 - (i) Presentation of a valid government-issued photo identification and a valid identification as issued by the department pursuant to section 329-123, by a qualifying patient or caregiver, upon entering the premises;
 - (ii) Video monitoring and recording of the premises; provided that recordings shall be retained for fifty days;
 - (iii) An alarm system;
 - (iv) Exterior lighting; and
 - (v) Other reasonable security measures as deemed necessary by the department;
- (7) Security requirements for the transportation of marijuana and manufactured marijuana products between production centers and retail dispensing locations[; and between a production center, retail

dispensing location, qualifying patient, or primary caregiver and a certified laboratory, pursuant to section 329-122(d);

- (8) Standards and criminal background checks to ensure the reputable and responsible character and fitness of all license applicants, licensees, employees, subcontractors and their employees, and prospective employees of medical marijuana dispensaries to operate a dispensary; provided that the standards, at a minimum, shall exclude from licensure or employment any person convicted of any felony;
- (9) The training and certification of operators and employees of production centers and dispensaries;
- (10) The types of manufactured marijuana products that dispensaries shall be authorized to manufacture and sell pursuant to sections 329D-9 and 329D-10;
- (11) Laboratory standards related to testing marijuana and manufactured marijuana products for content, contamination, and consistency;
- (12) The quantities of marijuana and manufactured marijuana products that a dispensary may sell or provide to a qualifying patient or primary caregiver; provided that no dispensary shall sell or provide to a qualifying patient or primary caregiver any combination of marijuana and manufactured products that:
 - (A) During a period of fifteen consecutive days, exceeds the equivalent of four ounces of marijuana; or
 - (B) During a period of thirty consecutive days, exceeds the equivalent of eight ounces of marijuana;
- (13) Dispensary and production center inventory controls to prevent the unauthorized diversion of marijuana or manufactured marijuana products or the distribution of marijuana or manufactured marijuana products to qualifying patients or primary caregivers in quantities that exceed limits established by this chapter; provided that the controls, at a minimum, shall include:
 - (A) A computer software tracking system as specified in section 329D-6(j) and (k); and
 - (B) Product packaging standards sufficient to allow law enforcement personnel to reasonably determine the contents of an unopened package;
- (14) Limitation to the size or format of signs placed outside a retail dispensing location or production center; provided that the signage limitations, at a minimum, shall comply with section 329D-6(o)(2) and shall not include the image of a cartoon character or other design intended to appeal to children;
- (15) The disposal or destruction of unwanted or unused marijuana and manufactured marijuana products;
- (16) The enforcement of the following prohibitions against:
 - (A) The sale or provision of marijuana or manufactured marijuana products to unauthorized persons;
 - (B) The sale or provision of marijuana or manufactured marijuana products to qualifying patients or primary caregivers in quantities that exceed limits established by this chapter;
 - (C) Any use or consumption of marijuana or manufactured marijuana products on the premises of a retail dispensing location or production center; and

- (D) The distribution of marijuana or manufactured marijuana products, for free, on the premises of a retail dispensing location or production center;
- (17) The establishment of a range of penalties for violations of this chapter or rule adopted thereto; and
- (18) A process to recognize and register patients who are authorized to purchase, possess, and use medical marijuana in another state, United States territory, or the District of Columbia as qualifying patients in this State; provided that this registration process may commence no sooner than January 1, 2018.”

SECTION 8. Section 329D-8, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The department shall establish and enforce standards for laboratory-based testing of marijuana and manufactured marijuana products for content, contamination, and consistency[.]; provided that in establishing these standards, the department shall:

- (1) Review and take guidance from the testing programs and standards utilized in other jurisdictions;
- (2) Consider the impact of the standards on the retail cost of the product to the qualifying patient;
- (3) Review and take guidance from the testing programs and standards for pesticides under the regulations of the United States Environmental Protection Agency;
- (4) For the testing for microbiological impurities, consider the benefits of organically grown marijuana that features the use of bacteria in lieu of pesticides; and
- (5) Include permission for qualifying patients and primary caregivers to obtain testing services directly from certified laboratories on the island where the qualifying patient and primary caregiver reside.”

SECTION 9. Section 329D-15, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) No person shall intentionally or knowingly enter or remain upon the premises of a medical marijuana retail dispensing location unless the individual is:

- (1) An individual licensee or registered employee of the dispensary;
- (2) A qualifying patient or primary caregiver of a qualifying patient;
- (3) A government employee or official acting in the person's official capacity; or
- (4) Previously included on a current department-approved list provided to the department by the licensee of those persons who are allowed into that dispensary's facilities for a specific purpose for that dispensary, including but not limited to construction, maintenance, repairs, legal counsel, providers of paratransit or other assistive services required by a qualifying patient to access a retail dispensary location, or investors; provided that:
 - (A) The person has been individually approved by the department to be included on the list;
 - (B) The person is at least twenty-one years of age, as verified by a valid government issued identification card;
 - (C) The department has confirmed that the person has no felony convictions;

- (D) The person is escorted by an individual licensee or registered employee of the dispensary at all times while in the dispensary facility;
- (E) The person is only permitted within those portions of the dispensary facility as necessary to fulfill the person's purpose for entering;
- (F) The person is only permitted within the dispensary facility during the times and for the duration necessary to fulfill the person's purpose for entering;
- (G) The dispensary shall keep an accurate record of each person's first and last name, date and times upon entering and exiting the dispensary facility, purpose for entering, and the identity of the escort; and
- (H) The approved list shall be effective for one year from the date of the department approval.”

SECTION 10. Section 329D-27, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

“(b) No later than January 4, 2016, the department shall adopt interim rules, which shall be exempt from chapter 91 and chapter 201M, to effectuate the purposes of this chapter; provided that the interim rules shall remain in effect until July 1, [2018,] 2020, or until rules are adopted pursuant to subsection (a), whichever occurs sooner.

(c) The department may amend the interim rules, and the amendments shall be exempt from chapters 91 and 201M, to effectuate the purposes of this chapter; provided that any amended interim rules shall remain in effect until July 1, [2018,] 2020, or until rules are adopted pursuant to subsection (a), whichever occurs sooner.”

SECTION 11. Act 241, Session Laws of Hawaii 2015, is amended by amending section 14 to read as follows:

“SECTION 14. For the purposes of effectuating this Act, the personnel hired and the contracts entered into by the department of health, pursuant to this Act, shall be exempt from chapter 76, Hawaii Revised Statutes, for a period beginning on July 1, 2015, and ending on June 30, [2017,] 2020; provided that:

- (1) All personnel actions taken pursuant to this Act by the department of health after June 30, [2017,] 2020, shall be subject to chapter 76, Hawaii Revised Statutes, as appropriate; and
- (2) Any employee hired by the department of health to effectuate this Act, who occupies a position exempt from civil service on July 1, [2017,] 2020, shall:
 - (A) Be appointed to a civil service position; and
 - (B) Not suffer any loss of prior service credit, vacation or sick leave credits previously earned, or other employee benefits or privileges;

provided that the employee possesses the minimum qualifications and public employment requirements for the class or position to which appointed; provided further that subsequent changes in status shall be made pursuant to applicable civil service and compensation laws.”

SECTION 12. The department of health shall submit a report to the legislative oversight working group established by Act 230, Session Laws of Ha-

waii 2016, no later than sixty days prior to the convening of the regular session of 2018 with information and recommendations about the alternate tracking system, including input obtained from medical marijuana licensees.

SECTION 13. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 14. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 15. This Act shall take effect on June 29, 2017.

(Approved June 20, 2017.)

ACT 42

H.B. NO. 1382

A Bill for an Act Relating to Procurement.

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

SECTION 1. Small businesses are the lifeblood of the State's economy. Act 50, Session Laws of Hawaii 2005, was enacted to promote the growth and development of small businesses in Hawaii through the establishment of a small business preference program as part of the procurement process. Additionally, Act 213, Session Laws of Hawaii 2007, approved the funding for a full-time position in the state procurement office with the purpose of implementing part IX (assistance to small businesses), chapter 103D, Hawaii Revised Statutes. Unfortunately, due to funding and staffing cuts in 2008, this position was never filled and was eliminated from the state procurement office. Although section 3-124-73, Hawaii Administrative Rules, and related interim small business preference rules went into effect in 2007, a dedicated position to carry out those rules was lacking. In the absence of this dedicated position or a small business office, these interim rules failed to help the small business community and the rules expired in 2011.

The legislature finds that small businesses owned by veterans, native Hawaiians, and women are the most vulnerable and disadvantaged businesses within our State. The legislature further finds that an initiative is needed to identify, quantify, and address the needs of these small businesses and to measure and track their present participation in state small business contracts.

The legislature further finds that the State must create, develop, and implement strategies to ensure that small businesses, including businesses owned by veterans, native Hawaiians, and women, are able to effectively participate in small business contracting opportunities within our State.

The legislature further finds that previously developed administrative rules with respect to the development of small business contracts with the State were not effective because of a lack of appropriate business metrics and data available to provide relevant information necessary for the creation of those rules.

The legislature finds that any solution to address small business concerns in the State must be attempted incrementally. The legislature further finds that the state procurement office is now ready to address part IX of the Hawaii Public Procurement Code and assist self-identified small businesses in obtaining state contracts. The legislature intends to facilitate this process by creating a small

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business assistance initiative to convene small business stakeholders, collect and develop relevant data and information necessary for small businesses to compete for and obtain small business contracts, and identify and resolve issues that must be addressed to develop an effective small business state contracting program within the state procurement process.

The purpose of this Act is to establish the small business assistance initiative and provide staffing for the implementation of part IX (assistance to small businesses), chapter 103D, Hawaii Revised Statutes.

SECTION 2. (a) There is established, within the state procurement office, a three-year small business assistance initiative to facilitate the collection and development of relevant data and information and convene stakeholders for the development of an effective small business program, including the development of rules.

(b) The small business assistance initiative shall consist of a small business procurement coordinator, a small business office, and a small business advisory group.

(c) There is established, as part of the small business assistance initiative established under subsection (a), a small business advisory group. The small business advisory group shall be convened by the chief procurement officer of the State, shall consist of members from state agencies, non-profit entities, and local businesses, and shall be staffed by the state procurement office. The small business advisory group shall:

- (1) Meet regularly to discuss the progress of the initiative and to investigate any substantial problems brought to the attention of the group;
- (2) Recommend parameters to expand the initiative's policy to include other methods of procurement or other substantive improvements;
- (3) Recommend the placement and scope, administrative definition, staffing, and funding requirements for a state small business office designed to help small businesses better utilize a state small business program;
- (4) Recommend the disposition of the small business procurement coordinator, including continuing the position of small business procurement coordinator as a civil service exempt position, converting the position to a full-time civil service position, or placing the position outside of the initiative;
- (5) Recommend goals that should be established to award a percentage of state annual expenditures to identified veteran, native Hawaiian, and female owned businesses based on metrics established by the small business advisory group;
- (6) Recommend the appropriate next steps for a state small business program as it looks to fully implement section 103D-906, Hawaii Revised Statutes;
- (7) Undertake and complete a study to determine the viability of transferring the functions of the small business office to an office within an existing state department and submit the study and final recommendation to the procurement policy board and to the legislature in the report described in paragraph (9);
- (8) Use data received from the small business procurement coordinator and small business office to make recommendations for rules to be developed by the chief procurement officer and the procurement policy board; and
- (9) By November 30, 2020, draft, publish, and disseminate to the procurement policy board, the legislature, and the public a final report

of all the recommendations, observations, and metrics related to the initiative, as well as the initiative's success in encouraging and increasing small business participation in the state procurement process and the amount of state contracts being awarded to small businesses.

(d) There is established the position of small business procurement coordinator within the state procurement office, which shall be exempt from chapter 76, Hawaii Revised Statutes. The small business procurement coordinator, with the assistance of the small business office, shall be responsible for the collection and maintenance of data from the state small business database, the provision of this data and metrics to the small business advisory group, and the daily operations of the small business assistance initiative established in subsection (a). The small business procurement coordinator shall also be responsible for implementing programs and procedures to carry out the intent of part IX, chapter 103D, Hawaii Revised Statutes, to assist small businesses, including:

- (1) Establishing and maintaining a statewide small business database;
- (2) Establishing and managing a small business registration, certification, and identification process;
- (3) Drafting policies and rules to assist in the implementation of part IX, chapter 103D, Hawaii Revised Statutes;
- (4) Producing, publishing, and disseminating training materials designed to inform procurement staff and self-identified small business vendors of all small business programs and opportunities;
- (5) Conducting surveys of, and collecting feedback from, procurement staff and self-identified small business vendors to be presented to the small business advisory group and chief procurement officer of the State; and
- (6) Producing an annual report of small business participation metrics and data to be submitted to the small business advisory group.

(e) There is established, as part of the initiative under subsection (a) and within the state procurement office, a small business office. A contract to hire a firm to perform the operations and maintenance of the small business office for the duration of the initiative shall be executed. The contract shall be awarded to an existing Hawaii-based small business advocacy group with experience in helping small businesses obtain state and federal contracts. The awardee shall be a small business owned by a native Hawaiian, veteran, or female, and shall have an understanding of the small business community to be able to meet the requirements of the small business initiative. The small business office shall be responsible for:

- (1) Providing timely training and reports relating to key developments in the small business community;
- (2) Establishing communications with self-identified vendors that may include developing and implementing a newsletter and email campaign to keep vendors informed of current small business events;
- (3) Producing and publicizing outreach campaigns related to the small business initiative and other small business programs and opportunities as may be developed or discovered;
- (4) Creating, developing, advertising, and encouraging vendor participation in workshops, seminars, and training designed to promote and enhance small business participation in state contracts;
- (5) Establishing mechanisms and implementing procedures for conducting audits, handling disputes, and investigating allegations of fraud and other misappropriations of the small business initiative and its benefits to small businesses;

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- (6) Aggregating all small business resources and materials from around the State and presenting them in an easily accessible and understandable online format by potential vendor participants;
 - (7) Coordinating with small business advocates in the public and private sectors to create a small business network that can be easily accessed by all small businesses;
 - (8) Answering small business vendors' emails and questions about the State's existing small business programs; and
 - (9) Collecting data on existing and future small business vendor disputes, problems, difficulties, successes, recommendations, and any other metrics deemed important to the initiative by the state procurement office or legislature.
- (f) The small business assistance initiative shall cease to exist on June 30, 2020; provided that the small business advisory group shall remain responsible for submitting a report pursuant to subsection (c)(9).

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$250,000 or so much thereof as may be necessary for fiscal year 2017-2018 for assisting small businesses; provided that the sum appropriated shall be used:

- (1) To complete the state small business database;
- (2) For the establishment of one full-time equivalent (1.00 FTE) temporary small business procurement coordinator position exempt from chapter 76, Hawaii Revised Statutes, in the state procurement office; and
- (3) For the hiring of a local small business to operate and maintain the small business office and for marketing of and outreach for the small business assistance initiative.

The sum appropriated shall be expended by the state procurement office for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 2017, and shall be repealed on June 30, 2020.

(Approved June 20, 2017.)

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H.B. NO. 552

A Bill for an Act Relating to Health Insurance.

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

SECTION 1. The legislature finds that the Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) has resulted in an estimated 20,000,000 Americans gaining health insurance coverage. The provisions under the Affordable Care Act that have afforded coverage to the uninsured include expanded medicaid coverage and changes in insurer requirements that permit young adults to remain on their parent's health insurance plans, require health insurance plans to cover people with preexisting health conditions, and prohibit gender-based discrimination in premiums and coverage. According to a report from the United States Department of Health and Human Services, 6,100,000 uninsured young adults ages nineteen to twenty-five have gained health insurance coverage thanks to the Affordable Care Act. This is especially important

as young adults were particularly likely to be uninsured before the law went into effect.

The federal Department of Health and Human Services recently reported that since the enactment of the Affordable Care Act, 54,000 residents of Hawaii have gained health insurance coverage. In addition to residents who would otherwise be uninsured, hundreds of thousands of Hawaii residents with employer, medicaid, individual market, or medicare coverage have also benefited from new protections under the Affordable Care Act. Even with the robust coverage of Hawaii's Prepaid Health Care Act and med-QUEST program, the benefits of the Affordable Care Act in Hawaii have been widespread. The Act expanded medicaid eligibility and strengthened the program for those already eligible. The State has saved millions in uncompensated care costs and has been able to improve behavioral health outcomes for various beneficiaries. For Hawaii residents, individual market coverage is now dramatically better than before the enactment of the Affordable Care Act.

Unfortunately, the future of the Affordable Care Act is now uncertain. The current presidential administration campaigned on the promise to repeal the Affordable Care Act. Republicans in Congress have also backed this promise. On January 12, 2017, Senate Republicans took their first major step toward repealing the Affordable Care Act, when they approved a budget blueprint that would allow Republicans to gut the Affordable Care Act without the threat of a Democratic filibuster. Although Congressional Republicans failed in their initial attempt to repeal and replace the Affordable Care Act with a largely unspecified plan that would have decimated the reforms that are critical to the Affordable Care Act's effective function, there have been consistent reports of further proposals to take even more extreme action. The White House has also threatened to circumvent Congress and deliberately sabotage the insurance market by withholding federal reimbursements due for subsidized costs incurred by low-income enrollees. The legislature finds that due to uncertainty over the Affordable Care Act's future, it is important to preserve certain important aspects of the Act for residents in Hawaii.

The repeal of the Affordable Care Act would have widespread ramifications. According to recent data from the Urban Institute, 86,000 fewer people in Hawaii would have health insurance in 2019 if the Affordable Care Act is repealed. States are poised to lose significant federal funds if marketplace subsidies and the medicaid expansion end. For Hawaii, a repeal of the Affordable Care Act would mean the loss of \$47,000,000 in federal marketplace spending in 2019 and a loss of \$532,000,000 between 2019 and 2028. Hawaii would also lose \$306,000,000 in federal medicaid funding in 2019 and \$3,700,000,000 between 2019 and 2028.

The Urban Institute estimates that repealing the Affordable Care Act without an adequate replacement plan that ensures affordable coverage would take health insurance coverage away from 29,800,000 people nationwide by 2019, more than doubling the total number of uninsured to 58,700,000.

Finally, the legislature notes that, because the issues surrounding health insurance and the potential repeal of the Affordable Care Act are far-reaching and complex, it is appropriate to convene a working group to further address these issues.

The purpose of this Act is to mitigate the potential damage to the State, its residents, and its health care system that is likely to occur if the Affordable Care Act is repealed by an act of Congress. Specifically, this Act establishes the affordable health insurance working group to address the complexities of the health care system in Hawaii and the related uncertainty over the future of the

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Affordable Care Act and to ensure that certain benefits of the Affordable Care Act remain available to Hawaii residents under state law.

SECTION 2. (a) There is established the affordable health insurance working group to address the complexities of the health care system in Hawaii and the related uncertainty over the future of the federal Patient Protection and Affordable Care Act of 2010, Public Law No. 111-148 (Affordable Care Act), in light of the current Presidential administration's pledge to repeal and replace the Affordable Care Act. The working group shall consider and make recommendations on policy issues including:

- (1) Minimum standard coverage requirements for individuals;
 - (2) Essential health care benefits;
 - (3) Rate setting;
 - (4) Medicaid expansion;
 - (5) Financial requirements and financing options; and
 - (6) Other issues that may arise, pursuant to the discretion of the working group.
- (b) The working group shall consist of the following members:
 - (1) The chairs of the senate committee on commerce, consumer protection, and health and house committee on health, who shall serve as chairs of the working group;
 - (2) The chairs of the senate and house committees on human services, who shall serve as vice-chairs of the working group; and
 - (3) Representatives from administrative departments and agencies who are currently involved in discussions regarding the repeal of the Affordable Care Act and the effect such a repeal would have in Hawaii, including but not limited to the:
 - (A) Director of labor and industrial relations;
 - (B) Director of human services;
 - (C) Administrator of the department of human services, med-QUEST division; and
 - (D) Insurance commissioner.
 - (c) The working group may hold informational briefings and listening sessions to gather input from the public on issues related to the potential repeal of the Affordable Care Act.
 - (d) The working group may request assistance and feedback from subject matter experts, as needed, to enable the working group to carry out its work.
 - (e) The working group shall provide periodic updates to the legislature and shall make recommendations for any legislative or administrative action the working group deems appropriate to address access to affordable health insurance in Hawaii in the event of a repeal of the Affordable Care Act. The working group shall submit a final report, including recommendations for further action, to the legislature no later than twenty days prior to the convening of the regular session of 2018.
 - (f) The legislative reference bureau is requested to provide staff, research, and drafting assistance to the working group.
 - (g) The working group shall be officially convened at the pleasure of the chairs and vice-chairs of the working group, depending upon Congressional action related to the federal Patient Protection and Affordable Care Act of 2010, Public Law No. 111-148, but no later than August 1, 2017.

SECTION 3. This Act shall take effect on July 1, 2017.

(Approved June 20, 2017.)

ACT 44

H.B. NO. 1444

A Bill for an Act Relating to Pharmacy Benefit Managers.

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

SECTION 1. The legislature finds that pharmacy benefit managers are administrators of prescription drug programs and are responsible for developing and maintaining formularies and other clinical management programs, processing prescription drug claims for insurance companies or corporations, and negotiating contracts with pharmaceutical manufacturers. Pharmacy benefit managers also perform utilization reviews, manage clinical programs targeted to specific disease states, and operate pharmacies, including mail order and specialty pharmacies. Over the past decade, the role of pharmacy benefit managers in the delivery of health care has increased due to a variety of factors, including coverage expansions under the medicare Part D prescription drug benefit and the federal Affordable Care Act and an increase in prescription drug spending that has motivated commercial health plans and self-insured employers to outsource the management of their spending on outpatient prescription drugs.

The legislature further finds that the actions of pharmacy benefit managers can have wide-ranging impacts on pharmacies and consumers in Hawaii, particularly on consumers in rural areas who may have limited access to pharmacies within a pharmacy benefit manager's network and local independent pharmacies. Despite these potential impacts, pharmacy benefit managers are not currently required to be registered. The legislature additionally finds that increased transparency is needed regarding many aspects of pharmacy benefit management, including pharmacy benefit managers' relationships with pharmaceutical companies, formulary creation, and evidence of rebates provided to health plans in the State.

Finally, the legislature notes that prescription drugs are a major factor of the spiraling increase in health care costs, of which pharmacy benefit managers are a contributing factor. Giving clear authority to the insurance commissioner to regulate pharmacy benefit managers is therefore an important first step toward regulating this industry and is necessary to provide transparency and ensure adequate consumer protection.

Accordingly, the purpose of this Act is to require pharmacy benefit managers in Hawaii to register with the insurance commissioner.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to title 24 to be appropriately designated and to read as follows:

**"CHAPTER
PHARMACY BENEFIT MANAGERS"**

§ -A Definitions. As used in this chapter:

"Commissioner" means the insurance commissioner.

"Covered entity" means:

- (1) A health benefits plan regulated under chapter 87A; health insurer regulated under article 10A of chapter 431; mutual benefit society regulated under article 1 of chapter 432; or health maintenance organization regulated under chapter 432D; provided that a "covered entity" under this paragraph shall not include a health maintenance organization regulated under chapter 432D that owns or manages its own pharmacies;

- (2) A health program administered by the State in the capacity of a provider of health coverage; or
- (3) An employer, labor union, or other group of persons organized in the State that provides health coverage to covered persons employed or residing in the State.

“Covered entity” shall not include any plans issued for coverage for federal employees or specified disease or limited benefit health insurance as provided by section 431:10A-102.5.

“Covered person” means a member, policyholder, subscriber, enrollee, beneficiary, dependent, or other individual participating in a prescription drug benefit plan.

“Person” means an individual, partnership, corporation, organization, or other business entity.

“Pharmacy benefit management” means:

- (1) Any of the following services provided with regard to the administration of pharmacy benefits:
 - (A) Mail service pharmacy;
 - (B) Claims processing, retail network management, and payment of claims to pharmacies for prescription drugs dispensed to covered persons;
 - (C) Clinical formulary development and management services;
 - (D) Rebate contracting and administration;
 - (E) Certain patient compliance, therapeutic intervention, and generic substitution programs; or
 - (F) Disease management programs involving prescription drug utilization;
- (2) The procurement of prescription drugs by a pharmacy benefit manager at a negotiated rate for dispensation to covered persons in the State; or
- (3) The administration or management of prescription drug benefits provided by a covered entity for the benefit of covered persons.

“Pharmacy benefit manager” means any person that performs pharmacy benefit management, including but not limited to a person or entity in a contractual or employment relationship with a pharmacy benefit manager to perform pharmacy benefit management for a covered entity.

“Prescription drug benefit plan” means a health insurance plan offered by a covered entity that includes coverage for prescription drugs.

§ -B Applicability. This chapter shall apply to any pharmacy benefit manager that provides pharmacy benefit management services to covered persons who are residents of the State.

§ -C Registration required. (a) Notwithstanding any law to the contrary, no person shall act or operate as a pharmacy benefit manager without first obtaining a valid registration issued by the commissioner pursuant to this chapter.

(b) Each person seeking to register as a pharmacy benefit manager shall file with the commissioner an application on a form prescribed by the commissioner. The application shall include:

- (1) The name, address, official position, and professional qualifications of each individual who is responsible for the conduct of the affairs of the pharmacy benefit manager, including all members of the board of directors; board of trustees; executive commission; other governing board or committee; principal officers, as applicable;

partners or members, as applicable; and any other person who exercises control or influence over the affairs of the pharmacy benefit manager;

- (2) The name and address of the applicant's agent for service of process in the State; and
- (3) A nonrefundable application fee of \$140.

§ -D Annual renewal requirement. (a) Each pharmacy benefit manager shall renew its registration by March 31 each year.

(b) When renewing its registration, a pharmacy benefit manager shall submit to the commissioner the following:

- (1) An application for renewal on a form prescribed by the commissioner; and
- (2) A renewal fee of \$140.

(c) Failure on the part of a pharmacy benefit manager to renew its registration as provided in this section shall result in a penalty of \$140 and may cause the registration to be revoked or suspended by the commissioner until the requirements for renewal have been met.

§ -E Penalty. Any person who acts as a pharmacy benefit manager in this State without first being registered pursuant to this chapter shall be subject to a fine of \$500 for each violation.

§ -F Rules. The commissioner shall adopt, amend, or repeal rules pursuant to chapter 91 to carry out the purposes of this chapter."

SECTION 3. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved June 20, 2017.)

ACT 45

S.B. NO. 949

A Bill for an Act Relating to Money Transmitters.

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

SECTION 1. Section 489D-4, Hawaii Revised Statutes, is amended as follows:

1. By amending the definition of "outstanding payment instrument" to read:

"Outstanding payment [instrument] obligation" means [any]:

(1) Any payment instrument issued by the licensee that has been sold in the United States:

[1] (A) Directly by the licensee; or

[2] (B) By an authorized delegate of the licensee in the United States, which has been reported to the licensee as having been sold, and that has not yet been paid by or for the licensee[-]; and

(2) All other outstanding money transmission obligations of the licensee issued in the United States."

2. By amending the definition of "payment instrument" to read:

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““Payment instrument” means any electronic or written check, draft, money order, traveler’s check, or other electronic instrument or written instrument or order for the transmission or payment of money, sold or issued to one or more persons, whether or not the instrument is negotiable. The term “payment instrument” does not include any credit card voucher, any letter of credit, or any instrument that is redeemable by the issuer in goods or services.”

3. By amending the definition of “person” to read:

““Person” means any individual, partnership, limited liability company, association, joint-stock association, trust, [or] corporation[-], or other entity, however organized.”

4. By amending the definition of “principal” to read:

““Principal” means any person, or group of persons acting in concert, who exercises control over or has a twenty-five per cent ownership interest or more in an applicant or licensee under this chapter. Principal also includes a manager ~~[and anyone else who supervises or is in charge of the applicant or licensee.] and executive officers.~~”

5. By repealing the definition of “key shareholder”.

~~““Key shareholder” means any person, or group of persons acting in concert, who is the owner of twenty five per cent or more of any voting class of an applicant’s stock.”]~~

SECTION 2. Section 489D-8, Hawaii Revised Statutes, is amended to read as follows:

“[§489D-8] Permissible investments and statutory trust. (a) A licensee, at all times, shall possess permissible investments having an aggregate market value, calculated in accordance with generally accepted accounting principles, of not less than the aggregate amount of all outstanding payment ~~[instruments issued or sold by the licensee in the United States.] obligations~~. This requirement may be waived by the commissioner if the dollar volume of a licensee’s outstanding payment ~~[instruments] obligations~~ does not exceed the bond or other security devices posted by the licensee pursuant to section 489D-7.

(b) Permissible investments, even if commingled with other assets of the licensee, shall be held in trust for the benefit of the purchasers and holders of the licensee’s outstanding payment ~~[instruments] obligations~~ in the event of the bankruptcy of the licensee.”

SECTION 3. Section 489D-9, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) An application for a license under this chapter shall be made in writing, and in a form prescribed by NMLS or by the commissioner. Each application shall contain the following:

(1) For all applicants:

- (A) The exact name of the applicant, any fictitious or trade name used by the applicant in the conduct of its business, the applicant’s principal address, and the location of the applicant’s business records;
- (B) The history of the applicant’s material litigation and criminal convictions for the five-year period prior to the date of the application;
- (C) A description of the business activities conducted by the applicant and a history of operations;
- (D) A description of the business activities in which the applicant seeks to engage within the State;

- (E) A list identifying the applicant's proposed authorized delegates in the State, if any, at the time of the filing of the license application;
 - (F) A sample authorized delegate contract, if applicable;
 - (G) A sample form of payment instrument, if applicable;
 - (H) The locations where the applicant and its authorized delegates, if any, propose to conduct their licensed activities in the State;
 - (I) The name and address of the clearing bank or banks on which the applicant's payment instruments will be drawn or through which payment instruments will be payable;
 - (J) Disclosure of any pending or final suspension, revocation, or other enforcement action by any state or governmental authority for the five-year period prior to the date of the application; and
 - (K) Any other information the commissioner may require;
- (2) If the applicant is a corporation, the applicant shall also provide:
- (A) The date of the applicant's incorporation and state of incorporation;
 - (B) A certificate of good standing from the state in which the applicant was incorporated;
 - (C) A description of the corporate structure of the applicant, including the identity of any parent or subsidiary company of the applicant, and the disclosure of whether any parent or subsidiary company is publicly traded on any stock exchange;
 - (D) The name, business and residence address, and employment history, for the past five years, of the applicant's ~~executive officers, and the officers or managers who will be in charge of the applicant's activities to be licensed under this chapter; principals, and each person who upon approval of the application will be a principal of the licensee;~~
 - [(E) ~~The name, business and residence address, and employment history of any key shareholder of the applicant, for the period of five years before the date of the application;~~
 - [F] (E) For the five-year period prior to the date of the application, the history of material litigation involving, and criminal convictions of, ~~every executive officer or key shareholder~~ each principal of the applicant;
 - [G] (F) A copy of the applicant's most recent audited financial statement, including balance sheets, statements of income or loss, statements of changes in shareholder equity and statements of changes in financial position, and, if available, the applicant's audited financial statements for the preceding two-year period or, if the applicant is a wholly owned subsidiary of another corporation, either the parent corporation's consolidated audited financial statements for the current year and for the preceding two-year period, or the parent corporation's Form 10-K reports filed with the United States Securities and Exchange Commission for the prior three years in lieu of the applicant's financial statements, or if the applicant is a wholly owned subsidiary of a corporation having its principal place of business outside the United States, similar documentation filed with the parent corporation's non-United States regulator;
 - [H] (G) Copies of all filings, if any, made by the applicant with the United States Securities and Exchange Commission, or

- with a similar regulator in a country other than the United States, within the year preceding the date of filing of the application; and
- [(F)] ~~(H) Information necessary to conduct a criminal history record check in accordance with section 846-2.7 of each [of the executive officers, key shareholders, and managers who will be in charge of the applicant's activities;] person who upon approval of the application will be a principal of the licensee, accompanied by the appropriate payment of the applicable fee for each record check; and~~
- (3) If the applicant is not a corporation, the applicant shall also provide:
- (A) The name, business and residence address, personal financial statement, and employment history, for the past five years, of each principal of the applicant;
- (B) The name, business and residence address, and employment history, for the past five years, of any other persons who upon approval of the application will be ~~[in charge of the applicant's activities to be licensed under this chapter;]~~ a principal of the licensee;
- (C) The place and date of the applicant's registration or qualification to do business in this State;
- (D) The history of material litigation and criminal convictions for the five-year period before the date of the application for each ~~[individual having any ownership interest in]~~ principal of the applicant ~~[and each individual who exercises supervisory responsibility over the applicant's activities]~~;
- (E) Copies of the applicant's audited financial statements, including balance sheets, statements of income or loss, and statements of changes in financial position for the current year and, if available, for the preceding two-year period; and
- (F) Information necessary to conduct a criminal history record check in accordance with section 846-2.7 of each principal of the applicant, accompanied by the appropriate payment of the applicable fee for each record check.”

SECTION 4. Section 489D-12, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The annual license fee shall be accompanied by a report, in a form prescribed by the commissioner, which shall include:

- (1) A copy of the licensee's most recent audited annual financial statement, including balance sheets, statement of income or loss, statement of changes in shareholder's equity, and statement of cash flows or, if a licensee is a wholly owned subsidiary of another corporation, the consolidated audited annual financial statement of the parent corporation in lieu of the licensee's audited annual financial statement;
- (2) For the most recent quarter for which data is available prior to the date of filing the annual report, but in no event more than one hundred twenty days prior to the renewal date, the licensee shall provide the number of money transmissions sold, issued, or received for transmission by the licensee in the State, the dollar amount of those transmissions, and the dollar amounts of outstanding payment ~~[instruments currently outstanding;]~~ obligations;

- (3) Any material changes to any of the information submitted by the licensee on its original application that have not previously been reported to the commissioner on any other report required to be filed under this chapter;
- (4) For the most recent quarter for which data is available prior to the date of filing the annual report, but in no event more than one hundred twenty days prior to the renewal date, a list of the licensee's permissible investments, including the total market value of each type of permissible investment, and the total dollar amount of all outstanding payment [instruments issued or sold by the licensee in the United States;] obligations;
- (5) A list of the locations, if any, within this State where business regulated by this chapter is being conducted by either the licensee or the licensee's authorized delegates;
- (6) Disclosure of any pending or final suspension, revocation, or other enforcement action by any state or governmental authority;
- (7) The licensee's evidence of a valid bond or other security device as required pursuant to section 489D-7; and
- (8) Any other information the commissioner may require.

A license may be renewed by filing a renewal statement on a form prescribed by NMLS or by the commissioner and paying a renewal fee at least four weeks prior to the renewal date for licensure for the following year."

SECTION 5. Section 489D-14, Hawaii Revised Statutes, is amended to read as follows:

"§489D-14 Extraordinary reporting requirements. Within fifteen business days of the occurrence of any one of the events listed below, a licensee shall file a written report with the commissioner describing the event and its expected impact on the licensee's activities in this State. These events are:

- (1) Any material change in information provided in a licensee's application or annual report;
- (2) The filing for bankruptcy or reorganization by the licensee;
- (3) Pending or final revocation, suspension, or other enforcement action against the licensee by any state or governmental authority relating to the licensee's money transmission activities;
- (4) Any felony indictment of the licensee or any of its [key shareholders,] principals[, executive officers, or officers or managers in charge of the licensee's activities,] related to money transmission activities; and
- (5) Any felony conviction of the licensee or any of its [key shareholders,] principals[, executive officers, or officers or managers in charge of the licensee's activities,] related to money transmission activities."

SECTION 6. Section 489D-15, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) After review of a request for approval under subsection (a), the commissioner may require the licensee or person or group of persons requesting approval of a proposed change of control of the licensee, or both, to provide additional information concerning the persons who are to assume control of the licensee. The additional information shall be limited to similar information required of the licensee or persons in control of the licensee as part of its original license or renewal application under sections 489D-9 and 489D-12. The information shall include the history of the material litigation and criminal convic-

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tions of [the persons who are to assume control] each person who upon approval of the application for change of control will be a principal of the licensee, for the five-year period prior to the date of the application for change of control of the licensee, and authorizations necessary to conduct criminal history record checks of such persons [who are to assume control of the licensee], accompanied by the appropriate payment of the applicable fee for each record check.”

SECTION 7. Section 489D-18, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Each licensee shall make, keep, preserve, and make available for inspection by the commissioner the following books, accounts, and other records for a period of three years:

- (1) A record or records of each payment instrument;
- (2) A general ledger containing all assets, liability, capital, income, and expense accounts that shall be posted at least monthly;
- (3) Bank statements and bank reconciliation records;
- (4) Records of all outstanding payment [instruments;] obligations;
- (5) Records of each payment instrument paid within the three-year period;
- (6) A list of the names and addresses of all of the licensee’s authorized delegates; and
- (7) Any other records the commissioner reasonably requires by rule adopted pursuant to chapter 91.”

SECTION 8. Section 489D-22.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Notice pursuant to this section shall be provided at least thirty days before the surrender of the license and shall include:

- (1) The date of surrender;
- (2) The name, address, telephone number, facsimile number, and electronic address of a contact individual with knowledge and authority sufficient to communicate with the commissioner regarding all matters relating to the licensee during the period that it was licensed pursuant to this chapter;
- (3) The reason or reasons for surrender;
- (4) Total dollar amount of the licensee’s outstanding payment [instruments] obligations sold in Hawaii and the individual amounts of each outstanding [instrument,] payment obligation, and the name, address, and contact phone number of the licensee to which each outstanding [instrument] payment obligation was assigned;
- (5) A list of the licensee’s Hawaii authorized delegates, if any, as of the date of surrender; and
- (6) Confirmation that the licensee has notified each of its Hawaii authorized delegates, if any, that they may no longer conduct money transmissions on the licensee’s behalf.

Voluntary surrender of a license shall be effective upon the date of surrender specified on the written notice to the commissioner as required by this section; provided that the licensee has met all the requirements of voluntary surrender and has returned the original license issued.”

SECTION 9. Section 846-2.7, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Criminal history record checks may be conducted by:

- (1) The department of health or its designee on operators of adult foster homes for individuals with developmental disabilities or developmental disabilities domiciliary homes and their employees, as provided by section 321-15.2;
- (2) The department of health or its designee on prospective employees, persons seeking to serve as providers, or subcontractors in positions that place them in direct contact with clients when providing non-witnessed direct mental health or health care services as provided by section 321-171.5;
- (3) The department of health or its designee on all applicants for licensure or certification for, operators for, prospective employees, adult volunteers, and all adults, except adults in care, at healthcare facilities as defined in section 321-15.2;
- (4) The department of education on employees, prospective employees, and teacher trainees in any public school in positions that necessitate close proximity to children as provided by section 302A-601.5;
- (5) The counties on employees and prospective employees who may be in positions that place them in close proximity to children in recreation or child care programs and services;
- (6) The county liquor commissions on applicants for liquor licenses as provided by section 281-53.5;
- (7) The county liquor commissions on employees and prospective employees involved in liquor administration, law enforcement, and liquor control investigations;
- (8) The department of human services on operators and employees of child caring institutions, child placing organizations, and foster boarding homes as provided by section 346-17;
- (9) The department of human services on prospective adoptive parents as established under section 346-19.7;
- (10) The department of human services or its designee on applicants to operate child care facilities, household members of the applicant, prospective employees of the applicant, and new employees and household members of the provider after registration or licensure as provided by section 346-154, and persons subject to section 346-152.5;
- (11) The department of human services on persons exempt pursuant to section 346-152 to be eligible to provide child care and receive child care subsidies as provided by section 346-152.5;
- (12) The department of health on operators and employees of home and community-based case management agencies and operators and other adults, except for adults in care, residing in community care foster family homes as provided by section 321-15.2;
- (13) The department of human services on staff members of the Hawaii youth correctional facility as provided by section 352-5.5;
- (14) The department of human services on employees, prospective employees, and volunteers of contracted providers and subcontractors in positions that place them in close proximity to youth when providing services on behalf of the office or the Hawaii youth correctional facility as provided by section 352D-4.3;
- (15) The judiciary on employees and applicants at detention and shelter facilities as provided by section 571-34;
- (16) The department of public safety on employees and prospective employees who are directly involved with the treatment and care of

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- persons committed to a correctional facility or who possess police powers including the power of arrest as provided by section 353C-5;
- (17) The board of private detectives and guards on applicants for private detective or private guard licensure as provided by section 463-9;
 - (18) Private schools and designated organizations on employees and prospective employees who may be in positions that necessitate close proximity to children; provided that private schools and designated organizations receive only indications of the states from which the national criminal history record information was provided pursuant to section 302C-1;
 - (19) The public library system on employees and prospective employees whose positions place them in close proximity to children as provided by section 302A-601.5;
 - (20) The State or any of its branches, political subdivisions, or agencies on applicants and employees holding a position that has the same type of contact with children, vulnerable adults, or persons committed to a correctional facility as other public employees who hold positions that are authorized by law to require criminal history record checks as a condition of employment as provided by section 78-2.7;
 - (21) The department of health on licensed adult day care center operators, employees, new employees, subcontracted service providers and their employees, and adult volunteers as provided by section 321-15.2;
 - (22) The department of human services on purchase of service contracted and subcontracted service providers and their employees serving clients of the adult protective and community services branch, as provided by section 346-97;
 - (23) The department of human services on foster grandparent program, senior companion program, and respite companion program participants as provided by section 346-97;
 - (24) The department of human services on contracted and subcontracted service providers and their current and prospective employees that provide home and community-based services under section 1915(c) of the Social Security Act, title 42 United States Code section 1396n(c), or under any other applicable section or sections of the Social Security Act for the purposes of providing home and community-based services, as provided by section 346-97;
 - (25) The department of commerce and consumer affairs on proposed directors and executive officers of a bank, savings bank, savings and loan association, trust company, and depository financial services loan company as provided by section 412:3-201;
 - (26) The department of commerce and consumer affairs on proposed directors and executive officers of a nondepository financial services loan company as provided by section 412:3-301;
 - (27) The department of commerce and consumer affairs on the original chartering applicants and proposed executive officers of a credit union as provided by section 412:10-103;
 - (28) The department of commerce and consumer affairs on:
 - (A) Each principal of every non-corporate applicant for a money transmitter license;
 - (B) ~~The executive officers, key shareholders, and managers in charge of a money transmitter's activities of every~~ Each person who upon approval of an application by a corporate appli-

- cant for a money transmitter license[; and] will be a principal of the licensee; and
- (C) ~~[The persons who are to assume control of a money transmitter licensee in connection with] Each person who upon approval of an application requesting approval of a proposed change in control of licensee[,] will be a principal of the licensee,~~
as provided by sections 489D-9 and 489D-15;
- (29) The department of commerce and consumer affairs on applicants for licensure and persons licensed under title 24;
- (30) The Hawaii health systems corporation on:
- (A) Employees;
- (B) Applicants seeking employment;
- (C) Current or prospective members of the corporation board or regional system board; or
- (D) Current or prospective volunteers, providers, or contractors, in any of the corporation's health facilities as provided by section 323F-5.5;
- (31) The department of commerce and consumer affairs on:
- (A) An applicant for a mortgage loan originator license; and
- (B) Each control person, executive officer, director, general partner, and manager of an applicant for a mortgage loan originator company license,
as provided by chapter 454F;
- (32) The state public charter school commission or public charter schools on employees, teacher trainees, prospective employees, and prospective teacher trainees in any public charter school for any position that places them in close proximity to children, as provided in section 302D-33;
- (33) The counties on prospective employees who work with children, vulnerable adults, or senior citizens in community-based programs;
- (34) The counties on prospective employees for fire department positions which involve contact with children or vulnerable adults;
- (35) The counties on prospective employees for emergency medical services positions which involve contact with children or vulnerable adults;
- (36) The counties on prospective employees for emergency management positions and community volunteers whose responsibilities involve planning and executing homeland security measures including viewing, handling, and engaging in law enforcement or classified meetings and assisting vulnerable citizens during emergencies or crises;
- (37) The State and counties on employees, prospective employees, volunteers, and contractors whose position responsibilities require unescorted access to secured areas and equipment related to a traffic management center;
- (38) The State and counties on employees and prospective employees whose positions involve the handling or use of firearms for other than law enforcement purposes;
- (39) The State and counties on current and prospective systems analysts and others involved in an agency's information technology operation whose position responsibilities provide them with access to proprietary, confidential, or sensitive information;
- (40) The department of commerce and consumer affairs on applicants for real estate appraiser licensure or certification as provided by chapter 466K;

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- (41) The department of health or its designee on all license applicants, licensees, employees, contractors, and prospective employees of medical marijuana dispensaries, and individuals permitted to enter and remain in medical marijuana dispensary facilities as provided under sections 329D-15(a)(4) and 329D-16(a)(3);
- (42) The department of commerce and consumer affairs on applicants for nurse licensure or license renewal, reactivation, or restoration as provided by sections 457-7, 457-8, 457-8.5, and 457-9;
- [§(43)] The county police departments on applicants for permits to acquire firearms pursuant to section 134-2 and on individuals registering their firearms pursuant to section 134-3;
- [§(44)] The department of commerce and consumer affairs on:
 - (A) Each of the controlling persons of the applicant for licensure as an escrow depository, and each of the officers, directors, and principals who will be in charge of the escrow depository's activities upon licensure; and
 - (B) Each of the controlling persons of an applicant for proposed change in control of an escrow depository licensee, and each of the officers, directors, and principals who will be in charge of the licensee's activities upon approval of such application, as provided by chapter 449; and
- [§(45)] Any other organization, entity, or the State, its branches, political subdivisions, or agencies as may be authorized by state law."

SECTION 10. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 11. This Act shall take effect on September 1, 2017; provided that section 4 shall take effect on November 1, 2017, for all licensees that are licensed under chapter 489D, Hawaii Revised Statutes, as of July 1, 2017.

(Approved June 20, 2017.)

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S.B. NO. 950

A Bill for an Act Relating to Mortgage Servicers.

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

SECTION 1. Chapter 454M, Hawaii Revised Statutes, is amended by adding two new sections to be appropriately designated and to read as follows:

"§454M- Change in control of a licensee; fees. (a) A licensee shall submit to the commissioner an application requesting approval of a proposed change of control of the licensee, accompanied by a nonrefundable application fee of \$500, payable to the division.

(b) The commissioner shall approve an application requesting approval of a proposed change of control under subsection (a) if, after investigation, the commissioner determines that:

- (1) The person or group of persons who will obtain control will be in compliance with this chapter upon approval of the application;
- (2) The person or group of persons who will obtain control has the competence, experience, character, and general fitness to control the

- licensee or person in control of the licensee in a lawful and proper manner; and
- (3) The interests of the public will not be jeopardized by the change of control.

§454M- Presumption of control. An individual is presumed to control an entity if that individual is:

- (1) An executive officer of the entity; or
- (2) A director, general partner, or managing member who directly or indirectly has the right to vote ten per cent or more of a class of voting securities of the entity or has the power to sell or direct the sale of ten per cent or more of a class of voting securities of the entity."

SECTION 2. Section 454M-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"Executive officer" means a president, chairperson of an executive committee, senior officer responsible for the business of the subject entity or organization, chief financial officer, or any other person who performs similar functions related to the subject entity or organization."

SECTION 3. Section 454M-4, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (e) to read:

"(e) The applicant shall submit any other information that the commissioner may require, including the applicant's:

- (1) Form and place of organization;
- (2) Tax identification number; and
- (3) Proposed method of doing business.

The applicant shall disclose whether the applicant or any of its executive officers, directors, [employees, managers, agents,] general partners, or managing members have ever been issued or been the subject of an injunction or administrative order pertaining to any aspect of the lending business, have ever been convicted of a misdemeanor involving the lending industry or any aspect of the lending business, or have ever been convicted of any felony."

2. By amending subsection (h) to read:

"(h) The mortgage servicer licensee shall file with NMLS or, if the information cannot be filed with NMLS, directly notify the commissioner in writing no later than five business days after the licensee has reason to know of the occurrence of any of the following events:

- (1) Filing for bankruptcy or the consummation of a corporate restructuring of the licensee;
- (2) Filing of a criminal indictment against the licensee or receiving notification of the filing of any criminal felony indictment or felony conviction of any of the licensee's executive officers, directors, employees, managers, agents, managing members, general partners, or shareholders owning ten per cent or more of the outstanding stock of the licensee;
- (3) Receiving notification of the initiation of license denial, cease and desist, suspension or revocation procedures, or other formal or informal regulatory action by any governmental agency against the licensee and the reasons for the action;
- (4) Receiving notification of the initiation of any action against the licensee by the state attorney general or the attorney general of any other state and the reasons for the action;

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- (5) Suspension or termination of the licensee's status as an approved servicer by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, or Government National Mortgage Association;
- (6) Receiving notification that certain servicing rights of the licensee will be rescinded or canceled, and the reasons provided therefor;
- (7) Receiving notification of filing for bankruptcy of any of the licensee's executive officers, directors, managing members, [managers, agents,] general partners, or shareholders owning ten per cent or more of the outstanding stock of the licensee; or
- (8) Receiving notification of the initiation of a class action lawsuit on behalf of consumers against the licensee that is related to the operation of the licensed business."

SECTION 4. Section 454M-6, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) It shall be a violation of this chapter for any mortgage servicer to provide any [~~mortgage loan modifications or other~~] services that would require licensing pursuant to chapter 454F, unless the mortgage servicer is licensed under chapter 454F."

SECTION 5. Section 454M-8.5, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) Each licensee or person subject to this chapter shall provide to the commissioner upon request the books and records relating to the operations of the licensee or person subject to this chapter. The commissioner shall have access to the books and records and shall be permitted to interview the executive officers, directors, managing members, general partners, principals, mortgage [~~servieers~~] servicer's employees, independent contractors, agents, and customers of the licensee or person subject to this chapter concerning their business."

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 7. This Act shall take effect on September 1, 2017.

(Approved June 20, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 47

S.B. NO. 900

A Bill for an Act Relating to the Hawaii Community-Based Economic Development Technical and Financial Assistance Program.

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

SECTION 1. Section 210D-2, Hawaii Revised Statutes, is amended by amending the definition of "community-based organization" to read as follows:

"Community-based organization" means a [~~membership-based,~~] non-profit corporation incorporated in the State of Hawaii that is organized and controlled by either a geographic community, a community of identity, or a

community of interest and [which] that is directly involved in community-based economic development activities."

SECTION 2. Section 210D-5, Hawaii Revised Statutes, is amended to read as follows:

"§210D-5 Community-based economic development advisory council; established. There is established the community-based economic development advisory council, which shall consist of [~~twelve~~] ten members. The director of business, economic development, and tourism, the chairperson of the board of agriculture, and the chairperson of the office of Hawaiian affairs, or their respective designees, shall be ex officio voting members of the council. The remaining [~~nine~~] seven members shall be appointed by the governor in accordance with section 26-34. Each county shall be represented by at least one member who is a resident of that county, and at least one member of the council shall be a representative of the financial community. The council shall be placed for administrative purposes in the department of business, economic development, and tourism."

SECTION 3. Section 210D-11, Hawaii Revised Statutes, is amended to read as follows:

"§210D-11 Grants; conditions and qualifications. (a) Grants shall be made for amounts not to exceed \$100,000 for each applicant. Applications for grants shall be made to the department and contain such information as the department shall require by rules adopted pursuant to chapter 91. At a minimum, the applicant must show that:

- (1) The grant shall be used exclusively for community-based economic development activities [~~or~~], a community-based business or enterprise [~~that are~~], or the provision of technical assistance to community-based organizations, consistent with the purposes of this chapter [~~for a continuous period of at least five years~~];
- (2) The community-based business or enterprise shall have applied for or received all applicable licenses and permits;
- (3) The applicant [~~will~~] shall comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, [~~or physical handicap~~], sexual orientation, disability, or any other characteristic protected under applicable federal or state law;
- (4) The grant shall not be used for purposes of entertainment or perquisites;
- (5) The applicant shall comply with other requirements as the department [~~of business, economic development, and tourism~~] may prescribe;
- (6) All activities and improvements undertaken with funds received shall comply with all applicable federal, state, and county statutes and ordinances, including applicable building codes and agency rules;
- (7) The applicant [~~will~~] shall indemnify and save harmless the State of Hawaii and its officers, agents, and employees from and against any and all claims arising out of or resulting from activities carried out or projects undertaken with funds provided hereunder, and procure sufficient insurance to provide this indemnification if requested to do so by the department; and

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- (8) The facilities [~~will~~] shall not be used and are not intended to be used for sectarian instruction or as a place of worship.
- (b) To receive a grant under this section for community-based economic development activities [~~or development of~~], a community-based enterprise[~~s~~] or business, or the provision of technical assistance to community-based organizations, an applicant shall:
- (1) Be either:
 - (A) A profit subsidiary of a nonprofit community-based organization incorporated under the laws of the State;
 - (B) A nonprofit community-based organization determined to be exempt from federal income taxation by the Internal Revenue Service; [~~or~~]
 - (C) A cooperative association; or
 - (D) An organization providing technical assistance to community-based organizations;
 - (2) In the case of a nonprofit organization, have a governing board whose members have no material conflict of interest and serve without compensation, have bylaws or policies that describe the manner in which business is conducted and policies relating to nepotism and management of potential conflict of interest situations, and employ or contract with no two or more members of a family or kin of the first or second degree unless specifically permitted by the department;
 - (3) Agree to make available to the department all records the applicant may have relating to the [~~operation of the community-based enterprise,~~] grant, to allow state agencies to monitor the applicant's compliance with the purpose of this chapter; and
 - (4) Establish, to the satisfaction of the department, that sufficient funds are available for the effective operation of the activity, business, [~~or~~] enterprise, or technical assistance for the purpose for which the grant is awarded."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New material is underscored.

SECTION 5. This Act shall take effect on July 1, 2017.

(Approved June 20, 2017.)

ACT 48

S.B. NO. 1016

A Bill for an Act Relating to Transportation.

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

SECTION 1. Act 218, Session Laws of Hawaii 2012, is amended by amending section 2 to read as follows:

"SECTION 2. Beginning July 1, 2012, and ending June 30, [2017,] 2022, the department of transportation and any of its contractors shall be exempt from state requirements under the following, but only to the extent necessary to expedite the projects enumerated under section 3 of this Act:

- (1) Chapter 6E, Hawaii Revised Statutes, historic preservation;
- (2) Part II of chapter 171, Hawaii Revised Statutes, public lands;

- (3) Chapter 174C, Hawaii Revised Statutes, state water code;
- (4) Chapter 180, Hawaii Revised Statutes, soil and water conservation districts;
- (5) Chapter 180C, Hawaii Revised Statutes, soil erosion and sediment control;
- (6) Chapter 183, Hawaii Revised Statutes, forest reserves, water development, and zoning;
- (7) Chapter 183D, Hawaii Revised Statutes, wildlife;
- (8) Chapter 184, Hawaii Revised Statutes, state parks and recreation areas;
- (9) Chapter 195, Hawaii Revised Statutes, natural area reserves system;
- (10) Chapter 195D, Hawaii Revised Statutes, conservation of aquatic life, wildlife, and land plants;
- (11) Chapter 198D, Hawaii Revised Statutes, Hawaii statewide trail and access system;
- (12) Chapter 205, Hawaii Revised Statutes, land use commission;
- (13) Chapter 205A, Hawaii Revised Statutes, coastal zone management;
- (14) Chapter 341, Hawaii Revised Statutes, environmental quality control;
- (15) Chapter 342B, Hawaii Revised Statutes, air pollution;
- (16) Chapter 342D, Hawaii Revised Statutes, water pollution;
- (17) Chapter 342E, Hawaii Revised Statutes, nonpoint source pollution management and control;
- (18) Chapter 342F, Hawaii Revised Statutes, noise pollution;
- (19) Chapter 343, Hawaii Revised Statutes, environmental impact statements; and
- (20) Chapter 344, Hawaii Revised Statutes, state environmental policy.”

SECTION 2. Act 218, Session Laws of Hawaii 2012, is amended by amending section 4 to read as follows:

“SECTION 4. If the construction of a project granted an exemption under this Act is not completed by June 30, [2017,] 2022, the governor may authorize in writing before that date the continuation of construction of the project until completion. If so authorized, the project shall continue to be exempt as provided under this Act.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on June 29, 2017.

(Approved June 20, 2017.)

ACT 49

H.B. NO. 100

A Bill for an Act Relating to the State Budget.

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

PART I. GENERAL PROVISIONS

SECTION 1. SHORT TITLE. This Act shall be known and may be cited as the General Appropriations Act of 2017.

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SECTION 2. DEFINITIONS. Unless otherwise clear from the context, as used in this Act:

“Capital project number” means the official number of the capital project, as assigned by the responsible organization.

“Expending agency” means the executive department, independent commission, bureau, office, board, or other establishment of the state government (other than the legislature, Office of Hawaiian Affairs, and judiciary), the political subdivisions of the State, or any quasi-public institution supported in whole or in part by state funds, which is authorized to expend specified appropriations made by this Act.

Abbreviations, where used to denote the expending agency, shall mean the following:

AGR	Department of Agriculture
AGS	Department of Accounting and General Services
ATG	Department of the Attorney General
BED	Department of Business, Economic Development, and Tourism
BUF	Department of Budget and Finance
CCA	Department of Commerce and Consumer Affairs
DEF	Department of Defense
EDN	Department of Education
GOV	Office of the Governor
HHL	Department of Hawaiian Home Lands
HMS	Department of Human Services
HRD	Department of Human Resources Development
HTH	Department of Health
LBR	Department of Labor and Industrial Relations
LNR	Department of Land and Natural Resources
LTG	Office of the Lieutenant Governor
PSD	Department of Public Safety
SUB	Subsidies
TAX	Department of Taxation
TRN	Department of Transportation
UOH	University of Hawaii
CCH	City and County of Honolulu
COH	County of Hawaii
COK	County of Kauai
COM	County of Maui

“Means of financing” or “MOF” means the source from which funds are appropriated or authorized to be expended for the programs and projects specified in this Act. All appropriations are followed by letter symbols. Such letter symbols, where used, shall have the following meanings:

A	general funds
B	special funds
C	general obligation bond fund
D	general obligation bond fund with debt service cost to be paid from special funds
E	revenue bond funds
J	federal aid interstate funds
K	federal aid primary funds
L	federal aid secondary funds
M	federal aid urban funds
N	federal funds
P	other federal funds
R	private contributions

S county funds
 T trust funds
 U interdepartmental transfers
 W revolving funds
 X other funds

“Position ceiling” means the maximum number of permanent and temporary full-time equivalent positions authorized for a particular program during a specified period or periods, as denoted by an asterisk for permanent full-time equivalent positions and a pound sign for temporary full-time equivalent positions.

“Program ID” means the unique identifier for the specific program and consists of the abbreviation for the organization responsible for carrying out the program followed by the organization number for the program.

PART II. PROGRAM APPROPRIATIONS

SECTION 3. APPROPRIATIONS. The following sums, or so much thereof as may be sufficient to accomplish the purposes and programs designated herein, are hereby appropriated or authorized, as the case may be, from the means of financing specified to the expending agencies designated for the fiscal biennium beginning July 1, 2017, and ending June 30, 2019. The total expenditures and the number of positions in each fiscal year of the biennium shall not exceed the sums and the position ceilings indicated for each fiscal year, except as provided elsewhere in this Act or as provided by general law.

PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS		
				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019
A. ECONOMIC DEVELOPMENT						
1.	BED100 - STRATEGIC MARKETING & SUPPORT			10.00*		10.00*
	OPERATING		BED	1,417,966A		1,390,466A
			BED	1,821,915W		1,821,915W
			BED	700,000P		P
2.	BED105 - CREATIVE INDUSTRIES DIVISION			11.00*		11.00*
	OPERATING		BED	1,777,374A		1,327,374A
			BED	30,000B		30,000B
			BED	200,000P		P
3.	BED107 - FOREIGN TRADE ZONE			17.00*		17.00*
	OPERATING		BED	2,278,556B		2,278,556B
4.	BED142 - GENERAL SUPPORT FOR ECONOMIC DEVELOPMENT			26.00*		26.00*
	OPERATING		BED	1,00#		1,00#
			BED	2,474,222A		2,223,222A
5.	BED113 - TOURISM			5.00*		5.00*
	OPERATING		BED	27.00#		27.00#
			BED	141,369,295B		141,369,295B

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
6.		AGR101 - FINANCIAL ASSISTANCE FOR AGRICULTURE			
		OPERATING	AGR	1,500,000 A 9.00*	A 9.00*
			AGR	1,340,775 B	1,340,775 B
			AGR	5,500,000 W	5,500,000 W
7.		AGR122 - PLANT PEST AND DISEASE CONTROL			
		OPERATING	AGR	79.00* 5,632,729 A 42.00* 8,547,402 B 2,500 N 512,962 T 212,095 U 50,360 W 5.00#	79.00* 5,632,729 A 42.00* 8,547,402 B 2,500 N 512,962 T 212,095 U 50,360 W 5.00#
			AGR	673,089 P	673,089 P
		INVESTMENT CAPITAL	AGR	608,000 C	C
8.		AGR131 - RABIES QUARANTINE			
		OPERATING	AGR	36.32* 1.25#	36.32* 1.25#
		INVESTMENT CAPITAL	AGS	4,153,574 B C	4,003,574 B 1,000 C
9.		AGR132 - ANIMAL DISEASE CONTROL			
		OPERATING	AGR	21.68* 1,508,333 A 5.00*	21.68* 1,508,333 A 5.00*
			AGR	281,052 B 3.00#	281,052 B 3.00#
			AGR	412,057 P	438,438 P
10.		LNR172 - FORESTRY - RESOURCE MANAGEMENT AND DEVELOPMENT			
		OPERATING	LNR	19.50* 9.00# 3,682,786 A 2,455,475 B 1.50* 1.00#	19.50* 9.00# 3,472,786 A 2,455,475 B 1.50* 1.00#
			LNR	8,907,237 P	57,237 P
		INVESTMENT CAPITAL	LNR	1,100,000 C	C
11.		AGR151 - QUALITY AND PRICE ASSURANCE			
		OPERATING	AGR	19.00* 1,640,793 A 3.00*	20.00* 1,614,659 A 3.00*
			AGR	421,307 B	421,307 B
			AGR	300,000 T 10.00#	300,000 T 10.00#
			AGR	567,020 W	567,020 W
			AGR	138,624 P	138,624 P
12.		AGR171 - AGRICULTURAL DEVELOPMENT AND MARKETING			
		OPERATING	AGR	13.00* 1,645,774 A 920,000 B 257,003 N	13.00* 1,645,774 A 920,000 B 257,003 N

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
13.	AGR141 - AGRICULTURAL RESOURCE MANAGEMENT			5.00*	5.00*
	OPERATING	AGR	374,708A	374,708A	
			24.50*	24.50*	
		AGR	2,602,535B	2,602,535B	
			7.50*	7.50*	
	INVESTMENT CAPITAL	AGR	1,255,986W	1,255,986W	
		AGR	2,750,000C	C	
14.	AGR161 - AGROBUSINESS DEVELOPMENT AND RESEARCH				
	OPERATING	AGR	250,601A	50,601A	
		AGR	500,000B	500,000B	
			12.00#	12.00#	
	INVESTMENT CAPITAL	AGR	4,070,594W	4,070,594W	
		AGR	30,452,000C	C	
15.	AGR192 - GENERAL ADMINISTRATION FOR AGRICULTURE			24.00*	24.00*
	OPERATING	AGR	2,201,760A	1,851,046A	
			6.00*	6.00*	
	INVESTMENT CAPITAL	AGR	1,228,096B	1,228,096B	
		AGR	300,000B	B	
		AGR	2,900,000C	C	
		AGS	208,000C	C	
16.	LNR153 - FISHERIES MANAGEMENT				
	OPERATING	LNR	813,472A	813,472A	
			2.00*	2.00*	
		LNR	368,306B	368,306B	
		LNR	420,000N	420,000N	
			2.00*	2.00*	
			1.00#	1.00#	
		LNR	421,762P	261,762P	
17.	AGR153 - AQUACULTURE DEVELOPMENT PROGRAM			3.00*	3.00*
	OPERATING	AGR	312,913A	312,913A	
		AGR	125,000B	125,000B	
18.	BED120 - HAWAII STATE ENERGY OFFICE			5.00*	5.00*
	OPERATING	BED	68,039,247B	68,039,247B	
			28.00#	28.00#	
19.	BED143 - HIGH TECHNOLOGY DEVELOPMENT CORPORATION			5.00*	5.00*
	OPERATING	BED	4,085,439A	4,085,439A	
			3.75#	3.75#	
			1.50*	1.50*	
		BED	3,858,345B	3,898,345B	
		BED	1,500,000W	1,500,000W	
			9.00#	9.00#	
		BED	964,713P	964,713P	
20.	BED145 - HAWAII STRATEGIC DEVELOPMENT CORPORATION				
	OPERATING	BED	2,608,516B	2,608,516B	
			2.00#	2.00#	
		BED	4,321,301W	4,321,301W	

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
21.	BED146	- NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY		22.00#	22.00#
		OPERATING	BED	7,814,459 B	7,814,459 B
22.	BED138	- HAWAII GREEN INFRASTRUCTURE AUTHORITY		5.00#	5.00#
		OPERATING	BED	1,000,000 B	1,000,000 B
23.	LNR141	- WATER AND LAND DEVELOPMENT		24.00*	24.00*
		OPERATING	LNR	2,169,355 A	2,169,355 A
				4.00*	4.00*
			LNR	772,550 B	772,550 B
			LNR	197,827 T	197,827 T
		INVESTMENT CAPITAL	LNR	8,000,000 C	C
24.	BED150	- HAWAII COMMUNITY DEVELOPMENT AUTHORITY		19.00*	*
		OPERATING	BED	846,000 A	A
				2.00*	21.00*
				2.00#	2.00#
		INVESTMENT CAPITAL	BED	1,373,358 W	2,823,358 W
			BED	3,000,000 C	C
25.	BED160	- HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION			
		OPERATING	BED	600,000 A	A
			BED	3,100,000 N	3,100,000 N
				31.00*	31.00*
				42.00#	42.00#
			BED	11,147,761 W	11,101,761 W
			BED	3,000,000 P	3,000,000 P
		INVESTMENT CAPITAL	BED	54,200,000 C	C
26.	BED128	- OFFICE OF AEROSPACE			
		OPERATING	BED	1,00#	1.00#
				1,291,759 A	841,759 A
B. EMPLOYMENT					
1.	LBR111	- WORKFORCE DEVELOPMENT			
		OPERATING	LBR	1,055,449 A	1,055,449 A
				11.00#	11.00#
			LBR	5,940,010 B	5,940,010 B
				29.80*	29.80*
			LBR	12.00#	12.00#
				7,988,415 N	7,988,415 N
			LBR	20.00*	20.00*
				2,000,000 S	2,000,000 S
			LBR	12.00*	12.00*
				20.00#	20.00#
			LBR	2,883,182 U	2,883,182 U
				8.00*	8.00*
			LBR	380,000 P	380,000 P
2.	LBR135	- WORKFORCE DEVELOPMENT COUNCIL			
		OPERATING	LBR	0.10*	0.10*
				462,868 A	462,868 A
			LBR	5.90*	5.90*
				8,290,036 N	8,290,036 N

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ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS		
				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019
3.	LBR171	UNEMPLOYMENT INSURANCE PROGRAM		11.00#		11.00#
	OPERATING		LBR	3,191,310B		3,191,310B
				251.50*		251.50*
			LBR	24,062,083N		24,062,083N
			LBR	358,000,000T		358,000,000T
4.	LBR903	OFFICE OF COMMUNITY SERVICES		4.00*		4.00*
	OPERATING		LBR	3,675,524A		1,982,478A
			LBR	5,000B		5,000B
				1.00*		1.00*
				4.00#		4.00#
			LBR	5,050,158N		5,050,158N
			LBR	500,000U		500,000U
			LBR	179,000P		179,000P
	INVESTMENT CAPITAL		LBR	3,658,000C		C
5.	HMS802	VOCATIONAL REHABILITATION		37.76*		37.76*
	OPERATING		HMS	2.64#		2.64#
				69.24*		69.24*
				5.36#		5.36#
			HMS	14,662,011N		14,662,011N
			HMS	1,330,200W		1,330,200W
	INVESTMENT CAPITAL		HMS	521,000C		C
6.	LBR143	HAWAII OCCUPATIONAL SAFETY AND HEALTH PROGRAM		17.10*		17.10*
	OPERATING		LBR	1,084,236A		1,084,236A
				22.00*		22.00*
			LBR	3,002,955B		3,002,955B
				0.50#		0.50#
			LBR	70,000W		70,000W
				19.90*		19.90*
			LBR	2,089,716P		2,089,716P
7.	LBR152	WAGE STANDARDS PROGRAM		18.00*		18.00*
	OPERATING		LBR	1,185,488A		1,208,802A
8.	LBR153	HAWAII CIVIL RIGHTS COMMISSION		22.50*		22.50*
	OPERATING		LBR	1,624,947A		1,644,693A
				0.50*		0.50*
				5.00#		5.00#
			LBR	250,000P		250,000P
9.	LBR183	DISABILITY COMPENSATION PROGRAM		88.00*		88.00*
	OPERATING		LBR	5,818,016A		8,113,402A
				11.00*		11.00*
				5.00#		5.00#
			LBR	23,937,031T		24,002,622T
10.	LBR161	HAWAII LABOR RELATIONS BOARD		1.00*		1.00*
	OPERATING		LBR	6.00#		6.00#
				783,303A		783,303A

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
11.	LBR812	- LABOR AND INDUSTRIAL RELATIONS APPEALS BOARD OPERATING	LBR	10.00* 941,737 A	10.00* 956,173 A
12.	LBR871	- EMPLOYMENT SECURITY APPEALS REFEREES' OFFICE OPERATING	LBR	12.00* 1,165,559 N	12.00* 1,165,559 N
13.	LBR901	- RESEARCH AND STATISTICS OPERATING	LBR	4.38* 2.00# 478,679 A 3.67* 1.00#	4.38* 2.00# 478,679 A 3.67* 1.00#
			LBR	480,895 N 13.00*	480,895 N 13.00*
			LBR	910,533 P	910,533 P
14.	LBR902	- GENERAL ADMINISTRATION OPERATING	LBR	21.83* 1.12# 1,740,856 A 200,000 B 32.17* 2.88#	21.83* 1.12# 1,740,856 A 200,000 B 32.17* 2.88#
			LBR	3,286,941 P	3,286,941 P

C. TRANSPORTATION FACILITIES

1.	TRN102	- HONOLULU INTERNATIONAL AIRPORT OPERATING	TRN	653.50* 2.00# 171,733,557 B	653.50* 2.00# 162,339,905 B
		INVESTMENT CAPITAL	TRN	1,836,750 N	1,405,500 N
			TRN	B	19,118,000 B
			TRN	336,150,000 E	54,382,000 E
			TRN	9,000,000 N	1,000 N
			TRN	X	28,000,000 X
2.	TRN104	- GENERAL AVIATION OPERATING	TRN	31.00*	31.00*
		INVESTMENT CAPITAL	TRN	13,235,284 B 18,800,000 E	11,313,626 B 4,500,000 E
3.	TRN111	- HILO INTERNATIONAL AIRPORT OPERATING	TRN	87.00*	87.00*
		INVESTMENT CAPITAL	TRN	16,129,760 B 841,500 N	20,390,335 B 1,359,000 N
			TRN	19,800,000 E	4,800,000 E
			TRN	2,000,000 N	N
4.	TRN114	- KONA INTERNATIONAL AIRPORT AT KEAHOLE OPERATING	TRN	95.00*	95.00*
		INVESTMENT CAPITAL	TRN	20,039,454 B 1,359,000 N	21,692,380 B 841,500 N
			TRN	1,359,000 B	B
			TRN	2,066,000 E	11,375,000 E
			TRN	1,000 N	N

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				FISCAL M YEAR O 2017-2018 2017-2018 F	FISCAL M YEAR O 2018-2019 2018-2019 F
5.	TRN116	WAIMEA-KOHALA AIRPORT OPERATING	TRN	6.00* 949,670 B	6.00* 1,952,547 B
6.	TRN118	UPOLU AIRPORT OPERATING INVESTMENT CAPITAL	TRN TRN	49,500 B 25,000 E	49,500 B 1,000,000 E
7.	TRN131	KAHULUI AIRPORT OPERATING INVESTMENT CAPITAL	TRN TRN TRN	176.00 * 33,922,386 B 1,683,000 N 108,473,000 E	176.00 * 39,498,611 B N 18,125,000 E
8.	TRN133	HANA AIRPORT OPERATING INVESTMENT CAPITAL	TRN TRN	8.00 * 1,266,490 B 500,000 E	8.00 * 916,459 B 1,500,000 E
9.	TRN135	KAPALUA AIRPORT OPERATING INVESTMENT CAPITAL	TRN TRN	11.00 * 2,058,855 B 500,000 E	11.00 * 2,058,516 B 1,500,000 E
10.	TRN141	MOLOKAI AIRPORT OPERATING INVESTMENT CAPITAL	TRN TRN TRN	14.00 * 2,940,108 B 841,500 N 1,000,000 E	14.00 * 4,789,175 B N 6,250,000 E
11.	TRN143	KALAUPAPA AIRPORT OPERATING INVESTMENT CAPITAL	TRN TRN	9.00 * 2,768,115 B E	9.00 * 1,018,115 B 4,500,000 E
12.	TRN151	LANAI AIRPORT OPERATING INVESTMENT CAPITAL	TRN TRN TRN	12.00 * 3,973,207 B 841,500 N 1,500,000 E	12.00 * 4,026,576 B N 1,500,000 E
13.	TRN161	LIHUE AIRPORT OPERATING INVESTMENT CAPITAL	TRN TRN TRN TRN TRN	104.00 * 28,188,495 B 841,500 N 9,294,000 B 5,123,000 E 12,000,000 X	104.00 * 27,072,951 B N B 16,225,000 E X
14.	TRN163	PORT ALLEN AIRPORT OPERATING INVESTMENT CAPITAL	TRN TRN	1,841 B 1,500,000 E	1,841 B E
15.	TRN195	AIRPORTS ADMINISTRATION OPERATING INVESTMENT CAPITAL	TRN TRN TRN TRN TRN	130.00 * 2.00 # 228,718,309 B 15,550,000 B 5,000,000 E 1,000 N 7,325,000 X	130.00 * 2.00 # 243,989,812 B 49,900,000 B 21,000,000 E 2,000 N 125,000 X

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
16.	TRN301	- HONOLULU HARBOR		113.00*	113.00*
				2.00#	2.00#
	OPERATING		TRN	27,118,386 B	27,882,117 B
	INVESTMENT CAPITAL		TRN	B	2,000 B
			TRN	20,000,000 E	6,360,000 E
17.	TRN303	- KALAELOA BARBERS POINT HARBOR		6.00*	6.00*
	OPERATING		TRN	1,889,662 B	1,876,148 B
18.	TRN311	- HILO HARBOR		14.00*	15.00*
	OPERATING		TRN	3,357,490 B	3,683,431 B
19.	TRN313	- KAWAIHAE HARBOR		2.00*	2.00*
	OPERATING		TRN	1,376,431 B	1,386,578 B
20.	TRN331	- KAHULUI HARBOR		18.00*	18.00*
	OPERATING		TRN	4,211,471 B	4,578,331 B
21.	TRN341	- KAUNAKAKAI HARBOR		1.00*	1.00*
	OPERATING		TRN	846,841 B	851,224 B
22.	TRN361	- NAWILIWILI HARBOR		15.00*	15.00*
	OPERATING		TRN	4,906,271 B	3,754,849 B
	INVESTMENT CAPITAL		TRN	2,000 B	B
			TRN	7,500,000 E	E
23.	TRN363	- PORT ALLEN HARBOR		1.00*	1.00*
	OPERATING		TRN	473,840 B	477,885 B
24.	TRN351	- KAUMALAPAU HARBOR		1.00*	1.00*
	OPERATING		TRN	446,963 B	474,606 B
25.	TRN395	- HARBORS ADMINISTRATION		77.00*	77.00*
	OPERATING		TRN	1.00#	1.00#
	INVESTMENT CAPITAL		TRN	69,908,769 B	69,997,645 B
			TRN	8,193,000 B	8,493,000 B
			TRN	7,000,000 E	39,700,000 E
			TRN	3,000 P	3,000 P
26.	TRN333	- HANA HARBOR			
	OPERATING		TRN	42,519 B	42,519 B
	INVESTMENT CAPITAL		TRN	2,000 B	B
			TRN	3,700,000 E	E
27.	TRN501	- OAHU HIGHWAYS		195.00*	195.00*
	OPERATING		TRN	105,676,376 B	106,751,772 B
	INVESTMENT CAPITAL		TRN	1,000,000 C	C
			TRN	80,560,000 E	24,640,000 E
			TRN	84,440,000 N	50,760,000 N

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
28.	TRN511	- HAWAII HIGHWAYS		131.00*		131.00*
		OPERATING	TRN	27,211,158 B		27,226,617 B
		INVESTMENT CAPITAL	TRN	43,570,000 E		20,050,000 E
			TRN	100,280,000 N		71,800,000 N
29.	TRN531	- MAUI HIGHWAYS		89.00*		89.00*
				1.00#		1.00#
		OPERATING	TRN	30,972,631 B		30,994,099 B
		INVESTMENT CAPITAL	TRN	96,500,000 E		13,750,000 E
			TRN	3,800,000 N		5,400,000 N
30.	TRN561	- KAUAI HIGHWAYS		51.00*		51.00*
		OPERATING	TRN	15,831,078 B		15,844,757 B
		INVESTMENT CAPITAL	TRN	16,760,000 E		9,170,000 E
			TRN	45,640,000 N		33,680,000 N
31.	TRN595	- HIGHWAYS ADMINISTRATION		112.00*		112.00*
		OPERATING	TRN	117,147,926 B		97,508,491 B
				1.00#		1.00#
		INVESTMENT CAPITAL	TRN	6,991,918 N		7,207,918 N
			TRN	16,000,000 B		16,000,000 B
			TRN	18,510,000 E		10,450,000 E
			TRN	75,240,000 N		43,000,000 N
32.	TRN597	- HIGHWAY SAFETY		31.20*		31.20*
		OPERATING	TRN	10,577,054 B		10,572,854 B
				6.00*		6.00*
		OPERATING	TRN	3,817,704 N		3,817,704 N
				0.80*		0.80*
			TRN	754,989 P		754,989 P
33.	TRN995	- GENERAL ADMINISTRATION				A
		OPERATING	TRN	2,000,000 A		110.00*
				110.00*		110.00*
				2.00#		2.00#
		OPERATING	TRN	25,997,379 B		21,614,697 B
				1.00*		1.00*
			TRN	9,913,329 N		10,195,729 N
			TRN	728,352 R		737,510 R
34.	TRN695	- ALOHA TOWER DEVELOPMENT CORPORATION				
		OPERATING	TRN	1,00#		1.00#
				1,842,173 B		1,842,173 B

D. ENVIRONMENTAL PROTECTION

1.	HTH840	- ENVIRONMENTAL MANAGEMENT		67.00*		67.00*
		OPERATING	HTH	4,873,233 A		4,949,391 A
				63.00*		63.00*
				5.00#		5.00#
		OPERATING	HTH	79,391,866 B		79,391,866 B
				33.60*		33.60*
				2.00#		2.00#

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
INVESTMENT CAPITAL			HTH	8,349,896 N 2.00*	6,239,542 N 2.00*
			HTH	235,454 U 31.00*	235,454 U 31.00*
			HTH	208,801,050 W 10.40* 4.00#	208,801,050 W 10.40* 4.00#
			HTH	1,935,144 P 3,733,000 C 18,660,000 N	1,935,144 P C N
2. AGR846 - PESTICIDES					
OPERATING			AGR	17.00* 1,692,013 A 11.00* AGR	17.00* 1,771,249 A 11.00* 1,861,231 W
			AGR	2.00* 1.00#	2.00* 1.00#
			AGR	464,629 P	464,629 P
3. LNR401 - ECOSYSTEM PROTECTION AND RESTORATION					
OPERATING			LNR	24.75* 4.00# 2,236,556 A 0.75*	24.75* 4.00# 2,191,556 A 0.75*
			LNR	2,237,844 N 0.50* 8.00#	2,267,844 N 0.50* 8.00#
			LNR	3,743,649 P	593,649 P
4. LNR402 - NATIVE RESOURCES AND FIRE PROTECTION PROGRAM					
OPERATING			LNR	48.50* 2.00# 14,368,812 A 15.00*	48.50* 2.00# 13,749,938 A 15.00*
			LNR	3.00# 1,894,520 N 1.00#	3.00# 1,894,520 N 1.00#
			LNR	189,799 T 7.00#	189,799 T 7.00#
			LNR	1,679,079 U 3.50* 3.00#	1,679,079 U 3.50* 3.00#
INVESTMENT CAPITAL			LNR	1,300,000 P	1,300,000 P
			LNR	1,600,000 C	C
5. LNR404 - WATER RESOURCES					
OPERATING			LNR	19.00* 5.00* 2,559,371 A	19.00* 5.00* 2,559,371 A
			LNR	1,056,596 B	1,056,596 B
			LNR	250,000 N	150,000 N
6. LNR405 - CONSERVATION AND RESOURCES ENFORCEMENT					
OPERATING			LNR	109.25* 12.00# 8,422,817 A 18.00*	109.25* 12.00# 8,422,817 A 18.00*
			LNR	2,661,339 B 3.75*	2,661,339 B 3.75*
			LNR	1,219,046 N	1,319,046 N

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				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019
			LNR	32,671	W	32,671
			LNR	900,000	P	900,000
7.	LNR407	- NATURAL AREA RESERVES AND WATERSHED MANAGEMENT				
				30.50*		*30.50*
				34.00#		34.00#
	OPERATING		LNR	8,458,700	A	8,458,700
				0.50*		A
	INVESTMENT CAPITAL		LNR	1,865,720	P	1,865,720
			LNR	200,000	C	C
8.	HTH850	- OFFICE OF ENVIRONMENTAL QUALITY CONTROL				
				5.00*		5.00*
	OPERATING		HTH	392,774	A	392,774
9.	LNR906	- LNR - NATURAL AND PHYSICAL ENVIRONMENT				
				35.00*		35.00*
				15.00#		15.00#
	OPERATING		LNR	3,635,396	A	3,667,296
				16.00*		A
				1.00#		
			LNR	1,958,011	B	1,958,011
			LNR	135,139	N	135,139
				1.00*		N
	INVESTMENT CAPITAL		LNR	152,871	T	152,871
			LNR	1,500,000	C	C
10.	HTH849	- ENVIRONMENTAL HEALTH ADMINISTRATION				
				23.00*		23.00*
				1.25#		1.25#
	OPERATING		HTH	3,695,411	A	3,709,435
				0.50*		A
			HTH	77,234	B	77,234
				3.40*		B
				0.60#		
			HTH	575,500	N	575,500
				14.00*		N
			HTH	2,793,662	W	2,793,662
				13.10*		W
				3.15#		
			HTH	2,877,286	P	4,493,661
						P

E. HEALTH

1.	HTH100	- COMMUNICABLE DISEASE AND PUBLIC HEALTH NURSING				
				248.87*		248.87*
				3.30#		3.30#
	OPERATING		HTH	27,619,596	A	27,469,596
				1.00*		A
				6.00#		
			HTH	662,761	B	726,850
				2.00#		B
			HTH	4,572,267	N	4,572,267
				1.00#		N
			HTH	178,291	U	178,291
				16.00*		U
				40.50#		
			HTH	5,008,971	P	6,930,777
						P

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
2.	HTH131 - DISEASE OUTBREAK CONTROL			22.60 * 1,871,731 A 31.40 * 37.00 #	22.60 * 1,922,731 A 31.40 * 37.00 #
	OPERATING	HTH		48,415,072 N 17.00 #	11,215,072 N 17.00 #
		HTH		5,330,590 P	4,895,488 P
3.	HTH730 - EMERGENCY MEDICAL SERVICES AND INJURY PREVENTION SYSTEM			12.00 * 1.40 #	12.00 * 1.40 #
	OPERATING	HTH		67,202,347 A 6.00 #	66,216,534 A 6.00 #
		HTH		22,230,234 B 3.00 #	22,230,234 B 3.00 #
		HTH		630,000 P	630,000 P
4.	HTH560 - FAMILY HEALTH SERVICES			107.00 * 2.50 #	107.00 * 2.50 #
	OPERATING	HTH		28,350,378 A 14.00 * 3.00 #	28,398,456 A 14.00 * 3.00 #
		HTH		18,391,507 B 168.50 * 14.50 #	18,391,507 B 168.50 * 14.50 #
		HTH		52,379,172 N 203,441 U 9.00 * 19.00 #	48,064,572 N 203,441 U 9.00 * 19.00 #
		HTH		19,626,935 P	23,367,003 P
5.	HTH590 - CHRONIC DISEASE PREVENTION AND HEALTH PROMOTION			38.50 * 6.00 #	38.50 * 6.00 #
	OPERATING	HTH		6,628,774 A 48,656,356 B 610,000 U 10.50 * 24.50 #	6,544,766 A 48,656,356 B 610,000 U 10.50 * 24.50 #
		HTH		13,046,023 P	13,046,023 P
6.	HTH595 - HEALTH RESOURCES ADMINISTRATION			2.00 *	2.00 *
	OPERATING	HTH		203,309 A	203,309 A
7.	HTH210 - HAWAII HEALTH SYSTEMS CORPORATION - CORPORATE OFFICE			54.50 *	54.50 *
	OPERATING	HTH		17,509,280 B	17,509,280 B
8.	HTH211 - KAHUKU HOSPITAL				
	OPERATING	HTH		1,800,000 A	1,800,000 A
	INVESTMENT CAPITAL	HTH		1,650,000 C	C
9.	SUB601 - PRIVATE HOSPITALS AND MEDICAL SERVICES				
	OPERATING	SUB		942,000 A	942,000 A

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				FISCAL M YEAR 2017-2018 O F	M O C	FISCAL M YEAR 2018-2019 O F
10.	HTH212	HAWAII HEALTH SYSTEMS CORPORATION – REGIONS OPERATING	HTH	110,901,003 A 2,780.75*	105,701,003 A 2,780.75*	
		INVESTMENT CAPITAL	HTH	565,029,561 B 21,352,000 C	565,029,561 B C	
11.	HTH213	ALII COMMUNITY CARE OPERATING	HTH	3,500,000 B	3,500,000 B	
12.	HTH214	MAUI HEALTH SYSTEM, KFH LLC OPERATING	HTH	33,420,000 A		A
		INVESTMENT CAPITAL	HTH	6,000,000 C		C
13.	HTH420	ADULT MENTAL HEALTH - OUTPATIENT OPERATING	HTH	152.50* 193.00#	152.50* 193.00#	
			HTH	61,703,356 A	61,703,356 A	
			HTH	11,610,000 B	11,610,000 B	
			HTH	5.00#	5.00#	
			HTH	1,632,230 N	1,632,230 N	
14.	HTH430	ADULT MENTAL HEALTH - INPATIENT OPERATING	HTH	639.00* 27.00#	639.00* 27.00#	
		INVESTMENT CAPITAL	AGS	74,650,585 A 421,000 C	74,650,585 A C	
15.	HTH440	ALCOHOL AND DRUG ABUSE OPERATING	HTH	28.00* 1.00#	28.00* 1.00#	
			HTH	20,660,248 A	19,355,140 A	
			HTH	750,000 B	750,000 B	
			HTH	8,489,857 N	8,489,857 N	
			HTH	6.50#	6.50#	
		INVESTMENT CAPITAL	HTH	11,801,996 P	5,168,496 P	
			HTH	500,000 C	C	
16.	HTH460	CHILD AND ADOLESCENT MENTAL HEALTH OPERATING	HTH	158.00* 25.00# 17.00* 6.00#	158.00* 25.00# 17.00* 6.00#	
			HTH	43,091,539 A	43,364,539 A	
			HTH	5.00#	5.00#	
			HTH	1,580,536 N	1,270,111 N	
			HTH	2.00#	2.00#	
			HTH	2,281,992 U	2,281,992 U	
			HTH	14.50#	8.50#	
			HTH	2,034,901 P	2,223,325 P	
17.	HTH501	DEVELOPMENTAL DISABILITIES OPERATING	HTH	212.75* 6.00# 3.00*	212.75* 6.00# 3.00*	
			HTH	78,976,419 A	83,368,937 A	
18.	HTH495	BEHAVIORAL HEALTH ADMINISTRATION		46.50* 49.50#	46.50* 49.50#	

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
		OPERATING	HTH	6,730,409 A 1.00#	6,730,409 A 1.00#
			HTH	137,363 P	137,363 P
19.	HTH610	- ENVIRONMENTAL HEALTH SERVICES			
		OPERATING	HTH	129.00* 8,630,451 A 23.00*	129.00* 8,630,451 A 23.00*
			HTH	2,753,804 B 2.00*	2,753,804 B 2.00*
			HTH	158,000 N 3.00*	158,000 N 3.00*
			HTH	231,850 U 2.00*	231,850 U 2.00*
			HTH	221,176 P	221,176 P
20.	HTH710	- STATE LABORATORY SERVICES			
		OPERATING	HTH	72.00* 1.00# 7,703,038 A 3.00#	72.00* 1.00# 7,703,038 A 3.00#
			HTH	390,000 P	390,000 P
21.	HTH720	- HEALTH CARE ASSURANCE			
		OPERATING	HTH	24.40* 1.00# 2,484,181 A 5.00#	24.40* 1.00# 2,610,719 A 5.00#
			HTH	1,311,000 B 16.60*	1,311,000 B 16.60*
			HTH	2,553,901 P	2,553,901 P
22.	HTH906	- STATE HEALTH PLANNING AND DEVELOPMENT AGENCY			
		OPERATING	HTH	6.00* 560,711 A	6.00* 560,711 A
			HTH	114,000 B	114,000 B
23.	HTH760	- HEALTH STATUS MONITORING			
		OPERATING	HTH	32.50* 1,626,893 A 1.00* 3.00#	32.50* 1,626,893 A 1.00* 3.00#
			HTH	662,587 B 3.00*	662,587 B 3.00*
			HTH	432,300 P	432,300 P
24.	HTH905	- DEVELOPMENTAL DISABILITIES COUNCIL			
		OPERATING	HTH	2.50* 230,932 A 6.50*	2.50* 230,932 A 6.50*
			HTH	528,666 N	528,666 N
25.	HTH907	- GENERAL ADMINISTRATION			
		OPERATING	HTH	123.50* 5.00# 11,191,939 A 5.00#	123.50* 5.00# 9,615,922 A 5.00#
		INVESTMENT CAPITAL	HTH	913,074 P	913,074 P
			AGS	13,920,000 C	C
			HTH	3,775,000 C	C

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
26.		HTH908 - OFFICE OF LANGUAGE ACCESS OPERATING	HTH	3.00* 320,851 A	3.00* 320,851 A
		F. SOCIAL SERVICES			
		1. HMS301 - CHILD PROTECTIVE SERVICES OPERATING	HMS	219.30* 34,549,692 A	219.30* 34,549,692 A
			HMS	1,007,587 B	1,007,587 B
			HMS	175.20*	175.20*
			HMS	42,164,875 N	42,164,875 N
			HMS	106,225 P	106,225 P
		2. HMS302 - GENERAL SUPPORT FOR CHILD CARE OPERATING	HMS	25.35* 1,715,547 A	25.35* 1,715,547 A
			HMS	24.65* 11,850,965 N	24.65* 11,850,965 N
		3. HMS303 - CHILD PROTECTIVE SERVICES PAYMENTS OPERATING	HMS	43,131,294 A	43,131,294 A
			HMS	23,614,626 N	23,614,626 N
		4. HMS305 - CASH SUPPORT FOR CHILD CARE OPERATING	HMS	25,011,811 A	25,011,811 A
			HMS	38,530,754 N	38,530,754 N
		5. HMS501 - IN-COMMUNITY YOUTH PROGRAMS OPERATING	HMS	14.00* 0.50#	14.00* 0.50#
			HMS	9,075,753 A	8,235,753 A
			HMS	3.00#	3.00#
			HMS	2,572,722 N	2,572,722 N
		6. HMS503 - HAWAII YOUTH CORRECTIONAL FACILITY (HYCF) OPERATING	HMS	118.00* 9,829,191 A	118.00* 9,829,191 A
		7. DEF112 - SERVICES TO VETERANS OPERATING	DEF	28.00* 2,860,972 A	28.00* 1,991,572 A
			DEF	1,839,100 P	P
		INVESTMENT CAPITAL	DEF	1,620,000 C	C
		8. HMS601 - ADULT AND COMMUNITY CARE SERVICES OPERATING	HMS	71.48* 5,830,367 A	71.48* 5,830,367 A
			HMS	7.02*	7.02*
			HMS	3.00#	3.00#
			HMS	3,979,173 N	3,979,173 N
			HMS	10,000 R	10,000 R
			HMS	387,560 U	387,560 U
			HMS	1,321,390 P	1,321,390 P
		9. HMS202 - AGED, BLIND AND DISABLED PAYMENTS OPERATING	HMS	4,029,480 A	4,029,480 A
		10. HMS204 - GENERAL ASSISTANCE PAYMENTS OPERATING	HMS	23,889,056 A	23,889,056 A

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				FISCAL M YEAR O 2017-2018	FISCAL M YEAR O 2018-2019
11.		HMS206 - FEDERAL ASSISTANCE PAYMENTS OPERATING	HMS	5,703,592 N	5,703,592 N
12.		HMS211 - CASH SUPPORT FOR FAMILIES - SELF-SUFFICIENCY OPERATING	HMS	22,694,156 A	22,694,156 A
			HMS	44,000,000 N	44,000,000 N
13.		HMS220 - RENTAL HOUSING SERVICES OPERATING	HMS	6,432,410 A 200.00 * 7.50 #	6,432,410 A 200.00 * 7.50 #
			HMS	79,995,342 N 21.00 *	79,995,342 N 21.00 *
			HMS	5,026,438 W	5,026,438 W
		INVESTMENT CAPITAL	HMS	20,175,000 C	C
14.		HMS229 - HPHA ADMINISTRATION		76.00 * 41.00 #	76.00 * 41.00 #
		OPERATING	HMS	39,432,344 N 51.00 * 20.00 #	39,432,344 N 51.00 * 20.00 #
			HMS	5,657,053 W 300,000 C	6,339,464 W C
15.		HMS222 - RENTAL ASSISTANCE SERVICES		2.25 * 1,082,187 A 29.75 * 2.00 #	2.25 * 1,082,187 A 29.75 * 2.00 #
		OPERATING	HMS	26,442,710 N	26,442,710 N
16.		HMS224 - HOMELESS SERVICES		11.00 * 23,696,955 A 649,448 N 2,366,839 P	11.00 * 15,746,955 A 649,448 N 2,366,839 P
		OPERATING	HMS		
17.		HMS605 - COMMUNITY-BASED RESIDENTIAL SUPPORT OPERATING	HMS	17,810,955 A	17,810,955 A
18.		HMS401 - HEALTH CARE PAYMENTS OPERATING	HMS	913,892,726 A 1,376,660 B 1,698,390,124 N 6,781,921 U 13,216,034 P	944,108,598 A 1,376,660 B 1,803,909,546 N 6,781,921 U 13,216,034 P
19.		HMS236 - CASE MANAGEMENT FOR SELF-SUFFICIENCY OPERATING	HMS	296.33 * 15,251,625 A 233.67 *	296.33 * 15,251,625 A 233.67 *
			HMS	25,472,110 N 30,237 P	25,472,110 N 30,237 P
20.		HMS238 - DISABILITY DETERMINATION OPERATING	HMS	49.00 * 8,029,327 N	49.00 * 8,029,327 N

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
21.	ATG500 - CHILD SUPPORT ENFORCEMENT SERVICES			74.80* 0.34#	74.80* 0.34#
	OPERATING	ATG	ATG	4,521,628 A 2,231,224 T 145.20* 0.66#	4,521,628 A 2,231,224 T 145.20* 0.66#
		ATG		16,436,851 P	16,436,851 P
22.	HMS237 - EMPLOYMENT AND TRAINING				
	OPERATING	HMS	HMS	469,505 A 1,245,750 N	469,505 A 1,245,750 N
23.	HHL602 - PLANNING AND DEVELOPMENT FOR HAWAIIAN HOMESTEADS				
	OPERATING	HHL	HHL	4,824,709 B 4.00* 2.00#	4,824,709 B 4.00* 2.00#
		HHL	HHL	23,318,527 N 3,740,534 T	23,318,527 N 3,740,534 T
	INVESTMENT CAPITAL	AGR		6,900,000 C	C
		HHL	HHL	39,200,000 C 15,000,000 N	2,900,000 C 15,000,000 N
24.	HHL625 - ADMINISTRATION AND OPERATING SUPPORT			200.00*	200.00*
	OPERATING	HHL		25,120,730 A	25,120,730 A
25.	HTH904 - EXECUTIVE OFFICE ON AGING				
	OPERATING	HTH	HTH	8.54* 2.35# 6.46* 2.00#	8.54* 2.35# 6.46* 2.00#
		HTH		6,997,531 N 8.00#	6,997,531 N 8.00#
		HTH		1,816,791 P	1,223,791 P
26.	HTH520 - DISABILITY AND COMMUNICATIONS ACCESS BOARD			11.00*	11.00*
	OPERATING	HTH	HTH	1,020,915 A 7.00*	1,020,915 A 7.00*
		HTH		915,094 B 2.00*	915,094 B 2.00*
		HTH		286,003 U	286,003 U
27.	HMS902 - GENERAL SUPPORT FOR HEALTH CARE PAYMENTS			134.50* 5.70#	134.50* 5.70#
	OPERATING	HMS	HMS	9,479,187 A 0.56*	9,479,187 A 0.56*
		HMS		1,539,357 B 142.69*	1,539,357 B 142.69*
		HMS		19.30#	19.30#
		HMS		52,924,167 N	52,924,167 N
		HMS		843,987 P	843,987 P
28.	HMS903 - GENERAL SUPPORT FOR SELF SUFFICIENCY SERVICES			49.28* 1.59#	49.28* 1.59#
	OPERATING	HMS		41,622,620 A 44.72*	41,622,620 A 44.72*

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				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019
			HMS	1.41#		1.41#
			HMS	65,391,488N		65,391,488N
				3,000P		3,000P
29.	HMS904 - GENERAL ADMINISTRATION (DHS)					
				135.45*		135.45*
				8.00#		8.00#
	OPERATING		HMS	10,438,024A		10,425,610A
				26.55*		26.55*
			HMS	3,869,103N		3,965,756N
			HMS	1,500P		1,500P
30.	HMS901 - GENERAL SUPPORT FOR SOCIAL SERVICES					
				19.45*		19.45*
	OPERATING		HMS	2,474,317A		2,474,317A
				9.55*		9.55*
			HMS	2,074,339N		2,074,339N
G. FORMAL EDUCATION						
1.	EDN100 - SCHOOL-BASED BUDGETING					
				12,562.25*		12,562.25*
				680.25#		680.25#
	OPERATING		EDN	941,582,174A		936,754,529A
			EDN	5,230,000B		5,230,000B
			EDN	141,470,617N		138,670,617N
			EDN	13,640,000T		13,640,000T
			EDN	7,495,605U		7,495,605U
			EDN	2,379,491W		2,379,491W
			EDN	8,989,000P		8,989,000P
	INVESTMENT CAPITAL		EDN	451,415,000C		20,280,000C
			EDN	R		1,000R
2.	EDN150 - SPECIAL EDUCATION AND STUDENT SUPPORT SERVICES					
				5,237.50*		5,237.50*
				1,228.25#		1,228.25#
	OPERATING		EDN	367,652,889A		367,652,889A
			EDN	100,000B		100,000B
			EDN	2.00*		2.00*
			EDN	33.00#		33.00#
			EDN	52,128,383N		52,128,383N
			EDN	4.00*		4.00*
			EDN	3,500,000W		3,500,000W
3.	EDN200 - INSTRUCTIONAL SUPPORT					
				396.00*		396.00*
				83.00#		83.00#
	OPERATING		EDN	53,666,953A		53,605,746A
			EDN	11.00*		11.00*
			EDN	2,321,746B		2,321,746B
			EDN	2.00#		2.00#
			EDN	500,000N		500,000N
			EDN	270,031U		270,031U
			EDN	1.00#		1.00#
			EDN	273,794P		273,794P
4.	EDN300 - STATE ADMINISTRATION					
				502.50*		502.50*
				8.00#		8.00#
	OPERATING		EDN	49,838,966A		48,212,155A
			EDN	30,000P		30,000P

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
5.	EDN400 - SCHOOL SUPPORT			622.50 * 3.00 #	622.50 * 3.00 #	622.50 *
	OPERATING		EDN	190,640,268 A 11.00 *	191,635,620 A 11.00 *	
			EDN	43,018,357 B 718.50 * 118.50 #	43,018,357 B 718.50 * 118.50 #	
			EDN	66,097,300 N 4.00 * 2.00 #	66,097,300 N 4.00 * 2.00 #	
	INVESTMENT CAPITAL		EDN	6,504,189 W	6,504,189 W	
			EDN	4,349,000 A	4,349,000 A	
6.	EDN500 - SCHOOL COMMUNITY SERVICES			29.00 * 5.00 #	29.00 * 5.00 #	29.00 *
	OPERATING		EDN	3,713,514 A 1,631,000 B 2.00 #	3,435,314 A 1,631,000 B 2.00 #	
			EDN	3,266,757 N 2,260,000 T	3,266,757 N 2,260,000 T	
			EDN	11,700,000 W	11,700,000 W	
7.	EDN600 - CHARTER SCHOOLS					
	OPERATING		EDN	85,247,456 A	86,118,793 A	
			EDN	1,892,000 N	1,892,000 N	
	INVESTMENT CAPITAL		EDN	550,000 C	C	
8.	EDN612 - CHARTER SCHOOLS COMMISSION AND ADMINISTRATION			16.12 * 1.88 * 415,700 N	16.12 * 1.88 * 415,700 N	
	OPERATING		EDN	1,500,000 A	1,500,000 A	
			EDN	1.88 *	1.88 *	
			EDN	415,700 N	415,700 N	
9.	EDN700 - EARLY LEARNING			54.00 * 1.00 # 125,628 N	64.00 * 1.00 # 125,628 N	
	OPERATING		EDN	3,226,286 A	3,675,024 A	
			EDN	1.00 #	1.00 #	
			EDN	125,628 N	125,628 N	
10.	BUF745 - RETIREMENT BENEFITS PAYMENTS - DOE					
	OPERATING		BUF	333,274,304 A	353,501,280 A	
11.	BUF765 - HEALTH PREMIUM PAYMENTS - DOE					
	OPERATING		BUF	281,376,552 A	303,989,698 A	
12.	BUF725 - DEBT SERVICE PAYMENTS - DOE					
	OPERATING		BUF	291,897,733 A	320,250,963 A	
13.	AGS807 - SCHOOL R&M, NEIGHBOR ISLAND DISTRICTS			80.00 * 7.00 * 1,790,434 U	80.00 * 7.00 * 1,790,434 U	
	OPERATING		AGS	5,215,769 A	5,215,769 A	
			AGS	7.00 *	7.00 *	
			AGS	1,790,434 U	1,790,434 U	
14.	EDN407 - PUBLIC LIBRARIES			558.00 * 1.00 # 35,325,668 A	558.00 * 1.00 # 34,876,260 A	
	OPERATING		EDN	4,000,000 B	4,000,000 B	

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
		INVESTMENT CAPITAL	EDN AGS	1,365,244 N 7,165,000 C	1,365,244 N C
15.	DEF114 - HAWAII NATIONAL GUARD YOUTH CHALLENGE ACADEMY			26.75 #	26.75 #
	OPERATING		DEF	1,700,000 A 77.25 #	1,700,000 A 77.25 #
		INVESTMENT CAPITAL	DEF DEF	5,584,387 P 800,000 C	5,584,387 P C
16.	UOH100 - UNIVERSITY OF HAWAII, MANOA			3,258.38 * 50.75 #	3,258.38 * 50.75 #
	OPERATING		UOH	214,190,037 A 411.25 *	214,190,037 A 411.25 *
			UOH	361,082,295 B 78.06 *	361,082,295 B 78.06 *
			UOH	6,873,565 N 30.25 *	6,873,565 N 30.25 *
	INVESTMENT CAPITAL		UOH UOH	65,039,713 W 600,000 C	65,039,713 W C
17.	UOH110 - UNIVERSITY OF HAWAII, JOHN A. BURNS SCHOOL OF MEDICINE			218.60 * 3.50 #	218.60 * 3.50 #
	OPERATING		UOH UOH UOH	18,207,870 A 27,758,949 B 6,603,547 W	18,207,870 A 27,758,949 B 6,603,547 W
18.	UOH210 - UNIVERSITY OF HAWAII, HILO			552.75 * 7.00 #	552.75 * 7.00 #
	OPERATING		UOH	34,230,961 A 95.00 *	34,230,961 A 95.00 *
			UOH	46,643,094 B 443,962 N 8.50 *	46,643,094 B 443,962 N 8.50 *
	INVESTMENT CAPITAL		UOH UOH	7,418,843 W 3,000,000 C	7,418,843 W C
19.	UOH220 - SMALL BUSINESS DEVELOPMENT			1.00 #	1.00 #
	OPERATING		UOH	978,941 A	978,941 A
20.	UOH700 - UNIVERSITY OF HAWAII, WEST OAHU			226.00 * 1.50 #	226.00 * 1.50 #
	OPERATING		UOH	15,398,196 A 7.50 #	15,398,196 A 7.50 #
			UOH	20,778,810 B 802,037 N	20,778,810 B 802,037 N
	INVESTMENT CAPITAL		UOH	2,063,139 W 2,550,000 C	2,063,139 W C
21.	UOH800 - UNIVERSITY OF HAWAII, COMMUNITY COLLEGES			1,887.00 * 54.50 #	1,887.00 * 54.50 #
	OPERATING		UOH	136,259,605 A 48.00 *	136,214,605 A 48.00 *
			UOH	99,952,476 B 0.50 *	99,952,476 B 0.50 *

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
			UOH	4,428,296 N	4,428,296 N
			UOH	5,538,182 W	5,538,182 W
		INVESTMENT CAPITAL	UOH	44,620,000 C	10,000,000 C
			UOH	5,000,000 R	5,000,000 R
22.	UOH900 - UNIVERSITY OF HAWAII, SYSTEMWIDE SUPPORT				
			UOH	449.00*	449.00*
				1.00#	1.00#
	OPERATING		UOH	55,776,892 A	55,776,892 A
				38.00*	38.00*
			UOH	17,144,102 B	17,144,102 B
				4.00*	4.00*
				4.00#	4.00#
			UOH	1,094,875 N	1,094,875 N
				15.00*	15.00*
	INVESTMENT CAPITAL		UOH	17,238,873 W	17,238,873 W
			AGR	6,000,000 C	C
			UOH	93,000,000 C	C
23.	BUF748 - RETIREMENT BENEFITS PAYMENTS - UH				
	OPERATING		BUF	153,287,636 A	162,573,933 A
24.	BUF768 - HEALTH PREMIUM PAYMENTS - UH				
	OPERATING		BUF	104,466,873 A	112,337,655 A
25.	BUF728 - DEBT SERVICE PAYMENTS - UH				
	OPERATING		BUF	108,030,960 A	118,524,452 A

H. CULTURE AND RECREATION

1.	UOH881 - UNIVERSITY OF HAWAII, AQUARIA				
	OPERATING	UOH		13.00*	13.00*
				714,962 A	714,962 A
				7.00*	7.00*
		UOH		3,117,141 B	3,117,141 B
				996,499 W	996,499 W
2.	AGS881 - STATE FOUNDATION ON CULTURE AND THE ARTS				
	OPERATING	AGS		0.50*	0.50*
				953,888 A	953,888 A
				17.00*	17.00*
		AGS		1.00#	1.00#
				4,508,223 B	4,508,223 B
				4.50*	4.50*
		AGS		756,802 N	756,802 N
		AGS		606,936 P	606,936 P
	INVESTMENT CAPITAL	AGS		500,000 C	C
3.	AGS818 - KING KAMEHAMEHA CELEBRATION COMMISSION				
	OPERATING	AGS		1.00#	1.00#
				67,274 T	67,274 T
4.	LNR802 - HISTORIC PRESERVATION				
	OPERATING	LNR		23.00*	23.00*
				2,084,310 A	1,734,310 A
				2.00*	2.00*
		LNR		350,509 B	350,509 B
				7.00*	7.00*
		LNR		618,813 N	618,813 N

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
5. LNR804 - FOREST AND OUTDOOR RECREATION					
		OPERATING	LNR	29.50 * 1,570,467 A 6.50 * LNR 1,155,431 B 6.00 * 14.00 # LNR 3,588,268 N 3.00 # INVESTMENT CAPITAL LNR LNR	29.50 * 1,570,467 A 6.50 * 1,155,431 B 6.00 * 14.00 # 3,588,268 N 3.00 # 637,857 W 998,000 C C
6. LNR805 - DISTRICT RESOURCE MANAGEMENT					
		OPERATING	LNR	15.00 * 814,224 A 0.25 # LNR 101,456 B 0.75 # LNR 1,830,000 N	15.00 * 814,224 A 0.25 # 101,456 B 0.75 # 1,920,000 N
7. LNR806 - PARKS ADMINISTRATION AND OPERATION					
		OPERATING	LNR	77.00 * 5,858,422 A 48.00 * LNR 10,055,537 B LNR 1,218,456 P INVESTMENT CAPITAL LNR 11,029,000 C LNR 100,000 N	77.00 * 5,728,422 A 48.00 * 10,055,537 B 1,218,456 P C 100,000 N
8. LNR801 - OCEAN-BASED RECREATION					
		OPERATING	LNR	10.00 * 621,987 A 117.00 * LNR 20,189,440 B LNR 1,500,000 N INVESTMENT CAPITAL LNR 9,300,000 C LNR 15,500,000 N	10.00 * 621,987 A 117.00 * 20,189,440 B 1,500,000 N C N
9. AGS889 - SPECTATOR EVENTS AND SHOWS - ALOHA STADIUM					
		OPERATING	AGS	38.50 * 9,339,347 B INVESTMENT CAPITAL AGS 10,000,000 C	38.50 * 2.00 # 9,339,347 B C

I. PUBLIC SAFETY

1. PSD402 - HALAWA CORRECTIONAL FACILITY	OPERATING	PSD PSD	410.00 * 28,263,615 A 28,719 W	410.00 * 28,263,615 A 28,719 W
2. PSD403 - KULANI CORRECTIONAL FACILITY	OPERATING	PSD	76.00 * 5,393,229 A	76.00 * 5,393,229 A
3. PSD404 - WAIWAIA CORRECTIONAL FACILITY	OPERATING	PSD PSD	111.00 * 7,009,202 A 15,000 W	111.00 * 7,009,202 A 15,000 W

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
4.	PSD405	HAWAII COMMUNITY CORRECTIONAL CENTER		168.00*	168.00*
		OPERATING	PSD	10,139,501 A	10,139,501 A
5.	PSD406	MAUI COMMUNITY CORRECTIONAL CENTER		186.00*	186.00*
		OPERATING	PSD	11,594,286 A	11,594,286 A
				3.00#	3.00#
			PSD	209,721 S	209,721 S
6.	PSD407	OAHU COMMUNITY CORRECTIONAL CENTER		503.00 *	503.00 *
		OPERATING	PSD	35,208,404 A	35,208,404 A
			PSD	30,000 W	30,000 W
7.	PSD408	KAUAI COMMUNITY CORRECTIONAL CENTER		73.00 *	73.00 *
		OPERATING	PSD	4,575,656 A	4,575,656 A
8.	PSD409	WOMEN'S COMMUNITY CORRECTIONAL CENTER		133.00 *	133.00 *
		OPERATING	PSD	7,748,382 A	7,748,382 A
9.	PSD410	INTAKE SERVICE CENTERS		61.00 *	61.00 *
		OPERATING	PSD	3,777,940 A	3,777,940 A
10.	PSD420	CORRECTIONS PROGRAM SERVICES		169.00 *	169.00 *
		OPERATING	PSD	22,974,553 A	22,974,553 A
			PSD	1,015,989 N	1,015,989 N
11.	PSD421	HEALTH CARE		200.60 *	200.60 *
		OPERATING	PSD	24,849,827 A	24,849,827 A
12.	PSD422	HAWAII CORRECTIONAL INDUSTRIES		2.00 *	2.00 *
		OPERATING	PSD	42.00 #	42.00 #
			PSD	10,232,054 W	10,232,054 W
13.	PSD808	NON-STATE FACILITIES		9.00 *	9.00 *
		OPERATING	PSD	51,033,420 A	47,688,619 A
14.	PSD502	NARCOTICS ENFORCEMENT		12.00 *	12.00 *
		OPERATING	PSD	1,096,113 A	1,096,113 A
			PSD	8.00 *	8.00 *
			PSD	937,850 W	937,850 W
			PSD	200,000 P	200,000 P
15.	PSD503	SHERIFF		318.00 *	318.00 *
		OPERATING	PSD	20,096,803 A	20,096,803 A
			PSD	600,000 N	600,000 N
			PSD	59.00 *	59.00 *
			PSD	6,589,465 U	6,589,465 U
16.	PSD611	ADULT PAROLE DETERMINATIONS		6.00 *	6.00 *
		OPERATING	PSD	405,937 A	405,937 A

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17.		PSD612 - ADULT PAROLE SUPERVISION AND COUNSELING		62.00*	62.00*
		OPERATING	PSD	4,327,092 A	4,327,092 A
18.		PSD613 - CRIME VICTIM COMPENSATION COMMISSION		5.00*	5.00*
		OPERATING	PSD	468,000 A	468,000 A
				8.00*	8.00*
			PSD	2,113,547 B	2,113,547 B
				1.00#	1.00#
			PSD	859,315 P	859,315 P
19.		PSD900 - GENERAL ADMINISTRATION		139.00*	139.00*
		OPERATING	PSD	17,777,073 A	16,048,264 A
			PSD	971,277 B	971,277 B
			PSD	75,065 T	75,065 T
		INVESTMENT CAPITAL	AGS	78,360,000 C	C
			PSD	350,000 C	C
20.		ATG231 - STATE CRIMINAL JUSTICE INFORMATION AND IDENTIFICATION		25.50*	25.50*
		OPERATING	ATG	2,204,742 A	2,204,742 A
				23.50*	23.50*
			ATG	3,446,804 W	3,446,804 W
				5.00#	5.00#
			ATG	1,460,300 P	1,460,300 P
21.		LNR810 - PREVENTION OF NATURAL DISASTERS		7.50*	7.50*
		OPERATING	LNR	2,250,203 B	2,250,203 B
				0.50*	0.50*
			LNR	370,602 P	370,602 P
22.		DEF110 - AMELIORATION OF PHYSICAL DISASTERS		132.35*	132.35*
		OPERATING	DEF	41.50#	41.50#
				15,829,168 A	15,570,569 A
				9.50*	9.50*
			DEF	24,759,428 N	24,759,428 N
				92.15*	92.15*
				45.50#	45.50#
		INVESTMENT CAPITAL	DEF	81,489,768 P	81,569,768 P
			AGS	5,828,000 C	6,272,000 C
			DEF	3,024,000 C	3,292,000 C
			TRN	1,000,000 C	C
			AGS	1,000 N	1,000 N
			DEF	11,089,000 P	11,969,000 P

J. INDIVIDUAL RIGHTS

1.	CCA102 - CABLE TELEVISION		8.00*	8.00*
	OPERATING	CCA	2,609,370 B	2,609,370 B

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
2.	CCA103 - CONSUMER ADVOCATE FOR COMMUNICATION, UTILITIES, AND TRANSPORTATION SERVICES			24.00*	24.00*
	OPERATING	CCA		4,230,174 B	4,230,174 B
3.	CCA104 - FINANCIAL SERVICES REGULATION			39.00*	39.00*
	OPERATING	CCA		4,836,792 B	4,836,792 B
		CCA		110,000 T	110,000 T
4.	CCA105 - PROFESSIONAL AND VOCATIONAL LICENSING			60.00*	60.00*
				11.00#	11.00#
	OPERATING	CCA		7,085,895 B	7,183,623 B
				8.00*	8.00*
				5.00#	5.00#
		CCA		2,545,287 T	2,619,887 T
5.	CCA106 - INSURANCE REGULATORY SERVICES			95.00*	95.00*
				1.00#	1.00#
	OPERATING	CCA		18,049,753 B	18,119,862 B
		CCA		200,000 T	200,000 T
				4.00#	4.00#
		CCA		250,000 P	250,000 P
6.	CCA107 - POST-SECONDARY EDUCATION AUTHORIZATION			2.00*	2.00*
	OPERATING	CCA		288,611 B	288,611 B
7.	CCA901 - PUBLIC UTILITIES COMMISSION			65.00*	65.00*
	OPERATING	CCA		15,753,197 B	15,249,248 B
8.	CCA110 - OFFICE OF CONSUMER PROTECTION			18.00*	18.00*
				2.00#	2.00#
	OPERATING	CCA		2,543,459 B	2,605,494 B
		CCA		100,681 T	100,681 T
9.	AGR812 - MEASUREMENT STANDARDS			6.00*	6.00*
	OPERATING	AGR		378,317 A	378,317 A
				4.00*	4.00*
		AGR		451,000 B	451,000 B
10.	CCA111 - BUSINESS REGISTRATION AND SECURITIES REGULATION			71.00*	71.00*
				8.00#	8.00#
	OPERATING	CCA		8,400,118 B	8,050,118 B
11.	CCA112 - REGULATED INDUSTRIES COMPLAINTS OFFICE			66.00*	66.00*
				1.00#	1.00#
	OPERATING	CCA		7,167,144 B	7,167,144 B
12.	CCA191 - GENERAL SUPPORT			44.00*	44.00*
				6.00#	6.00#
	OPERATING	CCA		8,110,870 B	8,110,870 B

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13.		AGS105 - ENFORCEMENT OF INFORMATION PRACTICES		8.50* 576,855A	8.50* 576,855A
	OPERATING	AGS			
14.		BUF151 - OFFICE OF THE PUBLIC DEFENDER		137.50* 11,825,043 A	137.50* 11,825,043 A
	OPERATING	BUF			
15.		LNR111 - CONVEYANCES AND RECORDINGS		58.00* 3.00# 6,498,148 B	58.00* 3.00# 6,498,148 B
	OPERATING	LNR			
16.		HMS888 - COMMISSION ON THE STATUS OF WOMEN		1.00* 1.00# 168,324 A	1.00* 1.00# 168,324 A
	OPERATING	HMS			

K. GOVERNMENT-WIDE SUPPORT

1.	GOV100 - OFFICE OF THE GOVERNOR			23.00* 22.00# 3,462,635 A	23.00* 22.00# 3,462,635 A
	OPERATING	GOV			
2.	LTG100 - OFFICE OF THE LIEUTENANT GOVERNOR			3.00* 11.00# 1,061,626 A	3.00* 11.00# 1,061,626 A
	OPERATING	LTG			
3.	BED144 - STATEWIDE PLANNING AND COORDINATION			13.00* 2.00# 1,456,015 A	13.00* 2.00# 1,483,633 A
	OPERATING	BED			
				5.00* 6.00# 2,385,688 N	5.00* 6.00# 2,385,688 N
				BED 2,000,000 W	2,000,000 W
	INVESTMENT CAPITAL	BED		1,500,000 C	C
4.	BED103 - STATEWIDE LAND USE MANAGEMENT			7.00* 629,530 A	7.00* 654,916 A
	OPERATING	BED			
5.	BED130 - ECONOMIC PLANNING AND RESEARCH			14.00* 0.96# 1,223,368 A	14.00* 0.96# 1,251,952 A
	OPERATING	BED			
6.	BUF101 - DEPARTMENTAL ADMINISTRATION AND BUDGET DIVISION			47.00* 2.00# 42,325,867 A	47.00* 2.00# 11,688,569 A
	OPERATING	BUF			
				855 U	855 U
7.	BUF102 - COLLECTIVE BARGAINING STATEWIDE			93,444 B	93,444 B
	OPERATING	BUF			
8.	BUF103 - VACATION PAYOUT-STATEWIDE			9,700,000 A	9,700,000 A
	OPERATING	BUF			

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
9.	AGS871	CAMPAIGN SPENDING COMMISSION		5.00*	5.00*
	OPERATING		AGS	505,585 A	505,585 A
			AGS	308,062 T	308,062 T
10.	AGS879	OFFICE OF ELECTIONS		17.50*	17.50*
	OPERATING		AGS	8.44#	8.44#
				3,546,926 A	3,071,898 A
				0.50*	0.50*
				1.00#	1.00#
			AGS	99,694 N	99,694 N
11.	TAX100	COMPLIANCE		194.00*	194.00*
	OPERATING		TAX	5.00#	5.00#
				11,148,106 A	11,148,106 A
12.	TAX105	TAX SERVICES AND PROCESSING		118.00*	118.00*
	OPERATING		TAX	120.00#	120.00#
				6,747,461 A	6,747,461 A
13.	TAX107	SUPPORTING SERVICES - REVENUE COLLECTION		74.00*	74.00*
	OPERATING		TAX	12.00#	12.00#
				9,397,633 A	9,272,633 A
				7.00#	7.00#
	INVESTMENT CAPITAL		TAX	1,072,669 B	1,072,669 B
			TAX	500,000 C	C
14.	AGS101	ACCOUNTING SYSTEM DEVELOPMENT AND MAINTENANCE		12.00*	12.00*
	OPERATING		AGS	833,393 A	833,393 A
15.	AGS102	EXPENDITURE EXAMINATION		18.00*	18.00*
	OPERATING		AGS	1,262,649 A	1,262,649 A
16.	AGS103	RECORDING AND REPORTING		13.00*	13.00*
	OPERATING		AGS	915,088 A	915,088 A
17.	AGS104	INTERNAL POST AUDIT		7.00*	7.00*
	OPERATING		AGS	569,913 A	607,913 A
18.	BUF115	FINANCIAL ADMINISTRATION		14.00*	14.00*
	OPERATING		BUF	2,064,713 A	2,064,713 A
				9.00*	9.00*
			BUF	11,684,692 T	11,684,692 T
				1.00*	1.00*
			BUF	109,819 U	109,819 U
19.	BUF721	DEBT SERVICE PAYMENTS - STATE			
	OPERATING		BUF	338,492,084 A	371,371,216 A

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
20.	ATG100	- LEGAL SERVICES		240.81* 23.52#	240.81* 23.52#
		OPERATING	ATG	29,544,211 A 24.60*	24,104,211 A 24.60*
			ATG	3,837,146 B 5.20*	3,788,396 B 5.20*
			ATG	10.95 #	10.95 #
			ATG	11,816,776 N 3,943,508 T 112.61*	11,816,776 N 3,943,508 T 112.61*
			ATG	28.50 # 17,350,118 U 4.90*	28.50 # 17,369,594 U 4.90*
			ATG	1.00 # 3,261,465 W 12.66*	1.00 # 3,261,465 W 12.66*
			ATG	2.50 # 3,593,007 P	2.50 # 3,446,757 P
21.	AGS130	- ENTERPRISE TECHNOLOGY SERVICES - GOVERNANCE AND INNOVATION		35.00* 16.00#	35.00* 19.00#
		OPERATING	AGS	20,073,454 A 7.00*	20,332,134 A 7.00*
			AGS	1,312,673 B	1,312,673 B
		INVESTMENT CAPITAL	AGS	25,000,000 U 900,000 C	25,000,000 U C
22.	AGS131	- ENTERPRISE TECHNOLOGY SERVICES - OPERATIONS AND INFRASTRUCTURE MAINTENANCE		92.00* 1.00#	92.00* 1.00#
		OPERATING	AGS	14,385,393 A 168,420 B 33.00 *	14,505,393 A 168,420 B 33.00 *
		INVESTMENT CAPITAL	AGS	3,312,584 U 900,000 C	3,312,584 U 1,700,000 C
23.	AGS111	- ARCHIVES - RECORDS MANAGEMENT		16.00* 3.00*	16.00* 3.00*
		OPERATING	AGS	944,531 A 514,436 B	944,531 A 514,436 B
24.	AGS891	- WIRELESS ENHANCED 911 BOARD		2.00#	2.00#
		OPERATING	AGS	16,800,000 B	9,000,000 B
25.	HRD102	- WORK FORCE ATTRACTION, SELECTION, CLASSIFICATION, AND EFFECTIVENESS		88.00* 700,000 B 1.00*	88.00* 700,000 B 1.00*
		OPERATING	HRD	18,096,333 A 700,000 B 1.00 *	18,245,253 A 700,000 B 1.00 *
			HRD	5,061,281 U	5,061,281 U

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
26.	HRD191	SUPPORTING SERVICES - HUMAN RESOURCES DEVELOPMENT	HRD	9.00*	9.00*
	OPERATING			1,432,164 A	1,432,164 A
27.	BUF141	EMPLOYEES RETIREMENT SYSTEM	BUF	107.00*	107.00*
	OPERATING			17,279,607 X	15,945,718 X
28.	BUF143	HAWAII EMPLOYER UNION TRUST FUND	BUF	58.00*	59.00*
	OPERATING			7,584,071 T	7,776,516 T
29.	BUF741	RETIREMENT BENEFITS PAYMENTS - STATE	BUF	351,591,964 A	374,691,719 A
	OPERATING			10,865,887 U	10,865,887 U
30.	BUF761	HEALTH PREMIUM PAYMENTS - STATE	BUF	560,358,083 A	659,490,415 A
31.	LNR101	PUBLIC LANDS MANAGEMENT	LNR	1.00*	1.00*
	OPERATING			97,250 A	97,250 A
				56.00*	56.00*
	INVESTMENT CAPITAL		LNR	21,183,801 B	21,306,858 B
			LNR	2,250,000 C	3,500,000 C
			LNR	R	4,650,000 R
			LNR	T	1,150,000 T
32.	AGS203	STATE RISK MANAGEMENT AND INSURANCE ADMINISTRATION	AGS	9,987,995 A	9,987,995 A
	OPERATING			4.00*	4.00*
			AGS	25,359,911 W	25,359,911 W
33.	AGS211	LAND SURVEY	AGS	10.00*	10.00*
	OPERATING			713,504 A	713,504 A
			AGS	285,000 U	285,000 U
34.	AGS223	OFFICE LEASING	AGS	4.00*	4.00*
	OPERATING			10,118,959 A	10,118,959 A
			AGS	5,500,000 U	5,500,000 U
35.	AGS221	PUBLIC WORKS - PLANNING, DESIGN, AND CONSTRUCTION	AGS	16.00*	16.00*
	OPERATING			1,394,956 A	1,394,956 A
			AGS	4,000,000 W	4,000,000 W
	INVESTMENT CAPITAL		AGS	6,128,000 A	6,434,000 A
			AGS	37,569,000 C	C
36.	AGS231	CENTRAL SERVICES - CUSTODIAL SERVICES	AGS	123.00*	123.00*
	OPERATING			2.00#	2.00#
			AGS	19,454,172 A	19,677,417 A
			AGS	58,744 B	58,744 B
			AGS	1,699,084 U	1,699,084 U
37.	AGS232	CENTRAL SERVICES - GROUNDS MAINTENANCE	AGS	27.00*	27.00*
	OPERATING			1,823,826 A	1,823,826 A

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PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
38.		AGS233 - CENTRAL SERVICES - BUILDING REPAIRS AND ALTERATIONS		33.00*	33.00*
		OPERATING	AGS	3,197,735 A	3,197,735 A
			AGS	100,000 U	100,000 U
39.		AGS240 - STATE PROCUREMENT		22.00*	22.00*
		OPERATING	AGS	1,395,147 A	1,395,147 A
40.		AGS244 - SURPLUS PROPERTY MANAGEMENT		5.00*	5.00*
		OPERATING	AGS	1,848,249 W	1,848,249 W
41.		AGS251 - AUTOMOTIVE MANAGEMENT - MOTOR POOL		13.00*	13.00*
		OPERATING	AGS	2,961,930 W	2,961,930 W
42.		AGS252 - AUTOMOTIVE MANAGEMENT - PARKING CONTROL		27.00*	27.00*
		OPERATING	AGS	3,744,590 W	3,744,590 W
43.		AGS901 - GENERAL ADMINISTRATIVE SERVICES		34.00*	34.00*
		OPERATING	AGS	3,099,711 A	3,099,711 A
			AGS	2.00*	2.00*
			AGS	179,592 U	179,592 U
44.		SUB201 - CITY AND COUNTY OF HONOLULU INVESTMENT CAPITAL	CCH TRN	1,500,000 C 13,000,000 C	C C
45.		SUB401 - COUNTY OF MAUI INVESTMENT CAPITAL	COM COM	5,000,000 C 1,000,000 S	C S
46.		SUB501 - COUNTY OF KAUAI INVESTMENT CAPITAL	COK	3,500,000 C	C

PART III. PROGRAM APPROPRIATION PROVISIONS
ECONOMIC DEVELOPMENT

SECTION 4. Provided that of the general fund appropriation for strategic marketing and support (BED100), the sum of \$25,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 shall be expended on sister-state relationships.

SECTION 5. Provided that of the general fund appropriation for financial assistance for agriculture (AGR101), the sum of \$1,500,000 or so much thereof as may be necessary for fiscal year 2017-2018 shall be deposited into the agricultural loan revolving fund to be expended for loans to increase the State's support for agriculture.

SECTION 6. Provided that of the general fund appropriation for agribusiness development and research (AGR161), the sum of \$50,601 or so much

thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 shall be deposited into the Hawaii agricultural development revolving fund to be expended for the purposes of the fund.

SECTION 7. Provided that, with respect to the Hawaii community development authority (BED150):

- (1) Before the general fund appropriation of \$846,000 for fiscal year 2017-2018 is expended for the personal services costs of the 19.00 permanent positions, the means of financing of which is general funds for that fiscal year, the Hawaii community development authority shall expend, until exhausted, the appropriation under item no. A.15 of Act 119, Session Laws of Hawaii 2015, as amended by Act 124, Session Laws of Hawaii 2016, for the personal services costs of those positions for fiscal year 2017-2018;
- (2) After the exhaustion of the appropriation under item no. A.15 of Act 119, Session Laws of Hawaii 2015, as amended by Act 124, Session Laws of Hawaii 2016, then the Hawaii community development authority shall expend the general fund appropriation of \$846,000 or so much thereof as may be necessary for the personal services costs of the 19.00 permanent positions for the remainder of fiscal year 2017-2018; and
- (3) During fiscal year 2017-2018, the Hawaii community development authority shall plan for and take any action necessary to accommodate the change in means of financing for the 19.00 permanent positions from general funds to revolving funds commencing fiscal year 2018-2019.

TRANSPORTATION

SECTION 8. Provided that of the special fund appropriation for highways administration (TRN595):

- (1) \$500,000 for fiscal year 2017-2018 and the same sum for fiscal year 2018-2019 shall be granted to the city and county of Honolulu department of transportation services to operate a van pool program on Oahu;
- (2) The city and county of Honolulu department of transportation services shall submit to the state department of transportation and legislature a plan for the use of the grant before any expenditure or obligation is made by the state department of transportation for the van pool program. The plan shall be submitted at least thirty days prior to the city and county of Honolulu department of transportation services' expenditure or obligation of any portion of the grant; and
- (3) The city and county of Honolulu department of transportation services shall submit two reports to the state department of transportation and legislature on the use of the grant with statistics on expenditures, usage, benefits, and costs. The first report shall cover fiscal year 2017-2018 and shall be submitted no later than twenty days prior to the convening of the regular session of 2019. The second report shall cover fiscal year 2018-2019 and shall be submitted no later than twenty days prior to the convening of the regular session of 2020.

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SECTION 9. Provided that of the special fund appropriation for highways administration (TRN595):

- (1) The director of transportation, with the approval of the chief information officer, shall expend the sum of \$2,583,378 or so much thereof as may be necessary for fiscal year 2017-2018 and the sum of \$634,956 or so much thereof as may be necessary for fiscal year 2018-2019 for the development and implementation of the highways financial management system;
- (2) The director of transportation may expend part of the special funds under paragraph (1) for 5.00 temporary positions for fiscal year 2017-2018 and fiscal year 2018-2019 for the purpose specified under paragraph (1).

SECTION 10. Provided that of the special fund appropriation for general administration (TRN995):

- (1) The director of transportation, with the approval of the chief information officer, may expend the sum of \$3,514,950 or so much thereof as may be necessary for fiscal year 2017-2018 and the sum of \$1,242,000 or so much thereof as may be necessary for fiscal year 2018-2019 for any one or more of the following projects:
 - (A) Computer room core network upgrade project;
 - (B) Disaster recovery and continuity of operations refresh project;
 - (C) Firewall upgrade project;
 - (D) Next generation network internet fiber project; or
 - (E) Backup tape library hardware replacement project;
- (2) The director of transportation shall submit a report to the legislature listing the projects for which expenditures were made during the quarter, summaries of the purposes of the expenditures, and amounts of the expenditures, within thirty days of the end of each fiscal quarter.

SECTION 11. Provided that the department of transportation shall provide to the legislature a report containing the service life and replacement plans for all equipment and motor vehicles for each of the airports, harbors, highways, and general administration divisions, or any combination thereof as may be appropriate, no later than twenty days prior to the regular sessions of 2019 and 2020.

HEALTH

SECTION 12. Provided that of the special fund appropriation for the Hawaii health systems corporation - regions (HTH212) for fiscal year 2017-2018, the sum of \$10,000,000 or so much thereof as may be available as cash in the Maui regional system board's bank accounts or subaccount of the health systems special fund shall be disbursed by the Maui regional system board to the Maui Health System, a Kaiser Foundation Hospitals LLC, for its fiscal year 2017-2018 working capital;

- (1) Provided further that if less than \$10,000,000 is available in the Maui regional system board's bank accounts or subaccount for this disbursement, then:
 - (A) The entire amount in the Maui regional system board's bank accounts or subaccount of the health systems special fund shall be disbursed by the Maui regional system board to the Maui Health System, a Kaiser Foundation Hospitals LLC, for its fiscal year 2017-2018 working capital; and

- (B) The working capital shortfall, meaning the difference between \$10,000,000 and the amount disbursed under subparagraph (A), shall be disbursed by the board of directors of the Hawaii health systems corporation to the Maui Health System, a Kaiser Foundation Hospitals LLC, for the balance of its fiscal year 2017-2018 working capital, from the general fund appropriation to the Hawaii health systems corporation - regions (HTH212) for fiscal year 2017-2018;
 - (C) Provided further that if the general fund amount disbursed under paragraph (1)(B) to the Maui Health System, a Kaiser Foundation Hospitals LLC, for fiscal year 2017-2018 is less than \$3,000,000, then the remaining general fund appropriation shall be disbursed by the board of directors of the Hawaii health systems corporation to one or more regional systems of the Hawaii health systems corporation as additional general fund operating subsidies, in accordance with guidelines or conditions established by the board; and
- (2) Provided further that if the working capital shortfall under paragraph (1)(B) is more than \$3,000,000, then:
- (A) The governor shall transfer general fund appropriations for fiscal year 2017-2018 from other budget program IDs to the Hawaii health systems - regions (HTH212) in the amount equaling the difference between the following:
 - (i) The working capital shortfall; and
 - (ii) \$3,000,000; and
 - (B) The board of directors of the Hawaii health systems corporation shall disburse to the Maui Health System, a Kaiser Foundation Hospitals LLC:
 - (i) \$3,000,000 of the general fund appropriation to the Hawaii health systems corporation - regions (HTH212) for fiscal year 2017-2018; and
 - (ii) The general funds transferred to the Hawaii health systems corporation - regions (HTH212) under subparagraph (A);
 - (C) Provided further that the governor shall not transfer any general fund appropriation for fiscal year 2017-2018 from Hawaii health systems corporation - corporate office (HTH210), Kahu hospital (HTH211), or Alii community care (HTH213), to Hawaii health systems - regions (HTH212), under paragraph (2)(A); and
- (3) Provided further that, all other expenditures from the special fund appropriation for the Hawaii health systems corporation - regions (HTH212) for fiscal year 2016-2017¹ for the Maui region shall be limited to costs and expenses directly related to the implementation of Act 103, Session Laws of Hawaii 2015, including the winding down of the operations of the three Maui region hospital facilities, and the administration of the lease of the Hawaii health systems corporation's three Maui region hospital facilities to the Maui Health System, a Kaiser Foundation Hospitals LLC, pursuant to section 323F-54(b)(3), Hawaii Revised Statutes.

SECTION 13. Provided that the general fund and general obligation bond fund appropriations for the Maui Health System, a Kaiser Foundation Hospitals LLC, in HTH214 for fiscal year 2017-2018 shall be disbursed by the

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Hawaii health systems corporation to the Maui Health System, a Kaiser Foundation Hospitals LLC, for its fiscal year 2017-2018 operating (\$33,420,000 general funds) and capital subsidies (\$6,000,000 general obligation bond funds).

SECTION 14. Provided that in no case shall the appropriations from the general, special, or general obligation bond funds be disbursed to the Maui Health System, a Kaiser Foundation Hospitals LLC, pursuant to sections 12 or 13, until the three Maui region hospital facilities are leased to the Maui Health System, a Kaiser Foundation Hospitals LLC, pursuant to Act 103, Session Laws of Hawaii 2015, and the Maui Health System, a Kaiser Foundation Hospitals LLC, has satisfied the standards and conditions prescribed in section 323F-58(b)(1), (2), (3), (4), (5) (with respect to any other health care facility it operates), and (6), Hawaii Revised Statutes; provided further that if the lease is effective after July 1, 2017, then the disbursements to the Maui Health System, a Kaiser Foundation Hospital LLC, from the appropriations made in sections 12 and 13, shall be reduced by the pro rata portion of fiscal year 2017-2018 that the lease is effective, and the remaining general fund appropriation in HTH214 shall be disbursed by the board of directors of the Hawaii health systems corporation to one or more regional systems of the Hawaii health systems corporation as additional general fund operating subsidies. The board of directors shall disburse the amount in accordance with guidelines or conditions established by the board.

SOCIAL SERVICES

SECTION 15. Provided that of the general fund appropriation for homeless services (HMS224), the sum of \$250,000 or so much thereof as may be necessary for fiscal year 2017-2018 shall be expended for legal services to assist homeless persons to obtain identification documents.

SECTION 16. Provided that of the general fund appropriation for administration and operating support (HHL625), \$18,254,843 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 shall be expended only for the department of Hawaiian home lands' administration and operating expenses; provided further that of the general fund appropriation for administration and operating support (HHL625), \$6,865,887 for fiscal year 2017-2018 and the same sum for fiscal year 2018-2019 shall be transferred to retirement benefits payments - state (BUF741) for the fringe benefit costs of the officers and employees of the department of Hawaiian home lands whose personal services costs are paid with general funds.

FORMAL EDUCATION

SECTION 17. Provided that of the general fund appropriation for University of Hawaii system-wide support (UOH900):

- (1) The sum of \$6,360,818 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 may be transferred to other University of Hawaii program IDs in accordance with performance-based outcomes relating to student achievement and degree attainment as established by the president of the University of Hawaii;
- (2) The amount transferred to a University of Hawaii program ID shall be expended at the discretion of the head of the University of Hawaii college, campus, or school within that program ID; and

- (3) The president of the University of Hawaii shall submit a report to the legislature on the distribution of funds and their uses to enhance student achievement and degree attainment at least twenty days prior to the regular sessions of 2019 and 2020.

PUBLIC SAFETY

SECTION 18. (a) Provided that, of the general fund appropriation for fiscal year 2017-2018 for each program ID listed in this subsection, not more than the specified amount shall be expended for the payment of overtime incurred under the program ID during fiscal year 2017-2018:

- (1) For the Halawa correctional facility (PSD402), not more than \$978,173;
- (2) For the Kulani correctional facility (PSD403), not more than \$186,875;
- (3) For the Waiawa correctional facility (PSD404), not more than \$267,320;
- (4) For the Hawaii community correctional center (PSD405), not more than \$1,688,571;
- (5) For the Maui community correctional center (PSD406), not more than \$985,797;
- (6) For the Oahu community correctional center (PSD407), not more than \$3,156,537;
- (7) For the Kauai community correctional center (PSD408), not more than \$394,859;
- (8) For the women's community correctional center (PSD409), not more than \$1,278,017;

(b) Provided that of the general fund appropriation for fiscal year 2018-2019 for each program ID listed in this subsection, not more than the specified amount shall be expended for the payment of overtime incurred under the program ID during fiscal year 2018-2019:

- (1) For the Halawa correctional facility (PSD402), not more than \$989,750;
- (2) For the Kulani correctional facility (PSD403), not more than \$189,247;
- (3) For the Waiawa correctional facility (PSD404), not more than \$270,494;
- (4) For the Hawaii community correctional center (PSD405), not more than \$948,421;
- (5) For the Maui community correctional center (PSD406), not more than \$996,584;
- (6) For the Oahu community correctional center (PSD407), not more than \$2,825,922;
- (7) For the Kauai community correctional center (PSD408), not more than \$399,420;
- (8) For the women's community correctional center (PSD409), not more than \$742,690.

(c) The department of public safety shall not expend any general funds transferred into any program ID listed in subsection (a) or (b) for the payment of overtime.

(d) The limits of subsections (a) and (b) shall not apply to the expenditure of general fund appropriations for any fiscal year before fiscal year 2017-2018 for overtime incurred before fiscal year 2017-2018.

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SECTION 19. Provided that of the general fund appropriation for amelioration of physical disasters (DEF110), the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 shall be expended for relief from major disasters pursuant to section 127-11,² Hawaii Revised Statutes; provided further that any funds not expended for this purpose shall lapse to the general fund.

INDIVIDUAL RIGHTS

SECTION 20. Provided that of the trust funds held outside the state treasury by the Time Warner trust fund (also known as the Charter Communications trust fund) for institutional network purposes under cable television (CCA102), the sum of \$7,920,000 or so much thereof as may be necessary for fiscal year 2017-2018 shall be transferred to the department of education and expended as follows:

- (1) \$992,000 or so much thereof as may be necessary shall be expended for upgrading the equipment to transport network traffic among the islands of Kauai, Oahu, Maui, and Hawaii;
- (2) \$293,000 or so much thereof as may be necessary shall be expended for the addition of fiber between strategic institutional network sites and bypass points;
- (3) \$2,135,000 or so much thereof as may be necessary shall be expended for additional fiber in the Hilo area on island of Hawaii and from Kihei to Wailuku on the island of Maui; and
- (4) \$4,500,000 or so much thereof as may be necessary shall be expended to upgrade or replace fiber connectivity and associated telecommunications equipment in schools to increase bandwidth.

SECTION 21. Provided that of the general fund appropriation for the office of the public defender (BUF151):

- (1) The sum of \$445,768 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 shall be expended for the community outreach court project¹ which is administered and operated under the judiciary in collaboration with the office of the public defender and the office of the prosecuting attorney of the city and county of Honolulu;
- (2) Of the amounts under paragraph (1) for fiscal year 2017-2018 and fiscal year 2018-2019:
 - (A) The office of the public defender, for fiscal year 2017-2018 and fiscal year 2018-2019, shall expend the sum of \$154,000 or so much thereof as may be necessary and may establish the following 3.0 permanent positions for the performance of duties under the community outreach court project¹:
 - (i) 1.00 permanent deputy public defender;
 - (ii) 1.00 permanent paralegal; and
 - (iii) 1.00 permanent social worker or advocate;
 - (B) Notwithstanding any law to the contrary, for fiscal year 2017-2018 and fiscal year 2018-2019, the public defender shall transfer to the judiciary of the State of Hawaii the sum of \$126,364 or so much thereof as may be necessary for the administration and operation of the community outreach court project¹ as provided under section 7 of the Judiciary Appropriations Act of 2017³; and

- (C) Notwithstanding any law to the contrary, for fiscal year 2017-2018 and fiscal year 2018-2019, the public defender shall transfer to the office of the prosecuting attorney of the city and county of Honolulu the sum of \$165,404 or so much thereof as may be necessary for payment of the personal services and fringe benefit costs of the following 2.00 permanent positions for the operation of the community outreach court project¹:
 - (i) 1.00 deputy prosecuting attorney; and
 - (ii) 1.00 paralegal;
- (3) If requested by the public defender, the director of finance shall make the transfers under paragraphs (2)(B) and (C) on behalf of the public defender;
- (4) The public defender shall enter into memoranda of agreement with the chief justice and prosecuting attorney of the city and county of Honolulu with respect to the transfers and expenditure of funds as specified under paragraphs (2)(B) and (C); and
- (5) The public defender shall submit the memoranda of agreement to the legislature at least twenty days before the convening of the regular sessions of 2018 and 2019. The public defender may request the chief justice to include the memoranda of agreement with the community court outreach project reports required of the chief justice under the Judiciary Appropriations Act of 2017.³

GOVERNMENT-WIDE SUPPORT

SECTION 22. Provided that of the general fund appropriation for the office of the governor (GOV100), the sum of \$10,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 shall be used for the governor's "contingent fund" pursuant to section 37-71(f), Hawaii Revised Statutes; provided further that such funds may be transferred to other programs and agencies and allotted, with the approval of the governor, to meet contingencies as they arise.

SECTION 23. Provided that of the general fund appropriation for departmental administration and budget division (BUF101), the sum of \$30,637,298 or so much thereof as may be necessary for fiscal year 2017-2018 shall be expended pursuant to Senate Bill No. 207⁴ as enacted, for a one-time lump sum cash bonus severance benefit to affected Maui region hospital employees of the Hawaii health systems corporation separated from state service upon the transfer of the Hawaii health systems corporation's Maui memorial medical center, Kula hospital, and Lanai community hospital to Maui Health System, a Kaiser Foundation Hospitals, LLC; and provided further that the director of finance may transfer the moneys to the Hawaii health systems corporation for the purpose noted above.

SECTION 24. Provided that of the general fund appropriation for vacation payout - statewide (BUF103), the sum of \$9,700,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 shall be expended for the purposes of compensating general funded employees leaving the employ of the executive branch; provided further that the department of budget and finance shall establish an administrative account to which all executive departments and agencies may charge the general funded portion of vacation payout liabilities; provided further that any unexpended funds shall lapse to the general fund at the end of the respective fiscal year for which the appropriation was made; and pro-

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vided further that the department of budget and finance will only expend up to \$9,700,000 for vacation payouts and any additional expenses incurred above this amount will be the responsibility of the individual departments and agencies.

SECTION 25. Provided that of the general fund appropriations for debt service payments (BUF721-BUF728), the following sums specified in fiscal biennium 2017-2019 shall be expended for principal and interest payments on general obligation bonds only as follows:

<u>Program I.D.</u>	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
BUF721	\$338,492,084	\$371,371,216
BUF725	\$291,897,733	\$320,250,963
BUF728	\$108,030,960	\$118,524,452;

provided further that unrequired balances may be transferred only to retirement benefits payments (BUF741-BUF748) and health premium payments (BUF761-BUF768); provided further that the funds shall not be expended for any other purpose; and provided further that any unexpended funds shall lapse into the general fund at the end of the respective fiscal year for which the appropriation was made.

SECTION 26. Provided that of the general fund appropriations for retirement benefits payments (BUF741-BUF748), the following sums specified in fiscal biennium 2017-2019 shall be expended for the state employer's share of the employee's retirement pension accumulation and social security/medicare payment for employees only as follows:

<u>Program I.D.</u>	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
BUF741	\$351,591,964	\$374,691,719
BUF745	\$333,274,304	\$353,501,280
BUF748	\$153,287,636	\$162,573,933;

provided further that unrequired balances may be transferred only to debt service payments (BUF721-BUF728) and health premium payments (BUF761-BUF768); provided further that the funds shall not be expended for any other purpose; and provided further that any unexpended funds shall lapse to the general fund at the end of the respective fiscal year for which the appropriation was made.

SECTION 27. Provided that of the general fund appropriations for retirement benefits payments (BUF741-BUF748), the following sums specified in fiscal biennium 2017-2019 or so much thereof as may be necessary shall be expended for the phase-in of employer contribution rate increases from 25 per cent to 28 per cent in fiscal year 2017-2018 and from 25 per cent to 31 per cent in fiscal year 2018-2019 for police officers, firefighters, and corrections officers and from 17 per cent to 18 per cent in fiscal year 2017-2018 and from 17 per cent to 19 per cent in fiscal year 2018-2019 for all other employees only as follows, pursuant to Senate Bill No. 936⁵ as enacted, Relating to the Employees' Retirement System:

<u>Program I.D.</u>	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
BUF741	\$15,719,015	\$32,066,791
BUF745	\$12,807,840	\$26,165,298
BUF748	\$ 6,098,573	\$12,441,089;

provided further that unrequired balances may be transferred only to debt service payments (BUF721-BUF728) and health premium payments (BUF761-BUF768); provided further that the funds shall not be expended for any other

purpose; and provided further that any unexpended funds shall lapse to the general fund at the end of the respective fiscal year for which the appropriation was made.

SECTION 28. Provided that of the general fund appropriations for health premium payments (BUF761-BUF768), the following sums specified in fiscal biennium 2017-2019 shall be expended for the state employer's share of health premiums for active employees and retirees only as follows:

<u>Program I.D.</u>	<u>FY 2017-2018</u>	<u>FY 2018-2019</u>
BUF761	\$560,358,083	\$659,490,415
BUF765	\$281,376,552	\$303,989,698
BUF768	\$104,466,873	\$112,337,655;

provided further that unrequired balances may be transferred only to debt service payments (BUF721-BUF728) and retirement benefits payments (BUF741-BUF748); provided further that the funds shall not be expended for any other purpose; and provided further that any unexpended funds shall lapse into the general fund at the end of the respective fiscal year for which the appropriation was made.

SECTION 29. Provided that:

- (1) Of the special fund appropriation for public lands management (LNR101) for fiscal year 2017-2018 and fiscal year 2018-2019, \$3,000,000 or so much thereof as may be necessary from the special land and development special fund may be expended under LNR101 or transferred by the chair of the board of land and natural resources into any other LNR program ID for expenditure under that program ID; and
- (2) The appropriation under paragraph (1) shall be expended by the respective programs in accordance with the Hawaii tourism authority's strategic plan consistent with the provisions of section 237-6.5(b)(5), Hawaii Revised Statutes.

PART IV. CAPITAL IMPROVEMENT PROJECTS

SECTION 30. CAPITAL IMPROVEMENT PROJECTS AUTHORIZED. The sums of money appropriated or authorized in part II of this Act for capital improvements shall be expended for the projects listed below. Accounting of the appropriations by the department of accounting and general services shall be based on the projects as such projects are listed in this section. Several related or similar projects may be combined into a single project if such combination is advantageous or convenient for implementation; provided that the total cost of the projects thus combined shall not exceed the total of the sum specified for the projects separately. The amount after each cost element and the total funding for each project listed in this part are in thousands of dollars.

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F

A. ECONOMIC DEVELOPMENT

AGR122 - PLANT PEST AND DISEASE CONTROL

1. INVASIVE SPECIES TREATMENT UNITS, STATEWIDE

CONSTRUCTION OF MOBILE HOT-WATER
TREATMENT UNIT TO BE USED IN INVASIVE
SPECIES INFESTED AGRICULTURAL AREAS
AND PORTS STATEWIDE.

CONSTRUCTION	608
TOTAL FUNDING AGR	608C

C

AGR131 - RABIES QUARANTINE

2. DEPARTMENT OF AGRICULTURE FACILITIES, OAHU

PLANS FOR DEPARTMENT OF
AGRICULTURE, REPLACEMENT OF
HALAWA ANIMAL INDUSTRY FACILITIES
TO KAPALAMA MILITARY RESERVATION,
OAHU.

PLANS	1
TOTAL FUNDING AGS	1C

1
1C

LNR172 - FORESTRY - RESOURCE MANAGEMENT AND DEVELOPMENT

3. DIVISION OF FORESTRY AND WILDLIFE HAZARDOUS TREE
MITIGATION, STATEWIDE

CONSTRUCTION FOR HAZARDOUS TREE
MITIGATION IN FOREST RESERVES, GAME
MANAGEMENT AREAS, NATURAL AREA
RESERVES, AND WILDLIFE SANCTUARIES.

CONSTRUCTION	100
TOTAL FUNDING LNR	100C

C

4. PAIKO RIDGE CONSERVATION ZONE, OAHU

LAND ACQUISITION FOR PURCHASE
OF A PORTION OF TMK 1-3-8-013-001-0000
ADJACENT TO KULIOUOU WATERSHED
FOREST RESERVE AND HONOLULU
WATERSHED FOREST RESERVE: THE
BOUNDARIES TO BE BASED ON DUE
DILIGENCE COMPLETED BY THE
DEPARTMENT OF LAND AND NATURAL
RESOURCES.

LAND	1,000
TOTAL FUNDING LNR	1,000C

C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F

AGR141 - AGRICULTURAL RESOURCE MANAGEMENT

5. KAHUKU AGRICULTURAL PARK IMPROVEMENTS, OAHU

DESIGN FOR IMPROVEMENTS TO THE
KAHUKU AGRICULTURAL PARK.DESIGN 350
TOTAL FUNDING AGR 350C C

6. PUNA AGRICULTURAL PARK, HAWAII

PLANS FOR A FEASIBILITY STUDY
FOR AN AGRICULTURAL PARK IN THE
PUNA DISTRICT TO PROVIDE ACCESS TO
AGRICULTURAL LANDS FOR SMALL SCALE
FARMERS.PLANS 250
TOTAL FUNDING AGR 250C C

7. PUU PULEHU RESERVOIR, HAWAII

PLANS, DESIGN, AND CONSTRUCTION OF
A THROW AWAY DITCH AND DRAINAGE
AREA IMPROVEMENTS, PLANNING,
ENGINEERING, AND ENVIRONMENTAL
PERMITTING.PLANS 1
DESIGN 29
CONSTRUCTION 270
TOTAL FUNDING AGR 300C C

8. WAIANAE AGRICULTURAL PARK, IMPROVEMENTS, OAHU

DESIGN AND CONSTRUCTION FOR
IMPROVEMENTS TO THE WAIANAE
AGRICULTURAL PARK.DESIGN 50
CONSTRUCTION 450
TOTAL FUNDING AGR 500C C

9. WAIMANALO IRRIGATION SYSTEM IMPROVEMENTS, OAHU

DESIGN AND CONSTRUCTION FOR
IMPROVEMENTS TO THE WAIMANALO
IRRIGATION SYSTEM.DESIGN 240
CONSTRUCTION 960
TOTAL FUNDING AGR 1,200C C

10. WAIMEA IRRIGATION SYSTEM IMPROVEMENTS, HAWAII

PLANS, DESIGN, AND EQUIPMENT
FOR IMPROVEMENTS TO THE WAIMEA
IRRIGATION SYSTEM.PLANS 1
DESIGN 148
EQUIPMENT 1
TOTAL FUNDING AGR 150C C

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CAPITAL IMPROVEMENT PROJECTS				APPROPRIATIONS (IN 000'S)	
ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	FISCAL YEAR O 2017-2018 F	FISCAL YEAR O 2018-2019 F
AGR161 - AGRIBUSINESS DEVELOPMENT AND RESEARCH					
11. AGRICULTURAL LAND, OAHU					
		PLANS, LAND ACQUISITION, AND DESIGN FOR LAND ACQUISITION ON OAHU: TMK(S) 6-5-01-14; 6-5-01-44 (POR); 6-5-05-02 (POR); 6-4-04-08; 6-4-04-06.			
		PLANS LAND DESIGN		1 23,750 1	
		TOTAL FUNDING AGR		23,752 C	C
12. PATHOLOGY GREENHOUSE, QUARANTINE HOUSE, AND GREENHOUSE, STATEWIDE					
		PLANS, DESIGN, AND CONSTRUCTION FOR A PATHOLOGY GREENHOUSE, QUARANTINE HOUSE, AND GREENHOUSE, STATEWIDE.			
		PLANS DESIGN CONSTRUCTION		1 1 498	
		TOTAL FUNDING AGR		500 C	C
13. STATE PACKING AND PROCESSING FACILITY, WHITMORE, OAHU					
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT TO CONSTRUCT A NEW POSTHARVEST FACILITY IN WHITMORE, OAHU.			
		PLANS DESIGN CONSTRUCTION EQUIPMENT		30 70 520 30	
		TOTAL FUNDING AGR		650 C	C
14. WAIAHOLE WATER SYSTEM IMPROVEMENTS, KUNIA, OAHU					
		PLANS, DESIGN, AND CONSTRUCTION FOR IMPROVEMENTS TO THE WAIAHOLE WATER SYSTEM AND APPURTENANT WORKS.			
		PLANS DESIGN CONSTRUCTION		400 400 3,200	
		TOTAL FUNDING AGR		4,000 C	C
15. WASTEWATER RECLAIMED WATER IRRIGATION SYSTEM, WAHIWA, OAHU					
		PLANS AND DESIGN FOR A NEW WASTEWATER RECLAIMED WATER SYSTEM AT THE WAHIWA WASTEWATER TREATMENT PLANT.			
		PLANS DESIGN		1 499	
		TOTAL FUNDING AGR		500 C	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019
16.		AINA HO'OKUPU O KILAUEA, KAUAI				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR A WATER SUPPLY LINE AND ON-SITE FILTER AND DISTRIBUTION SYSTEM. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		PLANS		1		
		DESIGN		1		
		CONSTRUCTION		247		
		EQUIPMENT		1		
		TOTAL FUNDING	AGR	250C		
17.		WAIMEA NUI COMMUNITY DEVELOPMENT CORPORATION, HAWAII				C
		PLANS, DESIGN, AND CONSTRUCTION FOR A COMMUNITY AGRICULTURAL PARK. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		PLANS		1		
		DESIGN		1		
		CONSTRUCTION		798		
		TOTAL FUNDING	AGR	800C		
AGR192 - GENERAL ADMINISTRATION FOR AGRICULTURE						
18.		DEPARTMENT OF AGRICULTURE, ROAD REPAIR AND MAINTENANCE, HAWAII				
		CONSTRUCTION FOR THE REPAIR AND MAINTENANCE OF STATE-OWNED ROADS BENEFITTING TENANTS AND PRODUCERS OF AGRICULTURAL PRODUCTS.				
		CONSTRUCTION		300		
		TOTAL FUNDING	AGR	300B		B
19.		HAWAII AGRICULTURAL FOUNDATION, STATEWIDE				
		CONSTRUCTION AND EQUIPMENT FOR A FARMER COOPERATIVE AND STUDENT EDUCATION CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION		207		
		EQUIPMENT		1		
		TOTAL FUNDING	AGR	208C		C
20.		MISCELLANEOUS HEALTH, SAFETY, CODE, AND OTHER REQUIREMENTS, STATEWIDE				
		DESIGN AND CONSTRUCTION FOR IMPROVEMENTS TO ADDRESS HEALTH, SAFETY, CODE, AND OTHER REQUIREMENTS, STATEWIDE.				
		DESIGN		400		
		CONSTRUCTION		1,000		
		TOTAL FUNDING	AGR	1,400C		C

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
21.		SLAUGHTERHOUSE FACILITY, HAWAII				
		PLANS AND DESIGN FOR A SCALABLE AND REPLICABLE SLAUGHTERHOUSE TO MEET THE GROWING DEMAND FOR LOCAL GROWN MEAT.				
		PLANS DESIGN TOTAL FUNDING	AGR	1 1,499 1,500C		C
		LNR141 - WATER AND LAND DEVELOPMENT				
22.		ALA WAI CANAL IMPROVEMENTS, OAHU				
		CONSTRUCTION FOR DREDGING AND CANAL IMPROVEMENTS.				
		CONSTRUCTION TOTAL FUNDING	LNR	5,000 5,000C		C
23.		ROCKFALL AND FLOOD MITIGATION, STATEWIDE				
		PLANS, DESIGN, AND CONSTRUCTION FOR ROCKFALL AND FLOOD MITIGATION AT VARIOUS LOCATIONS, STATEWIDE. THE LEGISLATURE FINDS AND DECLARES THAT THE APPROPRIATION IS IN THE PUBLIC INTEREST AND FOR THE PUBLIC'S HEALTH, SAFETY AND GENERAL WELFARE OF THE STATE.				
		PLANS DESIGN CONSTRUCTION TOTAL FUNDING	LNR	1 1 2,998 3,000C		C
		BED150 - HAWAII COMMUNITY DEVELOPMENT AUTHORITY				
24.		KALAELOA ENTERPRISE AVENUE ENERGY CORRIDOR TO MIDWAY ROAD, KALAELOA, OAHU				
		DESIGN AND CONSTRUCTION ON AN UNDERGROUND UTILITY DISTRIBUTION SYSTEM ON ENTERPRISE AVENUE AND MIDWAY ROAD.				
		DESIGN CONSTRUCTION TOTAL FUNDING	BED	500 2,500 3,000C		C
		BED160 - HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION				
25.		CASH INFUSION FOR RENTAL HOUSING REVOLVING FUND, STATEWIDE				
		CONSTRUCTION TO PROVIDE AN INFUSION OF FUNDS TO FINANCE ADDITIONAL AFFORDABLE RENTAL HOUSING, STATEWIDE.				
		CONSTRUCTION TOTAL FUNDING	BED	25,000 25,000C		C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
26.		DWELLING UNIT REVOLVING FUND INFUSION, STATEWIDE CONSTRUCTION TO PROVIDE AN INFUSION OF FUNDS TO FINANCE ADDITIONAL AFFORDABLE HOUSING, STATEWIDE.	CONSTRUCTION TOTAL FUNDING	25,000 25,000 C	
27.		LOW INCOME HOUSING TAX CREDIT LOANS, STATEWIDE CONSTRUCTION TO PROVIDE LOW-INCOME HOUSING TAX CREDIT LOANS PURSUANT TO SECTION 201H, ¹ HAWAII REVISED STATUTES.	CONSTRUCTION TOTAL FUNDING	4,200 4,200 C	C

B. EMPLOYMENT**LBR903 - OFFICE OF COMMUNITY SERVICES**

1.	ALOHA PERFORMING ARTS COMPANY, HAWAII PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR ALOHA THEATRE RENOVATIONS. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.	PLANS DESIGN CONSTRUCTION EQUIPMENT TOTAL FUNDING	1 1 97 1 100 C	
2.	CHINESE CHAMBER OF COMMERCE FOUNDATION, OAHU PLANS, DESIGN, AND CONSTRUCTION TO PROVIDE BUILDING ACCESS TO PERSONS WITH DISABILITIES AND SENIORS. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.	PLANS DESIGN CONSTRUCTION TOTAL FUNDING	1 1 98 100 C	C
3.	DAUGHTERS OF HAWAII, OAHU PLANS, DESIGN, AND CONSTRUCTION FOR QUEEN EMMA SUMMER PALACE PRESERVATION PROJECT. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.	PLANS DESIGN CONSTRUCTION TOTAL FUNDING	1 1 398 400 C	C

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019
4.		HABITAT FOR HUMANITY WEST HAWAII, HAWAII				
		CONSTRUCTION FOR AFFORDABLE HOUSING FOR LOW-INCOME FAMILIES IN WEST HAWAII. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION TOTAL FUNDING LBR		100		
				100 C		C
5.		HONOLULU HABITAT FOR HUMANITY, OAHU				
		PLANS, CONSTRUCTION, AND EQUIPMENT FOR BUILDING HOMES FOR LOW-INCOME FAMILIES ON OAHU. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		PLANS CONSTRUCTION EQUIPMENT TOTAL FUNDING LBR		1 248 1 250		
				C		
6.		HO'OLA NA PUA, OAHU				
		CONSTRUCTION AND EQUIPMENT FOR THE RENOVATION OF A LICENSED SPECIAL TREATMENT FACILITY. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION EQUIPMENT TOTAL FUNDING LBR		499 1 500		
				C		
7.		HUI NOEAU, MAUI				
		CONSTRUCTION FOR IMPROVEMENTS TO THE VISUAL ARTS CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION TOTAL FUNDING LBR		95 95 C		
				C		
8.		JAPANESE CULTURAL CENTER OF HAWAII, OAHU				
		CONSTRUCTION FOR REPAIRS, MAINTENANCE, AND RENOVATIONS TO THE CULTURAL CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION TOTAL FUNDING LBR		208 208 C		
				C		
9.		KAUAI HABITAT FOR HUMANITY, INC., KAUAI				
		CONSTRUCTION FOR AFFORDABLE HOUSING FOR LOW-INCOME FAMILIES ON KAUAI. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION TOTAL FUNDING LBR		500 500 C		
				C		

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
10.		PACIFIC WELL DRILLING AND PUMP SERVICES, HAWAII			
		EQUIPMENT FOR WATER WELL DRILLING AND PUMP SERVICES. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		EQUIPMENT		605	
		TOTAL FUNDING LBR		605 C	
11.		SPECIAL OLYMPICS HAWAII, INC., OAHU			
		CONSTRUCTION FOR A PROGRAM AND TRAINING CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		CONSTRUCTION		300	
		TOTAL FUNDING LBR		300 C	
12.		YMCA OF HONOLULU, OAHU			
		DESIGN AND CONSTRUCTION FOR BRANCH FACILITIES. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		DESIGN		I	
		CONSTRUCTION		499	
		TOTAL FUNDING LBR		500 C	
					C

HMS802 - VOCATIONAL REHABILITATION

13.		HO'OPONO FLOOD ZONE REMEDIATION, OAHU			
		DESIGN AND CONSTRUCTION TO REPLACE BASEMENT WALLS WITH A STRUCTURE TO WITHSTAND FORCES DUE TO POTENTIAL FLOODING, ELEVATE WALL OPENINGS, AND PROTECT THE EQUIPMENT AROUND THE BUILDING.			
		DESIGN		52	
		CONSTRUCTION		469	
		TOTAL FUNDING HMS		521 C	
					C

C. TRANSPORTATION FACILITIES**TRN102 - HONOLULU INTERNATIONAL AIRPORT**

1.		HONOLULU INTERNATIONAL AIRPORT, 400 HERTZ GROUND POWER UNIT UPGRADE, OAHU			
		CONSTRUCTION FOR IMPROVEMENTS TO THE TERMINAL ELECTRICAL SYSTEM TO PROVIDE INCREASED 400 HERTZ POWER FOR AIRCRAFT AT THE GATES AND OTHER RELATED IMPROVEMENTS.			
		CONSTRUCTION		10,000	
		TOTAL FUNDING TRN		10,000 E	
					E

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
2.		HONOLULU INTERNATIONAL AIRPORT, AIRCRAFT APRON RECONSTRUCTION, OAHU			
		DESIGN AND CONSTRUCTION FOR THE RECONSTRUCTION OF AIRCRAFT APRONS AND OTHER RELATED IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT (OTHER FUNDS FROM PASSENGER FACILITY CHARGES).			
		DESIGN		2,000	
		CONSTRUCTION			53,001
		TOTAL FUNDING	TRN	B	19,118 B
			TRN	2,000 E	5,882 E
			TRN	N	1 N
			TRN	X	28,000 X
3.		HONOLULU INTERNATIONAL AIRPORT, BAGGAGE HANDLING SYSTEM IMPROVEMENTS, OAHU			
		CONSTRUCTION OF IMPROVEMENTS FOR THE BAGGAGE HANDLING SYSTEM AND OTHER RELATED IMPROVEMENTS.			
		CONSTRUCTION		25,000	
		TOTAL FUNDING	TRN	25,000 E	E
4.		HONOLULU INTERNATIONAL AIRPORT, ELLIOTT STREET SUPPORT FACILITIES, OAHU			
		CONSTRUCTION FOR SUPPORT FACILITIES NEAR ELLIOTT STREET INCLUDING MAINTENANCE FACILITIES, CARGO FACILITIES, TAXILANES G AND L WIDENING AND REALIGNMENT, AND OTHER RELATED IMPROVEMENTS FOR THE AIRPORT MODERNIZATION PROGRAM.			
		CONSTRUCTION		50,000	
		TOTAL FUNDING	TRN	50,000 E	E
5.		HONOLULU INTERNATIONAL AIRPORT, LOADING BRIDGE PRE-CONDITIONED AIR INSTALLATION, OAHU			
		CONSTRUCTION FOR THE INSTALLATION OF PRE-CONDITIONED AIR FOR LOADING BRIDGES AND OTHER RELATED IMPROVEMENTS.			
		CONSTRUCTION		15,000	
		TOTAL FUNDING	TRN	15,000 E	E
6.		HONOLULU INTERNATIONAL AIRPORT, NEW DIAMOND HEAD CONCOURSE DEVELOPMENT STUDY, OAHU			
		PLANS FOR NEW DIAMOND HEAD CONCOURSE DEVELOPMENT STUDY.			
		PLANS		5,000	
		TOTAL FUNDING	TRN	5,000 E	E

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
7.		HONOLULU INTERNATIONAL AIRPORT, PEDESTRIAN BRIDGE REPLACEMENT AND/OR REHABILITATION, OAHU			
		CONSTRUCTION FOR THE REPLACEMENT AND/OR REHABILITATION OF THE PEDESTRIAN BRIDGES BETWEEN THE OVERSEAS TERMINAL AND THE OVERSEAS TERMINAL PARKING STRUCTURE AND OTHER RELATED IMPROVEMENTS.			
		CONSTRUCTION		10,000	
		TOTAL FUNDING TRN		10,000 E	
8.		HONOLULU INTERNATIONAL AIRPORT, RESTROOM RENOVATION, OAHU			
		DESIGN AND CONSTRUCTION FOR RENOVATION OF AIRPORT RESTROOMS AND OTHER RELATED IMPROVEMENTS.			
		DESIGN		5,000	
		CONSTRUCTION		5,000	20,000
		TOTAL FUNDING TRN		10,000 E	20,000 E
9.		HONOLULU INTERNATIONAL AIRPORT, ROADWAY/TERMINAL SIGNAGE IMPROVEMENTS, OAHU			
		DESIGN AND CONSTRUCTION FOR ROADWAY AND TERMINAL SIGNAGE IMPROVEMENTS AND OTHER RELATED IMPROVEMENTS.			
		DESIGN		1,000	
		CONSTRUCTION		5,000	
		TOTAL FUNDING TRN		6,000 E	
10.		HONOLULU INTERNATIONAL AIRPORT, TAXIWAY LIGHT IMPROVEMENTS, OAHU			
		DESIGN AND CONSTRUCTION FOR THE INSTALLATION OF TAXIWAY ENPLANEMENT LIGHTS FOR ADDITIONAL VISUAL SAFETY IN THE AIRFIELD AND OTHER RELATED IMPROVEMENTS.			
		DESIGN		500	
		CONSTRUCTION			4,000
		TOTAL FUNDING TRN		500 E	4,000 E
11.		HONOLULU INTERNATIONAL AIRPORT, TERMINAL IMPROVEMENTS AT GATES 29 AND 34, OAHU			
		CONSTRUCTION FOR IMPROVEMENTS AT GATES 29 AND 34 TO ACCOMMODATE A380 AIRCRAFT AND OTHER RELATED IMPROVEMENTS.			
		CONSTRUCTION		30,000	
		TOTAL FUNDING TRN		30,000 E	

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CAPITAL IMPROVEMENT PROJECTS

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
12.		HONOLULU INTERNATIONAL AIRPORT, TERMINAL MODERNIZATION, OAHU				
		DESIGN AND CONSTRUCTION OF TERMINAL IMPROVEMENTS TO OPTIMIZE AND MODERNIZE FACILITIES AND OPERATIONS AT THE AIRPORT. IMPROVEMENTS INCLUDE THE REPLACEMENT OF ELEVATORS, ESCALATORS, THE TELEPHONE SYSTEM, AND OTHER RELATED IMPROVEMENTS.				
		DESIGN		2,650		
		CONSTRUCTION			24,500	
		TOTAL FUNDING TRN		2,650 E		24,500 E
13.		HONOLULU INTERNATIONAL AIRPORT, TICKET LOBBY IMPROVEMENTS, OAHU				
		CONSTRUCTION OF IMPROVEMENTS TO THE OVERSEAS TERMINAL TICKET LOBBY AND OTHER RELATED IMPROVEMENTS.				
		CONSTRUCTION		170,000		
		TOTAL FUNDING TRN			170,000 E	E
14.		HONOLULU INTERNATIONAL AIRPORT, USDA INSPECTION FACILITY, OAHU				
		CONSTRUCTION FOR A NEW UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) INSPECTION FACILITY AND OTHER RELATED IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION		9,000		
		TOTAL FUNDING TRN			9,000 N	N
TRN104 - GENERAL AVIATION						
15.		DILLINGHAM AIRFIELD, REPLACE UNIVERSAL COMMUNICATIONS TOWER, OAHU				
		DESIGN AND CONSTRUCTION FOR THE REPLACEMENT OF THE UNIVERSAL COMMUNICATIONS (UNICOM) TOWER AND OTHER RELATED IMPROVEMENTS.				
		DESIGN		500		
		CONSTRUCTION			1,500	
		TOTAL FUNDING TRN		500 E		1,500 E
16.		KALAELOA AIRPORT, CONSTRUCT T-HANGARS, OAHU				
		CONSTRUCTION FOR T-HANGARS AND OTHER RELATED IMPROVEMENTS.				
		CONSTRUCTION		8,000		
		TOTAL FUNDING TRN			8,000 E	E

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
17.		KALAELOA AIRPORT, RUNWAY LIGHTING SYSTEM IMPROVEMENTS, OAHU			
		DESIGN AND CONSTRUCTION FOR THE REPLACEMENT OF THE MEDIUM INTENSITY APPROACH LIGHTING SYSTEM FOR RUNWAY ALIGNMENT (MALS) AND OTHER RELATED IMPROVEMENTS.			
		DESIGN		300	
		CONSTRUCTION			3,000
		TOTAL FUNDING TRN		300 E	3,000 E
18.		KALAELOA AIRPORT, UTILITY SYSTEM IMPROVEMENTS, OAHU			
		CONSTRUCTION FOR UTILITY INFRASTRUCTURE SYSTEM UPGRADES TO INCLUDE WATER, ELECTRICAL, TELEPHONE DISTRIBUTION, AND SEWER AND STORM WATER SYSTEMS TO MEET CURRENT CIVIL AIRPORT STANDARDS AND CITY AND COUNTY OF HONOLULU STANDARDS.			
		CONSTRUCTION		10,000	
		TOTAL FUNDING TRN		10,000 E	E
	TRN111 - HILO INTERNATIONAL AIRPORT				
19.		HILO INTERNATIONAL AIRPORT, AIRCRAFT APRON RECONSTRUCTION, HAWAII			
		DESIGN AND CONSTRUCTION FOR THE RECONSTRUCTION OF AIRCRAFT APRONS AND OTHER RELATED IMPROVEMENTS.			
		DESIGN		400	
		CONSTRUCTION			4,800
		TOTAL FUNDING TRN		400 E	4,800 E
20.		HILO INTERNATIONAL AIRPORT, ARCADE IMPROVEMENTS, HAWAII			
		DESIGN FOR IMPROVEMENTS TO THE ARCADE BUILDING INCLUDING ENCLOSING AND AIR CONDITIONING THE SECOND FLOOR AND OTHER RELATED IMPROVEMENTS.			
		DESIGN		1,500	
		TOTAL FUNDING TRN		1,500 E	E
21.		HILO INTERNATIONAL AIRPORT, HAWAII			
		CONSTRUCTION FOR A NEW ROOF AND FACILITY PAINTING AT HILO INTERNATIONAL AIRPORT.			
		CONSTRUCTION		10,000	
		TOTAL FUNDING TRN		10,000 E	E

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
22.		HILO INTERNATIONAL AIRPORT, NOISE ATTENUATION FOR KEAUKAHA SUBDIVISION, HAWAII				
		CONSTRUCTION FOR NOISE ATTENUATION OF RESIDENTIAL DWELLINGS ADJACENT TO HILO INTERNATIONAL AIRPORT WITHIN THE 65-75 DNL CONTOUR RANGE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION		2,600		
		TOTAL FUNDING TRN		600 E		E
				2,000 N		N
23.		HILO INTERNATIONAL AIRPORT, TERMINAL IMPROVEMENTS, HAWAII				
		CONSTRUCTION FOR TERMINAL IMPROVEMENTS INCLUDING THE TICKET LOBBY, HOLDROOMS, AIRPORT RESTROOMS, AND OTHER RELATED IMPROVEMENTS.				
		CONSTRUCTION		7,300		
		TOTAL FUNDING TRN		7,300 E		E
		TRN114 - KONA INTERNATIONAL AIRPORT AT KEAHOLE				
24.		KONA INTERNATIONAL AIRPORT AT KEAHOLE, AGRICULTURAL INSPECTION STATION, HAWAII				
		DESIGN AND CONSTRUCTION FOR A NEW UNITED STATES DEPARTMENT OF AGRICULTURE (USDA) AGRICULTURAL INSPECTION STATION AND OTHER RELATED IMPROVEMENTS.				
		DESIGN		750		
		CONSTRUCTION			8,000	
		TOTAL FUNDING TRN		750 E	8,000 E	
25.		KONA INTERNATIONAL AIRPORT AT KEAHOLE, ARFF EMERGENCY OPERATIONS COMMAND CENTER, HAWAII				
		DESIGN AND CONSTRUCTION FOR AN AIRCRAFT RESCUE AND FIRE FIGHTING (ARFF) EMERGENCY OPERATIONS COMMAND CENTER (EOC) AT THE AIRPORT.				
		DESIGN		75		
		CONSTRUCTION			375	
		TOTAL FUNDING TRN		75 E	375 E	
26.		KONA INTERNATIONAL AIRPORT AT KEAHOLE, EMERGENCY GENERATOR UPGRADE, HAWAII				
		DESIGN AND CONSTRUCTION FOR THE INSTALLATION OF AN EMERGENCY GENERATOR FOR THE TERMINAL AND OTHER RELATED IMPROVEMENTS.				
		DESIGN		500		
		CONSTRUCTION			3,000	
		TOTAL FUNDING TRN		500 E	3,000 E	

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019
27.		KONA INTERNATIONAL AIRPORT AT KEAHOLE, PERIMETER FENCE REPLACEMENT, HAWAII				
		CONSTRUCTION FOR REPLACEMENT OF THE PERIMETER FENCE AND OTHER RELATED IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION		1,501		
		TOTAL FUNDING	TRN	1,359 B		B
			TRN	141 E		E
			TRN	1 N		N
28.		KONA INTERNATIONAL AIRPORT AT KEAHOLE, RESTROOM RENOVATION, HAWAII				
		DESIGN FOR RENOVATION OF AIRPORT RESTROOMS AND OTHER RELATED IMPROVEMENTS.				
		DESIGN		600		
		TOTAL FUNDING	TRN	600 E		E
		TRN118 - UPOLU AIRPORT				
29.		UPOLU AIRPORT, AIRPORT IMPROVEMENTS, HAWAII				
		DESIGN AND CONSTRUCTION FOR AIRPORT IMPROVEMENTS. IMPROVEMENTS INCLUDE THE INSTALLATION OF A SECURITY SYSTEM, STORAGE SHED REPLACEMENT, AND OTHER RELATED IMPROVEMENTS.				
		DESIGN		25		
		CONSTRUCTION				
		TOTAL FUNDING	TRN	25 E		E
		TRN131 - KAHULUI AIRPORT				
30.		KAHULUI AIRPORT, AIRPORT IMPROVEMENTS, MAUI				
		DESIGN AND CONSTRUCTION FOR IMPROVEMENTS TO THE TERMINAL, COMMUTER TERMINAL, SECURITY FENCE, ELECTRICAL SYSTEM, AND OTHER RELATED IMPROVEMENTS.				
		DESIGN		1,600		
		CONSTRUCTION		1,500		
		TOTAL FUNDING	TRN	3,100 E		E
31.		KAHULUI AIRPORT, COMMON USE PASSENGER PROCESSING SYSTEM UPGRADE, MAUI				
		CONSTRUCTION FOR UPGRADING THE COMMON USE PASSENGER PROCESSING SYSTEM AND OTHER RELATED IMPROVEMENTS.				
		CONSTRUCTION		1,300		
		TOTAL FUNDING	TRN	1,300 E		E

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
32.		KAHULUI AIRPORT, HOLDROOM AND GATE IMPROVEMENTS, MAUI				
		DESIGN AND CONSTRUCTION FOR HOLDROOM AND GATE IMPROVEMENTS AND OTHER RELATED IMPROVEMENTS AT THE AIRPORT.				
		DESIGN		973		
		CONSTRUCTION		28,600	9,725	
		TOTAL FUNDING TRN		29,573 E	9,725 E	
33.		KAHULUI AIRPORT, INBOUND BAGGAGE HANDLING SYSTEM IMPROVEMENTS, MAUI				
		CONSTRUCTION FOR INBOUND BAGGAGE HANDLING SYSTEM IMPROVEMENTS AND OTHER RELATED IMPROVEMENTS.				
		CONSTRUCTION		10,500		
		TOTAL FUNDING TRN		10,500 E		E
34.		KAHULUI AIRPORT, LEASE LOTS, MAUI				
		CONSTRUCTION FOR LEASE LOTS AND OTHER RELATED IMPROVEMENTS.				
		CONSTRUCTION		64,000		
		TOTAL FUNDING TRN		64,000 E		E

TRN133 - HANA AIRPORT

35.	HANA AIRPORT, BASEYARD RENOVATION, MAUI		
	DESIGN AND CONSTRUCTION FOR RENOVATIONS TO THE BASEYARD BUILDING AND OTHER RELATED IMPROVEMENTS.		
	DESIGN	500	
	CONSTRUCTION		1,500
	TOTAL FUNDING TRN	500 E	1,500 E

TRN135 - KAPALUA AIRPORT

36.	KAPALUA AIRPORT, WATER TANK IMPROVEMENTS, MAUI		
	DESIGN AND CONSTRUCTION FOR IMPROVEMENTS TO THE WATER TANK AND OTHER RELATED IMPROVEMENTS.		
	DESIGN	500	
	CONSTRUCTION		1,500
	TOTAL FUNDING TRN	500 E	1,500 E

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F

TRN141 - MOLOKAI AIRPORT

37.	MOLOKAI AIRPORT, TERMINAL AND UTILITY IMPROVEMENTS, MOLOKAI	DESIGN AND CONSTRUCTION FOR TERMINAL IMPROVEMENTS. IMPROVEMENTS INCLUDE ELECTRICAL AND SEWER REPLACEMENT OR UPGRADES, INSTALLATION OF NEW RESTROOMS, AND OTHER RELATED IMPROVEMENTS.	DESIGN CONSTRUCTION TOTAL FUNDING TRN	1,000 6,250 1,000 E	6,250 6,250 E
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TRN143 - KALAUPAPA AIRPORT

38.	KALAUPAPA AIRPORT, AIRPORT IMPROVEMENTS, MOLOKAI	CONSTRUCTION FOR THE INSTALLATION OF A NEW AIRCRAFT RESCUE AND FIRE FIGHTING (ARFF) GARAGE, RENOVATION OF THE TERMINAL, REPLACEMENT OF AIRFIELD LIGHTING, AND OTHER RELATED IMPROVEMENTS.	CONSTRUCTION TOTAL FUNDING TRN	E	4,500 4,500 E
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TRN151 - LANAI AIRPORT

39.	LANAI AIRPORT, BASEYARD RENOVATION, LANAI	DESIGN AND CONSTRUCTION FOR RENOVATIONS TO THE BASEYARD BUILDING AND OTHER RELATED IMPROVEMENTS.	DESIGN CONSTRUCTION TOTAL FUNDING TRN	500 1,500 500 E	1,500 1,500 E
40.	LANAI AIRPORT, RESTROOM FACILITIES, LANAI	CONSTRUCTION FOR NEW RESTROOMS NEAR THE GATES AND OTHER RELATED IMPROVEMENTS.	CONSTRUCTION TOTAL FUNDING TRN	1,000 1,000 E	E

TRN161 - LIHUE AIRPORT

41.	LIHUE AIRPORT, AHUKINI LANDFILL RESTORATION, KAUAI	CONSTRUCTION FOR THE RESTORATION OF THE AHUKINI LANDFILL AND OTHER RELATED IMPROVEMENTS.	CONSTRUCTION TOTAL FUNDING TRN	3,500 3,500 E	E
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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
42.		LIHUE AIRPORT, LAND ACQUISITION, KAUAI				
		PLANS AND LAND ACQUISITION FOR PARCELS NEAR THE AIRPORT. (OTHER FUNDS FROM RENTAL MOTOR VEHICLE CUSTOMER FACILITY CHARGE FUNDS).				
		PLANS		350		
		LAND		20,944		
		TOTAL FUNDING	TRN	9,294 B		B
			TRN	12,000 X		X
43.		LIHUE AIRPORT, TICKET LOBBY AND HOLDROOM IMPROVEMENTS, KAUAI				
		DESIGN AND CONSTRUCTION FOR TICKET LOBBY AND HOLDROOM IMPROVEMENTS.				
		DESIGN		1,623		
		CONSTRUCTION			16,225	
		TOTAL FUNDING	TRN	1,623 E	16,225 E	
		TRN163 - PORT ALLEN AIRPORT				
44.		PORT ALLEN AIRPORT, SECURITY FENCE IMPROVEMENTS, KAUAI				
		CONSTRUCTION FOR REPLACEMENT OF THE SECURITY FENCE, SOIL STABILIZATION, AND OTHER RELATED IMPROVEMENTS.				
		CONSTRUCTION		1,500		
		TOTAL FUNDING	TRN	1,500 E		E
		TRN195 - AIRPORTS ADMINISTRATION				
45.		AIRFIELD IMPROVEMENTS, STATEWIDE				
		DESIGN AND CONSTRUCTION FOR AIRFIELD IMPROVEMENTS AT STATEWIDE AIRPORTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		DESIGN		3,501	4,050	
		CONSTRUCTION			36,452	
		TOTAL FUNDING	TRN	3,500 B	40,500 B	
			TRN	1 N	2 N	
46.		AIRPORT IMPROVEMENTS, STATEWIDE				
		CONSTRUCTION FOR IMPROVEMENTS AT STATEWIDE AIRPORTS PREVIOUSLY APPROVED BY THE FEDERAL AVIATION ADMINISTRATION FOR PASSENGER FACILITY CHARGE REIMBURSEMENT. (OTHER FUNDS FROM PASSENGER FACILITY CHARGES.)				
		CONSTRUCTION		7,200		
		TOTAL FUNDING	TRN	7,200 X		X

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
47.		AIRPORT PLANNING STUDY, STATEWIDE				
		PLANS FOR AIRPORT IMPROVEMENTS, ECONOMIC STUDIES, RESEARCH, NOISE MONITORING STUDIES, NOISE COMPATIBILITY STUDIES, AND ADVANCE PLANNING OF FEDERAL AID AND NON- FEDERAL AID PROJECTS.				
		PLANS		1,650		1,000
		TOTAL FUNDING TRN		1,650 B		1,000 B
48.		AIRPORTS DIVISION CAPITAL IMPROVEMENT PROGRAM PROJECT STAFF COSTS, STATEWIDE				
		PLANS, DESIGN, AND CONSTRUCTION FOR COSTS RELATED TO WAGES AND FRINGE BENEFITS FOR PERMANENT PROJECT FUNDED STAFF POSITIONS FOR THE IMPLEMENTATION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS FOR THE DEPARTMENT OF TRANSPORTATION'S AIRPORTS DIVISION. PROJECT MAY ALSO INCLUDE FUNDS FOR NON-PERMANENT CAPITAL IMPROVEMENT PROGRAM RELATED POSITIONS (OTHER FUNDS FROM PASSENGER FACILITY CHARGES).				
		PLANS		300		300
		DESIGN		1,525		1,525
		CONSTRUCTION		2,200		2,200
		TOTAL FUNDING TRN		3,900 B		3,900 B
		TRN		125 X		125 X
49.		CONSTRUCTION MANAGEMENT SUPPORT, STATEWIDE				
		CONSTRUCTION FOR CONSTRUCTION MANAGEMENT SUPPORT AT AIRPORT FACILITIES, STATEWIDE.				
		CONSTRUCTION		1,000		1,000
		TOTAL FUNDING TRN		1,000 B		1,000 B
50.		FIRE ALARM SYSTEM IMPROVEMENTS, STATEWIDE				
		DESIGN AND CONSTRUCTION FOR FIRE ALARM SYSTEM IMPROVEMENTS AND OTHER RELATED IMPROVEMENTS AT STATEWIDE AIRPORTS.				
		DESIGN		2,000		
		CONSTRUCTION				20,000
		TOTAL FUNDING TRN		2,000 E		20,000 E
51.		MISCELLANEOUS AIRPORT PROJECTS, STATEWIDE				
		DESIGN AND CONSTRUCTION OF IMPROVEMENTS AT VARIOUS STATE AIRPORTS, IMPROVEMENTS FOR SAFETY AND CERTIFICATION REQUIREMENTS, OPERATIONAL EFFICIENCY, AND PROJECTS REQUIRED FOR AIRPORT RELATED DEVELOPMENT.				
		DESIGN		1,000		1,000
		CONSTRUCTION		2,500		2,500
		TOTAL FUNDING TRN		3,500 B		3,500 B

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
52.		PROGRAM MANAGEMENT, STATEWIDE			
		DESIGN FOR THE PROGRAM MANAGEMENT OF THE MODERNIZATION PROGRAM AT AIRPORTS STATEWIDE.			
		DESIGN		1,000	1,000
		TOTAL FUNDING	TRN	1,000 E	1,000 E
53.		RUNWAY SAFETY AREA IMPROVEMENTS, STATEWIDE			
		DESIGN FOR RUNWAY SAFETY AREA IMPROVEMENTS AND OTHER RELATED IMPROVEMENTS AT STATEWIDE AIRPORTS.			
		DESIGN		2,000	
		TOTAL FUNDING	TRN	2,000 B	B
54.		STORMWATER PERMIT COMPLIANCE, STATEWIDE			
		CONSTRUCTION FOR ENVIRONMENTAL IMPROVEMENTS AT STATEWIDE AIRPORTS, INCLUDING INSTALLATION OF WASHRACKS, AND OTHER RELATED IMPROVEMENTS.			
		CONSTRUCTION		2,000	
		TOTAL FUNDING	TRN	2,000 E	E
		TRN301 - HONOLULU HARBOR			
55.		MODERNIZATION PROGRAM - PIER 24-28 IMPROVEMENTS, HONOLULU HARBOR, OAHU			
		DESIGN AND CONSTRUCTION OF IMPROVEMENTS TO ADDRESS HEALTH AND SAFETY NEEDS, OPTIMIZE ENERGY AND OPERATIONAL EFFICIENCIES, AND PROVIDE ESSENTIAL INFRASTRUCTURE.			
		DESIGN		361	
		CONSTRUCTION		6,001	
		TOTAL FUNDING	TRN	B	2B
			TRN	E	6,360 E
56.		PIERS 24-25 REPAIRS & IMPROVEMENTS, HONOLULU HARBOR, OAHU			
		DESIGN AND CONSTRUCTION FOR REPAIRS TO PIER STRUCTURES AND INFRASTRUCTURE IMPROVEMENTS RELATED TO CONCRETE RESURFACING AND PAVEMENT AND STORMWATER CONTAINMENT.			
		DESIGN		1	
		CONSTRUCTION		19,999	
		TOTAL FUNDING	TRN	20,000 E	E

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019

TRN361 - NAWILIWILI HARBOR

57. IMPROVEMENTS AT PIER 2 AND 3 AREAS, NAWILIWILI HARBOR, KAUAI

DESIGN AND CONSTRUCTION TO ADDRESS STORM WATER RUN-OFF, EROSION, SUBSIDENCE, AND PASSENGER SAFETY ISSUES DUE TO UNPAVED OR UNEVEN TERRAIN, INEFFECTIVE DRAINAGE, AND/ OR SUBSURFACE IRREGULARITIES.

DESIGN	501
CONSTRUCTION	7,001
TOTAL FUNDING	TRN 2B
	TRN 7,500 E

TRN395 - HARBORS ADMINISTRATION

58. ARCHITECTURAL AND ENGINEERING SUPPORT, STATEWIDE

PLANS AND DESIGN FOR CONSULTANT SERVICES FOR DEVELOPMENT OF COMMERCIAL HARBOR FACILITIES, STATEWIDE.

PLANS	1	1
DESIGN	3,499	3,499
TOTAL FUNDING	TRN 3,500 B	3,500 B

59. COMMERCIAL HARBOR ENVIRONMENTAL RETROFITS, STATEWIDE

PLANS AND DESIGN FOR RETROFITTING EXISTING CIP IMPROVEMENTS WITH PERMANENT BEST MANAGEMENT PRACTICES (BMP) FEATURES IN ACCORDANCE WITH EPA CONSENT DECREE, STATEWIDE.

PLANS	100	100
DESIGN		400
TOTAL FUNDING	TRN 100 B	400 B

60. COMMERCIAL HARBOR FACILITY IMPROVEMENTS, STATEWIDE

PLANS, DESIGN, AND CONSTRUCTION OF SHORE-SIDE AND WATER-SIDE IMPROVEMENTS FOR COMMERCIAL HARBOR FACILITIES, STATEWIDE.

PLANS	3	899
DESIGN		1,802
CONSTRUCTION		30,002
TOTAL FUNDING	TRN 3B	3B
	TRN E	32,700 E

61. CONSTRUCTION MANAGEMENT SUPPORT, STATEWIDE

CONSTRUCTION FOR CONSULTANT SERVICES FOR CONSTRUCTION PROJECTS AT HARBOR FACILITIES, STATEWIDE.

CONSTRUCTION	500	500
TOTAL FUNDING	TRN 500 B	500 B

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
62.		ENVIRONMENTAL REMEDIATION OF COMMERCIAL HARBOR FACILITIES, STATEWIDE				
		PLANS, DESIGN, AND CONSTRUCTION FOR ASSESSMENT, MITIGATION, AND/ OR REMEDIATION OF ENVIRONMENTAL CONDITIONS AT COMMERCIAL HARBOR FACILITIES, STATEWIDE.				
		PLANS		100		100
		DESIGN		200		200
		CONSTRUCTION		1,200		1,200
		TOTAL FUNDING TRN		1,500 B		1,500 B
63.		HARBOR PLANNING, STATEWIDE				
		PLANS FOR CONTINUING HARBOR STUDIES, RESEARCH, AND ADVANCE PLANNING OF HARBOR AND TERMINAL FACILITIES ON ALL ISLANDS, STATEWIDE.				
		PLANS		1,500		1,500
		TOTAL FUNDING TRN		1,500 B		1,500 B
64.		MODERNIZATION PROGRAM - CONSTRUCTION MANAGEMENT SUPPORT, STATEWIDE				
		CONSTRUCTION FOR CONSULTANT SERVICES DURING CONSTRUCTION OF MODERNIZATION PROGRAM PROJECTS AT COMMERCIAL HARBOR FACILITIES, STATEWIDE.				
		CONSTRUCTION		5,000		5,000
		TOTAL FUNDING TRN		5,000 E		5,000 E
65.		MODERNIZATION PROGRAM - HARBORS DIVISION CIP PROJECT STAFF COSTS, STATEWIDE				
		PLANS FOR COSTS RELATED TO WAGES AND FRINGE BENEFITS FOR PERMANENT HARBOR MODERNIZATION PLAN PROJECT FUNDED STAFF POSITIONS FOR THE IMPLEMENTATION OF MODERNIZATION PROGRAM PROJECTS FOR THE DEPARTMENT OF TRANSPORTATION'S HARBORS DIVISION, STATEWIDE. PROJECTS MAY ALSO INCLUDE FUNDS FOR NON-PERMANENT CAPITAL IMPROVEMENT PROGRAM RELATED POSITIONS.				
		PLANS		2,000		2,000
		TOTAL FUNDING TRN		2,000 E		2,000 E
66.		SECURITY IMPROVEMENTS AT COMMERCIAL HARBORS, STATEWIDE				
		PLANS, DESIGN, AND CONSTRUCTION FOR SECURITY SYSTEM IMPROVEMENTS AT COMMERCIAL HARBOR FACILITIES, STATEWIDE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		PLANS			31	31

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2017-2018 O	FISCAL YEAR 2018-2019 O
		DESIGN		61	61
		CONSTRUCTION		1,001	1,001
		TOTAL FUNDING	TRN	1,090B	1,090B
			TRN	3P	3P

TRN333 - HANA HARBOR

67. REMOVE HANA PIER SUPERSTRUCTURE, HANA HARBOR, MAUI

DESIGN AND CONSTRUCTION OF
IMPROVEMENTS TO REMOVE THE HANA
PIER SUPERSTRUCTURE.

DESIGN	201	
CONSTRUCTION	3,501	
TOTAL FUNDING	2B	B
	3,700E	E

TRN501 - OAHU HIGHWAYS

68. CULVERT ASSESSMENT AND REMEDIATION, OAHU

DESIGN AND CONSTRUCTION TO ASSESS
CULVERTS AND REPAIR AND/OR REPLACE
CULVERTS REQUIRING REMEDIATION.

DESIGN	1,000	
CONSTRUCTION	500	
TOTAL FUNDING	1,500E	E

69. EROSION CONTROL PROGRAM FOR STATE HIGHWAYS AND
FACILITIES, OAHUCONSTRUCTION FOR PERMANENT
EROSION CONTROL MITIGATION
MEASURES ON STATE HIGHWAYS AND
FACILITIES ON OAHU.

CONSTRUCTION	2,000	
TOTAL FUNDING	2,000E	E

70. FARRINGTON HIGHWAY, MAKAHANA BRIDGES NO. 3 AND NO. 3A
REPLACEMENT, OAHUCONSTRUCTION FOR THE REPLACEMENT
OF BRIDGES NO. 3 AND 3A IN THE VICINITY
OF MAKAHANA BEACH PARK TO INCLUDE
SIDEWALKS, BRIDGE RAILINGS, AND
OTHER IMPROVEMENTS. THIS PROJECT
IS DEEMED NECESSARY TO QUALIFY
FOR FEDERAL AID FINANCING AND/OR
REIMBURSEMENT.

CONSTRUCTION	10,000	
TOTAL FUNDING	2,000E	E
	8,000N	N

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
71.		FARRINGTON HIGHWAY, REHABILITATION OF KAUPUNI STREAM BRIDGE, OAHU			
		LAND ACQUISITION AND DESIGN FOR THE REHABILITATION OF KAUPUNI STREAM BRIDGE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		LAND		350	
		DESIGN		1,150	
		TOTAL FUNDING	TRN	300 E	
			TRN	N	1,200 N
72.		FREEWAY DESTINATION SIGN UPGRADE/REPLACEMENT, OAHU			
		DESIGN AND CONSTRUCTION FOR REPLACING AND/OR UPGRADING THE EXISTING FREEWAY DESTINATION SIGNS AND SIGN SUPPORT STRUCTURES. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		350	
		CONSTRUCTION		3,000	
		TOTAL FUNDING	TRN	600 E	
			TRN	2,400 N	280 N
73.		FREEWAY MANAGEMENT SYSTEM, OAHU			
		DESIGN AND CONSTRUCTION FOR A FREEWAY MANAGEMENT SYSTEM, INCLUDING INTELLIGENT TRANSPORTATION SYSTEMS TECHNOLOGIES AND INTERAGENCY COORDINATION TO MONITOR AND MANAGE TRAFFIC OPERATIONS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		2,500	
		CONSTRUCTION		7,500	
		TOTAL FUNDING	TRN	2,000 E	
			TRN	N	8,000 N
74.		HIGHWAY LIGHTING REPLACEMENT AT VARIOUS LOCATIONS, OAHU			
		CONSTRUCTION FOR REPLACING AND/OR UPGRADING THE EXISTING HIGHWAY LIGHTING SYSTEM ON STATE HIGHWAYS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION		6,500	
		TOTAL FUNDING	TRN	1,300 E	
			TRN	5,200 N	E N

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR O 2017-2018 F	FISCAL YEAR O 2018-2019 F
75.		INTERSTATE ROUTE H-1 CORRIDOR IMPROVEMENTS, OAHU			
		PLANS TO IMPLEMENT SHORT TERM PRIORITY PROJECTS IDENTIFIED IN THE H-1 CORRIDOR STUDY THAT WILL MEET CURRENT AND FUTURE CAPACITY REQUIREMENTS OF THE H-1 CORRIDOR. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		PLANS		2,000	
		TOTAL FUNDING	TRN	400 E	E
			TRN	1,600 N	N
76.		INTERSTATE ROUTE H-1, AIRPORT VIADUCT IMPROVEMENTS, VICINITY OF VALKENBURGH ST TO MIDDLE ST, OAHU			
		DESIGN AND CONSTRUCTION FOR IMPROVEMENTS TO THE AIRPORT VIADUCT, INCLUDING DECK REPAIRS AND SEALING, AND GUARDRAIL AND PLANTER BOX REPAIRS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		2,000	
		CONSTRUCTION		20,000	20,000
		TOTAL FUNDING	TRN	4,400 E	4,000 E
			TRN	17,600 N	16,000 N
77.		INTERSTATE ROUTE H-1, VICINITY OF WAIKELE TO VICINITY OF HALAWA, OAHU			
		CONSTRUCTION FOR MODIFICATIONS TO H-1 FREEWAY AND VIADUCT STRUCTURE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION		80,000	
		TOTAL FUNDING	TRN	40,000 E	E
			TRN	40,000 N	N
78.		INTERSTATE ROUTE H-3, JUNCTION AT H-1 TO KANEOHE MARINE CORPS AIR STATION, OAHU			
		DESIGN AND CONSTRUCTION FOR A DIVIDED HIGHWAY FROM JUNCTION H-1 TO KANEOHE MARINE CORPS AIR STATION. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		1,500	
		CONSTRUCTION		5,000	
		TOTAL FUNDING	TRN	300 E	1,000 E
			TRN	1,200 N	4,000 N

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
79.		INTERSTATE ROUTE H-3, PORTAL BUILDINGS IMPROVEMENTS, OAHU			
		CONSTRUCTION FOR THE REMOVAL OF EXISTING ROOF AND INSTALLATION OF NEW ROOFING FOR THE H-3 PORTAL BUILDINGS AND OTHER INCIDENTAL WORK.			
		CONSTRUCTION		3,350	
		TOTAL FUNDING TRN		3,350 E	E
80.		INTERSTATE ROUTE H-3, TUNNEL IMPROVEMENTS, OAHU			
		DESIGN AND CONSTRUCTION FOR IMPROVEMENTS AT THE H-3 TUNNELS, INCLUDING THE INSTALLATION OF EXHAUST FAN RAIN HOODS, UPGRADING MOTOR CONTROL CENTER RESISTANCE TEMPERATURE DETECTOR "RTD" MODULES, AND OTHER MISCELLANEOUS IMPROVEMENTS.			
		DESIGN		700	
		CONSTRUCTION			5,200
		TOTAL FUNDING TRN		700 E	5,200 E
81.		KAHEKILI HIGHWAY, OAHU			
		LAND ACQUISITION AND DESIGN FOR HIGHWAY WIDENING AND OTHER IMPROVEMENTS TO PROVIDE CORRIDOR CAPACITY AND OPERATIONAL IMPROVEMENTS FROM LIKELIKE HIGHWAY TO KAMEHAMEHA HIGHWAY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		LAND		1,000	
		DESIGN		750	
		TOTAL FUNDING TRN		350 E	
		TRN		1,400 N	N
82.		KALAELOA TO HAKIMO ROAD, OAHU			
		PLANS, DESIGN, AND CONSTRUCTION FOR EXTENSION OF THE FIFTH LANE OF FARRINGTON HIGHWAY AND FOR SAFETY IMPROVEMENTS, PRESERVATION OF EXISTING INFRASTRUCTURE, AND TRAFFIC CONGESTION RELIEF ALONG WAIANAE COAST; GROUND AND SITE IMPROVEMENTS.			
		PLANS		1	
		DESIGN		299	
		CONSTRUCTION		2,700	
		TOTAL FUNDING TRN		3,000 E	E

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
83.		KALANIANAOLE HIGHWAY, INOAOLE STREAM BRIDGE REHABILITATION AND/OR REPLACEMENT, OAHU				
		CONSTRUCTION FOR THE REHABILITATION AND/OR REPLACEMENT OF THE INOAOLE STREAM BRIDGE WITH A LARGER BRIDGE, INCLUDING IMPROVEMENTS TO THE ROADWAY APPROACHES, DETOUR ROAD, AND UTILITY RELOCATIONS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION		2,600		
		TOTAL FUNDING	TRN	520E		
			TRN	N	2,080N	
84.		KAMEHAMEHA HIGHWAY, HELEMANO-WAIALUA JUNCTION TO HALEIWA BEACH PARK, OAHU				
		CONSTRUCTION FOR ENHANCED WETLANDS IN THE VICINITY OF UKOA POND. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION		6,500		
		TOTAL FUNDING	TRN	1,300E		
			TRN	5,200N	E	N
85.		KAMEHAMEHA HIGHWAY, KALUANUI STREAM BRIDGE REPLACEMENT, OAHU				
		LAND ACQUISITION AND CONSTRUCTION FOR REPLACEMENT OF KALUANUI STREAM BRIDGE TO INCLUDE SIDEWALKS, BRIDGE RAILINGS, AND OTHER IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		LAND		800		
		CONSTRUCTION		10,000		
		TOTAL FUNDING	TRN	160E	2,000E	
			TRN	640N	8,000N	
86.		KAMEHAMEHA HIGHWAY, SOUTH KAHANA STREAM BRIDGE REHABILITATION AND/OR REPLACEMENT, OAHU				
		CONSTRUCTION FOR REHABILITATION AND/OR REPLACEMENT OF SOUTH KAHANA STREAM BRIDGE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION		750		
		TOTAL FUNDING	TRN	150E		
			TRN	600N	E	N

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)			
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F		
87.		LANIAKEA HWY, OAHU DESIGN AND CONSTRUCTION FOR THE REALIGNMENT OF KAMEHAMEHA HWY AT LANIAKEA BEACH PARK; GROUND AND SITE IMPROVEMENTS. DESIGN 1,500 CONSTRUCTION 13,500 TOTAL FUNDING TRN 15,000 E					E
88.		MISCELLANEOUS PERMANENT BEST MANAGEMENT PRACTICES, OAHU LAND ACQUISITION, DESIGN, AND CONSTRUCTION FOR PERMANENT BEST MANAGEMENT PRACTICE IMPROVEMENTS TO EXISTING HIGHWAY FACILITIES INCLUDING INSTALLATION OF STRUCTURAL AND NATURAL BEST MANAGEMENT PRACTICES AT VARIOUS LOCATIONS ON OAHU. LAND 100 100 DESIGN 750 CONSTRUCTION 2,300 2,200 TOTAL FUNDING TRN 2,400 E 3,050 E					
89.		OAHU BIKEWAYS, OAHU LAND ACQUISITION FOR A MULTI-USE PATH FROM THE VICINITY OF WAIPIO POINT ACCESS ROAD TO LUALUALEI NAVAL ROAD. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT. LAND 2,000 TOTAL FUNDING TRN 400 E TRN 1,600 N					
90.		TRAFFIC OPERATIONAL IMPROVEMENTS TO EXISTING INTERSECTIONS AND HIGHWAYS FACILITIES, OAHU DESIGN AND CONSTRUCTION FOR MISCELLANEOUS IMPROVEMENTS TO EXISTING INTERSECTIONS AND HIGHWAY FACILITIES NECESSARY FOR IMPROVED TRAFFIC OPERATIONS INCLUDING ELIMINATING CONSTRICTIONS, MODIFYING AND/OR INSTALLING TRAFFIC SIGNALS, CONSTRUCTING TURNING LANES, ACCELERATION AND/ OR DECELERATION LANES, AND OTHER IMPROVEMENTS FOR MORE EFFICIENT TRAFFIC FLOW. DESIGN 200 CONSTRUCTION 1,000 TOTAL FUNDING TRN 1,000 E 200 E					

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	<u>APPROPRIATIONS (IN 000'S)</u>	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
91.		WAIAHOLE BRIDGE REPLACEMENT, KAMEHAMEHA HIGHWAY, OAHU			
		LAND ACQUISITION AND CONSTRUCTION FOR THE REPLACEMENT OF THE EXISTING CONCRETE STRUCTURE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		LAND		750	
		CONSTRUCTION			12,000
		TOTAL FUNDING	TRN	150 E	2,400 E
			TRN	600 N	9,600 N
92.		REPAIR TO ROADS, OAHU			
		CONSTRUCTION FOR PROJECTS LISTED IN ACT 194, SLH 2016 FOR REPAIR WORK, INCLUDING FLOOD MITIGATION AND INSTALLATION OF DRAINAGE INFRASTRUCTURE AND RESURFACING.			
		CONSTRUCTION		1,000	
		TOTAL FUNDING	TRN	1,000 C	C
TRN511 - HAWAII HIGHWAYS					
93.		4 MILE CREEK BRIDGE, HAWAII			
		CONSTRUCTION TO REPLACE THE CURRENT ONE-LANE BRIDGE FOR THE COMMUTERS BETWEEN HILO AND PUNA.			
		CONSTRUCTION		13,000	
		TOTAL FUNDING	TRN	13,000 E	E
94.		ACCELERATION LANES FOR HWY 11, HAWAII			
		CONSTRUCTION OF AN ACCELERATION LANE ON HWY 11.			
		CONSTRUCTION		2,000	
		TOTAL FUNDING	TRN	2,000 E	E
95.		AKONI PULE HIGHWAY, REALIGNMENT AND WIDENING AT AAMAKAO GULCH, HAWAII			
		CONSTRUCTION FOR REALIGNMENT AND WIDENING OF AKONI PULE HIGHWAY ON THE POLOLU VALLEY SIDE OF AAMAKAO GULCH, INCLUDING INSTALLING GUARDRAILS AND SIGNS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION		3,000	
		TOTAL FUNDING	TRN	600 E	
			TRN	2,400 N	N

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
96.		DANIEL K. INOUYE HIGHWAY EXTENSION, MAMALAHOA HIGHWAY TO QUEEN KAAHUMANU HIGHWAY, HAWAII				
		LAND ACQUISITION AND CONSTRUCTION FOR A NEW ROADWAY AND/OR REALIGNMENT, AND EXTENDING THE DANIEL K. INOUYE HIGHWAY FROM THE HILO TERMINUS TO THE QUEEN KAAHUMANU HIGHWAY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		LAND CONSTRUCTION TOTAL FUNDING	TRN TRN	9,000 80,000 17,800 E	71,200 N	E N
97.		GUARDRAIL AND SHOULDER IMPROVEMENTS ON STATE HIGHWAYS, HAWAII				
		DESIGN AND CONSTRUCTION FOR INSTALLING AND/OR UPGRADING EXISTING GUARDRAILS, END TERMINALS, TRANSITIONS, BRIDGE RAILING, BRIDGE END POSTS AND CRASH ATTENUATOR, AND RECONSTRUCTING AND PAVING SHOULDERS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		DESIGN CONSTRUCTION TOTAL FUNDING	TRN TRN	1,000 1,000 400 E	1,600 N	E N
98.		HAWAII BELT ROAD DRAINAGE AND ROCKFALL IMPS, VIC. OF HAKALAU BRIDGE, HAWAII				
		CONSTRUCTION FOR DRAINAGE AND ROCKFALL PROTECTION IMPROVEMENTS, INCLUDING INSTALLING A DRAINAGE SPILLWAY AND CULVERTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION TOTAL FUNDING	TRN TRN	2,000 400 E 1,600 N		E N
99.		HAWAII BELT ROAD ROCKFALL PROTECTION AT MAULUA, LAUPAHOEHOE, AND KAAWALII, HAWAII				
		DESIGN AND CONSTRUCTION FOR SLOPE PROTECTION ALONG ROUTE 19, HAWAII BELT ROAD IN THE VICINITY OF MAULUA GULCH, LAUPAHOEHOE GULCH, AND KAAWALII GULCH. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		DESIGN				750

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
		CONSTRUCTION		30,750		
		TOTAL FUNDING	TRN	E	6,300 E	
			TRN	N	25,200 N	
100.		HAWAII BELT ROAD, DRAINAGE IMPROVEMENTS AT PAPAALOA, M.P. 24.47, HAWAII				
		CONSTRUCTION FOR DRAINAGE IMPROVEMENTS IN THE VICINITY OF M.P. 24.47 ON HAWAII BELT ROAD.				
		CONSTRUCTION		1,000		
		TOTAL FUNDING	TRN	1,000 E		
101.		HAWAII BELT ROAD, REHABILITATION OF UMAUMA STREAM BRIDGE, HAWAII				
		CONSTRUCTION FOR THE REHABILITATION OF UMAUMA STREAM BRIDGE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION		9,000		
		TOTAL FUNDING	TRN	1,800 E		
			TRN	7,200 N		
102.		HAWAII BELT ROAD, REPLACEMENT OF PAHOEHOE STREAM BRIDGE, HAWAII				
		CONSTRUCTION FOR THE REPLACEMENT OF A CONCRETE ARCH-DECK BRIDGE ON HAWAII BELT ROAD (ROUTE 19) ON HAWAII ISLAND IN THE VICINITY OF PAPAIKOU. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION		10,500		
		TOTAL FUNDING	TRN	2,100 E		
			TRN	8,400 N		
103.		HAWAII BELT ROAD, WAILUKU BRIDGE REHABILITATION AND/ OR REPLACEMENT, HAWAII				
		LAND ACQUISITION AND DESIGN FOR REHABILITATION AND/OR REPLACEMENT OF WAILUKU BRIDGE ALONG HAWAII BELT ROAD (ROUTE 19). THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		LAND		500		
		DESIGN				
		TOTAL FUNDING	TRN	800		
			TRN	160 E		
				640 N		
104.		HIGHWAY 11, HAWAII				
		PLANS, DESIGN, AND CONSTRUCTION FOR HIGHWAY 11, HAWAII.				
		PLANS		1		
		DESIGN		1		
		CONSTRUCTION		1,998		
		TOTAL FUNDING	TRN	2,000 E		
					E	

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
105.		KAWAIHAE ROAD, SAFETY IMPROVEMENTS, RUNAWAY TRUCK RAMP, HAWAII			
		LAND ACQUISITION AND CONSTRUCTION FOR THE INSTALLATION OF A RUNAWAY TRUCK RAMP ALONG KAWAIHAE ROAD.			
		LAND		500	
		CONSTRUCTION			1,500
		TOTAL FUNDING	TRN	500 E	1,500 E
106.		KAWAIHAE ROAD, WAIAKA STREAM BRIDGE REPLACEMENT AND REALIGNMENT, HAWAII			
		PLANS AND LAND ACQUISITION FOR REPLACING THE EXISTING WAIAKA STREAM BRIDGE, REALIGNING THE BRIDGE APPROACHES, RECONSTRUCTING THE ROUTE 19/ROUTE 250 INTERSECTION, AND INSTALLING SAFETY IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		PLANS		3,750	
		LAND			2,250
		TOTAL FUNDING	TRN	750 E	450 E
			TRN	3,000 N	1,800 N
107.		KEAAU-PAHOA ROAD IMPROVEMENTS, KEAAU TO PAHOA, HAWAII			
		CONSTRUCTION FOR WIDENING THE TWO LANE HIGHWAY TO FOUR LANES OR ALTERNATE ALIGNMENTS IN THIS CORRIDOR. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION			40,000
		TOTAL FUNDING	TRN	E	8,000 E
			TRN	N	32,000 N
108.		MAMALAHOA HIGHWAY DRAINAGE IMPROVEMENTS AT KAWA, HAWAII			
		CONSTRUCTION FOR DRAINAGE IMPROVEMENTS, INCLUDING THE INSTALLATION OF DRAINAGE BOX CULVERTS AND RAISING OF THE ROADWAY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION			9,000
		TOTAL FUNDING	TRN	1,800 E	
			TRN	7,200 N	E N

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018 F	M O	FISCAL YEAR 2018-2019 F
109.		MAMALAHOA HIGHWAY, HILEA STREAM BRIDGE REHABILITATION AND/OR REPLACEMENT, HAWAII				
		CONSTRUCTION FOR REHABILITATION AND/OR REPLACEMENT OF HILEA STREAM BRIDGE ALONG MAMALAHOA HIGHWAY (ROUTE 11). THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION		9,000		
		TOTAL FUNDING	TRN	1,800 E		E
			TRN	7,200 N		N
110.		MAMALAHOA HIGHWAY, NINOLE BRIDGE REHABILITATION AND/OR REPLACEMENT, HAWAII				
		CONSTRUCTION FOR REHABILITATION AND/OR REPLACEMENT OF NINOLE BRIDGE ALONG MAMALAHOA HIGHWAY (ROUTE 11). THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION		2,500		
		TOTAL FUNDING	TRN	500 E		E
			TRN	2,000 N		N
111.		MAMALAHOA HWY, GUARDRAIL AND SHOULDER IMPROVEMENTS AND REALIGNMENT, NAALEHU TO HONUAPO, HAWAII				
		LAND ACQUISITION FOR REPLACEMENT OF GUARDRAIL, SHOULDER IMPROVEMENTS, AND/OR REALIGNMENT OF MAMALAHOA HIGHWAY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		LAND		300		
		TOTAL FUNDING	TRN	60 E		E
			TRN	240 N		N
112.		TRAFFIC OPERATIONAL IMPROVEMENTS TO EXISTING INTERSECTIONS AND HIGHWAY FACILITIES, HAWAII				
		CONSTRUCTION FOR IMPROVEMENTS TO EXISTING INTERSECTIONS AND HIGHWAY FACILITIES NECESSARY FOR IMPROVED TRAFFIC OPERATION, INCLUDING ELIMINATING CONSTRICTIONS, MODIFYING AND/OR INSTALLING TRAFFIC SIGNALS, CONSTRUCTING TURNING LANES, ACCELERATION AND/ OR DECELERATION LANES, AND OTHER IMPROVEMENTS.				
		CONSTRUCTION				
		TOTAL FUNDING	TRN			
					E	
						600
						600 E

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F

TRN531 - MAUI HIGHWAYS

113. GUARDRAIL AND SHOULDER IMPROVEMENTS ON STATE HIGHWAYS, MAUI

DESIGN AND CONSTRUCTION FOR INSTALLING AND/OR UPGRADING EXISTING GUARDRAILS, END TERMINALS, TRANSITIONS, BRIDGE RAILINGS, BRIDGE ENDPOSTS AND CRASH ATTENUATORS, AND RECONSTRUCTING AND PAVING SHOULDERS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.

DESIGN	500	2,000
CONSTRUCTION	1,000	
TOTAL FUNDING	300 E	400 E
TRN	1,200 N	1,600 N

114. HALEAKALA HIGHWAY WIDENING AT MILE POST 0.8, MAUI

CONSTRUCTION FOR WIDENING THE HIGHWAY FROM ONE LANE TO TWO LANES, EXTENDING A BOX CULVERT AND CONSTRUCTING HEADWALLS AND WINGWALLS.

CONSTRUCTION	2,000	
TOTAL FUNDING	2,000 E	E

115. HANA HIGHWAY BRIDGE PRESERVATION PLAN, MAUI

LAND ACQUISITION AND DESIGN FOR DEVELOPING A BRIDGE PRESERVATION PLAN FOR HANA HIGHWAY IN THE VICINITY OF THE HANA PRESERVATION DISTRICT. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.

LAND	1,000	
DESIGN	2,250	
TOTAL FUNDING	450 E	200 E
TRN	1,800 N	800 N

116. HANA HIGHWAY IMPROVEMENTS, HUELO TO HANA, MAUI

CONSTRUCTION FOR IMPROVING, UPGRADING AND/OR REPAIRING ROADWAYS, BRIDGES, WALLS, DRAINAGE STRUCTURES, GUARDRAILS, AND OTHER FACILITIES ON ROUTE 360 HANA HIGHWAY.

CONSTRUCTION	2,000	2,000
TOTAL FUNDING	2,000 E	2,000 E

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018	M O 2017-2018 F	FISCAL YEAR 2018-2019
117.		HANA HIGHWAY MITIGATION, MAUI				
		PLANS, DESIGN, AND CONSTRUCTION TO MITIGATE ROCKFALLS, VEGETATION AND POTENTIAL LANDSLIDE AREAS ALONG THE SLOPES OF HANA HIGHWAY, ROUTE 360, AT VARIOUS LOCATIONS.				
		PLANS		2,000		
		DESIGN		2,000		
		CONSTRUCTION		16,000		
		TOTAL FUNDING	TRN	20,000	E	
118.		HANA HIGHWAY ROCKFALL MITIGATION, HUELO TO HANA, MAUI				
		CONSTRUCTION TO MITIGATE ROCKFALLS AND POTENTIAL LANDSLIDE AREAS ALONG THE SLOPES OF ROUTE 360 HANA HIGHWAY AT VARIOUS LOCATIONS.				
		CONSTRUCTION		2,000		
		TOTAL FUNDING	TRN	E		2,000 E
119.		HONOAPIILANI HIGHWAY, REHABILITATION AND/OR REPLACEMENT OF HONOLUA BRIDGE, MAUI				
		CONSTRUCTION FOR REHABILITATION AND/OR REPLACEMENT OF A CONCRETE TEE-BEAM BRIDGE ON HONOAPIILANI HIGHWAY IN THE VICINITY OF HONOLUA BAY TO INCLUDE BRIDGE RAILINGS AND OTHER IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION		1,000		
		TOTAL FUNDING	TRN	200	E	
			TRN	800	N	
120.		LAHAINA BYPASS ROAD, MAUI				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR AN EXTENSION OF THE LAHAINA BYPASS ROAD FROM NORTH KEAWE STREET TO BEYOND PUUKOLII ROAD.				
		PLANS		1		
		LAND		1		
		DESIGN		1		
		CONSTRUCTION		69,996		
		EQUIPMENT		1		
		TOTAL FUNDING	TRN	70,000	E	
						70,000 E
121.		MAUI DISTRICT BASEYARD/OFFICE IMPROVEMENTS, MAUI				
		DESIGN FOR MAUI DISTRICT BASEYARD/ OFFICE IMPROVEMENTS, INCLUDING EXPANSION AND RENOVATIONS.				
		DESIGN		100		
		TOTAL FUNDING	TRN	100	E	
						100 E

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
122.		MISCELLANEOUS DRAINAGE IMPROVEMENTS, MAUI			
		DESIGN AND CONSTRUCTION FOR DRAINAGE IMPROVEMENTS TO EXISTING HIGHWAY FACILITIES INCLUDING INSTALLATION OF DRAINAGE FACILITIES, CATCH BASINS, GRATED DROP INLETS, LINED SWALES, HEADWALLS, AND CULVERTS AT VARIOUS LOCATIONS.			
		DESIGN		250	
		CONSTRUCTION			1,000
		TOTAL FUNDING	TRN	250 E	1,000 E
123.		PAIA BYPASS, MAUI			
		DESIGN FOR ALTERNATIVE TRAFFIC IMPROVEMENTS IN THE VICINITY OF PAIA TOWN. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN			3,750
		TOTAL FUNDING	TRN	E	750 E
			TRN	N	3,000 N
124.		PEDESTRIAN IMPROVEMENTS AT VARIOUS LOCATIONS, MAUI			
		DESIGN AND CONSTRUCTION FOR PEDESTRIAN FACILITY IMPROVEMENTS IN ORDER TO PROVIDE INCREASED PEDESTRIAN SAFETY AND ACCESSIBILITY AT VARIOUS LOCATIONS ON MAUI.			
		DESIGN		100	
		CONSTRUCTION			500
		TOTAL FUNDING	TRN	100 E	500 E
125.		PUUNENE AVENUE INTERSECTION IMPROVEMENTS IN THE VICINITY OF KUIHELANI HIGHWAY, MAUI			
		DESIGN AND CONSTRUCTION FOR MISCELLANEOUS IMPROVEMENTS TO EXISTING INTERSECTIONS AND HIGHWAY FACILITIES NECESSARY FOR IMPROVED TRAFFIC OPERATION ALONG PUUNENE AVENUE IN THE VICINITY OF KUIHELANI HIGHWAY, INCLUDING ELIMINATING CONSTRICTIONS, MODIFYING AND/ OR INSTALLING TRAFFIC SIGNALS, CONSTRUCTING TURNING LANES, ACCELERATION AND/OR DECELERATION LANES, AND OTHER IMPROVEMENTS.			
		DESIGN		250	
		CONSTRUCTION			3,000
		TOTAL FUNDING	TRN	250 E	3,000 E

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR O 2017-2018	FISCAL YEAR O 2018-2019	FISCAL M 2018-2019
126.		TRAFFIC OPERATIONAL IMPROVEMENTS TO EXISTING INTERSECTIONS AND HIGHWAY FACILITIES, MAUI				
		DESIGN AND CONSTRUCTION FOR MISCELLANEOUS IMPROVEMENTS TO EXISTING INTERSECTIONS AND HIGHWAY FACILITIES NECESSARY FOR IMPROVED TRAFFIC OPERATION, INCLUDING ELIMINATING CONSTRICTIONS, MODIFYING AND/OR INSTALLING TRAFFIC SIGNALS, CONSTRUCTING TURNING LANES, ACCELERATION AND/ OR DECELERATION LANES, AND OTHER IMPROVEMENTS.				
		DESIGN		100		
		CONSTRUCTION		500		900
		TOTAL FUNDING	TRN	600 E		900 E
127.		TRAFFIC SIGNAL MODERNIZATION AT VARIOUS LOCATIONS, MAUI				
		DESIGN AND CONSTRUCTION FOR UPGRADING OF EXISTING TRAFFIC SIGNAL SYSTEMS, INCLUDING ASSESSMENT AND DEVELOPMENT OF CRITERIA FOR IMPLEMENTATION OF SCHEDULED REPLACEMENTS AND UPGRADES; PROVIDING INTERCONNECTION OF SIGNALIZED INTERSECTIONS; AND UPGRADING TO MEET CURRENT STANDARDS.				
		DESIGN		250		
		CONSTRUCTION				3,000
		TOTAL FUNDING	TRN	250 E		3,000 E
TRN561 - KAUAI HIGHWAYS						
128.		GUARDRAIL AND SHOULDER IMPROVEMENTS ON STATE HIGHWAYS, KAUAI				
		CONSTRUCTION FOR INSTALLING AND/ OR UPGRADING OF GUARDRAILS, END TERMINALS, TRANSITIONS, BRIDGE RAILINGS, BRIDGE ENDPOSTS AND CRASH ATTENUATORS, AND RECONSTRUCTING AND PAVING OF SHOULDERS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION				2,000
		TOTAL FUNDING	TRN		E	400 E
			TRN		N	1,600 N

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
129.		KAPULE HWY/RICE ST/WAAPA RD IMPROVEMENTS, AND STRENGTHENING/WIDENING OF NAWILIWILI BRIDGE, KAUAI				
		LAND ACQUISITION FOR THE IMPROVEMENT OF KAPULE HIGHWAY, RICE STREET AND WAAPA ROAD; AND STRENGTHENING/WIDENING OF NAWILIWILI BRIDGE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		LAND				600
		TOTAL FUNDING	TRN	E	120 E	
			TRN	N	480 N	
130.		KAUAI BASEYARD IMPROVEMENTS, KAUAI				
		DESIGN AND CONSTRUCTION FOR RENOVATIONS AND IMPROVEMENTS TO THE KAUAI DISTRICT BASEYARD, INCLUDING THE INSTALLATION OF A FIRE DETECTION SPRINKLER SYSTEM, RENOVATION OF OFFICES, PERFORMING VARIOUS BUILDING REPAIRS, AND REPLACING DAMAGED STORM SHIELDS.				
		DESIGN			100	
		CONSTRUCTION			600	
		TOTAL FUNDING	TRN	100 E	600 E	
131.		KAUMUALII HIGHWAY, HANAPEPE RIVER BRIDGE REHABILITATION AND/OR REPLACEMENT, KAUAI				
		CONSTRUCTION FOR REHABILITATION AND/OR REPLACEMENT OF HANAPEPE RIVER BRIDGE ALONG KAUMUALII HIGHWAY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION			12,000	
		TOTAL FUNDING	TRN	2,400 E		E
			TRN	9,600 N		N
132.		KAUMUALII HIGHWAY, OMAO BRIDGE REHABILITATION, KAUAI				
		LAND ACQUISITION AND CONSTRUCTION FOR REHABILITATION OF A CONCRETE TEE GIRDER BRIDGE ON KAUMUALII HIGHWAY IN THE VICINITY OF OMAO ROAD. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		LAND			250	
		CONSTRUCTION			16,000	
		TOTAL FUNDING	TRN	3,250 E		E
			TRN	13,000 N		N

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018 O F	FISCAL YEAR 2018-2019 O F	
133.		KUHIO HIGHWAY, HANALEI BRIDGE REPAIR, KAUAI				
		DESIGN AND CONSTRUCTION FOR THE REPAIR OF HANALEI BRIDGE, INCLUDING REPLACING DETERIORATED STEEL TRUSS MEMBERS, AND CLEANING AND PAINTING OF THE STRUCTURE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		DESIGN		300		
		CONSTRUCTION			6,000	
		TOTAL FUNDING	TRN	60E	1,200E	
			TRN	240N	4,800N	
134.		KUHIO HIGHWAY, HANALEI VALLEY VIEWPOINT, KAUAI				
		CONSTRUCTION OF RIGHT-OF-WAY IMPROVEMENTS FOR THE RELOCATION OF THE HANALEI VALLEY LOOKOUT ON KAUAI.				
		CONSTRUCTION		1,000		
		TOTAL FUNDING	TRN	1,000E		E
135.		KUHIO HIGHWAY, KAPAIA STREAM BRIDGE REHABILITATION AND/OR REPLACEMENT, KAUAI				
		CONSTRUCTION FOR REHABILITATION AND/OR REPLACEMENT OF A MULTI-TEE BEAM REINFORCED CONCRETE GIRDER BRIDGE ON KUHIO HIGHWAY IN THE VICINITY OF KAPAIA TO INCLUDE PEDESTRIAN WALKWAYS, BRIDGE RAILINGS AND APPROACHES AND OTHER IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION		10,000		
		TOTAL FUNDING	TRN	2,000E		E
			TRN	8,000N		N
136.		KUHIO HIGHWAY, MAILIHUNA RD INTERSECTION, IMP. AND KAPAA STREAM BRIDGE REHABILITATION AND/OR REPLACEMENT, KAUAI				
		CONSTRUCTION FOR INTERSECTION SAFETY IMPROVEMENTS AND REHABILITATION AND/OR REPLACEMENT OF KAPAA STREAM BRIDGE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION		17,000		
		TOTAL FUNDING	TRN	3,400E		E
			TRN	13,600N		N

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
137.		KUHIO HIGHWAY, REHABILITATION AND/OR REPLACEMENT OF WAIOLI, WAIPA, AND WAIKOKO BRIDGES, KAUAI				
		CONSTRUCTION FOR THE REHABILITATION AND/OR REPLACEMENT OF WAIOLI STREAM BRIDGE, WAIPA STREAM BRIDGE, AND WAIKOKO STREAM BRIDGE ON KUHIO HIGHWAY, ROUTE 560. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION TOTAL FUNDING TRN TRN		E N	25,000 5,000 E 20,000 N	
138.		KUHIO HIGHWAY, REPLACEMENT OF WAINIHA BRIDGES, NUMBERS 1, 2, AND 3, KAUAI				
		CONSTRUCTION FOR REPLACEMENT OF WAINIHA BRIDGES NUMBERS 1, 2, AND 3. PROJECT WILL CONSTRUCT BRIDGE APPROACHES, DETOUR ROADS, AND OTHER IMPROVEMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION TOTAL FUNDING TRN TRN		E N	4,500 900 E 3,600 N	
139.		KUHIO HIGHWAY, RETAINING WALLS AND/OR ROADWAY REMEDIATION AT LUMAHAI AND WAINIHA, KAUAI				
		LAND ACQUISITION FOR RETAINING WALLS AND/OR ROADWAY REMEDIATION FOR THE PRESERVATION OF KUHIO HIGHWAY IN THE VICINITY OF LUMAHAI AND WAINIHA.				
		LAND TOTAL FUNDING TRN		100 100 E		E
140.		KUHIO HIGHWAY, SLOPE STABILIZATION AT LUMAHAI HILLSIDE, KAUAI				
		LAND ACQUISITION AND DESIGN FOR SLOPE STABILIZATION AT LUMAHAI HILLSIDE.				
		LAND DESIGN TOTAL FUNDING TRN		250 250 E		150 150 E
141.		KUHIO HIGHWAY, WAILUA RIVER BRIDGE REPAIR, KAUAI				
		DESIGN AND CONSTRUCTION FOR THE REPAIR OF WAILUA RIVER BRIDGE, INCLUDING REPLACING DETERIORATED BEARINGS AND SUPPORTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		DESIGN		300		

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				FISCAL YEAR 2017-2018 M O F	FISCAL YEAR 2018-2019 M O F	
		CONSTRUCTION				4,000
		TOTAL FUNDING	TRN	300 E	800 E	
			TRN	N	3,200 N	
142.		NAWILIWILI ROAD IMPROVEMENTS, KANANI STREET TO KAUMUALII HIGHWAY, KAUAI				
		CONSTRUCTION FOR NAWILIWILI ROAD IMPROVEMENTS, INCLUDING PAVEMENT RECONSTRUCTION, SIDEWALKS, AND TRAFFIC SIGNALS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION			1,500	
		TOTAL FUNDING	TRN	300 E	1,200 N	
			TRN	N	E	
143.		TRAFFIC OPERATIONAL IMPROVEMENTS TO EXISTING INTERSECTIONS AND HIGHWAYS, KAUAI				
		DESIGN AND CONSTRUCTION FOR MISCELLANEOUS IMPROVEMENTS TO EXISTING INTERSECTIONS AND HIGHWAY FACILITIES NECESSARY FOR IMPROVED TRAFFIC OPERATION, INCLUDING ELIMINATING CONSTRICTIONS, MODIFYING AND/OR INSTALLING TRAFFIC SIGNALS, CONSTRUCTING TURNING LANES, ACCELERATION AND/OR DECELERATION LANES, AND OTHER IMPROVEMENTS.				
		DESIGN			1,100	
		CONSTRUCTION			2,500	
		TOTAL FUNDING	TRN	3,600 E		
						E

TRN595 - HIGHWAYS ADMINISTRATION

144. ADA AND PEDESTRIAN IMPROVEMENTS AT VARIOUS LOCATIONS, STATEWIDE

DESIGN AND CONSTRUCTION TO PROVIDE FOR AND IMPROVE EXISTING ADA AND PEDESTRIAN FACILITIES ON STATE HIGHWAYS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.

DESIGN	1,000	1,000
CONSTRUCTION	2,000	500
TOTAL FUNDING	600 E	300 E
	2,400 N	1,200 N

145. ALIIAIMOKU BUILDING IMPROVEMENTS, STATEWIDE

CONSTRUCTION FOR VARIOUS IMPROVEMENTS FOR THE DEPARTMENT OF TRANSPORTATION'S MAIN OFFICE BUILDING.

CONSTRUCTION	400	
TOTAL FUNDING	400 E	

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
146.		ALIIAIMOKU HALE, ELEVATOR MODERNIZATION, STATEWIDE CONSTRUCTION FOR ELEVATOR RENOVATION AND/OR REPLACEMENT AND OTHER RELATED TASKS.	CONSTRUCTION TOTAL FUNDING TRN	200 200 E	E
147.		HEIGHT MODERNIZATION FACILITIES, STATEWIDE PLANS, LAND ACQUISITION, AND DESIGN FOR HEIGHT MODERNIZATION FACILITIES ON VARIOUS ISLANDS. THIS PROJECT IS DEEMED NECESSARY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.	PLANS LAND DESIGN TOTAL FUNDING TRN TRN	5,000 3,750 1,750 E 7,000 N	2,000 6,750 1,750 E 7,000 N
148.		HIGHWAY PLANNING, STATEWIDE PLANS AND EQUIPMENT FOR SHORELINE PROTECTION IMPROVEMENTS OF EXISTING STATE HIGHWAY FACILITIES, INCLUDING SHORELINE PROTECTION STRUCTURES, RELOCATION AND REALIGNMENT OF THE HIGHWAY, AND BEACH FILL/NOURISHMENT. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.	PLANS EQUIPMENT TOTAL FUNDING TRN TRN	10,500 2,100 E 8,400 N	11,000 1,000 2,400 E 9,600 N
149.		HIGHWAY SHORELINE PROTECTION, STATEWIDE DESIGN AND CONSTRUCTION FOR SHORELINE PROTECTION IMPROVEMENTS OF EXISTING STATE HIGHWAY FACILITIES, INCLUDING SHORELINE PROTECTION STRUCTURES, RELOCATION AND REALIGNMENT OF THE HIGHWAY, AND BEACH FILL/NOURISHMENT. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.	DESIGN CONSTRUCTION TOTAL FUNDING TRN TRN	1,000 37,000 7,600 E 30,400 N	12,000 2,400 E 9,600 N

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019
150.		HIGHWAYS DIVISION CAPITAL IMPROVEMENTS PROGRAM PROJECT STAFF COSTS, STATEWIDE				
		PLANS, LAND ACQUISITION, DESIGN, AND CONSTRUCTION FOR COSTS RELATED TO WAGES AND FRINGE BENEFITS FOR PERMANENT PROJECT FUNDED STAFF POSITIONS FOR IMPLEMENTATION OF CIP PROJECTS FOR DEPARTMENT OF TRANSPORTATION'S HIGHWAYS DIVISION. PROJECTS MAY ALSO INCLUDE FUNDS FOR NON-PERMANENT CIP PROJECT RELATED POSITIONS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		PLANS		1		1
		LAND		1		1
		DESIGN		1		1
		CONSTRUCTION		23,997		23,997
		TOTAL FUNDING	TRN	16,000B		16,000B
			TRN	8,000N		8,000N
151.		IMPROVEMENTS TO INTERSECTIONS AND HIGHWAY FACILITIES, STATEWIDE				
		DESIGN AND CONSTRUCTION FOR MISCELLANEOUS IMPROVEMENTS TO EXISTING INTERSECTIONS AND HIGHWAY FACILITIES NECESSARY FOR TRAFFIC SAFETY. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		DESIGN		10,650		3,000
		CONSTRUCTION		3,750		4,000
		TOTAL FUNDING	TRN	2,880E		1,400E
			TRN	11,520N		5,600N
152.		MISCELLANEOUS DRAINAGE IMPROVEMENTS, STATEWIDE				
		DESIGN AND CONSTRUCTION FOR DRAINAGE IMPROVEMENTS TO EXISTING HIGHWAY FACILITIES INCLUDING INSTALLATION OF DRAINAGE FACILITIES, CATCH BASINS, GRATED DROP INLETS, LINED SWALES, HEADWALLS, AND CULVERTS AT VARIOUS LOCATIONS.				
		DESIGN		100		200
		CONSTRUCTION		1,000		1,500
		TOTAL FUNDING	TRN	1,100E		1,700E

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
153.		ROCKFALL PROTECTION/SLOPE STABILIZATION AT VARIOUS LOCATIONS, STATEWIDE			
		LAND ACQUISITION AND CONSTRUCTION FOR ROCKFALL/SLOPE PROTECTION AND SLOPE STABILIZATION MITIGATION MEASURES AT VARIOUS LOCATIONS STATEWIDE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		LAND			500
		CONSTRUCTION		7,000	
		TOTAL FUNDING	TRN	1,400 E	100 E
			TRN	5,600 N	400 N
154.		SEISMIC RETROFIT OF VARIOUS BRIDGES, STATEWIDE			
		DESIGN AND CONSTRUCTION FOR SEISMIC RETROFIT OF VARIOUS BRIDGES STATEWIDE. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN			750
		CONSTRUCTION			1,250
		TOTAL FUNDING	TRN	E	400 E
			TRN	N	1,600 N
155.		TRAFFIC COUNTING STATIONS AT VARIOUS LOCATIONS, STATEWIDE			
		CONSTRUCTION FOR INSTALLING TRAFFIC DETECTOR LOOPS AND PIEZOELECTRIC SENSORS, ASSOCIATED WIRING, JUNCTION BOXES, AND TRAFFIC CABINETS FOR CONTINUOUS TRAFFIC MONITORING STATIONS AT VARIOUS LOCATIONS ON STATE ROADWAYS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		CONSTRUCTION		2,400	
		TOTAL FUNDING	TRN	480 E	E
			TRN	1,920 N	N

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019

D. ENVIRONMENTAL PROTECTION

HTH840 - ENVIRONMENTAL MANAGEMENT

1. SAFE DRINKING WATER REVOLVING FUND, STATEWIDE

CONSTRUCTION FUNDS TO PROVIDE STATE MATCH (20%) FOR FEDERAL CAPITALIZATION GRANTS FOR DRINKING WATER TREATMENT REVOLVING LOAN FUND, PURSUANT TO CHAPTER 340E, HRS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID, FINANCING AND/OR REIMBURSEMENT.

CONSTRUCTION	9,975		
TOTAL FUNDING	1,663C	C	
HTH	8,312N	N	

2. WASTEWATER TREATMENT REVOLVING FUND FOR POLLUTION CONTROL, STATEWIDE

CONSTRUCTION FUNDS TO PROVIDE STATE MATCH (20%) FOR FEDERAL CAPITALIZATION GRANTS FOR WASTEWATER PROJECTS. FUNDS TO BE TRANSFERRED TO THE WATER POLLUTION CONTROL REVOLVING FUND PURSUANT TO CHAPTER 342D, HRS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID, FINANCING AND/OR REIMBURSEMENT.

CONSTRUCTION	12,418		
TOTAL FUNDING	2,070C	C	
HTH	10,348N	N	

LNR402 - NATIVE RESOURCES AND FIRE PROTECTION PROGRAM

3. DIVISION OF FORESTRY AND WILDLIFE EMERGENCY AND NATURAL DISASTER RESPONSE INFRASTRUCTURE, STATEWIDE

DESIGN AND CONSTRUCTION TO PROVIDE STATEWIDE SUPPORT FOR FIRE AND NATURAL DISASTER RESPONSE.

DESIGN	100		
CONSTRUCTION	300		
TOTAL FUNDING	400C	C	
LNR			

4. KAWAINUI MARSH, OAHU

DESIGN AND CONSTRUCTION FOR CLEANUP ENVIRONMENTAL DEGRADATION AND RESTORATION OF NATIVE WILDLIFE HABITAT.

DESIGN	200		
CONSTRUCTION	1,000		
TOTAL FUNDING	1,200C	C	
LNR			

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	<u>APPROPRIATIONS (IN 000'S)</u>	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F

LNR407 - NATURAL AREA RESERVES AND WATERSHED MANAGEMENT

5. PUA LOKE PLANT NURSERY ARBORETUM SITE, PARCEL BETWEEN WEHE ROAD AND PUA LOKE STREET, KAUAI

DESIGN, CONSTRUCTION, AND EQUIPMENT FOR THE LANDSCAPING AND BEAUTIFICATION IN HONOR OF SPARK MATSUNAGA.

DESIGN	19	
CONSTRUCTION	180	
EQUIPMENT	1	
TOTAL FUNDING LNR	200 C	

LNR906 - LNR - NATURAL AND PHYSICAL ENVIRONMENT

6. KAHOOLOWE ISLAND RESERVE NATIVE DRYLAND FOREST PLANTING, KAHOOLOWE

PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR KAHOOLOWE ISLAND RESERVE COMMISSION TO SUPPORT FOR NATIVE DRYLAND FOREST RESTORATION, MANAGEMENT, AND MAINTENANCE.

PLANS	1	1
DESIGN	148	148
CONSTRUCTION	1,350	1,350
EQUIPMENT	1	1
TOTAL FUNDING LNR	1,500 C	1,500 C

E. HEALTH

HTH211 - KAHUKU HOSPITAL

1. LUMP SUM KAHUKU MEDICAL CENTER, IMPROVEMENTS, AND RENOVATIONS, OAHU

PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR KAHUKU MEDICAL CENTER FOR IMPROVEMENTS AND RENOVATIONS INCLUDING NEW FACILITIES, RENOVATION, EXPANSION, AND/OR REPLACEMENT OF FACILITIES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.

PLANS	1	
DESIGN	163	
CONSTRUCTION	1,485	
EQUIPMENT	1	
TOTAL FUNDING HTH	1,650 C	

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019

HTH212 - HAWAII HEALTH SYSTEMS CORPORATION - REGIONS

2. LEAHI HOSPITAL, UPGRADE ATHERTON, SINCLAIR AND TROTTER ELEVATORS, OAHU

PLANS, DESIGN, AND CONSTRUCTION FOR UPGRADES, RENOVATIONS, OR REPLACEMENT OF ATHERTON, SINCLAIR, AND TROTTER ELEVATORS.

PLANS	1
DESIGN	89
CONSTRUCTION	810
TOTAL FUNDING	900C

3. LUMP SUM HAWAII HEALTH SYSTEMS CORPORATION, IMPROVEMENTS, AND RENOVATIONS, STATEWIDE

PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR THE HAWAII HEALTH SYSTEMS CORPORATION FOR IMPROVEMENTS AND RENOVATIONS INCLUDING NEW FACILITIES, RENOVATION, EXPANSION, AND/OR REPLACEMENT OF FACILITIES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.

PLANS	1
DESIGN	1,993
CONSTRUCTION	17,957
EQUIPMENT	1
TOTAL FUNDING	19,952C

4. SAMUEL MAHELONA MEMORIAL HOSPITAL ASSET ANALYSIS, KAUAI

PLANS AND DESIGN FOR THE RENOVATION OR REBUILDING OF SAMUEL MAHELONA MEMORIAL HOSPITAL.

PLANS	50
DESIGN	450
TOTAL FUNDING	500C

HTH214 - MAUI HEALTH SYSTEM, KFH LLC

5. MAUI HEALTH SYSTEM, FACILITIES REPAIR, RENOVATIONS AND UPGRADES, MAUI/LANAI

DESIGN, CONSTRUCTION, AND EQUIPMENT FOR THE REPAIRS, RENOVATIONS, EXPANSION, AND UPGRADES TO MAUI MEMORIAL MEDICAL CENTER (MMMC), KULA HOSPITAL (KH), AND LANAI COMMUNITY HOSPITAL (LCH).

DESIGN	500
CONSTRUCTION	3,500
EQUIPMENT	2,000
TOTAL FUNDING	6,000C

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HTH430 - ADULT MENTAL HEALTH - INPATIENT

6. HAWAII STATE HOSPITAL, HEALTH AND SAFETY, OAHU

DESIGN AND CONSTRUCTION FOR
IMPROVEMENTS TO HAWAII STATE
HOSPITAL. PROJECTS ARE NECESSARY TO
MAINTAIN HEALTH AND SAFETY.

DESIGN	220
CONSTRUCTION	201
TOTAL FUNDING AGS	421C

C

HTH440 - ALCOHOL AND DRUG ABUSE

7. HINA MAUKA, OAHU

CONSTRUCTION FOR IMPROVEMENTS TO
A HEALTHCARE FACILITY. THIS PROJECT
QUALIFIES AS A GRANT, PURSUANT TO
CHAPTER 42F, HRS.

CONSTRUCTION	500
TOTAL FUNDING HTH	500C

C

HTH907 - GENERAL ADMINISTRATION

8. DEPARTMENT OF HEALTH, HEALTH AND SAFETY, STATEWIDE

DESIGN AND CONSTRUCTION FOR
IMPROVEMENTS TO HEALTH FACILITIES,
STATEWIDE. PROJECTS ARE NECESSARY
TO MAINTAIN HEALTH AND SAFETY FOR
CLIENTS AND STAFF.

DESIGN	413
CONSTRUCTION	4,000
TOTAL FUNDING AGS	4,413C

C

9. DIAMOND HEAD HEALTH CENTER BUILDING AND SITE
IMPROVEMENTS, OAHU

DESIGN AND CONSTRUCTION TO
WATERPROOF AND REMEDIATE WATER
DAMAGE; IMPROVEMENTS TO PAVED AND
LANDSCAPED AREAS AT THE HEALTH
CENTER.

DESIGN	203
CONSTRUCTION	699
TOTAL FUNDING AGS	902C

C

10. DIAMOND HEAD, LANAKILA, AND LEEWARD HEALTH CENTERS
MODERNIZATION OF ELEVATORS, OAHU

DESIGN AND CONSTRUCTION TO
MODERNIZE ELEVATORS.

DESIGN	1
CONSTRUCTION	2,104
TOTAL FUNDING AGS	2,105C

C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018	FISCAL M YEAR O 2018-2019	FISCAL M YEAR O 2018-2019 F
11.		HAMAKUA HEALTH CENTER, INC., HAWAII				
		PLANS, DESIGN, AND CONSTRUCTION FOR A NEW HEALTH CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		PLANS		1		
		DESIGN		1		
		CONSTRUCTION		798		
		TOTAL FUNDING	HTH	800C		C
12.		HILO COUNSELING CENTER AND KEAWE HEALTH CENTER IMPROVEMENTS, HAWAII				
		DESIGN AND CONSTRUCTION FOR RE-ROOFING; INTERIOR AND EXTERIOR IMPROVEMENTS; GROUND AND SITE IMPROVEMENTS.				
		DESIGN		150		
		CONSTRUCTION		4,350		
		TOTAL FUNDING	AGS	4,500C		C
13.		HILO MEDICAL CENTER, HAWAII				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT, AND APPURTENANCES FOR CREATION OF A TELEHEALTH UNIT.				
		PLANS		1		
		DESIGN		199		
		CONSTRUCTION		1,799		
		EQUIPMENT		1		
		TOTAL FUNDING	AGS	2,000C		C
14.		KO'OLAUOLA COMMUNITY HEALTH AND WELLNESS CENTER, OAHU				
		PLANS, LAND ACQUISITION, AND DESIGN FOR A HEALTH CENTER FACILITY.				
		THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		PLANS		1		
		LAND		1		
		DESIGN		198		
		TOTAL FUNDING	HTH	200C		C
15.		WAHIWA GENERAL HOSPITAL, OAHU				
		CONSTRUCTION AND EQUIPMENT FOR PATIENT CARE FACILITIES AND EQUIPMENT. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION		999		
		EQUIPMENT		1		
		TOTAL FUNDING	HTH	1,000C		C

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
16.		WAIANAE DISTRICT COMPREHENSIVE HEALTH AND HOSPITAL BOARD, INCORPORATED, OAHU CONSTRUCTION AND EQUIPMENT FOR A DENTAL CLINIC. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.	CONSTRUCTION EQUIPMENT TOTAL FUNDING HTH	849 1 850C		C
17.		WEST HAWAII COMMUNITY HEALTH CENTER, INC., HAWAII PLANS, DESIGN, AND CONSTRUCTION FOR A HEALTH CARE FACILITY. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.	PLANS DESIGN CONSTRUCTION TOTAL FUNDING HTH	1 1 923 925C		C

F. SOCIAL SERVICES

DEF112 - SERVICES TO VETERANS

1.		OAHU VETERANS COUNCIL, OAHU EQUIPMENT FOR PHOTOVOLTAIC PANELS. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.	EQUIPMENT TOTAL FUNDING DEF	70 70C		C
2.		PACIFIC AVIATION MUSEUM PEARL HARBOR, OAHU CONSTRUCTION FOR AN AVIATION LEARNING LABORATORY. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.	CONSTRUCTION TOTAL FUNDING DEF	400 400C		C
3.		PEARL HARBOR - HONOLULU BRANCH 46, FLEET RESERVE ASSOCIATION, OAHU LAND ACQUISITION FOR PURCHASE OF A PARCEL OF LAND TO CONTINUE DELIVERY OF SERVICES AND RESOURCES OF THE FLEET RESERVE ASSOCIATION. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.	LAND TOTAL FUNDING DEF	300 300C		C
4.		WEST HAWAII VETERAN'S CENTER, HAWAII PLANS AND DESIGN FOR THE CONSTRUCTION OF A WEST HAWAII VETERAN'S CENTER.	PLANS DESIGN TOTAL FUNDING DEF	85 765 850C		C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
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HMS220 - RENTAL HOUSING SERVICES

5. LUMP SUM PUBLIC HOUSING DEVELOPMENT, IMPROVEMENTS, AND RENOVATIONS, STATEWIDE

PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR, AMP 38, KAUAI FOR INFRASTRUCTURE PHASE I INFRASTRUCTURE AND SITE WORK FOR 6 WEST KAUAI PROJECTS; PUHALA HOMES FOR SITE AND DWELLING IMPROVEMENTS, PHASE III; HALE PO'AI FOR INTERIOR AND EXTERIOR BUILDING AND SITE IMPROVEMENT; HAIKI HOMES FOR ROCKFALL MITIGATION; INCLUDING, WITHOUT LIMITATIONS, SEWER, WATER, GAS, WALKWAY REPAIRS, SITE UTILITIES, ROCK FALL PROTECTION/RETAINING WALLS, EXTERIOR BUILDING REPAIRS, ROOF REPAIR AND/OR REPLACEMENT, SOLAR, PLUMBING UPGRADES, RELATED INTERIOR WORK ON PLUMBING FIXTURES, REPLACE UTILITIES AND INFRASTRUCTURE, CONSTRUCTION, AND PARKING LOT.

PLANS	1		
LAND	1		
DESIGN	3,532		
CONSTRUCTION	14,140		
EQUIPMENT	1		
TOTAL FUNDING	HMS	17,675 C	C

6. LUMP SUM PUBLIC HOUSING SECURITY IMPROVEMENTS, STATEWIDE

DESIGN, CONSTRUCTION, AND EQUIPMENT TO DEVELOP, UPGRADE, OR RENOVATE PUBLIC HOUSING FACILITIES SECURITY, INCLUDING GROUND AND SITE IMPROVEMENTS, INFRASTRUCTURE, EQUIPMENT, APPURTENANCES, AND ALL RELATED AND ASSOCIATED PROJECT COSTS FOR PUBLIC HOUSING SECURITY IMPROVEMENTS, AND RENOVATIONS, STATEWIDE. INCLUDING FUNDS FOR PERMANENT AND NON-PERMANENT CIP PROJECT RELATED POSITIONS.

DESIGN	249		
CONSTRUCTION	2,250		
EQUIPMENT	1		
TOTAL FUNDING	HMS	2,500 C	C

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HMS229 - HPHA ADMINISTRATION

7. LA'A KEA FOUNDATION, MAUI

PLANS, DESIGN, AND CONSTRUCTION
FOR AFFORDABLE HOUSING ON MAUI.
THIS PROJECT QUALIFIES AS A GRANT,
PURSUANT TO CHAPTER 42F, HRS.

PLANS	1
DESIGN	1
CONSTRUCTION	298
TOTAL FUNDING	HMS

300C

C

HHL602 - PLANNING AND DEVELOPMENT FOR HAWAIIAN HOMESTEADS

8. HAWAIIAN HOME LANDS LOT DEVELOPMENT, HAWAII

PLANS, DESIGN, AND CONSTRUCTION
FOR DEVELOPMENT OF KAUMANA
SUBDIVISION LOT REHABILITATION,
KAUMANA, HAWAII.

PLANS	1
DESIGN	49
CONSTRUCTION	450
TOTAL FUNDING	HHL

500C

C

9. HAWAIIAN HOME LANDS LOT DEVELOPMENT, HAWAII

PLANS, DESIGN, AND CONSTRUCTION FOR
DEVELOPMENT OF KAU WATER SYSTEM,
KAU, HAWAII.

PLANS	1
DESIGN	299
CONSTRUCTION	1,200
TOTAL FUNDING	HHL

1,500C

C

10. HAWAIIAN HOME LANDS LOT DEVELOPMENT, KAUAI

PLANS, DESIGN, AND CONSTRUCTION
FOR DEVELOPMENT OF HANAPEPE
RESIDENTIAL SUBDIVISION PHASE 2,
HANAPEPE, KAUAI.

PLANS	1
DESIGN	199
CONSTRUCTION	800
TOTAL FUNDING	HHL

1,000C

C

11. HAWAIIAN HOME LANDS LOT DEVELOPMENT, MAUI

DESIGN AND CONSTRUCTION FOR THE
DEVELOPMENT OF AGRICULTURAL OFF-
SITE WATER SYSTEM, KEOKEA, MAUI AKA
WATER SYSTEM IMPROVEMENTS, KEOKEA-
WAIOHULI.

DESIGN	200
CONSTRUCTION	1,800
TOTAL FUNDING	HHL

2,000C

C

CAPITAL IMPROVEMENT PROJECTS

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12.		HAWAIIAN HOME LANDS LOT DEVELOPMENT, MAUI DESIGN AND CONSTRUCTION FOR THE DEVELOPMENT OF LEIALII PARKWAY AND HIGHWAY IMPROVEMENTS, LEIALII, MAUI.	DESIGN CONSTRUCTION TOTAL FUNDING HHL	140 1,260 C	1,400 C	
13.		HAWAIIAN HOME LANDS LOT DEVELOPMENT, MAUI DESIGN AND CONSTRUCTION FOR THE DEVELOPMENT OF PHASE 2 SITE IMPROVEMENTS (76 LOTS), KEOKEA- WAIOHULI, MAUI.	DESIGN CONSTRUCTION TOTAL FUNDING HHL	800 200 1,000 C	1,350	C
14.		HAWAIIAN HOME LANDS LOT DEVELOPMENT, MOLOKAI DESIGN AND CONSTRUCTION FOR THE DEVELOPMENT OF SCATTERED LOTS SITE IMPROVEMENTS, HOOLEHUA, MOLOKAI.	DESIGN CONSTRUCTION TOTAL FUNDING HHL	150 1,350 1,500 C	1,500 C	
15.		HAWAIIAN HOME LANDS LOT DEVELOPMENT, MOLOKAI DESIGN AND CONSTRUCTION FOR THE DEVELOPMENT OF NAIWA SUBDIVISION SITE IMPROVEMENTS, HOOLEHUA, MOLOKAI.	DESIGN CONSTRUCTION TOTAL FUNDING HHL	150 1,350 1,500 C	1,500 C	
16.		HAWAIIAN HOME LANDS LOT DEVELOPMENT, OAHU PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION AND EQUIPMENT FOR LOT DEVELOPMENT, OAHU.	PLANS LAND DESIGN CONSTRUCTION EQUIPMENT TOTAL FUNDING AGR	1 1 1,377 5,520 1 6,900 C	1 1 1,377 5,520 1 6,900 C	C
17.		HAWAIIAN HOME LANDS LOT DEVELOPMENT, OAHU PLANS, DESIGN, AND CONSTRUCTION FOR DEVELOPMENT OF VOICE OF AMERICA, PHASE I INFRASTRUCTURE, NANAKULI, OAHU.	PLANS DESIGN CONSTRUCTION TOTAL FUNDING HHL	1 159 640 800 C	1 159 640 800 C	C

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18.		HAWAIIAN HOME LANDS LOT DEVELOPMENT, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION FOR DEVELOPMENT OF AGRICULTURAL LOTS, WAIMANALO, OAHU.				
		PLANS		1		
		DESIGN		259		
		CONSTRUCTION		1,040		
		TOTAL FUNDING HHL		1,300 C		
19.		KAILAPA COMMUNITY ASSOCIATION, HAWAII				
		CONSTRUCTION FOR THE KAILAPA COMMUNITY RESOURCE CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION		500		
		TOTAL FUNDING HHL		500 C		
20.		LA'TOPUA 2020, HAWAII				
		CONSTRUCTION FOR A COMMUNITY CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION		500		
		TOTAL FUNDING HHL		500 C		
21.		NAHASDA DEVELOPMENT PROJECTS, STATEWIDE				
		PLANS, DESIGN, AND CONSTRUCTION FOR VARIOUS HAWAIIAN HOMESTEAD PROJECTS AND IMPROVEMENTS STATEWIDE, PURSUANT TO THE NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION ACT, PUBLIC LAW 107-73, 107TH CONGRESS. FUNDS NOT NEEDED IN A COST ELEMENT MAY BE USED IN ANOTHER. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		PLANS		1		
		DESIGN		1,499		
		CONSTRUCTION		13,500		
		TOTAL FUNDING HHL		15,000 N		
22.		PULEHUNUI SITE IMPROVEMENT AND INFRASTRUCTURE, PULEHUNUI, MAUI				
		PLANS, DESIGN, AND CONSTRUCTION FOR SITE IMPROVEMENTS AND INFRASTRUCTURE DEVELOPMENT FOR SEWAGE TREATMENT SYSTEM IMPROVEMENTS. TO SERVICE THE ENTIRE PULEHUNUI DEVELOPMENT AREAS THAT SHALL INCLUDE ALL PSD, LNR, HHL AND MAUI COUNTY RECREATION AREAS; GROUND AND SITE IMPROVEMENTS.				
		PLANS		1		
		DESIGN		3,499		
		CONSTRUCTION		14,000		
		TOTAL FUNDING HHL		17,500 C		

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23.		R & M - HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, MAUI				
		DESIGN AND CONSTRUCTION FOR THE REPAIR AND MAINTENANCE OF ROADWAY SAFETY AND DRAINAGE IMPROVEMENTS, KULA MAUI.				
		DESIGN		120		
		CONSTRUCTION		1,080		
		TOTAL FUNDING	HHL	1,200	C	
24.		R & M - HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, MAUI				
		DESIGN AND CONSTRUCTION FOR THE REPAIR AND MAINTENANCE OF ARCHAEOLOGICAL PRESERVATION IMPROVEMENTS, KEOKEA-WAIOHULI, MAUI.				
		DESIGN		100		
		CONSTRUCTION		900		
		TOTAL FUNDING	HHL	1,000	C	
25.		R & M - HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, STATEWIDE				
		DESIGN AND CONSTRUCTION FOR THE REPAIR AND MAINTENANCE OF UTILITIES IN EXISTING HOMESTEAD SUBDIVISION, WATER, SEWER, DRAINAGE, AND STREETLIGHTS, STATEWIDE.				
		DESIGN		580		
		CONSTRUCTION		2,320		
		TOTAL FUNDING	HHL	2,900	C	
26.		R & M HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, STATEWIDE				
		DESIGN AND CONSTRUCTION FOR THE REPAIR AND MAINTENANCE OF MOLOKAI AND KAUAI WATER SYSTEMS SECURITY ENHANCEMENTS.				
		DESIGN		50		
		CONSTRUCTION		450		
		TOTAL FUNDING	HHL	500	C	
27.		R & M HAWAIIAN HOME LANDS EXISTING INFRASTRUCTURE, STATEWIDE				
		PLANS, DESIGN, AND CONSTRUCTION FOR THE REPAIR AND MAINTENANCE OF ENVIRONMENTAL MITIGATION AND REMEDIATION ON EXISTING LOTS, STATEWIDE.				
		PLANS		1		
		DESIGN		199		
		CONSTRUCTION		1,800		
		TOTAL FUNDING	HHL	2,000	C	

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
28.		WAIAHAE COAST SECOND ACCESS ROAD, OAHU				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR SECONDARY ACCESS ROAD FOR LEEWARD COAST INCLUDING BUT NOT LIMITED TO SAFETY IMPROVEMENTS, SYSTEM PRESERVATION AND TRAFFIC/ CONGESTION RELIEF.				
		PLANS LAND DESIGN CONSTRUCTION EQUIPMENT		1 1 597 2,400 1		
		TOTAL FUNDING HHL		3,000 C		C
29.		WAIOHULI HAWAIIAN HOMESTEADERS ASSOCIATION, INC. (WHHA), MAUI				
		CONSTRUCTION FOR A COMMUNITY CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION		500		
		TOTAL FUNDING HHL		500 C		C
G. FORMAL EDUCATION						
EDN100 - SCHOOL-BASED BUDGETING						
1.		AIEA HIGH SCHOOL, OAHU				
		PLANS AND DESIGN FOR A NEW BUILDING, AND RENOVATION AND EXPANSION FOR A GIRLS' ATHLETIC LOCKER ROOM, WEIGHT TRAINING FACILITY, AND OTHER ATHLETIC FACILITIES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS DESIGN		390 3,510		
		TOTAL FUNDING EDN		3,900 C		C
2.		AIEA INTERMEDIATE SCHOOL, OAHU				
		CONSTRUCTION AND EQUIPMENT TO COMPLETE CAFETERIA RENOVATION; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		CONSTRUCTION EQUIPMENT		495 55		
		TOTAL FUNDING EDN		550 C		C
3.		AINA HAINA ELEMENTARY SCHOOL, OAHU				
		DESIGN AND CONSTRUCTION OF AMERICANS WITH DISABILITIES ACT COMPLIANT RESTROOMS FOR PUBLIC MEETING ATTENDEES.				
		DESIGN CONSTRUCTION		100 400		
		TOTAL FUNDING EDN		500 C		C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
4.		ALA WAI ELEMENTARY SCHOOL, OAHU CONSTRUCTION FOR COVERED PLAY COURT; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.	CONSTRUCTION TOTAL FUNDING EDN	1,000 1,000C		C
5.		ANUENUE HAWAIIAN IMMERSION SCHOOL, OAHU PLANS AND DESIGN FOR MULTI- PURPOSE ATHLETIC FACILITY, A FREE- STANDING LOCKER, SHOWER ROOM, AND COVERED PLAY COURT; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.	PLANS DESIGN TOTAL FUNDING EDN	35 315 350C		C
6.		AUGUST AHRENS ELEMENTARY SCHOOL, OAHU DESIGN, CONSTRUCTION, AND EQUIPMENT FOR A NEW CLASSROOM BUILDING; AND IMPROVEMENTS TO THE BASKETBALL COURT PLAYING SURFACE; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.	DESIGN CONSTRUCTION EQUIPMENT TOTAL FUNDING EDN	224 1,792 224 2,240C		C
7.		CAMPBELL HIGH SCHOOL, OAHU PLANS, DESIGN, AND CONSTRUCTION FOR A CLASSROOM BUILDING; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.	PLANS DESIGN CONSTRUCTION TOTAL FUNDING EDN	1 5,399 21,600 27,000C		C
8.		EAST KAPOLEI MIDDLE SCHOOL, OAHU CONSTRUCTION FOR A NEW SCHOOL; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.	CONSTRUCTION TOTAL FUNDING EDN	77,000 77,000C		C
9.		FARRINGTON HIGH SCHOOL, OAHU PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR CAMPUS MODERNIZATION; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.	PLANS DESIGN	1 398		

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		CONSTRUCTION EQUIPMENT	EDN	1,600 1		
		TOTAL FUNDING	EDN	2,000 C		C
10.		FERN ELEMENTARY SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION OF A COVERED WALKWAY FROM B BUILDING TO THE CAFETERIA; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				
		PLANS	EDN	1		
		DESIGN	EDN	89		
		CONSTRUCTION	EDN	360		
		TOTAL FUNDING	EDN	450 C		C
11.		FORT SHAFTER ELEMENTARY SCHOOL, OAHU				
		PLANS FOR THE MASTER PLAN OF THE EXPANSION OF THE ADMINISTRATIVE/ CLASSROOM BUILDING FOR A MULTI-PURPOSE SCIENCE CENTER; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				
		PLANS	EDN	350		
		TOTAL FUNDING	EDN	350 C		C
12.		HAIKU ELEMENTARY SCHOOL, MAUI				
		PLANS, DESIGN, AND CONSTRUCTION TO REPLACE ROOF; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				
		PLANS	EDN	1		
		DESIGN	EDN	49		
		CONSTRUCTION	EDN	450		
		TOTAL FUNDING	EDN	500 C		C
13.		HE'EIA ELEMENTARY SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION FOR A FIRE LANE ACCESS TO THE REAR OF THE SCHOOL AND INSTALLATION OF AN ADDITIONAL FIRE HYDRANT; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				
		PLANS	EDN	1		
		DESIGN	EDN	121		
		CONSTRUCTION	EDN	1,098		
		TOTAL FUNDING	EDN	1,220 C		C
14.		HILO HIGH SCHOOL, HAWAII				
		PLANS AND DESIGN TO UPGRADE THE TRACK AND FIELD; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				
		PLANS	EDN	125		
		DESIGN	EDN	1,125		
		TOTAL FUNDING	EDN	1,250 C		C

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15.		HILO HIGH SCHOOL, HAWAII				
		PLANS AND DESIGN TO RENOVATE BUILDING B, INCLUDING THE AUDITORIUM; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		240		
		DESIGN		2,160		
		TOTAL FUNDING	EDN	2,400C		C
16.		HILO INTERMEDIATE SCHOOL, HAWAII				
		DESIGN AND CONSTRUCTION FOR NEW OR RENOVATION OF BOYS' AND GIRLS' LOCKER ROOM; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		DESIGN		95		
		CONSTRUCTION		855		
		TOTAL FUNDING	EDN	950C		C
17.		HOKULANI ELEMENTARY SCHOOL, OAHU				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR A COVERED PLAYCOURT FACILITY; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		198		
		CONSTRUCTION		800		
		EQUIPMENT		1		
		TOTAL FUNDING	EDN	1,000C		C
18.		HONOKAA HIGH SCHOOL, HAWAII				
		PLANS, DESIGN, AND CONSTRUCTION OF COVERED WALKWAY TO CONNECT HONOKAA HIGH SCHOOL BUILDINGS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		299		
		CONSTRUCTION		1,200		
		TOTAL FUNDING	EDN	1,500C		C
19.		KAHALU'U ELEMENTARY SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION FOR CAMPUS-WIDE ELECTRICAL UPGRADES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		89		
		CONSTRUCTION		810		
		TOTAL FUNDING	EDN	900C		C

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20.		KAHUKU HIGH AND INTERMEDIATE SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION FOR DRAINAGE IMPROVEMENTS AND FLOOD MITIGATION; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		99		
		CONSTRUCTION		900		
		TOTAL FUNDING EDN		1,000 C		
21.		KAHULUI ELEMENTARY SCHOOL, MAUI				
		PLANS AND DESIGN FOR AIR CONDITIONING UNITS FOR THE HEAT ABATEMENT OF KAHULUI ELEMENTARY SCHOOL; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		70		
		DESIGN		630		
		TOTAL FUNDING EDN		700 C		
22.		KAILUA HIGH SCHOOL, OAHU				
		PLANS FOR A PERFORMING ARTS CENTER; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1,000		
		TOTAL FUNDING EDN		1,000 C		
23.		KAILUA INTERMEDIATE SCHOOL, OAHU				
		DESIGN, CONSTRUCTION, AND EQUIPMENT TO RENOVATE BUILDING F FOR THE STREAM ACADEMY; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		DESIGN		99		
		CONSTRUCTION		400		
		EQUIPMENT		1		
		TOTAL FUNDING EDN		500 C		
24.		KAIMUKI HIGH SCHOOL, OAHU				
		PLANS AND DESIGN FOR SOCCER COMPLEX; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		50		
		DESIGN		450		
		TOTAL FUNDING EDN		500 C		
25.		KAIMUKI MIDDLE SCHOOL, OAHU				
		DESIGN AND CONSTRUCTION TO INSTALL COVERED WALKWAYS AT KAIMUKI MIDDLE SCHOOL; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		DESIGN		50		
		CONSTRUCTION		450		
		TOTAL FUNDING EDN		500 C		

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26.		KALAMA INTERMEDIATE SCHOOL, MAUI				
		PLANS AND DESIGN FOR IMPROVEMENTS OR EXPANSION OF THE MUSIC BAND ROOM; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		80		
		DESIGN		320		
		TOTAL FUNDING	EDN	400	C	
27.		KANOELANI ELEMENTARY SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION OF A PORTABLE CLASSROOM WITH FIRE LANE AND HYDRANT; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		79		
		CONSTRUCTION		720		
		TOTAL FUNDING	EDN	800	C	
28.		KAPAA HIGH SCHOOL, KAUAI				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR THE INITIAL PHASE TOWARD A NEW SCHOOL GYM; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		LAND		1		
		DESIGN		47		
		CONSTRUCTION		450		
		EQUIPMENT		1		
		TOTAL FUNDING	EDN	500	C	
29.		KAPUNAHALA ELEMENTARY SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION FOR COVERED WALKWAYS BETWEEN BUILDINGS A AND B, AND BETWEEN B AND C; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		47		
		CONSTRUCTION		432		
		TOTAL FUNDING	EDN	480	C	
30.		KAUAI HIGH SCHOOL, KAUAI				
		DESIGN, CONSTRUCTION, AND EQUIPMENT FOR RENOVATIONS TO LOCKER ROOMS AND/OR GIRLS' ATHLETIC LOCKER ROOM; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		DESIGN		19		
		CONSTRUCTION		180		
		EQUIPMENT		1		
		TOTAL FUNDING	EDN	200	C	

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
31.		KE KULA O EHUNUIKAIMALINO, HAWAII				
		DESIGN AND CONSTRUCTION FOR CAMPUS-WIDE REPAIR AND MAINTENANCE, ELECTRICAL UPGRADES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				
		DESIGN		18		
		CONSTRUCTION		168		
		TOTAL FUNDING EDN		186C		
						C
32.		KEALAKEHE HIGH SCHOOL, HAWAII				
		PLANS, DESIGN, AND CONSTRUCTION OF ALL-WEATHER SYNTHETIC TRACK, PLANNING AND DESIGN FOR PERFORMING ARTS AND STUDENT ACTIVITIES CENTER; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				
		PLANS		1		
		DESIGN		649		
		CONSTRUCTION				2,950
		TOTAL FUNDING EDN		650C		2,950C
33.		KIHEI HIGH SCHOOL, MAUI				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR A NEW SCHOOL; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				
		PLANS		1		
		DESIGN		6,298		
		CONSTRUCTION		56,700		
		EQUIPMENT		1		
		TOTAL FUNDING EDN		63,000C		
						C
34.		KING DAVID KALAKAUA MIDDLE SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION TO REPAIR THEIR INOPERABLE FIRE ALARM SYSTEM; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				
		PLANS		1		
		DESIGN		14		
		CONSTRUCTION		135		
		TOTAL FUNDING EDN		150C		
						C
35.		KING KEKAULIKE HIGH SCHOOL, MAUI				
		PLANS, DESIGN, AND CONSTRUCTION FOR A NEW GIRLS' SOFTBALL BATTING CAGE INCLUDING STORAGE; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				
		PLANS		1		
		DESIGN		149		
		CONSTRUCTION		1,200		
		TOTAL FUNDING EDN		1,350C		
						C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2017-2018 O F	FISCAL YEAR 2018-2019 O F
36.		KOHALA HIGH SCHOOL, HAWAII			
		PLANS AND DESIGN FOR THE KOHALA HIGH SCHOOL GYMNASIUM; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		200	
		DESIGN		800	
		TOTAL FUNDING	EDN	1,000	C
37.		KOHALA MIDDLE SCHOOL, HAWAII			
		PLANS, DESIGN, AND CONSTRUCTION FOR A DUAL USE PLAYCOURT/ASSEMBLY AREA; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		DESIGN		699	
		CONSTRUCTION			
		TOTAL FUNDING	EDN	700	C
					2,900
					2,900 C
38.		KONAWAENA HIGH SCHOOL, HAWAII			
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT TO REPLACE BUILDING GUTTERS AND RENOVATE RESTROOM; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		DESIGN		13	
		CONSTRUCTION		135	
		EQUIPMENT		1	
		TOTAL FUNDING	EDN	150	C
39.		KUALAPUU ELEMENTARY SCHOOL, MOLOKAI			
		PLANS, DESIGN, AND CONSTRUCTION TO REPLACE ROOF; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		DESIGN		22	
		CONSTRUCTION		207	
		TOTAL FUNDING	EDN	230	C
40.		KUHIO ELEMENTARY SCHOOL, OAHU			
		PLANS, DESIGN, AND CONSTRUCTION FOR THE REPAVING AND RENOVATION OF BASKETBALL COURTS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		DESIGN		19	
		CONSTRUCTION		180	
		TOTAL FUNDING	EDN	200	C

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
41.		KULA ELEMENTARY SCHOOL, MAUI			
		DESIGN AND CONSTRUCTION OF A PORTABLE TRAILER OFFICE AND/OR CLASSROOM INCLUDING A COVERED AREA WITH STORAGE UNITS AT THE OLD KEOKEA ELEMENTARY SCHOOL; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		DESIGN		500	
		CONSTRUCTION			2,500
		TOTAL FUNDING	EDN	500 C	2,500 C
42.		LANAI HIGH AND ELEMENTARY SCHOOL, MOLOKAI			
		PLANS, DESIGN, AND CONSTRUCTION FOR BUILDING RENOVATIONS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		DESIGN		142	
		CONSTRUCTION		1,291	
		TOTAL FUNDING	EDN	1,434 C	
43.		LUMP SUM CIP - CONDITION, STATEWIDE			
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT TO MAINTAIN AND IMPROVE FACILITIES AND INFRASTRUCTURE, INCLUDING HAZARDOUS MATERIALS REMEDIATION; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		DESIGN		17,998	
		CONSTRUCTION		72,000	
		EQUIPMENT		1	
		TOTAL FUNDING	EDN	90,000 C	
44.		LUMP SUM CIP - EQUITY, STATEWIDE			
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR EQUITY, INCLUDING NEW FACILITIES, RENOVATION, EXPANSION AND/OR REPLACEMENT OF FACILITIES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		LAND		1	
		DESIGN		6,587	
		CONSTRUCTION		26,360	
		EQUIPMENT		1	
		TOTAL FUNDING	EDN	32,950 C	

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019
45.		LUMP SUM CIP - PROGRAM SUPPORT, STATEWIDE				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR PROGRAM SUPPORT INCLUDING NEW FACILITIES, TEMPORARY FACILITIES, AND IMPROVEMENTS AND/OR ADDITIONS TO EXISTING FACILITIES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		LAND		1		
		DESIGN		6,587		
		CONSTRUCTION		26,360		
		EQUIPMENT		1		
		TOTAL FUNDING EDN		32,950	C	
46.		LUNALILO ELEMENTARY SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION FOR A SPRINKLER SYSTEM FOR THE AREA AROUND THE PLAYGROUND; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		19		
		CONSTRUCTION		180		
		TOTAL FUNDING EDN		200	C	
47.		LUNALILO ELEMENTARY SCHOOL, OAHU				
		EQUIPMENT FOR A NEW BELL SYSTEM TO INCLUDE SAFETY AND EMERGENCY NOTIFICATIONS AND A GLOBAL POSITIONING SYSTEM CLOCK SYSTEM; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		EQUIPMENT		200		
		TOTAL FUNDING EDN		200	C	
48.		MAEMAEL ELEMENTARY SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION FOR COVERED PLAY COURT; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		299		
		CONSTRUCTION				
		TOTAL FUNDING EDN		300	C	1,300
49.		MAKAWAO ELEMENTARY SCHOOL, MAUI				
		PLANS, DESIGN, AND CONSTRUCTION OF COVERED WALKWAYS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		198		
		CONSTRUCTION		1		
		TOTAL FUNDING EDN		200	C	

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
50.		MANANA ELEMENTARY SCHOOL, OAHU DESIGN AND CONSTRUCTION FOR AN ADDITIONAL PARKING LOT; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES. DESIGN CONSTRUCTION TOTAL FUNDING EDN		600 600 C	2,400 2,400 C	
51.		MAUI HIGH SCHOOL, MAUI DESIGN AND CONSTRUCTION FOR REPLACEMENT OF GYM FLOOR, BAND CHOIR (BLDG J) EXPANSION AND RENOVATION, NEW WEIGHT TRAINING/WRESTLING BUILDING; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES. DESIGN CONSTRUCTION TOTAL FUNDING EDN		200 800 1,000 C		C
52.		MAUI WAENA INTERMEDIATE SCHOOL, MAUI PLANS AND DESIGN FOR AIR CONDITIONING UNITS FOR THE HEAT ABATEMENT OF MAUI WAENA INTERMEDIATE SCHOOL; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES. PLANS DESIGN TOTAL FUNDING EDN		80 720 800 C		
53.		MILILANI HIGH SCHOOL, OAHU PLANS FOR A PERFORMING ARTS CENTER; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES. PLANS TOTAL FUNDING EDN EDN		2,000 2,000 C R		1 C 1R
54.		MILILANI HIGH SCHOOL, OAHU PLANS AND DESIGN FOR ENCLOSING OF A BUILDING COURTYARD AND EXTENSION OF A BUILDING AT SCHOOL ENTRANCE; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES. PLANS DESIGN TOTAL FUNDING EDN		70 280 350 C		C
55.		MILILANI MIDDLE SCHOOL, OAHU CONSTRUCTION FOR A FIFTEEN CLASSROOM BUILDING; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES. CONSTRUCTION TOTAL FUNDING EDN		11,500 11,500 C		C

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019
56.		MOANALUA HIGH SCHOOL, OAHU CONSTRUCTION FOR PERFORMING ARTS CENTER; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	CONSTRUCTION TOTAL FUNDING EDN	15,000 15,000	C	
57.		MOMILANI ELEMENTARY SCHOOL, OAHU PLANS, DESIGN, AND CONSTRUCTION FOR A NEW PORTABLE CLASSROOM; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	PLANS DESIGN CONSTRUCTION TOTAL FUNDING EDN	1 499 500		2,000 2,000C
58.		NAALEHU ELEMENTARY SCHOOL, HAWAII DESIGN AND CONSTRUCTION FOR NEW COVERED WALKWAYS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	DESIGN CONSTRUCTION TOTAL FUNDING EDN	120 1,080 1,200	C	
59.		NIMITZ ELEMENTARY SCHOOL, OAHU DESIGN AND CONSTRUCTION FOR LANDSCAPE IMPROVEMENTS FOR LOWER AND UPPER ELEMENTARY PLAYGROUND EQUIPMENT; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	DESIGN CONSTRUCTION TOTAL FUNDING EDN	9 86 95C	C	
60.		NIMITZ ELEMENTARY SCHOOL, OAHU DESIGN AND CONSTRUCTION FOR RENOVATION OF BUILDING D RESTROOMS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	DESIGN CONSTRUCTION TOTAL FUNDING EDN	26 238 264C	C	
61.		NOELANI ELEMENTARY SCHOOL, OAHU PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR NEW MULTI-PURPOSE/LIBRARY BUILDING INCLUDING THE RELOCATION/RENOVATION/REPLACEMENT OF PORTABLE BUILDINGS AND ENCLOSED PLAYGROUND; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
		PLANS		1		
		DESIGN		1		
		CONSTRUCTION		1,197		
		EQUIPMENT		1		
		TOTAL FUNDING	EDN	1,200 C		C
62.		OLOMANA SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION FOR EXPANSION OF THE EXISTING PHYSICAL EDUCATION PORTABLE BUILDING; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		13		
		CONSTRUCTION		126		
		TOTAL FUNDING	EDN	140 C		C
63.		PAAUILO ELEMENTARY SCHOOL, HAWAII				
		PLANS AND DESIGN FOR THE RENOVATION OF THE HOME ECONOMICS CLASSROOM TO MEET DEPARTMENT OF HEALTH STANDARDS FOR A CERTIFIED KITCHEN; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		80		
		DESIGN		320		
		TOTAL FUNDING	EDN	400 C		C
64.		PAHOA ELEMENTARY SCHOOL, HAWAII				
		PLANS FOR MASTER PLAN FOR A NEW CAFETERIA AND ADMINISTRATION BUILDING; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		500		
		TOTAL FUNDING	EDN	500 C		C
65.		PALISADES ELEMENTARY SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION FOR ELECTRICAL UPGRADES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		359		
		CONSTRUCTION		1,440		
		TOTAL FUNDING	EDN	1,800 C		C
66.		PEARL CITY HIGH SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION FOR KLM PARKING LOT IMPROVEMENTS, CAFETERIA PARKING LOT, AND ROAD TO THE BAND ROOM; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		399		
		CONSTRUCTION				
		TOTAL FUNDING	EDN	400 C	1,600	1,600 C

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018 O F	M 2017-2018 O F	FISCAL M YEAR 2018-2019 O F
67.		POHUKAINA ELEMENTARY SCHOOL, OAHU				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR A NEW ELEMENTARY SCHOOL; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		LAND		1		
		DESIGN		1,997		
		CONSTRUCTION		8,000		
		EQUIPMENT		1		
		TOTAL FUNDING	EDN	10,000	C	
68.		PRESIDENT GEORGE WASHINGTON MIDDLE SCHOOL, OAHU				
		CONSTRUCTION TO RELOCATE EXISTING SEWER LINE AND MAIN ELECTRICAL FEEDERS TO CONSTRUCT AND/OR EXPAND NEW BAND ROOM; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		CONSTRUCTION		250		
		TOTAL FUNDING	EDN	250	C	
69.		PRESIDENT WILLIAM MCKINLEY HIGH SCHOOL, OAHU				
		DESIGN AND CONSTRUCTION FOR STADIUM IMPROVEMENTS, INCLUDING NEW AND REPLACEMENT BLEACHERS, ADA RAMP, STADIUM AND GENERAL LIGHTING; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		DESIGN		150		
		CONSTRUCTION		1,350		
		TOTAL FUNDING	EDN	1,500	C	
						3,230 C
70.		PUKALANI ELEMENTARY SCHOOL, MAUI				
		DESIGN AND CONSTRUCTION FOR IMPROVEMENTS, RENOVATIONS, EXPANSION, AND DEVELOPMENT OF EXISTING STRUCTURES AND NEW FACILITIES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		DESIGN		499		
		CONSTRUCTION		1		
		TOTAL FUNDING	EDN	500	C	
71.		PUOHALA ELEMENTARY SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION FOR HILLSIDE EROSION STABILIZATION AND CONTROL; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		39		
		CONSTRUCTION		360		
		TOTAL FUNDING	EDN	400	C	

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
72.		PUUHALE ELEMENTARY SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION OF A PAVED PARKING LOT ON AN EXISTING GRAVEL LOT; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		29		
		CONSTRUCTION		270		
		TOTAL FUNDING EDN		300C		C
73.		RED HILL ELEMENTARY SCHOOL, OAHU				
		DESIGN, CONSTRUCTION, AND EQUIPMENT FOR A COVERED PLAYCOURT, GROUND AND SITE IMPROVEMENTS, EQUIPMENT AND APPURTEANCES.				
		DESIGN		250		
		CONSTRUCTION		2,000		
		EQUIPMENT		250		
		TOTAL FUNDING EDN		2,500C		C
74.		RENOVATION OF EXISTING CLASSROOMS AND OTHER SUPPORT FACILITIES, STATEWIDE				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT TO RENOVATE EXISTING CLASSROOMS AND OTHER SUPPORT FACILITIES TO ALIGN WITH ACADEMY CONCEPT AT VARIOUS HIGH SCHOOLS STATEWIDE. SCHOOLS SELECTED FOR THIS PROGRAM SHALL HAVE AN EXISTING PROGRAM IN PLACE, IDENTIFIED INDUSTRY PARTNERS, CLEAR PATHWAY WITH HIGHER EDUCATION AND ULTIMATE EMPLOYMENT OPPORTUNITIES. PROJECTS TO INCLUDE: ENGINEERING AND ARCHITECTURE ACADEMY AT KAIMUKI HIGH SCHOOL, OAHU AND CYBERSECURITY ACADEMY AT LEILEHUA HIGH SCHOOL, OAHU.				
		PLANS		1		
		DESIGN		1		
		CONSTRUCTION		2,497		
		EQUIPMENT		1		
		TOTAL FUNDING EDN		2,500C		C
75.		ROOSEVELT HIGH SCHOOL, OAHU				
		PLANS AND DESIGN FOR A NEW GYMNASIUM WITH LOCKER ROOMS, CLASSROOMS, AND OTHER RELATED FACILITIES NECESSARY TO PROVIDE EQUITABLE OPPORTUNITIES FOR GIRLS AND BOYS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		2,499		
		TOTAL FUNDING EDN		2,500C		C

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ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
76.		SALT LAKE ELEMENTARY SCHOOL, OAHU			
		DESIGN AND CONSTRUCTION FOR A COVERED PLAY AREA; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		DESIGN		80	
		CONSTRUCTION		720	
		TOTAL FUNDING	EDN	800C	C
77.		SUNSET BEACH ELEMENTARY SCHOOL, OAHU			
		DESIGN OF TWO SETS OF STAIRS AND A RAMP LEADING FROM THE CAMPUS TO THE PARK; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		DESIGN		300	
		TOTAL FUNDING	EDN	300C	C
78.		WAIAKEAWAENA ELEMENTARY, HAWAII			
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT TO RENOVATE AND/OR EXPAND AND/OR BUILD NEW CAFETERIA AND ADMINISTRATION BUILDINGS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		DESIGN		498	
		CONSTRUCTION		2,000	
		EQUIPMENT		1	
		TOTAL FUNDING	EDN	2,500C	C
79.		WAIANAE HIGH SCHOOL, OAHU			
		DESIGN AND CONSTRUCTION FOR A RUBBERIZED ALL-WEATHER TRACK AND FIELD; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		DESIGN		175	
		CONSTRUCTION		1,575	
		TOTAL FUNDING	EDN	1,750C	C
80.		WAIANAE HIGH SCHOOL, OAHU			
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT TO CONVERT A CLASSROOM INTO A MARINE SCIENCE LEARNING CENTER; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		DESIGN		63	
		CONSTRUCTION		585	
		EQUIPMENT		1	
		TOTAL FUNDING	EDN	650C	C

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				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
81.		WAIHEE ELEMENTARY SCHOOL, MAUI				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR ADMINISTRATION BUILDING; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		LAND		1		
		DESIGN		1,230		
		CONSTRUCTION		11,103		
		EQUIPMENT		1		
		TOTAL FUNDING	EDN	12,336	C	C
82.		WAIKELE ELEMENTARY SCHOOL, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION OF A SIX-CLASSROOM BUILDING TO ACCOMMODATE THE GROWING STUDENT BODY; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		139		
		CONSTRUCTION		1,260		
		TOTAL FUNDING	EDN	C	1,400	C
83.		WAIKIKI ELEMENTARY SCHOOL, OAHU				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR ELECTRICAL UPGRADES FOR SCHOOL ELECTRICAL SYSTEM AND REPLACE CURTAINS FOR STAGE IN CAFETERIA; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		79		
		CONSTRUCTION		734		
		EQUIPMENT		1		
		TOTAL FUNDING	EDN	815	C	C
84.		WAIPAHU ELEMENTARY SCHOOL, OAHU				
		DESIGN FOR CAFETERIA AND KITCHEN RENOVATION, EXPANSION AND IMPROVEMENTS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		DESIGN		275		
		TOTAL FUNDING	EDN	275	C	C
85.		WAIPAHU HIGH SCHOOL, OAHU				
		DESIGN AND CONSTRUCTION FOR PHASE ONE OF A NEW CLASSROOM BUILDING; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		DESIGN		1		
		CONSTRUCTION		14,999		
		TOTAL FUNDING	EDN	15,000	C	C

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86. WAIPAHU INTERMEDIATE SCHOOL, OAHU

PLANS AND DESIGN FOR ADDITIONAL
MULTI-PURPOSE PLAY COURTS; GROUND
AND SITES IMPROVEMENTS; EQUIPMENT
AND APPURTENANCES.

PLANS	60
DESIGN	540
TOTAL FUNDING EDN	600 C

87. WILLIAM P. JARRETT MIDDLE SCHOOL, OAHU

PLANS AND DESIGN TO UPGRADE AND
RENOVATE ALL CAMPUS FACILITIES;
GROUND AND SITE IMPROVEMENTS;
EQUIPMENT AND APPURTENANCES.

PLANS	20
DESIGN	180
TOTAL FUNDING EDN	200 C

EDN400 - SCHOOL SUPPORT

88. LUMP SUM CIP - PROJECT POSITIONS, STATEWIDE

PLANS FOR COSTS RELATED TO WAGES
AND FRINGE BENEFITS FOR PERMANENT,
PROJECT FUNDED STAFF POSITIONS
FOR THE IMPLEMENTATION OF CAPITAL
IMPROVEMENT PROGRAM PROJECTS
FOR THE DEPARTMENT OF EDUCATION.
PROJECT MAY ALSO INCLUDE FUNDS
FOR NON-PERMANENT CAPITAL
IMPROVEMENTS PROGRAM RELATED
POSITIONS.

PLANS	4,349	4,349
TOTAL FUNDING EDN	4,349 A	4,349 A

EDN600 - CHARTER SCHOOLS

89. HALAU KU MANA PUBLIC CHARTER SCHOOL, OAHU

PLANS, DESIGN, CONSTRUCTION, AND
EQUIPMENT TO INSTALL A PERMANENT
WASTEWATER SYSTEM, AN ADDITIONAL
FIRE HYDRANT, AND UTILITY AND
INFRASTRUCTURE UPGRADES INCLUDING
ELECTRICAL SERVICES, OUTDOOR SITE
LIGHTING, AND WATER DISTRIBUTION;
GROUND AND SITE IMPROVEMENTS;
EQUIPMENT AND APPURTENANCES.

PLANS	1
DESIGN	53
CONSTRUCTION	495
EQUIPMENT	1
TOTAL FUNDING EDN	550 C

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	

EDN407 - PUBLIC LIBRARIES

90.	HAWAII STATE LIBRARY, OAHU	DESIGN AND CONSTRUCTION TO REPLACE ROOF DRAIN LINER ON STATE LIBRARY; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	DESIGN CONSTRUCTION TOTAL FUNDING AGS	60 105 165 C		C
91.	HEALTH AND SAFETY, STATEWIDE	PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR HEALTH, SAFETY, ACCESSIBILITY, AND OTHER CODE REQUIREMENTS. PROJECTS MAY INCLUDE, BUT NOT LIMITED TO, THE REMOVAL OF HAZARDOUS MATERIALS, RENOVATIONS FOR LIBRARY PATRONS AND EMPLOYEES, ENVIRONMENTAL CONTROLS, FIRE PROTECTION, IMPROVEMENTS TO BUILDINGS AND GROUNDS, AND OTHERS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	PLANS DESIGN CONSTRUCTION EQUIPMENT TOTAL FUNDING AGS	1,000 2,500 2,999 1 6,500 C		C
92.	LILIHA LIBRARY, OAHU	PLANS, DESIGN, AND CONSTRUCTION FOR LIBRARY UPGRADES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.	PLANS DESIGN CONSTRUCTION TOTAL FUNDING AGS	1 498 1 500 C		C

DEF114 - HAWAII NATIONAL GUARD YOUTH CHALLENGE ACADEMY

93.	YOUTH CHALLENGE ACADEMY B1786 AND B1787 RAILING REPLACEMENT AND OTHER IMPROVEMENTS, KALAELOA, OAHU	DESIGN AND CONSTRUCTION FOR THE REPLACEMENT OF BALCONY AND STAIRWAY GUARDRAILS AT THE YOUTH CHALLENGE ACADEMY (YCA) BUILDING 1786 AND 1787, PERFORMANCE OF A BUILDING ASSESSMENT, AND OTHER IMPROVEMENTS.	DESIGN CONSTRUCTION TOTAL FUNDING DEF	220 580 800 C		C
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CAPITAL IMPROVEMENT PROJECTS

				APPROPRIATIONS (IN 000'S)	
ITEM NO.	PROJECT NO.	TITLE	EXPENDING AGENCY	FISCAL M YEAR O	FISCAL M YEAR O
				2017-2018 F	2018-2019 F

UOH100 - UNIVERSITY OF HAWAII, MANOA

94. LYON ARBORETUM, OAHU
CONSTRUCTION FOR REPAIR AND/OR
REPAVING OF PARKING LOT AND ROAD AT
LYON ARBORETUM.
CONSTRUCTION 600
TOTAL FUNDING UOH 600C

UOH210 - UNIVERSITY OF HAWAII, HILO

95. UNIVERSITY OF HAWAII AT HILO, HALE ALAHONUA AIR CONDITIONING IMPROVEMENTS, HAWAII

PLANS, DESIGN, CONSTRUCTION,
EQUIPMENT AND RELATED PROJECT COSTS
FOR UNIVERSITY OF HAWAII AT HILO
HALE ALAHONUA ENERGY EFFICIENT AIR
CONDITIONING IMPROVEMENTS.

PLANS	1
DESIGN	598
CONSTRUCTION	2,400
EQUIPMENT	1
TOTAL FUNDING	3,000 C

UOH700 - UNIVERSITY OF HAWAII, WEST OAHU

- | | |
|-----|--|
| 96. | UNIVERSITY OF HAWAII WEST OAHU, CAMPUS-WIDE, OAHU |
| | PLANS, LAND ACQUISITION, DESIGN,
CONSTRUCTION, EQUIPMENT AND
OTHER RELATED PROJECT COSTS FOR
RENOVATION OF THE MAINTENANCE
BUILDING. |
| | PLANS 1 |
| | LAND 1 |
| | DESIGN 497 |
| | CONSTRUCTION 2,000 |
| | EQUIPMENT 1 |
| | TOTAL FUNDING UOH 2,500 C |

- | | |
|---|---|
| 97. | UNIVERSITY OF HAWAII WEST OAHU, LIBRARY, OAHU |
| PLANS, LAND ACQUISITION, DESIGN,
CONSTRUCTION, EQUIPMENT AND OTHER
RELATED PROJECT COSTS TO REPAIR AND
RENOVATE THE LIBRARY. | |
| PLANS | 1 |
| LAND | 1 |
| DESIGN | 7 |
| CONSTRUCTION | 40 |
| EQUIPMENT | 1 |
| TOTAL FUNDING UOH | 50C |

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F

UOH800 - UNIVERSITY OF HAWAII, COMMUNITY COLLEGES

98. CCS, CAPITAL RENEWAL AND DEFERRED MAINTENANCE, STATEWIDE

PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR IMPROVEMENTS TO UNIVERSITY OF HAWAII COMMUNITY COLLEGES SYSTEM FACILITIES. PROJECT TO INCLUDE CAPITAL RENEWAL, REDUCTION OF MAINTENANCE BACKLOG, MAJOR AND MINOR RENOVATIONS, MODERNIZATION OF FACILITIES, RE-ROOFING, MECHANICAL AND ELECTRICAL SYSTEMS, RESURFACING, REPAINTING, INFRASTRUCTURE, DEMOLITION OF EXISTING FACILITIES, AND OTHER REPAIRS AND PROJECT COSTS TO UPGRADE FACILITIES AT COMMUNITY COLLEGES SYSTEM CAMPUSES.

PLANS	1	
DESIGN	1,405	
CONSTRUCTION	8,593	
EQUIPMENT	1	
TOTAL FUNDING	10,000	C

99. CCS, MINOR CIP FOR THE COMMUNITY COLLEGES, STATEWIDE

PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR MINOR CAPITAL IMPROVEMENTS PROGRAM PROJECTS FOR CAMPUS FACILITIES WITHIN THE UNIVERSITY OF HAWAII, COMMUNITY COLLEGES SYSTEM. PROJECT MAY INCLUDE RENOVATIONS FOR THE MODERNIZATION OF FACILITIES, ADDITIONS, DEMOLITION OF EXISTING FACILITIES, AND OTHER IMPROVEMENTS AND PROJECT COSTS TO UPGRADE AND IMPROVE FACILITIES OF THE COMMUNITY COLLEGES SYSTEM.

PLANS	1	
DESIGN	1,405	
CONSTRUCTION	8,593	
EQUIPMENT	1	
TOTAL FUNDING	10,000	C

100. COMMUNITY COLLEGE SYSTEMS, PRODUCT DEVELOPMENT CENTER, OAHU

PLANS, DESIGN, CONSTRUCTION, EQUIPMENT AND OTHER RELATED PROJECT COSTS TO RENOVATE A FACILITY FOR A FARM TO TABLE VALUE ADDED PRODUCT DEVELOPMENT CENTER TO INCLUDE PROCESSING, PACKAGING, AND MARKETING FARM COMMODITIES AND FARM RESOURCES AT TAX MAP KEYS: 7-1-02-09; 7-1-02-04; AND 7-4-12-16; EQUIPMENT AND APPURTENANCES.

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	FISCAL M YEAR O 2018-2019 F
		PLANS		1		
		DESIGN		798		
		CONSTRUCTION		8,200		
		EQUIPMENT		1		
		TOTAL FUNDING	UOH	9,000 C		C
101.		HONOLULU COMMUNITY COLLEGE, OAHU				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR REROOFING OF FACILITY 8843 AUTOMOTIVE TECHNOLOGY AND DIESEL MECHANICS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		88		
		CONSTRUCTION		360		
		EQUIPMENT		1		
		TOTAL FUNDING	UOH	450 C		C
102.		HAWAII COMMUNITY COLLEGE, PALAMANUI, HAWAII				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR GROUND WORK AND SITE IMPROVEMENTS FOR TRADES AND APPRENTICESHIP PROGRAM; RENOVATION AND EQUIPMENT TO CONVERT EXISTING CLASSROOM TO PHYSICS LAB; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		138		
		CONSTRUCTION		560		
		EQUIPMENT		1		
		TOTAL FUNDING	UOH	700 C		C
103.		KAPIOLANI COMMUNITY COLLEGE, OAHU				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR UHCC, KCC, CULINARY INSTITUTE OF THE PACIFIC, PHASE II; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		2		
		DESIGN		2,996		
		CONSTRUCTION		12,000		
		EQUIPMENT		2		
		TOTAL FUNDING	UOH	10,000 C		
			UOH	5,000 R		
					10,000 C	
					5,000 R	
104.		KAUAI COMMUNITY COLLEGE, KAUAI				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR 4465 CAMPUS CENTER - EXHAUST FAN DUCT REPLACEMENT; REPLACEMENT AND IMPROVEMENTS TO CAFETERIA KITCHEN; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.				
		PLANS		1		
		DESIGN		102		
		CONSTRUCTION		416		
		EQUIPMENT		1		
		TOTAL FUNDING	UOH	520 C		C

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
105.		KAUAI COMMUNITY COLLEGE, KAUAI			
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR 4463 DANIEL K. INOUE TECHNOLOGY CENTER IMPROVEMENTS AND REPLACEMENTS OF HVAC SYSTEM, LIGHTING, AND RELATED ELECTRICAL WIRING, AND CEILING TILES; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		DESIGN		330	
		CONSTRUCTION		1,328	
		EQUIPMENT		1	
		TOTAL FUNDING	UOH	1,660	C
106.		LEEWARD COMMUNITY COLLEGE, OAHU			
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR RENOVATION, REPLACEMENT, AND IMPROVEMENT FOR 7886 BE AND THEATER BUILDINGS REROOF PHASE II-B; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		DESIGN		48	
		CONSTRUCTION		200	
		EQUIPMENT		1	
		TOTAL FUNDING	UOH	250	C
107.		WINDWARD COMMUNITY COLLEGE, OAHU			
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR RENOVATIONS, IMPROVEMENTS, AND REPLACEMENTS FOR 5991 HALE PALANAKILA AND 5988 HALE 'IMILOA; EXTERIOR REPAIRS AND REPAINT; REPAIR AND/OR REDESIGN GUTTERS AND DOWNSPOUTS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		DESIGN		38	
		CONSTRUCTION		160	
		EQUIPMENT		1	
		TOTAL FUNDING	UOH	200	C
108.		MAUI COLLEGE, MAUI			
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR RENOVATIONS, REPLACEMENTS, AND IMPROVEMENTS FOR 2208-HOOKIPA/2251 LAULIMA AC/HVAC; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.			
		PLANS		1	
		DESIGN		58	
		CONSTRUCTION		240	
		EQUIPMENT		1	
		TOTAL FUNDING	UOH	300	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018 O F	M 2017-2018 O F	FISCAL YEAR 2018-2019 O F
109.		MAUI COLLEGE, MAUI				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR RENOVATIONS, REPLACEMENTS, AND IMPROVEMENTS FOR 2252 KA'A'IKE/2253 PAINA HVAC CONTROLS AND DISTRIBUTIONS SYSTEMS; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				
		PLANS		1		
		DESIGN		218		
		CONSTRUCTION		880		
		EQUIPMENT		1		
		TOTAL FUNDING	UOH	1,100	C	
110.		MAUI COLLEGE, MAUI				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR RENOVATIONS, REPLACEMENTS, REMOVAL OF HAZARDOUS MATERIALS, AND IMPROVEMENTS FOR 2224 LIBRARY; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTENANCES.				
		PLANS		1		
		DESIGN		86		
		CONSTRUCTION		352		
		EQUIPMENT		1		
		TOTAL FUNDING	UOH	440	C	
		UOH900 - UNIVERSITY OF HAWAII, SYSTEMWIDE SUPPORT				
111.		SYSTEM, RENEW, IMPROVE AND MODERNIZE, STATEWIDE				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR IMPROVEMENTS TO UNIVERSITY OF HAWAII AT MANOA FACILITIES. PROJECT TO INCLUDE RENEWAL, IMPROVEMENTS AND MODERNIZATION OF INTERIOR AND EXTERIOR STRUCTURES, ROOFS, MECHANICAL AND ELECTRICAL SYSTEMS, PEDESTRIAN PATHWAYS, ROADWAYS, GROUNDS AND OTHER PROJECT COSTS TO UPGRADE EXISTING, TEMPORARY AND NEW FACILITIES.				
		PLANS		1		
		LAND		1		
		DESIGN		16,647		
		CONSTRUCTION		66,600		
		EQUIPMENT		1		
		TOTAL FUNDING	UOH	83,250	C	
112.		SYSTEM, SNYDER HALL REPLACEMENT, OAHU				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, EQUIPMENT AND OTHER RELATED PROJECT COSTS FOR THE DEMOLITION AND REPLACEMENT OF SNYDER HALL.				

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
		PLANS		1		
		LAND		1		
		DESIGN		1,497		
		CONSTRUCTION		3,500		
		EQUIPMENT		1		
		TOTAL FUNDING	UOH	5,000	C	
113.		UNIVERSITY OF HAWAII, COLLEGE OF TROPICAL AGRICULTURE AND HUMAN RESOURCES, STATEWIDE				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, EQUIPMENT, AND OTHER RELATED PROJECT COSTS FOR SITE AND INFRASTRUCTURE IMPROVEMENTS TO RESEARCH STATIONS, STATEWIDE.				
		PLANS		1		
		LAND		1		
		DESIGN		1,197		
		CONSTRUCTION		4,800		
		EQUIPMENT		1		
		TOTAL FUNDING	AGR	6,000	C	
114.		UNIVERSITY OF HAWAII, PROOF OF CONCEPT PLANNING AND DESIGN, STATEWIDE				
		PLANS AND DESIGN FOR PROOF OF CONCEPT FOR A SCOPE OF WORK INCLUDING STAKEHOLDER ENGAGEMENT, APPLIED RESEARCH, CONCEPTUAL PLANNING, AND DESIGN INVESTIGATION; INCLUDING BUT NOT LIMITED TO A SET OF ANALYSIS, DESIGN SCHEMES, CRITERIA, AND INITIAL COSTS.				
		PLANS		1		
		DESIGN		249		
		TOTAL FUNDING	UOH	250	C	
115.		UNIVERSITY OF HAWAII, RELOCATION OF PROGRAMS, OAHU				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, EQUIPMENT, AND OTHER RELATED PROJECT COSTS FOR THE RELOCATION OF COMMUNICATIONS AND ACADEMY OF CREATIVE MEDIA INTO A SHARED FACILITY ON THE MANOA CAMPUS.				
		PLANS		1		
		LAND		1		
		DESIGN		597		
		CONSTRUCTION		2,400		
		EQUIPMENT		1		
		TOTAL FUNDING	UOH	3,000	C	

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2017-2018 M F	FISCAL YEAR 2018-2019 M F

116. UNIVERSITY OF HAWAII, SYSTEMWIDE, OAHU

PLANS, DESIGN, CONSTRUCTION,
AND EQUIPMENT FOR RENOVATIONS,
REPLACEMENTS, NEW FACILITIES, AND
IMPROVEMENTS FOR HYPERBARIC
TREATMENT CENTER AT KUAKINI
HOSPITAL; GROUND AND SITE
IMPROVEMENTS; EQUIPMENT AND
APPURTENANCES.

PLANS	1
DESIGN	298
CONSTRUCTION	1,200
EQUIPMENT	1
TOTAL FUNDING	UOH

1,500C

C

H. CULTURE AND RECREATION

AGS881 - STATE FOUNDATION ON CULTURE AND THE ARTS

1. HAWAII THEATRE CENTER, OAHU

CONSTRUCTION AND EQUIPMENT FOR
INTERIOR AND EXTERIOR THEATRE
LIGHTING. THIS PROJECT QUALIFIES AS A
GRANT, PURSUANT TO CHAPTER 42F, HRS.

CONSTRUCTION	499
EQUIPMENT	1
TOTAL FUNDING	AGS

500C

C

LNR804 - FOREST AND OUTDOOR RECREATION

2. MAUNAWILI FALLS TRAIL AT QUEEN'S RETREAT, OAHU

PLANS, LAND ACQUISITION, AND DESIGN
FOR SITE WORK, SITE UTILITIES, PARKING
LOT, DRIVEWAY, LANDSCAPING, TRAIL
CONNECTION, REPLACE DRIVEWAY GATE,
EXISTING TRAILHEAD CLOSURE AND
REVEGETATION, AND COMFORT STATION.

PLANS	212
LAND	23
DESIGN	413
TOTAL FUNDING	LNR

648C

C

3. SHOOTING RANGE DEVELOPMENT, KAUAI

PLANS, DESIGN, AND CONSTRUCTION
FOR THE DEVELOPMENT OF SHOOTING
RANGES.

PLANS	1
DESIGN	1
CONSTRUCTION	348
TOTAL FUNDING	LNR

350C

C

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F

LNR806 - PARKS ADMINISTRATION AND OPERATION

4.	CENTRAL MAUI REGIONAL SPORTS COMPLEX, MAUI				
	DESIGN AND CONSTRUCTION OF SAFETY MEASURES AND PARK IMPROVEMENTS INCLUDING LIGHTING, SAFETY NETTING, ACCESSORIES AND RELATED IMPROVEMENTS.				
		DESIGN		229	
		CONSTRUCTION		800	
		TOTAL FUNDING	LNR	1,029 C	C
5.	DEPARTMENT OF LAND AND NATURAL RESOURCES, STATE PARKS DIVISION, PROOF OF CONCEPT PLANNING AND DESIGN, STATEWIDE				
	PLANS AND DESIGN FOR PROOF OF CONCEPT FOR A SCOPE OF WORK INCLUDING STAKEHOLDER ENGAGEMENT, APPLIED RESEARCH, CONCEPTUAL PLANNING, AND DESIGN INVESTIGATION; INCLUDING BUT NOT LIMITED TO A SET OF ANALYSIS, DESIGN SCHEMES, CRITERIA, AND INITIAL COSTS. PROJECTS TO INCLUDE: MAKENA STATE PARK, MAUI; KEALAKEKUA BAY STATE HISTORICAL PARK, HAWAII; KOKEE STATE PARK, KAUAI.				
		PLANS		1	
		DESIGN		249	
		TOTAL FUNDING	LNR	250 C	C
6.	FLOOD DAMAGE RECONSTRUCTION AT IAO VALLEY STATE MONUMENT, MAUI				
	DESIGN AND CONSTRUCTION OF PARK RECONSTRUCTION AND RESTORATION IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO, SLOPE STABILIZATION, ROCKFALL HAZARD MITIGATION, BRIDGE AND ACCESS IMPROVEMENTS, DEBRIS REMOVAL, ROADWAY AND PARKING IMPROVEMENTS, REPAIR OF ALL AFFECTED INFRASTRUCTURE AND FACILITIES, AND RELATED IMPROVEMENTS.				
		DESIGN		300	
		CONSTRUCTION		2,700	
		TOTAL FUNDING	LNR	3,000 C	C
7.	MAKENA STATE PARK, MAUI				
	CONSTRUCTION FOR TWO NEW COMFORT STATIONS AT MAKENA STATE PARK, MAUI.				
		CONSTRUCTION		2,500	
		TOTAL FUNDING	LNR	2,500 C	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
8.		STATE PARKS HAZARD MITIGATION IMPROVEMENTS, STATEWIDE				
		DESIGN, CONSTRUCTION, AND EQUIPMENT FOR STATE PARKS HAZARD MITIGATION IMPROVEMENTS, INCLUDING NATURAL, ARBOREAL AND ANTHROPOGENIC HAZARDS.				
		DESIGN		99		
		CONSTRUCTION		900		
		EQUIPMENT		1		
		TOTAL FUNDING	LNR	1,000 C		
9.		STATE PARKS INFRASTRUCTURE AND FACILITY IMPROVEMENTS, STATEWIDE (FF)				
		PLANS, DESIGN, AND CONSTRUCTION OF STATE PARKS INFRASTRUCTURE, FACILITY AND STRUCTURAL IMPROVEMENTS, REPAIRS AND OTHER RELATED IMPROVEMENTS TO ENSURE PUBLIC HEALTH AND SAFETY, AND COMPLIANCE WITH CURRENT REGULATIONS AND MANDATES. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID REIMBURSEMENT AND/OR FINANCING.				
		PLANS		1		
		DESIGN		309		
		CONSTRUCTION		2,790		
		TOTAL FUNDING	LNR	3,000 C		
			LNR	100 N		
10.		WAHIWA FRESHWATER PARK, OAHU				
		PLANS AND DESIGN FOR WAHIWA FRESHWATER PARK FOR PROOF OF CONCEPT FOR A SCOPE OF WORK INCLUDING STAKEHOLDER ENGAGEMENT, APPLIED RESEARCH, CONCEPTUAL PLANNING, AND DESIGN INVESTIGATION; INCLUDING BUT NOT LIMITED TO A SET OF ANALYSES, DESIGN SCHEMES, CRITERIA, AND INITIAL COSTS.				
		PLANS		1		
		DESIGN		249		
		TOTAL FUNDING	LNR	250 C		
						C
		LNR801 - OCEAN-BASED RECREATION				
11.		ALA WAI SMALL BOAT HARBOR, OAHU				
		DESIGN AND CONSTRUCTION FOR REPLACEMENT OF FINGER PIERS ALONG ROW 600.				
		DESIGN		80		
		CONSTRUCTION		720		
		TOTAL FUNDING	LNR	800 C		
						C

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
12.		KAHULUI HARBOR, MAUI EQUIPMENT FOR THE PURCHASE OF A LARGE PORTABLE BATHROOM COMPLEX TO SERVICE KAHULUI HARBOR.	EQUIPMENT TOTAL FUNDING LNR	150	150C	C
13.		KAWAIHAE NORTH AND SOUTH SMALL BOAT HARBOR, HAWAII CONSTRUCTION FOR PAVING AND DRAINAGE IMPROVEMENTS.	CONSTRUCTION TOTAL FUNDING LNR	1,100	1,100C	C
14.		LAHAINA BOAT HARBOR FERRY PIER, MAUI (FF) PLANS, DESIGN, AND CONSTRUCTION FOR A FERRY PIER AT THE LAHAINA BOAT HARBOR; THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.	PLANS DESIGN CONSTRUCTION TOTAL FUNDING LNR LNR	1 1,829 16,470 3,300C 15,000N		C N
15.		LUMP SUM IMPROVEMENT AT BOATING AND OCEAN RECREATION FACILITIES, STATEWIDE (FF) PLANS, DESIGN, AND CONSTRUCTION FOR IMPROVEMENTS AT VARIOUS BOATING FACILITIES TO INCLUDE PIERS, LOADING DOCKS, UTILITIES, BOAT RAMPS, RESTROOMS, PARKING AREAS, STRUCTURES, DREDGING, SEWER SYSTEMS, BUILDING, FENCING, RENDERING, MOORINGS, LANDSCAPING, AND OTHER RELATED WORK. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.	PLANS DESIGN CONSTRUCTION TOTAL FUNDING LNR LNR	1 1 2,498 2,000C 500N		C N
16.		SWIM AREA IN POHOIKI, HAWAII PLANS AND DESIGN FOR A FEASIBILITY STUDY BY LNR TO DETERMINE THE BEST MEANS TO PROVIDE A POHOIKI SWIMMING AREA AND DEVELOP PLANS, IN COOPERATION WITH THE U.S. ARMY CORPS OF ENGINEERS, COUNTY OF HAWAII, AND OTHER STAKEHOLDERS, FOR A SAFE SWIM AREA.	PLANS DESIGN TOTAL FUNDING LNR	25 225 250C		C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F

17. WAIKAEA (LIHI) CANAL BOAT RAMP, KAUAI

CONSTRUCTION TO INCLUDE
MAINTENANCE, DREDGING, AND
RELATED IMPROVEMENTS.

CONSTRUCTION	1,700
TOTAL FUNDING LNR	1,700C

C

AGS889 - SPECTATOR EVENTS AND SHOWS - ALOHA STADIUM18. ALOHA STADIUM, MASTER PLAN AND ENVIRONMENTAL
IMPACT STUDY, OAHU

PLANS FOR A MASTER PLAN AND AN
ENVIRONMENTAL IMPACT STUDY FOR
THE ALOHA STADIUM FACILITY AND SITE.
SCOPE INCLUDES STUDIES AND RELATED
PLANNING WORK FOR THE DEMOLITION
OF THE EXISTING ALOHA STADIUM AND
FOR DEVELOPMENT AND CONSTRUCTION
OF A NEW STADIUM FACILITY FOR THE
STATE OF HAWAII. CONSIDERATION
INCLUDES MIXED USE DEVELOPMENT OF
THE ENTIRE ALOHA STADIUM SITE.

PLANS	10,000
TOTAL FUNDING AGS	10,000C

C

I. PUBLIC SAFETY**PSD900 - GENERAL ADMINISTRATION**1. DEPARTMENT OF PUBLIC SAFETY, PROOF OF CONCEPT
PLANNING AND DESIGN, STATEWIDE

PLANS AND DESIGN FOR PROOF OF
CONCEPT FOR A SCOPE OF WORK
INCLUDING STAKEHOLDER ENGAGEMENT,
APPLIED RESEARCH, CONCEPTUAL
PLANNING, AND DESIGN INVESTIGATION;
INCLUDING BUT NOT LIMITED TO A SET
OF ANALYSIS, DESIGN SCHEMES, CRITERIA,
AND INITIAL COSTS.

PLANS	1
DESIGN	349
TOTAL FUNDING PSD	350C

C

2. HAWAII COMMUNITY CORRECTIONAL CENTER, NEW MEDIUM
SECURITY HOUSING, HAWAII

CONSTRUCTION OF A NEW MEDIUM
SECURITY HOUSING UNIT AND RELATED
IMPROVEMENTS AT THE HAWAII
COMMUNITY CORRECTIONAL CENTER.

CONSTRUCTION	13,210
TOTAL FUNDING AGS	13,210C

C

ACT 49

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO. NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
3.		KAUAI COMMUNITY CORRECTIONAL CENTER, NEW MEDIUM SECURITY HOUSING, KAUAI				
		CONSTRUCTION OF A NEW MEDIUM SECURITY HOUSING UNIT AND RELATED IMPROVEMENTS AT THE KAUAI COMMUNITY CORRECTIONAL CENTER.				
		CONSTRUCTION		13,210		
		TOTAL FUNDING AGS		13,210C		C
4.		MAUI COMMUNITY CORRECTIONAL CENTER, NEW MEDIUM SECURITY HOUSING, MAUI				
		CONSTRUCTION OF A NEW MEDIUM SECURITY HOUSING UNIT AND RELATED IMPROVEMENTS AT THE MAUI COMMUNITY CORRECTIONAL CENTER.				
		CONSTRUCTION		6,320		
		TOTAL FUNDING AGS		6,320C		C
5.		PSD GENERAL ADMINISTRATION, LUMP SUM CIP, STATEWIDE				
		DESIGN AND CONSTRUCTION FOR NEW ADDITIONS, RENOVATIONS, ALTERATIONS, REPLACEMENTS, UPGRADES, IMPROVEMENTS, AND REHABILITATION OF BUILDINGS, SITES, UTILITIES, EQUIPMENT, AND FACILITIES, STATEWIDE FOR THE DEPARTMENT OF PUBLIC SAFETY; MECHANICAL SYSTEM INFRASTRUCTURE IMPROVEMENTS, UPGRADES, AND REHABILITATION FOR PSD FACILITIES, STATEWIDE; ELECTRICAL SYSTEM INFRASTRUCTURE IMPROVEMENTS AND UPGRADES FOR THE DEPARTMENT OF PUBLIC SAFETY FACILITIES, STATEWIDE.				
		DESIGN		6,895		
		CONSTRUCTION		27,580		
		TOTAL FUNDING AGS		34,475C		C
6.		WCCC, NEW CONSOLIDATED HOUSING AND OTHER RELATED IMPROVEMENTS, OAHU				
		PLANS AND DESIGN OF A NEW CONSOLIDATED WOMEN'S HOUSING, ASSOCIATED SUPPORT OFFICES, AND OTHER IMPROVEMENTS AT THE WOMEN'S COMMUNITY CORRECTIONAL CENTER (WCCC), OAHU.				
		PLANS		1,600		
		DESIGN		6,400		
		TOTAL FUNDING AGS		8,000C		C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
7.		WOMEN'S COMMUNITY CORRECTIONAL CENTER, HOOKIPA MAKAI COTTAGE RENOVATION FOR NEW CONSOLIDATED FEMALE HOUSING, OAHU				
		CONSTRUCTION FOR THE RENOVATION OF THE HOOKIPA MAKAI COTTAGE AND PROGRAMS BUILDING AND RELATED IMPROVEMENTS AT THE WOMEN'S COMMUNITY CORRECTIONAL CENTER.				
		CONSTRUCTION		3,145		
		TOTAL FUNDING	AGS	3,145 C		C
DEF110 - AMELIORATION OF PHYSICAL DISASTERS						
8.		COMBINED SUPPORT MAINTENANCE SHOP 2, KEAUKAHA MILITARY RESERVATION, HAWAII				
		CONSTRUCTION AND EQUIPMENT FOR A NEW COMBINED SUPPORT MAINTENANCE SHOP COMPLEX FOR THE HAWAII ARMY NATIONAL GUARD. THE NEW COMBINED SUPPORT MAINTENANCE SHOP WILL INCLUDE OFFICE, PERSONNEL AND WORK AREA SPACE, AND MAINTENANCE SHOP WORK BAYS THAT WILL BE DESIGNED AND CONSTRUCTED TO ACHIEVE LEED SILVER. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		CONSTRUCTION		2,599		1
		EQUIPMENT		1		1,714
		TOTAL FUNDING	DEF	1C		1C
			DEF	2,599 P		1,714 P
9.		DISASTER WARNING AND COMMUNICATIONS DEVICES, STATEWIDE				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR INCREMENTAL ADDITION, REPLACEMENT, AND UPGRADE OF STATE CIVIL DEFENSE WARNING AND COMMUNICATIONS EQUIPMENT, STATEWIDE. THIS WILL EXPAND THE COVERAGE AND RELIABILITY OF THE WARNING AND CONTROL SYSTEM, AS WELL AS MODERNIZE AND ALLEVIATE SIREN COVERAGE GAP AREAS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		PLANS		1		1
		LAND		1		1
		DESIGN		30		30
		CONSTRUCTION		2,193		2,193
		EQUIPMENT		275		275
		TOTAL FUNDING	AGS	2,499 C		2,499 C
			AGS	1N		1N

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
10.		EMERGENCY FIBER OPTIC CABLE SYSTEM FOR DEPARTMENT OF DEFENSE DIAMOND HEAD OPERATION CENTERS, OAHU			
		DESIGN AND CONSTRUCTION FOR AN UNDERGROUND FIBER OPTIC CABLING SYSTEM TO INTERCONNECT THE STATE EMERGENCY OPERATIONS CENTER IN BIRKHIMER TUNNEL AND THE NATIONAL GUARD JOINT OPERATIONS CENTER (JOC) IN BATTERY 407.			
		DESIGN		107	
		CONSTRUCTION			773
		TOTAL FUNDING	AGS	107C	773C
11.		ENERGY RESILIENCY AND PHYSICAL SECURITY PROJECTS FOR HAWAII ARMY NATIONAL GUARD FACILITIES, STATEWIDE			
		DESIGN AND CONSTRUCTION FOR ENERGY RESILIENCY, ENERGY EFFICIENCY, AND PHYSICAL SECURITY PROJECTS FOR CRITICAL FACILITIES OF THE HAWAII ARMY NATIONAL GUARD (HIARNG) IN HILO, HAWAII AND KALAELOA, OAHU TO ENSURE THE SAFETY AND CONTINUED OPERATIONS OF THE FACILITIES DURING A DISASTER. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.			
		DESIGN		920	
		CONSTRUCTION			7,330
		TOTAL FUNDING	DEF	170C	1,580C
			DEF	750P	5,750P
12.		FORT RUGER STATE MOTOR POOL, ABOVE GROUND FUEL STORAGE TANK, OAHU			
		DESIGN AND CONSTRUCTION FOR A 1,000-GALLON ABOVE GROUND FUEL STORAGE TANK AND ACCESSORY STRUCTURES TO SUPPORT THE DEPARTMENT OF DEFENSE STATE MOTOR POOL.			
		DESIGN		36	
		CONSTRUCTION			201
		TOTAL FUNDING	DEF	36C	201C
13.		HAWAII STATE FUSION CENTER, OAHU			
		DESIGN FOR THE RENOVATION OF OFFICE SPACE WITHIN FORT RUGER BUILDING 306A TO CREATE A SENSITIVE COMPARTMENTED INFORMATION FACILITY, SECURE ROOM AND OFFICES FOR THE HAWAII STATE FUSION CENTER, AND OTHER RELATED IMPROVEMENTS.			
		DESIGN		141	
		TOTAL FUNDING	AGS	141C	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
14.		LIHUE AIRPORT STORAGE FACILITY, KAUAI				
		PLANS, DESIGN, AND CONSTRUCTION OF A NEW STORAGE FACILITY AT THE LIHUE AIRPORT TO STORE EMERGENCY EQUIPMENT INCLUDING BUT NOT LIMITED TO FEDERAL, STATE, AND, LOCAL AGENCIES EMERGENCY EQUIPMENT.				
		PLANS		1		
		DESIGN		199		
		CONSTRUCTION		800		
		TOTAL FUNDING	TRN	1,000 C		
15.		OPERATIONS SUPPORT CENTER ROOF REPLACEMENT, OAHU				C
		DESIGN OF ROOF REPLACEMENT FOR THE STATE EMERGENCY OPERATIONS CENTER, OPERATIONS SUPPORT CENTER (BUILDING 303) LOCATED IN DIAMOND HEAD CRATER. PROJECT INCLUDES INSPECTION, DESIGN, DEMOLITION, AND RELATED CONSTRUCTION.				
		DESIGN		81		
		TOTAL FUNDING	AGS	81 C		
16.		RETROFIT PUBLIC BUILDINGS WITH HURRICANE PROTECTIVE MEASURES, STATEWIDE				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT TO RETROFIT BUILDINGS WITH HURRICANE PROTECTIVE MEASURES TO INCREASE THE NUMBER OF EMERGENCY SHELTERS STATEWIDE.				
		PLANS		1		
		LAND		1		
		DESIGN		250		
		CONSTRUCTION		825		
		EQUIPMENT		1,923		
		TOTAL FUNDING	AGS	3,000 C		
17.		UPGRADES AND IMPROVEMENTS TO NATIONAL GUARD READINESS CENTERS AND FACILITIES, STATEWIDE				
		DESIGN AND CONSTRUCTION OF IMPROVEMENTS AND UPGRADES TO NATIONAL GUARD READINESS CENTERS (ARMORIES) AND FACILITIES TO CONFORM TO CURRENT NATIONAL GUARD BUREAU AND U.S. DEPARTMENT OF THE ARMY STANDARDS AND CRITERIA, AND TO MEET HEALTH, SAFETY, AND BUILDING CODE REQUIREMENTS. THIS PROJECT IS DEEMED NECESSARY TO QUALIFY FOR FEDERAL AID FINANCING AND/OR REIMBURSEMENT.				
		DESIGN		1,574		
		CONSTRUCTION		8,983		
		TOTAL FUNDING	DEF	2,817 C		
			DEF	7,740 P		
					6,015	
					1,510 C	
					4,505 P	

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F

K. GOVERNMENT-WIDE SUPPORT

BED144 - STATEWIDE PLANNING AND COORDINATION

1. DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM, PROOF OF CONCEPT PLANNING AND DESIGN, STATEWIDE

PLANS AND DESIGN FOR PROOF OF CONCEPT FOR A SCOPE OF WORK, INCLUDING STAKEHOLDER ENGAGEMENT, APPLIED RESEARCH, CONCEPTUAL PLANNING, AND DESIGN INVESTIGATION; INCLUDING BUT NOT LIMITED TO A SET OF ANALYSIS, DESIGN SCHEMES, CRITERIA, AND INITIAL COSTS.

PLANS	1		
DESIGN	249		
TOTAL FUNDING	BED	250 C	C

2. PROOF OF CONCEPT PLANNING AND DESIGN FOR SOUTH SHORE PROMENADE AND COASTAL OPEN SPACE NETWORK STUDY, OAHU

PLANS AND DESIGN FOR SOUTH SHORE PROMENADE AND COASTAL OPEN SPACE NETWORK STUDY (DIAMOND HEAD TO PEARL HARBOR): RESILIENCE AND CONNECTIVITY BY DESIGN.

PLANS	1		
DESIGN	249		
TOTAL FUNDING	BED	250 C	C

3. STATE AGENCY TRANSIT-ORIENTED DEVELOPMENT, OAHU

PLANS FOR TRANSIT-ORIENTED DEVELOPMENT MASTER PLAN OF STATE-OWNED PARCELS NEAR PROPOSED RAIL STATIONS ON THE ISLAND OF OAHU.

PLANS	1,000		
TOTAL FUNDING	BED	1,000 C	C

TAX107 - SUPPORTING SERVICES - REVENUE COLLECTION

4. INFRASTRUCTURE AND EQUIPMENT FOR THE SAFETY AND SECURITY OF THE DEPARTMENT OF TAXATION, STATEWIDE

DESIGN, CONSTRUCTION, AND EQUIPMENT RELATING TO THE SAFETY AND SECURITY OF THE DEPARTMENT OF TAXATION.

DESIGN	20		
CONSTRUCTION	360		
EQUIPMENT	120		
TOTAL FUNDING	TAX	500 C	C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018 O	FISCAL YEAR 2018-2019 O	FISCAL YEAR 2018-2019 F

AGS130 - ENTERPRISE TECHNOLOGY SERVICES - GOVERNANCE AND INNOVATION

5.	UPGRADE AND EXPANSION OF CRITICAL DATA SYSTEMS, OAHU EQUIPMENT FOR IT INFRASTRUCTURE, INCLUDING DATA/SHARED SERVICE CENTERS AND NETWORKS FOR THE STATE OF HAWAII.	EQUIPMENT TOTAL FUNDING	AGS	900 900C		C
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AGS131 - ENTERPRISE TECHNOLOGY SERVICES - OPERATIONS AND INFRASTRUCTURE MAINTENANCE

6.	LUMP SUM HEALTH AND SAFETY, INFORMATION AND COMMUNICATION SERVICES DIVISION, STATEWIDE
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PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR REPAIRS, MODERNIZATION, AND EXPANSION OF CRITICAL COMMUNICATIONS SYSTEMS, INCLUDING THE STATEWIDE ANUENUE AND HAWAIIAN MICROWAVE SYSTEMS AND LAND MOBILE RADIO, STATEWIDE SHARED BLENDED RADIO SYSTEM, AND NEW RADIO SITES AND TOWERS STATEWIDE.

PLANS	1	1
LAND	1	1
DESIGN	87	167
CONSTRUCTION	810	1,530
EQUIPMENT	1	1
TOTAL FUNDING	AGS	900C

1,700C

LNR101 - PUBLIC LANDS MANAGEMENT

7.	DAM ASSESSMENTS, MAINTENANCE, AND REMEDIATION, STATEWIDE
----	--

PLANS, DESIGN, AND CONSTRUCTION FOR ASSESSMENTS, MAINTENANCE, AND REMEDIATION OF DAMS UNDER THE JURISDICTION OF THE DEPARTMENT OF LAND AND NATURAL RESOURCES.

PLANS	1	
DESIGN	1	
CONSTRUCTION	2,248	
TOTAL FUNDING	LNR	2,250C

C

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019
8.		KAANAPALI BEACH RESTORATION AND BERM ENHANCEMENT, KAANAPALI, MAUI				
		CONSTRUCTION FOR SAND REPLENISHMENT AT KAANAPALI BEACH, MAUI. SAND WOULD BE BORROWED FROM AN OFFSHORE SAND FIELD AND DELIVERED TO THE BEACH. THE BEACH WOULD BE WIDENED BY 35 FEET ALONG 3,500 FEET OF BEACH AREA IN FRONT OF THE MARRIOTT AND HYATT HOTELS.				
		CONSTRUCTION				9,300
		TOTAL FUNDING	LNR	C		3,500
			LNR	R		4,650
			LNR	T		1,150
9.		ALEA BRIDGE, OAHU				
		PLANS, LAND ACQUISITION, DESIGN, AND CONSTRUCTION FOR A RESOURCE AND NAVIGATION CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		PLANS				1
		LAND				1
		DESIGN				1
		CONSTRUCTION				997
		TOTAL FUNDING	AGS			1,000
				C		
10.		ARTS & SCIENCES CENTER, HAWAII				
		EQUIPMENT FOR REPLACEMENT OF A FIRE ALARM SYSTEM. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		EQUIPMENT				28
		TOTAL FUNDING	AGS			28
				C		
11.		ARTS & SCIENCES CENTER, HAWAII				
		PLANS AND DESIGN FOR A COMMUNITY FACILITY AND INFRASTRUCTURE. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		PLANS				1
		DESIGN				62
		TOTAL FUNDING	AGS			63
				C		
12.		BISHOP MUSEUM, OAHU				
		CONSTRUCTION FOR ENERGY EFFICIENCY AND SITE IMPROVEMENTS. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION				250
		TOTAL FUNDING	AGS			250
				C		

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
13.		BOBBY BENSON CENTER, OAHU			
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR RENOVATION AND RESTORATION OF FACILITY. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		247	
		EQUIPMENT		1	
		TOTAL FUNDING AGS		250C	C
14.		CAPITAL IMPROVEMENTS PROGRAM STAFF COSTS, STATEWIDE			
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR COSTS RELATED TO WAGES FOR PERMANENT, PROJECT-FUNDED STAFF POSITIONS FOR THE IMPLEMENTATION OF CAPITAL IMPROVEMENT PROGRAM PROJECTS FOR THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES. PROJECTS MAY ALSO INCLUDE FUNDS FOR NON-PERMANENT AND EXEMPT FROM CHAPTER 76 CAPITAL IMPROVEMENT PROGRAM RELATED POSITIONS.			
		PLANS		6,124	6,430
		LAND		1	1
		DESIGN		1	1
		CONSTRUCTION		1	1
		EQUIPMENT		1	1
		TOTAL FUNDING AGS		6,128A	6,434A
15.		DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES, PROOF OF CONCEPT PLANNING AND DESIGN, STATEWIDE			
		PLANS AND DESIGN FOR PROOF OF CONCEPT FOR A SCOPE OF WORK INCLUDING STAKEHOLDER ENGAGEMENT, APPLIED RESEARCH, CONCEPTUAL PLANNING, AND DESIGN INVESTIGATION; INCLUDING BUT NOT LIMITED TO A SET OF ANALYSIS, DESIGN SCHEMES, CRITERIA, AND INITIAL COSTS.			
		PLANS		1	
		DESIGN		249	
		TOTAL FUNDING AGS		250C	C

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
16.		FIRST RESPONDERS TECHNOLOGY CAMPUS AND CYBER SECURITY DATA CENTER, OAHU				
		PLANS FOR THE DEVELOPMENT AND IMPLEMENTATION OF STATEWIDE SPACE NEEDS AND BUILDING ASSET MANAGEMENT MASTER PLANS FOR OPTIMIZATION OF STATE OCCUPIED FACILITIES AND STATE-OWNED PROPERTIES. SCOPE INCLUDES BUT IS NOT LIMITED TO SPACE UTILIZATION LAYOUTS, PLANNING FOR SPACE RENOVATION AND PROPERTY DEVELOPMENT, INCLUDING THE FIRST RESPONDERS TECHNOLOGY CAMPUS AND CYBER SECURITY DATA CENTER, AND ADDITIONAL STUDIES AS NEEDED TO ENSURE SUCCESSFUL IMPLEMENTATION.				
		PLANS TOTAL FUNDING AGS		900 900 C		C
17.		FRIENDS OF PALACE THEATER, HAWAII				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR INSTALLATION OF A NEW AIR CONDITIONING SYSTEM. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		PLANS DESIGN CONSTRUCTION EQUIPMENT TOTAL FUNDING AGS		1 1 127 1 130 C		C
18.		HALE KIPA, INC., OAHU				
		CONSTRUCTION FOR A SERVICES CENTER AND TWO RESIDENTIAL SHELTERS. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION TOTAL FUNDING AGS		750 750 C		C
19.		HAWAII ISLAND COMMUNITY DEVELOPMENT CORPORATION, HAWAII				
		CONSTRUCTION FOR A NEW ADULT DAY CARE CENTER FACILITY. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION TOTAL FUNDING AGS		200 200 C		C
20.		HUI O LAKA, KAUAI				
		CONSTRUCTION FOR THE RENOVATION OF HISTORIC STATE-OWNED BUILDINGS. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION TOTAL FUNDING AGS		25 25 C		C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
21.		ISLAND OF HAWAII YMCA, HAWAII			
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR EXTENSIVE REPAIRS TO THE ISLAND OF HAWAII YMCA BUILDING IN HILO. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		695	
		EQUIPMENT		1	
		TOTAL FUNDING AGS		698C	C
22.		KA HALE A KE OLA HOMELESS RESOURCE CENTERS, INC., MAUI			
		DESIGN AND CONSTRUCTION FOR RENOVATIONS AND IMPROVEMENTS FOR PERMANENT SUPPORTIVE HOUSING ON MAUI. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		DESIGN		2	
		CONSTRUCTION		703	
		TOTAL FUNDING AGS		705C	C
23.		KUNIA VILLAGE DEVELOPMENT CORPORATION, OAHU			
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR CAPITAL IMPROVEMENTS TO WATER SYSTEMS TO SUPPORT AFFORDABLE WORK-FORCE HOUSING. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.			
		PLANS		1	
		DESIGN		1	
		CONSTRUCTION		662	
		EQUIPMENT		1	
		TOTAL FUNDING AGS		665C	C
24.		LUMP SUM MAINTENANCE OF EXISTING FACILITIES, PUBLIC WORKS DIVISION, STATEWIDE			
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR IMPROVEMENTS AND MAINTENANCE OF PUBLIC FACILITIES AND SITES, STATEWIDE. PROJECTS MAY INCLUDE REPAIRS AND IMPROVEMENTS.			
		PLANS		100	
		LAND		1	
		DESIGN		810	
		CONSTRUCTION		14,080	
		EQUIPMENT		9	
		TOTAL FUNDING AGS		15,000C	C

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
25.		LUMP SUM STATE OFFICE BUILDING REMODELING, STATEWIDE				
		PLANS, DESIGN, AND CONSTRUCTION FOR REMODELING AND UPGRADE OF STATE- OWNED OFFICES TO ACCOMMODATE STATE AGENCIES' OPERATIONAL REQUIREMENTS. PROJECT INCLUDES RENOVATION FOR REORGANIZATION, PROGRAM AND STAFFING CHANGES, AND CONSOLIDATION, AS WELL AS IMPROVEMENTS FOR OFFICE LAYOUTS, ENERGY CONSERVATION, LIGHTING, A/C, VENTILATION, PLUMBING, ELECTRICAL, AND DATA/COMMUNICATIONS SYSTEMS.				
		PLANS		1		
		DESIGN		299		
		CONSTRUCTION		2,700		
		TOTAL FUNDING AGS		3,000 C		C
26.		MAUI ARTS & CULTURAL CENTER, MAUI				
		PLANS AND CONSTRUCTION FOR COMPLETION OF A COMMUNITY STAGE AND EVENTS LAWN AREA. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		PLANS		1		
		CONSTRUCTION		999		
		TOTAL FUNDING AGS		1,000 C		C
27.		MAUI YOUTH AND FAMILY SERVICES, INC., MAUI				
		CONSTRUCTION FOR A NEW FACILITY TO PROVIDE SUPPORT SERVICES ON MAUI. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION		400		
		TOTAL FUNDING AGS		400 C		C
28.		NATIONAL KIDNEY FOUNDATION OF HAWAII, STATEWIDE				
		PLANS, LAND ACQUISITION, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR A NEW PROGRAM CENTER. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		PLANS		1		
		LAND		1		
		DESIGN		1		
		CONSTRUCTION		996		
		EQUIPMENT		1		
		TOTAL FUNDING AGS		1,000 C		C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018	M O F	FISCAL YEAR 2018-2019
29.		NEW PARKING GARAGE AND COMMUNITY CENTER, OAHU				
		PLANS, DESIGN, AND CONSTRUCTION FOR AN UNDERGROUND PARKING GARAGE, ABOVE GROUND COMMUNITY GATHERING SPACE, NEW BUILDING HOUSING A COMMUNITY MEETING ROOM AND RETAIL SPACE, AND ASSOCIATED SITE IMPROVEMENTS, EQUIPMENT, AND APPURTEANCES AT TMK: 43054006:0000.				
		PLANS DESIGN CONSTRUCTION TOTAL FUNDING AGS		1 299 2,700 3,000C		C
30.		STATE CAPITOL BUILDING, REHABILITATION OF CHAMBERS LEVEL WATERPROOFING SYSTEM, OAHU				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR FULL STRUCTURAL AND ARCHITECTURAL REHABILITATION OF THE WATERPROOFING SYSTEM/REFLECTING POOLS ABOVE THE CHAMBERS, BASEMENT OFFICES, PARKING AREA, AND OTHER RELATED IMPROVEMENTS.				
		PLANS DESIGN CONSTRUCTION EQUIPMENT TOTAL FUNDING AGS		1 1,197 1 1 1,200C		C
31.		WAIMANALO COMMUNITY VALUES AND PRIORITIES PROJECT, OAHU				
		PLANS FOR PHASE 2 OF THE WAIMANALO COMMUNITY VALUES AND PRIORITIES PROJECT.				
		PLANS TOTAL FUNDING AGS		250 250C		C
32.		WAIOLI CORPORATION, KAUAI				
		CONSTRUCTION FOR A RAIL-LINE RESTORATION AND EDUCATIONAL EXHIBIT. THIS PROJECT QUALIFIES AS A GRANT, PURSUANT TO CHAPTER 42F, HRS.				
		CONSTRUCTION TOTAL FUNDING AGS		550 550C		C
33.		SEAWATER AIR CONDITIONING, OAHU				
		DESIGN, CONSTRUCTION, AND EQUIPMENT FOR SEAWATER AIR CONDITIONING ENERGY TRANSFER FACILITIES FOR SELECTED STATE BUILDINGS IN THE CAPITOL DISTRICT. PROJECT TO INCLUDE BUILDING AND SITE IMPROVEMENTS, EQUIPMENT, APPURTEANCES, AND OTHER PROJECT COSTS.				
		DESIGN CONSTRUCTION EQUIPMENT TOTAL FUNDING AGS		468 607 5,180 6,255C		C

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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F

SUB201 - CITY AND COUNTY OF HONOLULU

34.	KALIHI STREET, OAHU	PLANS AND DESIGN FOR ROAD IMPROVEMENTS, WIDENING AND REPAIR TO KALIHI STREET FROM KALAEPAA DRIVE TO 3080 KALIHI STREET.	PLANS DESIGN TOTAL FUNDING CCH	1 1,499 1,500 C	C
35.	PEDESTRIAN WALKWAYS, OAHU	PLANS, LAND ACQUISITION, DESIGN, AND CONSTRUCTION FOR PEDESTRIAN WALKWAYS, IMPROVEMENTS AND APPURTEANCES, OAHU.	PLANS LAND DESIGN CONSTRUCTION TOTAL FUNDING TRN	1 12,997 1 1 13,000 C	C

SUB401 - COUNTY OF MAUI

36.	UPCOUNTRY MAUI AGRICULTURAL PARK, MAUI	LAND ACQUISITION, DESIGN, AND CONSTRUCTION FOR THE DEVELOPMENT OF AN AGRICULTURAL PARK IN UPCOUNTRY MAUI, WITH MATCHING FUNDS FROM THE COUNTY OF MAUI; SCOPE OF THE PROJECT TO INCLUDE LAND ACQUISITION, ENGINEERING, AND IRRIGATION INFRASTRUCTURE; GROUND AND SITE IMPROVEMENTS; EQUIPMENT AND APPURTEANCES.	LAND DESIGN CONSTRUCTION TOTAL FUNDING COM COM	240 960 4,800 5,000 C 1,000 S	S
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SUB501 - COUNTY OF KAUAI

37.	BRYAN J. BAPTISTE SPORTS COMPLEX IMPROVEMENTS, KAUAI	PLANS AND CONSTRUCTION OF A NEW ANNOUNCER'S BOOTH, BLEACHERS, P.A. SYSTEM, AND ADA WALKWAYS.	PLANS CONSTRUCTION TOTAL FUNDING COK	200 2,300 2,500 C	C
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CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL YEAR 2017-2018	M O	FISCAL YEAR 2018-2019
38.		CAPTAIN COOK MEMORIAL PARK IMPROVEMENTS, KAUAI DESIGN AND CONSTRUCTION OF NEW BACKSTOP, DUG OUTS, LIGHTING AND GRAND STAND AT THE CAPTAIN COOK MEMORIAL PARK, WAIMEA, KAUAI.	DESIGN CONSTRUCTION TOTAL FUNDING COK	250 750 1,000C		C

PART V. CAPITAL IMPROVEMENT PROGRAM PROVISIONS

SECTION 31. Part V, Act 119, Session Laws of Hawaii 2015, as amended and renumbered by Act 124, Session Laws of Hawaii 2016, is amended by repealing section 48.1:

~~"[SECTION 48.1. Provided that of the general obligation bond fund appropriation for the creative industries division (BED105), the sum of \$800,000 or so much thereof as may be necessary for fiscal year 2016-2017 shall not be expended until creative industries division develops a transition plan for the film studio to relocate to west Oahu in proximity to the university and for the Diamond Head studio property to revert to the administrative control of the University of Hawaii; provided further that the transition plan be approved by both the director of the department of business, economic development, and tourism and the chief financial officer of the University of Hawaii systems office]."~~

SECTION 32. Part V, Act 119, Session Laws of Hawaii 2015, as amended and renumbered by Act 124, Session Laws of Hawaii 2016, is amended by repealing section 48.2:

~~"[SECTION 48.2. Provided that of the general obligation bond fund appropriation for natural energy laboratory of Hawaii authority (BED146), the sum of \$5,200,000 or so much thereof as may be necessary for fiscal year 2016-2017 shall not be expended until the natural energy laboratory of Hawaii authority works with the University of Hawaii community colleges and Kealakehe high school to develop an ocean thermal energy conversion curriculum-to-career pathway program]."~~

SECTION 33. Part IV, Act 119, Session Laws of Hawaii 2015 as amended and renumbered by Act 124, Session Laws of Hawaii 2016, is amended by amending Item D-8 to read as follows:

“8. [HANAHANAPUNI] FIRING RANGE PROJECT, KAUAI

PLANS AND DESIGN FOR A FIRING RANGE.
THIS PROJECT IS DEEMED NECESSARY TO
QUALIFY FOR FEDERAL AID FINANCING
AND/OR REIMBURSEMENT.

PLANS DESIGN TOTAL FUNDING	LNR LNR	1 1,623 424 C 1,200 N	
			C N."

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SECTION 34. Part IV, Act 119, Session Laws of Hawaii 2015 as amended and renumbered by Act 124, Session Laws of Hawaii 2016, is amended by amending Item D-14 to read as follows:

"14. J00E KAHOOLOAWE ISLAND RESERVE COMMISSION, [HAWAII] MAUI

PLANS AND DESIGN FOR AN EDUCATION
CENTER, EXHIBIT AREA/VISITOR CENTER
AND ADMINISTRATIVE BUILDING.

PLANS	1
DESIGN	499
TOTAL FUNDING	500 C
LNR	C"

SECTION 35. Part III, Act 119, Session Laws of Hawaii 2015 as amended and renumbered by Act 124, Session Laws of Hawaii 2016, is amended by repealing Section 16.2:

"[SECTION 16.2. Provided that the legislature has confirmed in a conference committee report that the Maui Health System, a Kaiser Foundation Hospital LLC, has satisfied all of the standards and conditions in section 323F-58 and 323F-59, Hawaii Revised Statutes, for operating support and capital support, respectively, and the Hawaii health systems corporation's three Maui region hospital facilities have been leased to Maui Health System, a Kaiser Foundation Hospital LLC, pursuant to Act 103, Session Laws of Hawaii 2015;

- (1) Of the general fund appropriation for the Hawaii health systems corporation—regions (HTH212) for the fiscal year 2016-2017, the sum of \$33,400,000 or so much thereof as may be necessary, and of the general obligation bond fund appropriation for the Hawaii health system corporation—regions (HTH212) for the fiscal year 2016-2017, the sum of \$6,000,000 or so much thereof as may be necessary, shall be disbursed by the Hawaii health systems corporation, to the Maui Health System, a Kaiser Foundation Hospital LLC, for its fiscal year 2016-2017 operating costs (\$33,400,000 general funds) and capital improvement costs (\$6,000,000 general obligation bond funds), respectively; and
- (2) Of the special fund appropriation for the Hawaii health systems corporation—regions (HTH212) for fiscal year 2016-2017, the sum of \$10,000,000 or so much thereof as may be deposited as cash in the Maui regional system board's bank accounts or the subaccount of the health systems special fund on or after the effective date of the lease of the Hawaii health systems corporation's three Maui region hospital facilities pursuant to Act 103, Session Laws of Hawaii 2015, shall be disbursed by the Maui regional system board, to the Maui Health System, a Kaiser Foundation Hospital LLC, for its fiscal year 2016-2017 working capital, provided further that if less than \$10,000,000 is available in the Maui regional system board's subaccount for this disbursement, then of the general fund appropriation for the Hawaii health systems corporation—regions (HTH212) for the fiscal year 2016-2017, the sum of \$10,000,000 shall be disbursed by the board of directors of the Hawaii health systems corporation:
 - (A) First, to the Maui Health System, a Kaiser Foundation Hospital LLC, to make up any shortfall, if the sum disbursed for working capital out of the Maui regional system board's bank accounts and subaccount of the health systems special fund was less than \$10,000,000; and
 - (B) Then, to one or more regional systems of the Hawaii health systems corporation as additional general fund operating sub-

~~sidies, in accordance with guidelines or conditions established by the board, including the discretion to refrain from making a disbursement to a particular regional system; and~~

~~'All other expenditures from the special fund appropriation for the Hawaii health systems corporation – regions (HTH212) for fiscal year 2016–2017 for the Maui region shall be limited to costs and expenses directly related to the implementation of Act 103, Session Laws of Hawaii 2015, including the winding down of the operations of the three Maui region hospital facilities, and the administration of the lease of the Hawaii health systems corporation's three Maui region hospital facilities to the Maui Health System, a Kaiser Foundation Hospital LLC, pursuant to section 323F 54(b)(3), Hawaii Revised Statutes.]'~~

SECTION 36. Part IV, Act 119, Session Laws of Hawaii 2015 as amended and renumbered by Act 124, Session Laws of Hawaii 2016, is amended by amending Item F-3.01 to read as follows:

"3.01.

MOLOKAI VETERANS CENTER, MOLOKAI

PLANS, DESIGN, [AND] CONSTRUCTION,
AND EQUIPMENT FOR [OF] A PARKING
LOT, [AND INSTALLATION OF SEPTIC
TANK] PORTABLE FACILITY, AND
INSTALLATION OF SEPTIC TANK AND
PHOTOVOLTAIC SYSTEM; GROUND AND
SITE IMPROVEMENTS; EQUIPMENT AND
APPURTENANCES IN HOOLEHUA TO
PROVIDE SERVICES TO VETERANS AND
HOMESTEAD RESIDENTS.

PLANS	1
DESIGN	1
CONSTRUCTION	<u>[3,998]</u> 3,997
EQUIPMENT	1
TOTAL FUNDING [DEF] HHL	C 4,000 C"

SECTION 37. Part IV, Act 119, Session Laws of Hawaii 2015 as amended and renumbered by Act 124, Session Laws of Hawaii 2016, is amended by amending Item G-33 to read as follows:

"33.

KEONEPOKO ELEMENTARY SCHOOL, HAWAII

PLANS, DESIGN, CONSTRUCTION AND
EQUIPMENT FOR [THE TRANSITION FROM
KEAAU ELEMENTARY SCHOOL] THE
REIMBURSEMENT OF THE COST INCURRED
FOR THE TRANSITION FROM KEAAU
ELEMENTARY SCHOOL TO KEONEPOKO
ELEMENTARY SCHOOL.

PLANS	1
DESIGN	1
CONSTRUCTION	997
EQUIPMENT	1
TOTAL FUNDING EDN	1,000 C

SECTION 38. Part IV, Act 119, Session Laws of Hawaii 2015 as amended and renumbered by Act 124, Session Laws of Hawaii 2016, is amended by amending Item G-51.01 to read as follows:

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"51.01. MAUKA LANI ELEMENTARY SCHOOL, OAHU

DESIGN AND CONSTRUCTION [FOR-
ACCESSIBLE RAMP] FOR ACCESSIBILITY
IMPROVEMENTS INCLUDING ELEVATORS
AND/OR RAMPS; GROUND AND SITE
IMPROVEMENTS; EQUIPMENT AND
APPURTEANCES.

DESIGN
CONSTRUCTION
TOTAL FUNDING EDN

1
1,044
1,045 C"

SECTION 39. Part IV, Act 119, Session Laws of Hawaii 2015 as amended and renumbered by Act 124, Session Laws of Hawaii 2016, is amended by amending Item G-85.05 to read as follows:

"85.05. [NEW] MAKIKI PUBLIC LIBRARY, OAHU

DESIGN FOR [A-NEW] RENOVATION AND
USE OF EXISTING FACILITY AT MAKIKI
DISTRICT PARK SITE FOR A PUBLIC
LIBRARY, INCLUDING PARKING AND
SERVICE ACCESS REQUIREMENTS, GROUND
AND SITE IMPROVEMENTS, EQUIPMENT
AND APPURTEANCES.

DESIGN
TOTAL FUNDING AGS

1,000
1,000 C"

SECTION 40. Provided that the college of tropical agriculture and human resources does not receive the funding until parcels on Oahu, further identified by tax map keys (1)5-8-01:007, (1)5-8-01:013, and (1)5-8-01:055, are transferred over to the agribusiness development corporation and a parcel on Kauai, identified by tax map key 3-7-02-16, is transferred over to the department of transportation.

SECTION 41. Part V, Act 119, Session Laws of Hawaii 2015, as amended and renumbered by Act 124, Session Laws of Hawaii 2016, is amended by repealing section 51.1:

~~"[SECTION 51.1. Provided that of the general obligation bond fund appropriation for the University of Hawaii – West Oahu EB-5 loan repayment, Oahu (UOH700), the sum of \$17,000,000 or so much thereof as may be necessary for fiscal year 2016-2017 shall be expended upon the board of regents approval of the transfer of at least 30 acres, but no more than 50 acres to the high technology development corporation, department of business, economic development, and tourism and the state film office by January 1, 2018.]"~~

SECTION 42. Part V, Act 119, Session Laws of Hawaii 2015, as amended and renumbered by Act 124, Session Laws of Hawaii 2016, is amended by amending section 51.2 to read as follows:

"SECTION 51.2 Provided that of the general obligation fund appropriation for the University of Hawaii – West Oahu (UOH700) the sum of \$35,000,000 shall be expended for the creative media center[, provided further that the department shall provide a report to the legislature regarding the partnership between the University of Hawaii – West Oahu and the department of business, economic development and technology to develop a master plan for the development of an integrated public/private creative media center is completed, initiative focused on west Oahu, which shall include the following:]

- (1) A formal agreement between all respective agencies on the responsibilities of each agency;
- (2) A development plan to include expected costs and strategic partnerships between the public and private sectors;
- (3) A plan by the university to assign coordination and leadership for statewide creative media programs at the University of Hawaii-West Oahu; and

~~provided further that a report on the above requirements be submitted to the 2018 Legislature].~~

SECTION 43. Provided that of the general obligation bond fund appropriation for the University of Hawaii, Community Colleges (UOH800), the sum of \$10,000,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the sum of \$10,000,000 or so much thereof as may be necessary for fiscal year 2018-2019 shall be expended by the University of Hawaii, Community Colleges for the plans, design, construction, and equipment for the Culinary Institute of the Pacific, Phase II; provided further that the funds to be expended are matched by an amount no less than \$5,000,000 of private funds each fiscal year; and provided further that any unexpended funds appropriated for this purpose shall lapse to their respective funds.

SECTION 44. Part V, Act 119, Session Laws of Hawaii 2015, as amended and renumbered by Act 124, Session Laws of Hawaii 2016, is amended by repealing section 51.3:

~~"[SECTION 51.3. Provided that of the general obligation bond fund appropriation for University of Hawaii, systemwide support (UOH900) the sum of \$48,625,000 or so much thereof as may be necessary for fiscal year 2016-2017 shall not be expended for the college of education if the college of education remains at the University of Hawaii at Manoa; provided further that of the \$48,625,000, \$3,000,000 shall not be expended until the university establishes and implements a master plan that seamlessly transitions students and their high school pathway program and community college credits to any four year state funded post secondary education institution.]"~~

SECTION 45. Provided that of the general obligation bond fund appropriations for the public works – planning, design, and construction (AGS 221), lump sum advance planning, statewide, the sum of \$5,000,000 for fiscal year 2017-2018 shall not be expended until a Memorandum of Agreement between the department of accounting and general services and the high technology development corporation is executed for the management and planning to prepare the First Responder Technology Park for development and use.

SECTION 46. Provided that of the general obligation bond fund appropriation for the department of accounting and general services, public works-planning, design, and construction (AGS221), lump sum maintenance of existing facilities, public works division, statewide, the sum of \$5,000,000 for fiscal year 2017-2018 shall be expended on the repairs, renovations, maintenance, equipment, appurtenances for the State Capitol Building.

SECTION 47. Any law to the contrary notwithstanding, the appropriations under Act 119, Session Laws of Hawaii 2015, section 47, as amended and renumbered by Act 124, Session Laws of Hawaii 2016, section 5, in the amounts indicated or balances thereof, unallotted, allotted, unencumbered, or encumbered and unrequired, are hereby lapsed:

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<u>"Item No.</u>	<u>Amount (MOF)</u>
G-81	4,875,000 C
I-0.13	3,145,000 C
I-1.01	13,210,000 C
I-1.02	13,210,000 C
I-1.03	6,320,000 C
I-1.04	17,500,000 C
K-7	8,512,000 C"

PART VI. ISSUANCE OF BONDS

SECTION 48. AIRPORT REVENUE BONDS. The department of transportation is authorized to issue airport revenue bonds for airport capital improvement program projects authorized in part II and listed in part IV of this Act and designated to be financed by revenue bond funds or by general obligation bond funds with debt service costs to be paid from special funds, in such principal amount as shall be required to yield the amounts appropriated for such capital improvements program projects, and, if so determined by the department and approved by the governor, any additional principal amount as may be necessary by the department to pay interest on such airport revenue bonds during the estimated period of construction of the capital improvement program project for which such airport revenue bonds are issued to establish, maintain, or increase reserves for the airport revenue bonds and to pay the expenses of issuance of such bonds. The airport revenue bonds shall be issued pursuant to the provisions of part III of chapter 39, Hawaii Revised Statutes, as the same may be amended from time to time. The principal of and interest on airport revenue bonds, to the extent not paid from the proceeds of such bonds, shall be payable solely from and secured solely by the revenues from airports and related facilities under the ownership of the State or operated and managed by the department and the aviation fuel taxes levied and paid pursuant to sections 243-4(a)(2) and 248-8, Hawaii Revised Statutes, or such parts of either 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, and passenger facility charges pursuant to section 261-5.5, Hawaii Revised Statutes, as amended, and as determined by the department. 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 the airport revenue fund and passenger facility charge special fund as determined by the department.

The governor, at the governor's discretion, is authorized to use the airport revenue fund and passenger facility charge special fund to finance those projects authorized in part II and listed in part IV of this Act where the method of financing is designated to be by airport revenue bond funds; provided that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2018 and 2019.

SECTION 49. RENTAL MOTOR VEHICLE CUSTOMER FACILITY REVENUE BONDS. The department of transportation is authorized to issue rental motor vehicle customer facility revenue bonds for airport capital improvement program projects relating to consolidated rental car facilities authorized in part II and listed in part IV of this Act and designated to be financed by revenue bond funds with debt service cost to be paid from the rental motor vehicle customer facility charge special fund, as authorized by section 261-5.6,

Hawaii Revised Statutes, in such principal amount as shall be required to yield the amounts appropriated for such capital improvements program projects, and, if so determined by the department and approved by the governor, any additional principal amount as may be necessary by the department to pay interest on the rental motor vehicle customer facility revenue bonds during the estimated period of construction of the capital improvements program project for which the rental motor vehicle customer facility revenue bonds are issued, to establish, maintain, or increase reserves for the rental motor vehicle customer facility revenue bonds and to pay the expenses of issuance of the bonds. The rental motor vehicle customer facility revenue bonds shall be issued pursuant to the provisions of part III of chapter 39, Hawaii Revised Statutes, as the same may be amended from time to time. The principal of and interest on rental motor vehicle customer facility revenue bonds, to the extent not paid from the proceeds of such bonds, shall be payable solely from and secured solely by the revenues from the rental motor vehicle surcharge tax and the rental motor vehicle customer facility charge special fund pursuant to section 261-5.6, Hawaii Revised Statutes, as amended, and as determined by the department. The expenses of the issuance of such rental motor vehicle customer facility revenue bonds, to the extent not paid from the proceeds of such bonds shall be paid from the rental motor vehicle customer facility charge special fund as determined by the department.

The governor, in the governor's discretion, is authorized to use the rental motor vehicle customer facility charge special fund to finance those projects authorized in part II and listed in part IV of this Act where the method of financing is designated to be by rental motor vehicle customer facility revenue bond funds; provided that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2018 and 2019.

SECTION 50. HARBOR REVENUE BONDS. The department of transportation is authorized to issue harbor revenue bonds for harbor capital improvement program projects authorized in part II and listed in part IV of this Act and designated to be financed by revenue bond funds or by general obligation bond funds with debt service cost to be paid from special funds, in such principal amount as shall be required to yield the amounts appropriated for such capital improvement program projects, and, 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 estimated construction period of the capital improvement project for which such harbor revenue bonds are issued to establish, maintain, or increase reserves for the harbor revenue bonds or harbor revenue bonds heretofore authorized (whether authorized and issued or authorized and still unissued), and to pay the expenses of issuance of such bonds. The aforementioned harbor revenue bonds shall be issued pursuant to the provisions of part III of chapter 39, Hawaii Revised Statutes, as the same may be amended from time to time. The principal of and interest on harbor revenue bonds, to the extent not paid from the proceeds of such bonds, shall be payable solely from and secured solely by the revenues derived from harbors and related facilities under the ownership of the State or operated and managed by the department, including rents, mooring, wharfage, dockage, pilotage fees, and other fees or charges presently or hereafter derived from or arising through the ownership, operation, and management of harbor and related facilities and the furnishing and supplying of the services thereof. The expenses of the issuance of such harbor revenue bonds shall, to the extent not paid from the proceeds of such bonds, be paid from the harbor special fund.

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The governor, at the governor's discretion, is authorized to use the harbor revenue fund to finance those projects authorized in part II and listed in part IV of this Act where the method of financing is designated to be by harbor revenue bond funds; provided that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2018 and 2019.

SECTION 51. HIGHWAY REVENUE BONDS. The department of transportation is authorized to issue highway revenue bonds for highway capital improvement program projects authorized in part II and listed in part IV of this Act and designated to be financed by revenue bond funds or by general obligation bond funds with the debt service cost to be paid from special funds, in such principal amount as shall be required to yield the amounts appropriated for such capital improvement projects, and, if so determined by the department and approved by the governor, such additional principal amount as may be deemed necessary by the department to pay interest on such highway revenue bonds during the estimated period of construction of the capital improvement project for which such highway revenue bonds are issued, to establish, maintain, or increase reserves for such highway revenue bonds or highway revenue bonds heretofore authorized (whether authorized and issued or authorized and still unissued), and to pay all or any part of the expenses related to the issuance of such highway revenue bonds. The aforementioned highway revenue bonds shall be issued pursuant to the provisions of part III of chapter 39, Hawaii Revised Statutes, as the same may be amended from time to time. The principal of and interest on such highway revenue bonds, to the extent not paid from the proceeds of such highway revenue bonds, shall be payable from and secured by the revenues derived from highways and related facilities under the ownership of the State or operated and managed by the department, from the highway fuel taxes, vehicle weight taxes, and vehicle registration fees, levied and paid pursuant to sections 243-4, 248-8, 249-31, and 249-33, Hawaii Revised Statutes, and federal moneys received by the State or any department thereof that are available to pay principal of and/or interest on indebtedness of the State, or such part of any thereof as the department may determine, and other user taxes, fees or charges currently or hereafter derived from or arising through the ownership, operation, and management of highways and related facilities and the furnishing and supplying of the services thereof. The expenses related to the issuance of such highway revenue bonds, to the extent not paid from the proceeds of such bonds, shall be paid from the state highway fund.

The governor, at the governor's discretion, is authorized to use the state highway fund to finance those projects authorized in part II and listed in part IV of this Act where the method of financing is designated to be by highway revenue bond funds; provided that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2018 and 2019.

PART VII. SPECIAL PROVISIONS

SECTION 52. GOVERNOR'S DISCRETIONARY POWERS. Any law or provision to the contrary notwithstanding, the governor may replace general obligation bond funds appropriated for capital improvement projects with general obligation reimbursable bond funds when the expenditure of such general obligation reimbursable bond funds is deemed appropriate for the project.

SECTION 53. All general obligation bond funds used for a public undertaking, improvement, or system designated by the letter (D) shall have the bond principal and interest reimbursed from the special fund in which the net revenue, net user tax receipts, or combination of both of such public undertaking, improvement, or system are deposited or credited. Bonds issued for irrigation and housing projects shall be reimbursed as provided by section 174-21 and chapter 201H, Hawaii Revised Statutes, respectively.

The governor at the governor's discretion is authorized to use the state highway fund, the harbor special fund, the boating special fund, the airport revenue fund, the special land and development fund, or other appropriate special funds to finance the respective public undertaking, improvement, or system described above and authorized in this Act, where the method of financing is designated to be general obligation bond fund with debt service cost to be paid from the funds.

SECTION 54. In the event that the authorized appropriations specified for capital improvement projects listed in this Act are insufficient and where the source of funding is designated as special funds, general obligation bond fund with debt service cost to be paid from special funds, revenue bond funds, or revolving funds, the governor may make supplemental allotments from the special fund or revolving fund responsible for cash or debt service payments for the projects or transfer unrequired balances from other unlapsed projects in this Act or prior appropriation acts which authorized the use of special funds, general obligation bond fund with debt service costs to be paid from special funds, revenue bond funds, or revolving funds; provided that such supplemental allotments shall not be used to increase the scope of the project; provided further that such supplemental allotments shall not impair the ability of the fund to meet the purposes for which it was established.

SECTION 55. In the event that the authorized appropriations specified for capital improvement projects listed in this Act are insufficient and where the source of funding is designated as airport passenger facility charge funds, the governor may make supplemental allotments from the airport revenue fund or airport revenue bond funds, or transfer unrequired balances from other unlapsed projects in this Act or prior appropriation acts that authorized the use of airport passenger facility charge funds; provided that such supplemental allotments shall not be used to increase the scope of the project; provided further that such supplemental allotments shall not impair the ability of the fund to meet the purposes for which it was established; and provided further that the governor, at the governor's discretion, is authorized to increase the passenger facility charge fund authorization ceiling for the program to accommodate the expenditure of such funds.

SECTION 56. The governor may supplement funds for any cost element for a capital improvement project authorized under this Act by transferring such sums as may be needed from the funds appropriated for other cost elements of the same project by this Act or any other prior or future act that has not lapsed; provided that the total expenditure of funds for all cost elements shall not exceed the total appropriations for that project.

SECTION 57. After the objectives and the purposes of appropriations made in this Act for capital investment purposes from the state educational facilities improvement special fund have been met, any unrequired balances shall be transferred to the special funded project adjustment fund for state educational

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facilities appropriated in part II and described further in part IV of this Act, and shall be considered a supplementary appropriation thereto; provided that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2018 and 2019.

SECTION 58. In the event that currently authorized appropriations specified for capital investment purposes listed in this Act or in any other Act currently authorized by the legislature are insufficient, and where the source of funding for the project is designated as the state educational facilities improvement special fund, the governor may make supplemental allotments from the special funded project adjustment fund for state educational facilities; provided that the supplemental allotments from the special funded project adjustment fund for state educational facilities shall not be used to increase the scope of the project and may only be made to supplement currently authorized capital investment project cost elements; provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the regular sessions of 2018 and 2019.

SECTION 59. Any provision of this Act to the contrary notwithstanding, the appropriations made for capital improvement projects authorized under this Act shall not lapse at the end of the fiscal biennium for which the appropriation is made; provided that all appropriations made to be expended in fiscal biennium 2017-2019 which are unencumbered as of June 30, 2020, shall lapse as of that date; provided further that this lapsing date shall not apply to:

- (1) Appropriations for projects where the means of financing is the state educational facilities improvement special fund, where such appropriations have been authorized for more than three years for the construction or acquisition of public school facilities; or
- (2) Non-general fund appropriations for projects described in part IV of this Act where such appropriations have been deemed necessary to qualify for federal aid financing and reimbursement and are unencumbered as of June 30, 2024, shall lapse as of that date.

SECTION 60. Where it has been determined that changed conditions, such as a reduction in the particular population being served, permit the reduction in the scope of a capital improvement project described in this Act, the governor may authorize such reduction of project scope.

SECTION 61. In releasing funds for capital improvement projects, the governor shall consider legislative intent and the objectives of the user agency and its programs; the scope and level of the user agency's intended service; and the means, efficiency, and economics by which the project will meet the objectives of the user agency and the State; provided that agencies responsible for construction shall take into consideration legislative intent, the objectives of the user agency and its programs, and the scope and level of the user agency's intended service and construct the improvement to meet the objectives of the user agency in the most efficient and economical manner possible.

SECTION 62. With the approval of the governor, designated expending agencies for capital improvement projects authorized in this Act may delegate to other state or county agencies the implementation of projects when it is de-

terminated advantageous to do so by both the original expending agency and the agency to which expending authority is to be delegated.

SECTION 63. Where county capital improvement projects are partially or totally funded by state grants as authorized in this Act or any other act of the legislature, this fact should be appropriately acknowledged during construction and upon completion of these projects.

SECTION 64. The governor may authorize the expenditure of funds for capital improvement projects not previously authorized in this Act to cope with the effects of natural disasters or unforeseen emergencies, when the effects of the natural disasters or unforeseen emergencies create an urgent need to pursue a course of action that is in the best interest of the State; provided that no funds shall be expended without a formal declaration of a natural disaster or emergency by the governor; provided further that the governor shall use the powers conferred under section 127A-13, Hawaii Revised Statutes, or any other applicable law to accomplish the purposes of this section.

SECTION 65. Notwithstanding any provision in part III of this Act, the governor is authorized to transfer savings or unrequired balances as may be available from the appropriated funds of any program in this Act to supplement the appropriation for any other program in this Act to cope with the effects of natural disasters or other unforeseen emergencies; provided that the effects of such natural disasters or emergencies create an urgent need to pursue a course of action which is in the best interest of the State; provided further that the use of such funds does not conflict with general law; and provided further that no funds shall be expended without a formal declaration of a natural disaster or emergency by the governor.

SECTION 66. No appropriation authorized in this Act for expenditure by a political subdivision of this State shall be considered to be a mandate to undertake new programs or to increase the level of services under existing programs of that political subdivision. If any appropriation authorized in this Act constitutes such a mandate within the provisions of section 5 of article VIII of the Hawaii State Constitution, such authorization shall be void and, in the case of capital improvement appropriations designated to be financed from the general obligation bond fund, the total general obligation bonds authorized for such projects shall be correspondingly decreased.

SECTION 67. Whenever the expending agency to which an appropriation is made is changed due to legislation enacted during any session of the legislature, which affects the appropriations made by this Act, the governor shall transfer the necessary funds and positions to the proper expending agency as provided by law.

SECTION 68. If the State should assume the direct operation of any non-governmental agency receiving state funds under the provisions of this Act, all such funds shall constitute a credit to the State against the costs of acquiring all or any portion of the property, real, personal, or mixed, of such non-governmental agency. This credit shall be applicable regardless of when the acquisition takes place.

SECTION 69. Any provision of this Act to the contrary notwithstanding, the federal fund or other federal fund appropriations made for operating

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costs authorized under this Act shall not lapse at the end of the fiscal year for which the appropriation is made; provided that all federal fund or other federal fund appropriations made to be expended in fiscal year 2017-2018 which are unencumbered as of June 30, 2020 shall lapse as of that date and fiscal year 2018-2019 which are unencumbered as of June 30, 2021 shall lapse as of that date.

SECTION 70. If unanticipated federal funding cutbacks diminish or curtail essential, federally funded state programs, the governor may utilize savings as determined to be available from other state programs for the purpose of maintaining such programs until the next legislative session.

SECTION 71. The governor may approve the expenditure of all federal funds which are in excess of levels authorized by the legislature; provided that the governor may allow for an increase in the appropriate federal fund authorization ceiling for the program to accommodate the expenditure of such funds.

SECTION 72. Any provision of this Act to the contrary notwithstanding, the governor may approve the extension of the lapse dates for federal fund or other federal fund appropriations and appropriations of other means of financing, except general funds, deemed necessary to qualify for federal aid financing and/or reimbursement, provided in this Act or authorized by the governor pursuant to section 72¹ of this Act as necessary to meet the intent of the federal grant awards.

SECTION 73. Where an agency is authorized to secure funds or other property from private organizations or individuals to be expended or utilized in connection with any authorized program, the agency, with the governor's approval, may enter into such undertaking, provided that the provisions of the undertaking comply with applicable state constitutional and statutory requirements.

SECTION 74. Except as otherwise provided by general law, negotiations for the purchase of land by state agencies shall be subject to the approval of the governor and the department of land and natural resources, or other appropriate agency; provided that private lands may be acquired for the purpose of exchange for federal lands when the department of land and natural resources and the governor determine that such acquisition and exchange are necessary for the completion of any project specifically authorized by this Act.

SECTION 75. Except as otherwise provided, or except as prohibited by specific grant conditions, all federal or non-general fund reimbursements received by state programs shall be returned to the general fund or fund of originating expenses.

SECTION 76. Unless otherwise provided in this Act, the governor is authorized to transfer operating funds between appropriations within the same fund, within an expending agency, for operating purposes.

SECTION 77. Except as otherwise provided in this Act, each department or agency is authorized to transfer positions within its respective authorized position ceiling for the purpose of maximizing the utilization of personnel resources and staff productivity; provided that all such actions shall be with the prior approval of the governor and shall be consistent with appropriations provided in this Act and with provisions of part II of chapter 37, Hawaii Revised Statutes.

SECTION 78. Any law or provision to the contrary notwithstanding, in expending funds for social welfare programs, education programs, and other programs and agencies having appropriations which are based on population and workload data as specified in the executive budget document, only so much as is necessary to provide the level of services intended by the legislature shall be expended. Affected agencies shall reduce expenditures below appropriations under procedures prescribed by the department of budget and finance in the event actual population and workload trends are less than the figures projected.

SECTION 79. With the approval of the governor, expending agencies that use appropriations authorized in part II of this Act for audit services may delegate that responsibility and transfer funds to internal post audit (AGS104) when it is determined by such agencies that it is advantageous to do so.

SECTION 80. With the approval of the governor, expending agencies that use appropriations authorized in part II of this Act for planning, land acquisition, design, construction, and equipment for repair and alterations may delegate that responsibility and transfer funds to public works - planning, design, and construction (AGS221) for the implementation of the repair and alterations when it is determined by the agencies that it is advantageous to do so.

SECTION 81. Except as otherwise provided by law, agencies with appropriations authorized in part II of this Act for risk management costs shall transfer funds authorized for that purpose to risk management (AGS203) for the administration and implementation of state risk management costs and expenses.

SECTION 82. With the approval of the governor, the Hawaii health systems corporation in the department of health may transfer to the department of human services funds appropriated to the Hawaii health systems corporation for the care and treatment of patients whenever the department of human services can utilize such funds to match federal funds which may be available to help finance the cost of outpatient, acute hospital, or long term care of indigents or medical indigents in designated critical access hospitals.

SECTION 83. With the approval of the governor, the department of health may transfer to the department of human services funds appropriated to the department of health for the care and treatment of patients whenever the department of human services can utilize such funds to match federal funds to finance the cost of outpatient, hospital, or skilled nursing home care of indigents or medical indigents.

SECTION 84. The department of human services is authorized to enter into agreements with the department of health to furnish outpatient, hospital, and skilled nursing home care of indigents or medical indigents and to pay the department of health for such care; provided that with the approval of the director of finance, the department of health may deposit part of such receipts into the appropriations from which transfers were made as provided elsewhere in this Act.

SECTION 85. Provided that of the appropriation for each principal state department, as defined by section 26-4, Hawaii Revised Statutes, the sum of \$2,500 for fiscal year 2017-2018 and the same sum for fiscal year 2018-2019 shall be made available in each department to be established as a separate account

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for a protocol fund to be expended at the discretion of the executive head of the department or agency (i.e., director, chairperson, comptroller, adjutant general, superintendent, president, or attorney general).

SECTION 86. Provided that of the general fund appropriation for Hawaii state public library system (EDN407), the sum of \$2,500 for fiscal year 2017-2018 and the same sum for fiscal year 2018-2019 may be used to establish a separate account for a protocol fund to be expended at the discretion of the state librarian.

SECTION 87. Provided that of the general fund appropriation for financial administration (BUF115), the sum of \$4,000 for fiscal year 2017-2018 and the same sum for fiscal year 2018-2019 may be used to establish a separate account for a protocol fund to be expended at the discretion of the director of finance for the promotion and improvement of state bond ratings and sales.

SECTION 88. Provided that of the special fund appropriation for spectator events and shows - aloha stadium (AGS889), the sum of \$2,500 for fiscal year 2017-2018 and the same sum for fiscal year 2018-2019 may be expended at the discretion of the stadium manager for the promotion of spectator events and shows and other stadium related purposes.

SECTION 89. Except as otherwise provided, the appropriation for the office of the governor (GOV100) shall be expended at the discretion of the governor.

SECTION 90. Except as otherwise provided, the appropriation for the office of the lieutenant governor (LTG100) shall be expended at the discretion of the lieutenant governor.

SECTION 91. Provided that of the appropriations authorized for executive programs in part II of this Act for fiscal year 2017-2018 and fiscal year 2018-2019, settlements and judgments approved by the legislature in the final version of House Bill No. 1022,⁶ Making Appropriations for Claims Against the State, Its Officers, or Its Employees, shall be funded within each program's departmental allocation for the respective fiscal year.

SECTION 92. Provided that the amount of settlements and judgments approved by the legislature in the final version of House Bill No. 1022,⁶ Making Appropriations for Claims Against the State, Its Officers, or Its Employees, exceeds program allocations for fiscal year 2017-2018 or fiscal year 2018-2019, as applicable, for the purposes of meeting such obligations:

- (1) A department, with the approval of the governor, may utilize allocated savings determined to be available from any other program within the department; and
- (2) Unless otherwise provided by general law, the governor may transfer funds between allocations of appropriations within a department for the purposes of paying settlements and judgments of a program.

SECTION 93. The director of finance is authorized to expend general fund, special fund, and revolving fund savings or balances determined to be available from authorized general fund, special fund, and revolving fund program appropriations up to an aggregate total of \$20,000,000 for fiscal year 2017-2018 and \$20,000,000 for fiscal year 2018-2019, for municipal lease pay-

ments under financing agreements entered into pursuant to chapter 37D, Hawaii Revised Statutes, to finance the acquisition of depreciable assets including but not limited to automobiles, computers, printers, and telecommunications equipment; provided that designated expending agencies (including the department of education and the University of Hawaii), for municipal lease payments and for depreciable assets including but not limited to automobiles, computers, printers, and telecommunications equipment authorized in this Act, may delegate to the director of finance the implementation of such acquisitions when it is determined by all involved agencies that it is advantageous to do so.

SECTION 94. Notwithstanding any provision in part III of this Act, the governor is authorized to transfer savings or unrequired balances as may be available of general funds from any program in this Act to supplement the department of land and natural resources' firefighter's contingency fund; provided that these funds shall be used to prevent, control, and extinguish wildland fires within forest reserves, public hunting areas, wildlife and plant sanctuaries, and natural area reserves, and to fulfill mutual aid agreements in cooperation with fire control agencies of the counties and federal government.

SECTION 95. Provided that the director of finance shall ensure that non-facility per pupil general fund amounts allocated for department of education and charter school students are equal on an annualized fiscal year basis; provided further that, for the purposes of this section, all general fund appropriations for school-based budgeting (EDN100), instructional support (EDN200), state administration (EDN300), and school support (EDN400) shall be considered non-facility appropriations for department of education; provided further that for the purposes of this section, the general fund appropriation for charter schools (EDN600) shall be considered the non-facility appropriation for charter schools; provided further that, for the purposes of this section, all grant appropriations issued pursuant to chapter 42F, Hawaii Revised Statutes, shall be excluded from non-facility appropriations for the department of education and charter schools; and provided further that, notwithstanding any other law to the contrary, for fiscal year 2017-2018 and fiscal year 2018-2019, the director of finance shall:

- (1) Determine the sum of general fund appropriations made for the department of education and charter school student non facility costs;
- (2) Determine the sum of department of education and charter school student enrollment based upon verified actual student enrollment counts as of October 15;
- (3) Determine a per pupil amount by dividing the sum of general fund appropriations determined under paragraph (1) by the sum of student enrollment determined under paragraph (2);
- (4) Transfer a general fund amount between the department of education and charter schools prior to November 1, 2017, and November 1, 2018, respectively, that will provide each with a per pupil allocation equal to the amount determined on an annualized fiscal year basis under paragraph (3); and
- (5) Account for all calculations and transfers made pursuant to this section in a report to the legislature, governor, department of education, and charter schools within ten days of any transfer made pursuant to this section.

SECTION 96. Provided that, pursuant to section 37-74(f), Hawaii Revised Statutes, no funds shall be expended to fill a permanent or temporary posi-

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tion for the lowest level of the program if the filling of that position causes the position ceiling for that level of the program to be exceeded; provided further that this prohibition shall not apply to a:

- (1) Position established by the University of Hawaii or the Hawaii health systems corporation;
- (2) Position that is entirely federally funded;
- (3) Position necessary for compliance without undue delay with a court order or decree if the director of human resources development determines that the recruitment through normal civil service procedures would result in delay or noncompliance;
- (4) Position approved by the governor for special, research, or demonstration project of an agency;
- (5) Position approved by the governor to perform an emergency management function under the department of defense pursuant to the authority of section 127A-12(b)(9), Hawaii Revised Statutes;
- (6) Casual hire position;
- (7) Vicing position;
- (8) Position established by an agency pursuant to express statutory authority to establish the position; and
- (9) Position established by an agency for a program or project funded by an appropriation in an act other than a general or supplemental appropriations act;

provided further that with regard to any of the positions identified in paragraphs (1), (2), (3), (4), (5), (8), and (9), the respective agency or department shall submit a report to the legislature within five days of each use of this provision; and provided further that the report shall include the:

- (1) Authority used to establish the position;
- (2) Date the position was established;
- (3) Projected date the position will be filled;
- (4) Amounts projected to be expended in fiscal year 2017-2018 and in fiscal year 2018-2019;
- (5) Source of funds used to pay for the position; and
- (6) Functions to be performed by the position.

SECTION 97. If the governor imposes a restriction on an allotment to the department of accounting and general services that may affect the expenditure of the appropriation for school repair and maintenance, neighbor island districts (AGS807), the comptroller shall consult with the superintendent of education before enforcing the restriction.

PART VIII. MISCELLANEOUS AND EFFECTIVE DATE

SECTION 98. If any portion of this Act or its application to any person, entity, or circumstance is held to be invalid for any reason, then the legislature 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 expended to fulfill the objective of such appropriation to the extent possible.

SECTION 99. If manifest clerical, typographical, or other mechanical errors are found in this Act, the governor may correct such errors.

SECTION 100. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 101. This Act shall take effect on July 1, 2017.

(Approved June 21, 2017.)

Notes

1. So in original.
2. Section is repealed.
3. SB469, SD2, HD1, CD1 became Act 195.
4. SB207, SD2, HD2, CD1 became Act 18.
5. SB936, SD2, HD1, CD1 became Act 17.
6. HB1022, HD1, SD2, CD1 became Act 19.

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H.B. NO. 508

A Bill for an Act Relating to Ethics.

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

SECTION 1. Section 84-39, Hawaii Revised Statutes, is amended to read as follows:

“[§84-39] Administrative fines. (a) Where an administrative fine has not been established for a violation of [a provision of] this chapter, any person, including a legislator or employee, who violates [a provision of] this chapter shall be subject to an administrative fine imposed by the state ethics commission that shall not exceed [\$500] \$1,000 for each violation. All fines collected under this section shall be deposited in the general fund.

- (b) No fine shall be assessed under this section unless:
 - (1) The state ethics commission convenes a hearing in accordance with section 84-31(c) and chapter 91[;]; and
 - [(2) A] decision has been rendered by the commission[;]; or
 - (2) The state ethics commission and respondent agree to resolve any charge of an alleged violation prior to completion of the contested case process and the resolution includes payment of an administrative fine or restitution, or both.”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved June 22, 2017.)

ACT 51

H.B. NO. 511

A Bill for an Act Relating to Lobbyists.

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

SECTION 1. The legislature finds that Hawaii's lobbyist registration law is both under- and over-inclusive, such that amending the definitions of "expenditure", "lobbying", and "lobbyist" is necessary to provide additional

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transparency to the public while relieving some individuals, particularly certain representatives of charitable, nonprofit organizations, from having to register as lobbyists. Similarly, the legislature finds that several provisions of the lobbyists law should be amended to avoid unnecessary paperwork and confusion. Among other things, the legislature finds that the employer of a lobbyist should have the authority to terminate that lobbyist's registration if the lobbyist does not do so.

Accordingly, the purpose of this Act is to provide additional clarity and consistency in the administration and enforcement of Hawaii's lobbying laws.

SECTION 2. Section 97-1, Hawaii Revised Statutes, is amended to read as follows:

“§97-1 Definitions. When used in this chapter:

[①] “Administrative action” means the proposal, drafting, consideration, amendment, enactment, or defeat by any administrative agency of any rule[~~, regulation~~] or other action governed by section 91-3.

[②] “Administrative agency” means a commission, board, agency, or other body, or official in the state government that is not a part of the legislative or judicial branch.

[③] “Contribution” includes a gift, subscription, forgiveness of a loan, advance, or deposit of money, or anything of value and includes a contract, promise, or agreement, whether or not enforceable, to make a contribution.

[④] “Expenditure” includes a payment, distribution, forgiveness of a loan, advance, deposit, or gift of money, or anything of value and includes a contract, promise, or agreement, whether or not enforceable, to make an expenditure. “Expenditure” also includes compensation or other consideration paid to a lobbyist for the performance of lobbying services. “Expenditure” excludes [the expenses of preparing written testimony and exhibits for a hearing before the legislature or an administrative agency.] any amounts expended:

- (1) For intrastate travel costs, including incidental meals and lodging; provided that this exception does not apply to any amounts expended for the travel costs of state legislators, board and commission members, or any other employees of the State; or
- (2) By a nonprofit organization to prepare and submit an application for a grant pursuant to chapter 42F, and for each of the nonprofit organization’s employees to lobby a maximum of ten hours in a month for that application.

[⑤] “Legislative action” means the sponsorship, drafting, introduction, consideration, modification, enactment, or defeat of any bill, resolution, amendment, report, nomination, appointment, or any other matter pending or proposed in the legislature.

“Lobbying” means communicating directly or through an agent, or soliciting others to communicate, with any official in the legislative or executive branch, for the purpose of attempting to influence legislative or administrative action or a ballot issue. “Lobbying” shall not include the preparation and submission of a grant application pursuant to chapter 42F by a representative of a nonprofit organization.

[⑥] “Lobbyist” means any individual who [for]:

- (1) Receives or expects to receive, either by employment or contract, \$1,000 or more in monetary or in-kind compensation in any calendar year for engaging in lobbying, either personally or through the lobbyist’s agents; or
- (2) For pay or other consideration [engages], on behalf of another person;

- (A) Engages in lobbying in excess of five hours in any month of any reporting period described in section 97-3 [or spends more than \$750];
- (B) Engages in lobbying in excess of ten hours during any calendar year; or
- (C) Makes expenditures of \$1,000 or more of the person's or any other person's money lobbying during any reporting period described in section 97-3[-];

provided that an employee of a nonprofit organization who spends fewer than ten hours in any month lobbying on a grant application submitted pursuant to chapter 42F is not a lobbyist if the employee does not engage in lobbying on matters that are unrelated to the grant application.

[7] "Lobbying" means communicating directly or through an agent, or soliciting others to communicate, with any official in the legislative or executive branch, for the purpose of attempting to influence legislative or administrative action or a ballot issue.

[8] "Person" means a corporation, individual, union, association, firm, sole proprietorship, partnership, committee, club, or any other organization or a representative of a group of persons acting in concert."

SECTION 3. Section 97-2, Hawaii Revised Statutes, is amended by amending subsections (d) and (e) to read as follows:

"(d) A lobbyist shall file a notice of termination within ten days after the lobbyist ceases the activity [which] that required the lobbyist's registration. If the lobbyist fails to file a notice of termination, the person who employed or contracted for the services of the lobbyist may file the notice. The lobbyist and the [employer] person who employed or contracted for the services of the lobbyist shall remain subject, however, to the requirements of this chapter [97] for the period during which the registration was effective.

(e) This chapter shall not apply to:

- (1) Any individual who represents oneself and not any other person before the legislature or administrative agency; provided that [such] the individual [must nonetheless] shall file a statement of expenditures if the individual meets any of the provisions of section 97-3(a);
- (2) Any federal, state, or county official or employee acting in the official's or employee's official capacity, unless the federal, state or county official, or employee contracts for the services of a lobbyist;
- (3) Any elected public official acting in the public official's official capacity, unless the public official contracts for the services of a lobbyist;
- (4) Any newspaper or other regularly published periodical or radio or television station [], including any individual who owns, publishes, or is employed by a newspaper or periodical or radio or television station[]], while publishing in the regular course of business news items, editorials, or other comments, or paid advertisements, which directly or indirectly urge the passage or defeat of legislative or administrative action;
- (5) Any attorney who advises the attorney's clients on the construction or effect of proposed legislative or administrative action; provided that such attorney [must nonetheless] shall register if the attorney meets [any of the provisions of section 97-1(6);] the definition of "lobbyist" as defined in section 97-1; and
- (6) Any person who possesses special skills and knowledge relevant to certain areas of legislation, whose skills and knowledge may be

helpful to the legislative and executive branches of state government, and who makes an occasional appearance at the request of the legislature or an administrative agency, or the lobbyist even though receiving reimbursement or other payment from the legislature or administrative agency or the lobbyist for the appearance."

SECTION 4. Section 97-3, Hawaii Revised Statutes, is amended by amending subsections (a), (b), and (c) to read as follows:

"(a) The following persons shall file a statement of expenditures with the state ethics commission on March 31, May 31, and January 31 of each year and within thirty days after adjournment sine die of any special session of the legislature:

- (1) Each lobbyist;
- (2) Each person who [spends \$750] makes expenditures of \$1,000 or more of the person's or any other person's money in any [six month period] reporting period described in this section for the purpose of [attempting to influence legislative or administrative action or a ballot issue by communicating or urging others to communicate with public officials; provided that any amounts expended for travel costs, including incidental meals and lodging, shall not be included in the tallying of the \$750;] lobbying; and
- (3) Each person who employs or contracts for the services of one or more lobbyists, whether independently or jointly with other persons. If the person is an industry, trade, or professional association, only the association is the employer of the lobbyist.

(b) The March 31 report shall cover the period from January 1 through the last day of February. The May 31 report shall cover the period from March 1 through April 30. The January 31 report shall cover the period from May 1 through December 31 of the previous year. The report to be filed within thirty days after adjournment sine die of a special session of the legislature shall [ever]:

- (1) Cover the period from May 1 through adjournment sine die of that special session [and shall apply];
- (2) Be filed only by persons listed in subsection (a) who engage in lobbying activities, or who make expenditures for the purpose of attempting to influence legislative action considered during a special session; and
- (3) Apply to and include only those expenditures and contributions that relate to legislative action considered during that special session[-]; provided that those expenditures and contributions included in the report need not be included by the person filing the report in any subsequent statement of expenditures.

- (c) The statement shall contain the following information:
- (1) The name and address of each person with respect to whom expenditures for the purpose of lobbying in the total sum of \$25 or more per day was made by the person filing the statement during the statement period and the amount or value of [such] the expenditure;
 - (2) The name and address of each person with respect to whom expenditures for the purpose of lobbying in the aggregate of \$150 or more was made by the person filing the statement during the statement period and the amount or value of [such] the expenditures;
 - (3) The total sum or value of all expenditures for the purpose of lobbying made by the person filing the statement during the statement [period in excess of \$750 during the statement] period; provided that

the sum or value of each expenditure is itemized in the following categories, as applicable:

- (A) Preparation and distribution of lobbying materials;
 - (B) Media advertising;
 - (C) Compensation paid to lobbyists;
 - (D) Fees paid to consultants [or] for services;
 - (E) Entertainment and events;
 - (F) Receptions, meals, food, and beverages;
 - (G) Gifts;
 - (H) Loans; [and]
 - (I) Interstate transportation, including incidental meals and lodging; and
 - [J] (J) Other disbursements;
- (4) The name and address of each person making contributions to the person filing the statement for the purpose of lobbying in the total sum of \$25 or more during the statement period and the amount or value of [such] the contributions; and
- (5) The subject area of the legislative and administrative action [which] that was supported or opposed by the person filing the statement during the statement period.”

SECTION 5. Section 97-4.5, Hawaii Revised Statutes, is amended to read as follows:

“[§97-4.5] **Lobbyist list.** [As soon as is feasible after the commencement of each regular session of the legislature, the state ethics commission shall publish a list of registered lobbyists, the names of the persons whom they represent, and other pertinent information but shall not include in such list the addresses of the lobbyists. The list shall be supplemented from time to time as may be necessary.] All lobbyist registration statements shall be posted on the state ethics commission's website within a reasonable time after filing, and may be removed from the website after four years.”

SECTION 6. Section 97-7, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

- “(a) Any person who:
- (1) Wilfully fails to file any statement or report required by this chapter;
 - (2) Wilfully files a statement or report containing false information or material omission of any fact;
 - (3) Engages in activities prohibited by section 97-5; or
 - (4) Fails to provide information required by section 97-2 or 97-3;

shall be subject to an administrative fine imposed by the state ethics commission that shall not exceed [\$500] \$1,000 for each violation of this chapter. All fines collected under this section shall be deposited into the general fund.”

SECTION 7. The state ethics commission, in its discretion, may make any changes that it deems necessary to internal procedures or forms to aid in the implementation of this Act.

SECTION 8. 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 that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

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SECTION 9. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 10. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 11. This Act shall take effect upon its approval.

(Approved June 22, 2017.)

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H.B. NO. 852

A Bill for an Act Relating to Ethics.

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

SECTION 1. Section 84-17, Hawaii Revised Statutes, is amended by amending subsections (i) and (j) to read as follows:

"(i) Failure of a legislator, a delegate to the constitutional convention, or employee to file a disclosure of financial interests as required by this section shall be a violation of this chapter. Any legislator, delegate to a constitutional convention, or employee who fails to file a disclosure of financial interests when due shall be assessed an administrative fine of [\$50.] \$75. The state ethics commission, upon the expiration of the time allowed for filing, may post on its website for public inspection a list of all persons who have failed to file financial disclosure statements. The state ethics commission shall notify a person, by [registered mail, return receipt requested,] in-person service, electronic mail to the person's state electronic mail address, or first class mail, of the failure to file, and the disclosure of financial interests shall be submitted to the state ethics commission not later than 4:30 p.m. on the tenth day after notification of the failure to file has been mailed to the person. If a disclosure of financial interests has not been filed within ten days of the due date, an additional administrative fine of \$10 for each day a disclosure remains unfiled shall be added to the administrative fine. All administrative fines collected under this section shall be deposited in the State's general fund. Any administrative fine for late filing shall be in addition to any other action the state ethics commission may take under this chapter for violations of the state ethics code. The state ethics commission may waive any administrative fines assessed under this subsection for good cause shown.

(j) The chief election officer, upon receipt of the nomination paper of any person seeking a state elective office, including the office of delegate to the constitutional convention, shall notify the state ethics commission of the name of the candidate for state office and the date on which the person filed the nomination paper. The state ethics commission, upon the expiration of the time allowed for filing, shall release to the public a list of all candidates who have failed to file financial disclosure statements and shall immediately assess a late filing penalty fee against those candidates of [\$25] \$50, which shall be collected by the state ethics commission and deposited into the general fund. The state ethics commission may investigate, initiate, or receive charges as to whether a candidate's financial disclosure statement discloses the financial interests required to be disclosed. After proceeding in conformance with section 84-31, the state ethics commission may issue a decision as to whether a candidate has complied with section 84-17(f) and this decision shall be a matter of public record."

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved June 22, 2017.)

ACT 53

S.B. NO. 611

A Bill for an Act Relating to Fire Sprinklers.

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

SECTION 1. Act 83, Session Laws of Hawaii 2012, is amended by amending section 3 to read as follows:

“**SECTION 3.** This Act shall take effect on July 1, 2012; provided that on June 30, [2017,] 2027, this Act shall be repealed.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on June 29, 2017.

(Approved June 22, 2017.)

ACT 54

H.B. NO. 1179

A Bill for an Act Relating to Housing.

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

SECTION 1. The legislature finds that from 2015 to 2025, Hawaii will require an additional 64,700 housing units to meet projected long-term housing demands. Of this amount, 22,247 households of all income levels will require rental units. The legislature further finds that the need is greatest for households with low to middle incomes.

Approximately ninety-three to ninety-five per cent of rental unit tenants have a household income of less than one hundred forty per cent of the Hawaii median income. Until now, the private sector has been unable to produce sufficient rental housing because of the difficult economics of building and operating rental housing in Hawaii. The legislature further finds that a group of private sector landowners, developers, contractors, architects, engineers, and labor unions have agreed to take meaningful steps to improve the economics of building and operating rental housing in the State.

The purpose of this Act is to improve the economics of building and operating rental housing in the State by:

- (1) Expanding the types of rental housing projects that can be exempt from general excise taxes; and

- (2) Allowing the terms of prevailing wages under contracts pursuant to section 201H-36(a)(5), Hawaii Revised Statutes, to be deemed the prevailing wages serving as the basis of compliance with chapter 104, Hawaii Revised Statutes, for the construction of certain rental housing projects.

SECTION 2. Section 104-2, Hawaii Revised Statutes, is amended to read as follows:

“§104-2 Applicability; wages, hours, and other requirements. (a) This chapter shall apply to every contract in excess of \$2,000 for construction of a public work project to which a governmental contracting agency is a party; provided that this chapter shall not apply to experimental and demonstration housing developed pursuant to section 46-15 or housing developed pursuant to chapter 201H if the cost of the project is less than \$500,000 and the eligible bidder or eligible developer is a private nonprofit corporation.

For the purposes of this subsection:

“Contract” includes but is not limited to any agreement, purchase order, or voucher in excess of \$2,000 for construction of a public work project.

“Governmental contracting agency” includes:

- (1) Any person or entity that causes either directly or indirectly the building or development of a public work; and
- (2) Any public-private partnership.

“Party” includes eligible bidders for and eligible developers of any public work and any housing under chapter 201H; provided that this subsection shall not apply to any housing developed under section 46-15 or chapter 201H if the entire cost of the project is less than \$500,000 and the eligible bidder or eligible developer is a private nonprofit corporation.

(b) Every laborer and mechanic performing work on the job site for the construction of any public work project shall be paid no less than prevailing wages; provided that:

- (1) The prevailing wages shall be established by the director as the sum of the basic hourly rate and the cost to an employer of providing a laborer or mechanic with fringe benefits. In making prevailing wage determinations, the following shall apply:
 - (A) The director shall make separate findings of:
 - (i) The basic hourly rate; and
 - (ii) The rate of contribution or cost of fringe benefits paid by the employer when the payment of the fringe benefits by the employer constitutes a prevailing practice. The cost of fringe benefits shall be reflected in the wage rate scheduled as an hourly rate; and
 - (B) The rates of wages which the director shall regard as prevailing in each corresponding classification of laborers and mechanics shall be the rate of wages paid to the greatest number of those employed in the State, the modal rate, in the corresponding classes of laborers or mechanics on projects that are similar to the contract work;
- (2) [The] Except for the project prevailing wages established by subsections (h) and (i), the prevailing wages shall be not less than the wages payable under federal law to corresponding classes of laborers and mechanics employed on public works projects in the State that are prosecuted under contract or agreement with the government of the United States; and

(3) Notwithstanding the provisions of the original contract, the prevailing wages shall be periodically adjusted during the performance of the contract in an amount equal to the change in the prevailing wage as periodically determined by the director.

(c) No laborer or mechanic employed on the job site of any public work of the State or any political subdivision thereof shall be permitted or required to work on Saturday, Sunday, or a legal holiday of the State or in excess of eight hours on any other day unless the laborer or mechanic receives overtime compensation for all hours worked on Saturday, Sunday, and a legal holiday of the State or in excess of eight hours on any other day. The rate for overtime compensation and any other premium rates of pay shall be those rates specified in an applicable collective bargaining agreement when the basic hourly rate is established by a collective bargaining agreement.

For purposes of determining overtime compensation under this subsection, the basic hourly rate of any laborer or mechanic shall not be less than the basic hourly rate determined by the director to be the prevailing basic hourly rate for corresponding classes of laborers and mechanics on projects of similar character in the State.

(d) The contractor or the contractor's subcontractor shall pay all mechanics and laborers employed on the job site, unconditionally and not less often than once a week, and without deduction or rebate on any account, except as allowed by law, the full amounts of their wages including overtime, accrued to not more than five working days prior to the time of payment, at wage rates not less than those deemed to be prevailing, regardless of any contractual relationship which may be alleged to exist between the contractor or subcontractor and the laborers and mechanics. The rates of wages to be paid shall be posted by the contractor in a prominent and easily accessible place at the job site, and a copy of the rates of wages required to be posted shall be given to each laborer and mechanic employed under the contract by the contractor at the time each laborer and mechanic is employed, except that where there is a collective bargaining agreement the contractor does not have to provide the contractor's employees the wage rate schedules.

(e) The governmental contracting agency may withhold from the contractor so much of the accrued payments as the governmental contracting agency may consider necessary to pay to the laborers and mechanics employed by the contractor or any subcontractor on the job site the difference between the prevailing wages and the wages received and not refunded by the laborers and mechanics.

(f) Every contract in excess of \$2,000 for construction of a public work project and the specifications for such contract shall include provisions that set forth the requirements of subsections (a) to (e); provided that failure by the contracting agency to include those provisions in the contract or specifications shall not be a defense of the contractor or subcontractor for noncompliance with the requirements of this chapter.

(g) For any public work project that is subject to this chapter but not directly caused by a governmental contracting agency, the director shall be responsible for enforcement of this chapter, including the collection and maintenance of certified copies of all payrolls that are subject to this chapter. [The director shall adopt rules pursuant to chapter 91 to effectuate the purposes of this section.]

(h) When:

(i) The department of budget and finance enters a project agreement with a project party, as those terms are defined in chapter 39A, to

- finance or refinance a project with the proceeds of special purpose revenue bonds;
- (2) The project party has entered into a collective bargaining agreement with a bona fide labor union governing the project party's workforce; and
 - (3) The collective bargaining agreement has been properly submitted to the director under section 104-34,
- the terms of the collective bargaining agreement and associated provisions shall be deemed the prevailing wages and terms serving as the basis of compliance with this chapter for work on the project by the project party's workforce; provided that this subsection does not affect the director's enforcement powers contained in subsection (g).

(i) The terms of section 201H-36(a)(5) prevailing wages shall be deemed the prevailing wages serving as the basis of compliance with this chapter for work on the project when:

- (1) The Hawaii housing finance and development corporation has approved and certified a qualified person or firm involved with a newly constructed, or moderately or substantially rehabilitated project under section 201H-36(a)(5) for exemption from general excise taxes;
- (2) The qualified person or firm has entered into a contract with a general contractor or subcontractors whose workforce is subject to either:
 - (A) A collective bargaining agreement with a bona fide labor union for which a section 201H-36(a)(5) prevailing wage for the laborers and mechanics employed for the construction project has been approved by the director; or
 - (B) A project labor agreement with the group whose wages are reflected in the Hawaii prevailing wage schedule for which section 201H-36(a)(5) prevailing wages for the laborers and mechanics employed for the construction project have been approved by the director; and
- (3) The qualified person or firm has received no other direct or indirect financing for the construction project from any other governmental contracting agency, including the Hawaii housing finance and development corporation.”

SECTION 3. Section 201H-36, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) In accordance with section 237-29, the corporation may approve and certify for exemption from general excise taxes any qualified person or firm involved with a newly constructed, or moderately or substantially rehabilitated project:

- (1) Developed under this part;
- (2) Developed under a government assistance program approved by the corporation, including but not limited to the United States Department of Agriculture 502 program and Federal Housing Administration 235 program;
- (3) Developed under the sponsorship of a private nonprofit organization providing home rehabilitation or new homes for qualified families in need of decent, low-cost housing; [or]
- (4) Developed by a qualified person or firm to provide affordable rental housing where at least fifty per cent of the available units are for households with incomes at or below eighty per cent of the area median family income as determined by the United States Department

of Housing and Urban Development, of which at least twenty per cent of the available units are for households with incomes at or below sixty per cent of the area median family income as determined by the United States Department of Housing and Urban Development[.]; or

- (5) Effective from July 1, 2018, to June 30, 2022, developed under a contract described in section 104-2(i)(2) by a qualified person or firm to provide affordable rental housing; provided that:

- (A) The allowable general excise tax and use tax costs shall apply to contracting only and shall not exceed \$7,000,000 per year in the aggregate for all projects approved and certified by the corporation; and
- (B) All available units are for households with incomes at or below one hundred forty per cent of the area median family income as determined by the United States Department of Housing and Urban Development, of which at least twenty per cent of the available units are for households with incomes at or below eighty per cent of the area median family income as determined by the United States Department of Housing and Urban Development.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2017, and shall be repealed on June 30, 2022; provided that:

- (1) Section 3 of this Act shall apply to taxable years beginning after December 31, 2017; and
- (2) Section 104-2, Hawaii Revised Statutes, and section 201H-36, Hawaii Revised Statutes, shall be reenacted in the form in which they read on the day before the effective date of this Act.

(Approved June 22, 2017.)

ACT 55

S.B. NO. 718

A Bill for an Act Relating to the Community Court Outreach Project.

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

SECTION 1. The legislature finds that hundreds of Honolulu residents are cited or arrested for offenses such as drinking liquor in public, being in public parks after hours of closure, and camping on sidewalks, beaches, and other restricted public places. Many of those cited do not come to court, which leads to the issuance of bench warrants for their arrest. Time and resources are then expended to bring these individuals to court.

The legislature also finds that once these offenders are brought into court, the sentences imposed are often monetary fines, as the offenses are not usually serious enough to warrant incarceration. However, most offenders have little or no income and are unable to pay the fines. This noncompliance leads to another bench warrant, which repeats the cycle and keeps the offenders in the system without offering any rehabilitative measures. In addition, the prosecution of these cases burdens and congests the court system without producing a meaningful resolution that will prevent recurrence of the offenses.

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The legislature further finds that the prosecuting attorney of the city and county of Honolulu has worked with the judiciary and the public defender on a community court outreach project, which is described as the criminal justice system's response to the many nonviolent offenses that overburden the courts and law enforcement. The goal of the project is to help nonviolent offenders who face problems such as drug abuse and mental health challenges to obtain basic services and necessities, like food and shelter.

The community court is intended to function as a mobile justice system that travels to neighborhoods and resolves cases against offenders who may suffer psychological conditions that make it difficult for them to attend a traditional court setting or pay fines imposed. The community court is also intended to impose alternative sentences such as community service and mandatory participation in programs deemed appropriate for individual offenders based on their need for specific mental health services, substance abuse treatment, sustenance, and shelter.

The purpose of this Act is to support these efforts by establishing a community court outreach project in the city and county of Honolulu to offer combined accountability and treatment options to offenders that will reduce crime and recidivism. The legislature intends to evaluate the community court outreach project during its operational period and determine whether the project should be expanded to other counties of the State.

SECTION 2. Definitions. For the purposes of this Act:

"Community court outreach project" or "project" means the community court outreach project established by this Act.

"Prosecuting attorney" means the prosecuting attorney of the city and county of Honolulu.

"Public defender" means the public defender of the State.

SECTION 3. Community court outreach project; establishment; purpose.

(a) There is established the community court outreach project to help nonviolent offenders who face problems such as drug abuse and mental health challenges to obtain basic services and necessities, like food and shelter. The program shall be administered and operated by the judiciary in the city and county of Honolulu from July 1, 2017.

- (b) The purpose of the project shall be to operate a mobile court that:
- (1) Travels to communities where defendants:
 - (A) Have been cited or arrested for certain nonviolent offenses; and
 - (B) Do not pose a threat to the public; and
 - (2) Disposes of the cases of defendants who enter plea agreements after negotiations between the prosecuting attorney and public defender.

SECTION 4. Project process. (a) Under the project, the court shall hold hearings at community sites to dispose of cases for which the prosecuting attorney and public defender have negotiated and reached plea agreements on the disposition of the defendants.

(b) Only cases involving nonviolent, nonfelony offenses under state law and city ordinance may be heard and disposed of under the project.

(c) The public defender shall engage a social service or health care professional to provide outreach services to defendants charged with the identified offenses who:

- (1) Are willing to participate in the project;
- (2) Are willing to be represented by the public defender; and

(3) May benefit from participation in the project.

After consulting with the social service or health care professional, the public defender shall develop a list of the defendants who are potential participants in the project and transmit the list to the prosecuting attorney.

(d) The prosecuting attorney shall review the list and may select from the list those defendants who the prosecuting attorney determines may be appropriate for participation in the project. The prosecuting attorney shall enter into plea agreement negotiations with the public defender for disposition of those defendants.

(e) The plea agreement for a defendant may include a proposed fine, community service, court-ordered treatment, other court-ordered condition, or any other action that the court has the authority to take.

(f) At the hearing, the court may finalize the plea agreement by court order or judgment; provided that the court shall not be bound by the proposed disposition in the plea agreement.

SECTION 5. Project; subject to the availability of funds. Subject to the availability of sufficient funds through a specific appropriation, transfer of an appropriation from another state agency, or a federal or other grant:

- (1) The judiciary shall administer and operate the project; and
- (2) The prosecuting attorney and public defender shall participate in the project.

SECTION 6. Annual report. The chief justice shall submit a report on the project to the legislature and the governor at least twenty days prior to the convening of the regular sessions of 2018, 2019, and 2020. The report shall include a quantification and discussion of program measures and outcomes. In any report, the chief justice may recommend that this Act be amended, expanded to other counties, or terminated. The report shall also include the comments and recommendations of the prosecuting attorney and public defender.

SECTION 7. This Act shall take effect on July 1, 2017.

(Approved June 22, 2017.)

ACT 56

H.B. NO. 845

A Bill for an Act Relating to Identification.

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

SECTION 1. Chapter 353H, Hawaii Revised Statutes, is amended by adding a new section to part III to be appropriately designated and to read as follows:

“§353H- Offender reentry; identification documents. (a) The department, in collaboration with the department of transportation and the examiner of drivers of each county, shall inform inmates that departmental assistance is available to obtain civil identification cards, in accordance with part XVI of chapter 286, and upon request shall issue civil identification cards to inmates who have one year or less prior to the inmate’s parole or release date remaining on their prison sentence.

(b) The department, in collaboration with appropriate federal, state, and county agencies, shall inform inmates of the availability of departmental

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assistance to obtain the inmate's birth certificate, social security card, and any other relevant identification documents necessary for the inmate to transition into the workforce, access social services, and secure housing, and upon request shall assist the inmates who have one year or less prior to the inmate's parole or release date.

(c) For an inmate released to work furlough, extended furlough, or community placement programs, the department of public safety shall initiate the process of assisting the inmate pursuant to subsections (a) and (b) at least ninety days prior to the inmate being released."

SECTION 2. The director of public safety shall submit an annual report to the legislature no later than twenty days prior to the convening of each regular session, starting with the regular session of 2019, that shall include:

- (1) The number of inmates who have been released from prison with, and without, civil identification cards, birth certificates, social security cards, and other relevant identification documents necessary for the inmates to transition into the workforce, access social services, and secure housing;
- (2) The identification of impediments encountered in assisting inmates in obtaining their documents and civil identification cards; and
- (3) Any recommendations, proposed legislation, and other relevant information deemed appropriate by the director of public safety.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$25,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the department of public safety, in collaboration with the department of transportation, examiner of drivers of each county, and other appropriate federal, state, and county agencies, to issue civil identification cards, in accordance with part XVI of chapter 286, Hawaii Revised Statutes, to inmates who have one year or less remaining on their prison sentence and to assist the inmates in obtaining their birth certificate, social security card, and any other relevant identification documents necessary for the inmates to transition into the workforce, access social services, and secure housing.

The sum appropriated shall be expended by the department of public safety for the purposes of this Act.

SECTION 4. New statutory material is underscored.¹

SECTION 5. This Act shall take effect on January 1, 2018.

(Approved June 22, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

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H.B. NO. 957

A Bill for an Act Relating to Heat Abatement.

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

SECTION 1. The legislature finds that \$100,000,000 was appropriated for the department of education's heat abatement program in 2016. To advance

Hawaii's clean energy goals, the legislature also required the department of education to establish a goal of being net-zero with respect to energy use by January 1, 2035. The legislature further required the department, and any contractor hired to implement classroom cooling measures by the department, to maximize energy efficiency, installation, and operating cost savings over the entire life of heat abatement projects.

The legislature additionally finds that while \$100,000,000 was intended to fund heat abatement upgrades for at least one thousand public school classrooms, an estimated six thousand additional classrooms are in need of heat abatement improvements. With contractors bidding in excess of \$80,000 per classroom on department of education cooling projects after the \$100,000,000 was appropriated, providing funds for continuing heat abatement and energy efficiency upgrades throughout the state's public school system remains a high priority for public education policy.

The purpose of this Act is to expedite and enable the cooling of all public school classrooms to a temperature conducive to student learning by implementing energy efficiency measures to substantially reduce energy consumption and lower kW load, which may allow classrooms earmarked for the "cool the schools" initiative to install air conditioners without requiring expensive and time consuming electrical upgrades, while reducing energy expenses for the department of education, which will increase the availability of state funds for other investments in education or related programs or to help offset the additional expected kW consumption of air conditioners. This Act provides that moneys in the Hawaii green infrastructure special fund may be used for loans to finance the installation costs for energy-efficient lighting and other energy-efficiency measures related to heat abatement at public schools.

SECTION 2. Section 196-65, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Moneys in the Hawaii green infrastructure special fund may be used, subject to the approval of the public utilities commission, for the purposes of:

- (1) Making green infrastructure loans[;], including for installation costs for energy-efficient lighting and other energy-efficiency measures related to heat abatement at public schools;
- (2) Paying administrative costs of the Hawaii green infrastructure loan program;
- (3) Paying any other costs related to the Hawaii green infrastructure loan program; or
- (4) Paying financing costs, as defined in section 269-161, to the extent permitted by the public utilities commission in a financing order issued pursuant to section 269-163."

SECTION 3. There is appropriated out of the Hawaii green infrastructure special fund the sum of \$46,400,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the purpose of financing the installation costs for energy-efficient lighting and other energy efficiency measures related to heat abatement at public schools.

The sum appropriated shall be expended by the Hawaii green infrastructure authority for the purposes of this Act.

SECTION 4. The department of education, with the approval of the governor, is authorized to borrow the sum of \$46,400,000 or much thereof as may be necessary for fiscal year 2017-2018 from the green infrastructure loan

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program for the purposes of this Act upon such terms and conditions as are agreed to between the department of education and the Hawaii green infrastructure authority; provided that the loan shall be issued free of interest charges.

SECTION 5. The department of education shall submit an expenditure plan to the Hawaii green infrastructure authority executive director, who shall serve as the fiscal administrator for the loan issued pursuant to section 4 and may make payment on behalf of the department of education, as appropriate, upon submission of requests for payment from the department of education.

SECTION 6. Beginning with fiscal year 2017-2018, the department of education shall begin to repay the loan pursuant to section 4 using general revenue savings resulting from reduced utility costs as a result of the implementation of energy efficient lighting and other energy efficiency measures.

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect on July 1, 2017.

(Approved June 22, 2017.)

ACT 58

H.B. NO. 916

A Bill for an Act Relating to Loan Repayment for Health Care Professionals.

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

SECTION 1. The legislature finds that many Hawaii residents are unable to obtain timely and appropriate health care due to shortages of primary health care providers in the State. These shortages threaten individual health and cumulatively affect the State's health care costs. The State's rural areas, which have been designated by the federal government as medically underserved areas, have been most significantly affected by shortages of primary and behavioral health care providers.

The increasingly high cost of education for health care professionals binds graduates to a career path focused on pursuing an income that makes it possible to repay often exorbitant student loans. These career paths most often lead to professional practice in highly specialized areas of care in urban areas and not to general practice on neighbor islands or in rural areas where the need is greatest. The legislature finds that counties in the United States with robust primary health care systems have lower costs and improved patient outcomes. Recognizing this relationship, many states have made the policy decision to dedicate public funds to the development of a strong primary health care workforce.

The only loan repayment program currently available in this State is administered by the John A. Burns school of medicine at the University of Hawaii at Manoa. This program leverages private donations to access matching federal funds through the State Loan Repayment Program of the National Health Service Corps branch of the Department of Health and Human Services. Since September 1, 2012, a total of twenty-five physicians, nurse practitioners, and psychologists have received loan repayment assistance through the program in exchange for work in underserved geographic and practice areas in Hawaii. Currently, health care professionals who have benefited from the loan repayment program serve in the community in Waianae, Hilo, and Wailuku; at health clin-

ics in Kalihi-Palama Health Center, Queen Emma Clinic, and Waikiki Health Center; and in public institutional settings at the Federal Detention Center, Honolulu and Halawa correctional facility.

The purpose of this Act is to appropriate funds to the department of health to fund the health care provider loan repayment program administered through the John A. Burns school of medicine to provide loan repayment for physicians, physician assistants, psychologists, and nurse practitioners who agree to work in a federally-designated health professional shortage area or an area of Hawaii found to be underserved.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$250,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 for the health care provider loan repayment program; provided that no funds shall be expended unless matched on a dollar-for-dollar basis by funds from a private or other public source.

The sums appropriated shall be expended by the department of health in coordination with the John A. Burns school of medicine of the University of Hawaii at Manoa for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2017.

(Approved June 22, 2017.)

ACT 59

H.B. NO. 89

A Bill for an Act Relating to the Hospital Sustainability Program.

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

SECTION 1. The legislature finds that hospitals in the State face major financial challenges in providing quality health care for Hawaii residents. These challenges are largely the result of inadequate payments from the medicaid program that do not cover the actual costs of care. Medicaid is jointly financed by the federal and state governments by statutory formula. The federal government pays between fifty per cent and seventy-four per cent, with assistance levels determined by each state's per capita income. States with the lowest per capita income receive higher federal matching rates. Under federal rules, the state share must be paid from public funds that are not federal funds. The legislature finds that public funding to help financially sustain Hawaii's hospitals may be accessed through a provider fee.

The legislature further finds that provider fees exist in forty-nine states and the District of Columbia as a means of drawing down federal funds to sustain medicaid programs due to rising state budget deficits, increasing health care costs, and expanding medicaid enrollment. Provider fees, which are collected from specific categories of health care providers that agree to the fee, may be imposed on nineteen different classes of health care services, including inpatient and outpatient hospital and nursing facility services.

The legislature additionally finds that, in Hawaii, a provider fee on hospitals has resulted in an increase of medicaid payments at a time when there are constraints on the State's budget. The additional federal funds obtained via the fee program authorized by the hospital sustainability program have helped to reduce the amount of losses incurred by hospitals and maintain access to care for medicaid recipients.

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The purpose of this Act is to preserve access to health care for medicaid recipients by extending the hospital sustainability program.

SECTION 2. Section 346G-3, Hawaii Revised Statutes, is amended as follows:

1. By amending the definition of "net patient service revenue" to read:

"Net patient service revenue" means gross revenue from inpatient and outpatient care provided to hospital patients converted to net patient service revenue utilizing data from Worksheets G-2 and G-3 of each hospital's medicare cost report for the fiscal year [2013-2014] ending three years prior to the state fiscal year for which net patient service revenue is being calculated. For example, the net patient service revenue for fiscal year 2017-2018 shall be based on data from fiscal year 2014-2015. If the hospital is new or did not file a fiscal year medicare cost report, the department shall obtain the hospital's net patient service revenue from the most recent period available."

2. By amending the definition of "private hospital" to read:

"Private hospital" means those non-public hospitals named in attachment A of the medicaid section 1115 demonstration waiver that were in operation in calendar year [2015] 2016 and are currently operating or any hospitals not named in attachment A of the medicaid section 1115 demonstration waiver that became private hospitals in calendar year [2016] 2017 or 2018 and are currently operating."

SECTION 3. Section 346G-5, Hawaii Revised Statutes, is amended by amending subsections (c) and (d) to read as follows:

(c) The hospital sustainability fee for inpatient care services may differ from the fee for outpatient care services but the fees charged to the hospital shall not in the aggregate exceed three and one-half per cent of the hospital's net patient service revenue [as derived from the hospital's medicare cost report ending during state fiscal year 2013-2014]. The inpatient hospital sustainability fee shall not exceed three and one-half per cent of net inpatient hospital service revenue. The outpatient hospital sustainability fee shall [be] not exceed three and one-half per cent of net outpatient hospital service revenue. Each fee shall be the same percentage for all affected hospitals, subject to subsection (d).

(d) The department shall exempt children's hospitals, federal hospitals, public hospitals, and psychiatric hospitals from the hospital sustainability fees on inpatient services. In addition, the department shall exempt from the hospital sustainability fee on outpatient care services children's hospitals, public hospitals, rehabilitation hospitals, psychiatric hospitals, and any hospitals with net outpatient revenues of less than \$57,000,000 per year based upon [fiscal year 2013-2014] the hospital's medicare cost [reports from the hospital sustainability fee on outpatient care services] report for the fiscal year ending three years prior to the state fiscal year for which the hospital's net patient service revenue is calculated; provided that the department may exclude any facility from the hospital sustainability fee on outpatient care services if it is determined that its exclusion is required to meet federal standards of approval."

SECTION 4. Section 346G-10, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

(b) In accordance with title 42 Code of Federal Regulations section 438, the department shall use revenues from the hospital sustainability fee and federal matching funds to enhance the capitated rates paid to medicaid managed care health plans for the state fiscal [year 2016-2017,] years 2017-2018 and 2018-2019, consistent with the following objectives:

- (1) The rate enhancement shall be used exclusively for increasing reimbursements to private hospitals to support the availability of services and to ensure access to care to the medicaid managed care health plan enrollees;
- (2) The rate enhancement shall be made part of the monthly capitated rates by the department to medicaid managed care health plans, which shall provide documentation to the department and the hospital trade association located in Hawaii certifying that the revenues received under paragraph (1) are used in accordance with this section;
- (3) The rate enhancement shall be actuarially sound and approved by the federal government for federal fund participation;
- (4) The rate enhancements shall be retroactive to July 1, 2012, or the effective date approved by the federal government, whichever is later. Retroactive rate enhancements shall be paid within thirty days of notification by the Centers for Medicare and Medicaid Services to the department [for] of all necessary approvals; and
- (5) Payments made by the medicaid managed care health plans shall be made within thirty business days upon receipt of monthly capitation rates from the department.”

SECTION 5. Act 217, Session Laws of Hawaii 2012, section 5, as amended by section 2 of Act 141, Session Laws of Hawaii 2013, as amended by section 2 of Act 123, Session Laws of Hawaii 2014, as amended by section 2 of Act 70, Session Laws of Hawaii 2015, as amended by section 3 of Act 60, Session Laws of Hawaii 2016, is amended to read as follows:

“**SECTION 5.** This Act shall take effect on July 1, 2012, and shall be repealed on June 30, [2017.] 2019: provided that section -4, Hawaii Revised Statutes, in section 2 of this Act, and the amendment to section 36-30(a), Hawaii Revised Statutes, in section 3 of this Act, shall be repealed on December 31, [2017.] 2019.”

SECTION 6. Act 123, Session Laws of Hawaii 2014, section 7, as amended by section 3 of Act 70, Session Laws of Hawaii 2015, as amended by section 4 of Act 60, Session Laws of Hawaii 2016, is amended to read as follows:

“**SECTION 7.** This Act shall take effect on June 29, 2014; provided that:

- (1) Section 5 shall take effect on July 1, 2014; and
- (2) The amendments made to sections 36-27(a) and 36-30(a), Hawaii Revised Statutes, in sections 3 and 4 of this Act shall be repealed on December 31, [2017.] 2019.”

SECTION 7. There is appropriated out of the hospital sustainability program special fund the sum of \$70,000,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 for the purposes of the hospital sustainability program special fund.

The sums appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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SECTION 9. This Act shall take effect on June 29, 2017; provided that section 7 of this Act shall take effect on July 1, 2017.

(Approved June 22, 2017.)

ACT 60

H.B. NO. 90

A Bill for an Act Relating to the Nursing Facility Sustainability Program.

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

SECTION 1. Nursing facilities in the State face major financial challenges in providing quality long-term care for Hawaii residents. These challenges are largely the result of inadequate payments from the medicaid program that do not cover the actual costs of care. Medicaid is jointly financed by the federal and state governments by statutory formula. The federal government pays between fifty per cent and seventy-four per cent, with assistance levels determined by each state's per capita income. States with the lowest per capita income receive higher federal matching rates. Under federal rules, the state share must be public funds that are not federal funds. The legislature finds that public funding to help sustain Hawaii's nursing facilities financially may be accessed through a provider fee.

The legislature further finds that provider fees exist in forty-nine states and the District of Columbia as a means of drawing down federal funds to sustain their medicaid programs due to rising state budget deficits, increasing health care costs, and expanding medicaid enrollment. Provider fees, which are collected from specific categories of health care providers that agree to the fee, may be imposed on nineteen different classes of health care services, including inpatient and outpatient hospital and nursing facility services.

The legislature additionally finds that, in Hawaii, a provider fee on nursing facilities has resulted in an increase in medicaid payments to private nursing facilities at a time when there are constraints on the State's budget. The additional federal funds obtained via the fee program authorized by the nursing facility sustainability program have helped to reduce the amount of losses incurred by long-term care facilities and maintain access to care for medicaid recipients.

The purpose of this Act is to preserve access to health care for medicaid recipients by extending the nursing facility sustainability fee program.

SECTION 2. Section 346F-4, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) Revenue from the nursing facility sustainability fee shall be used exclusively as follows:

- (1) No less than eighty-eight per cent of the revenue from the nursing facility sustainability fee shall be used to match federal medicaid funds, with the combined total to be used to enhance capitated rates to medicaid managed care health plans for the purpose of increasing medicaid payments to private nursing facilities;
- (2) Twelve per cent of the revenue from the nursing facility sustainability fee may be used by the department for other departmental purposes; and
- (3) All moneys remaining in the special fund on December 30, [2017,] 2019, shall be distributed to nursing facilities within thirty days in the same proportions as received from the nursing facilities."

SECTION 3. Section 346F-10, Hawaii Revised Statutes, is amended to read as follows:

[H§346F-10] Enhanced rates to medicaid managed care health plans. In accordance with title 42 Code of Federal Regulations [section] part 438, the department shall use revenues from the nursing facility sustainability fee and federal matching funds to enhance the capitated rates paid to medicaid managed care health plans for [the] state fiscal [year 2016-2017] years 2017-2018 and 2018-2019, consistent with the following objectives:

- (1) The rate enhancement shall be used exclusively for increasing reimbursements to private nursing facilities to support the availability of services and to ensure access to care to the medicaid managed care health plan enrollees;
- (2) The rate enhancement shall be made part of the monthly capitated rates by the department to medicaid managed care health plans, which shall provide documentation to the department and the nursing facility trade association located in Hawaii certifying that the revenues received under paragraph (1) are used in accordance with this section;
- (3) The rate enhancement shall be actuarially sound and approved by the federal government for federal fund participation; and
- (4) The department shall modify the fee-for-service reimbursement rates of the nursing facilities to recognize the medicaid portion of the nursing facility sustainability fee as an additional cost of serving medicaid patients, and to provide a uniform percentage increase in preexisting facility-specific rates.”

SECTION 4. Section 346F-13, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Collection of the nursing facility sustainability fee under section 346F-5 shall be discontinued if:

- (1) The waiver in section 346F-7 or the enhanced capitation rates in section 346F-10 have not been approved by the Centers for Medicare and Medicaid Services;
- (2) The department reduces funding for nursing facility services below the state appropriation in effect on June 30, [2016;] 2018;
- (3) The department or any other state agency uses the money in the special fund for any use other than the uses permitted pursuant to this chapter; or
- (4) Federal financial participation to match the nursing facility sustainability fee becomes unavailable under federal law. In such case, the department shall terminate the collection of the fee beginning on the effective date of the federal statutory, regulatory, or interpretive change.”

SECTION 5. Act 156, Session Laws of Hawaii 2012, section 5, as amended by section 3 of Act 142, Session Laws of Hawaii 2013, as amended by section 2 of Act 124, Session Laws of Hawaii 2014, as amended by section 2 of Act 69, Session Laws of Hawaii 2015, and as amended by section 2 of Act 59, Session Laws of Hawaii 2016, is amended to read as follows:

“SECTION 5. This Act shall take effect on July 1, 2012, and shall be repealed on June 30, [2017;] 2019; provided that section -4, Hawaii Revised Statutes, established by section 2 of this Act, and the amendment made to section

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36-30(a), Hawaii Revised Statutes, in section 3 of this Act, shall be repealed on December 31, [2017; and provided further that the amendment made to section 36-30(a), Hawaii Revised Statutes, in section 3 of this Act shall not be repealed when section 36-30, Hawaii Revised Statutes, is reenacted on June 30, 2015, pursuant to section 34 of Act 79, Session Laws of Hawaii 2009.] 2019.”

SECTION 6. Act 124, Session Laws of Hawaii 2014, section 7, as amended by Act 69, Session Laws of Hawaii 2015, and as amended by Act 59, Session Laws of Hawaii 2016, is amended to read as follows:

“**SECTION 7.** This Act shall take effect on June 29, 2014; provided that:

- (1) Section 5 shall take effect on July 1, 2014;
- [2] The amendments made to sections 36-27(a) and 36-30(a), Hawaii Revised Statutes, in sections 3 and 4 of this Act shall not be repealed when sections 36-27 and 36-30, Hawaii Revised Statutes, are reenacted on June 30, 2015, pursuant to section 34 of Act 79, Session Laws of Hawaii 2009; and
- [3] (2) The amendments made to sections 36-27(a) and 36-30(a), Hawaii Revised Statutes, in sections 3 and 4 of this Act shall be repealed on December 31, [2017.] 2019.”

SECTION 7. There is appropriated out of the nursing facility sustainability program special fund the sum of \$14,000,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 for uses consistent with the nursing facility sustainability program special fund.

The sums appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 9. This Act shall take effect on June 29, 2017; provided that section 7 shall take effect on July 1, 2017.

(Approved June 22, 2017.)

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H.B. NO. 571

A Bill for an Act Relating to the University of Hawaii.

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

SECTION 1. In 1992, Hurricane Iniki struck Kauai, damaging seven thousand homes and causing \$2,000,000,000 in property damage. A 2011 Federal Emergency Management Agency Risk Assessment indicates a similar strike on Oahu could cause eight times that amount of damage.

The legislature finds that Hawaii residents require education on emergency and disaster preparedness, as indicated by residents:

- (1) Rushing to the stores for food and water whenever there is a threatening event;
- (2) Returning these supplies after the event;
- (3) Complaining about short-term power outages; and

- (4) Failing to understand the difference between hurricane versus tsunami evacuation planning.

The legislature further finds that in light of the record number of hurricane warnings and misses in 2014, 2015, and 2016, the State has been very fortunate, but must take stronger action to educate the public on emergency management and disaster preparedness.

The purpose of this Act is to appropriate funds for the University of Hawaii Sea Grant College Program to:

- (1) Develop a communication strategy and outreach plan for emergency management and disaster preparedness;
- (2) Update and publish the fourth edition of the *Homeowner's Handbook to Prepare for Natural Hazards*; and
- (3) Conduct a systematic and targeted education and outreach initiative throughout the State for emergency management and disaster preparedness.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$200,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 for the University of Hawaii Sea Grant College Program to:

- (1) Develop a communication strategy and outreach plan for emergency management and disaster preparedness;
- (2) Update and publish the fourth edition of the *Homeowner's Handbook to Prepare for Natural Hazards*; and
- (3) Conduct a systematic and targeted education and outreach initiative throughout the State for emergency management and disaster preparedness.

The sums appropriated shall be expended by the University of Hawaii for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2017.

(Approved June 23, 2017.)

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S.B. NO. 885

A Bill for an Act Relating to the State Risk Management and Insurance Administration.

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

SECTION 1. Section 41D-2, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The comptroller, through the risk manager, shall:

- (1) Have discretion to purchase casualty insurance for the State or state agencies, including those employees of the State who, in the comptroller’s discretion, may be at risk and shall be responsible for the acquisition of all casualty insurance;
- (2) Have discretion to purchase property insurance for the State or state agencies and shall acquire all property insurance;
- (3) Direct and manage all risk management and insurance programs of the State, except for employee benefits insurance and workers’ com-

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- pension insurance programs or as otherwise provided in chapters [§7.] 87A, 88, 383 to 386A, 392, and 393;
- (4) Consult with state agencies to determine what property, casualty, and other insurance policies are presently in force or are sought by the state agencies and to make determinations about whether to continue subscribing to insurance policies. In the event that the risk manager's determination is not satisfactory to the state agency, the state agency may have the risk manager's decision reviewed by the comptroller. In this case, the comptroller's decision shall be final;
 - (5) Consolidate and combine state insurance coverages, and purchase excess insurance when, in the comptroller's discretion, it is appropriate to do so;
 - (6) Acquire risk management, investigative, claims adjustment, actuarial, and other services, except attorney's services, as may be required for the sound administration of this chapter; provided that a broker submitting a proposal in response to a fixed fee solicitation by the comptroller pursuant to this subsection and the broker's performance of the activities in accordance with the proposal shall not constitute a violation of sections 431:10-218, 431:13-102, and 431:13-103;
 - (7) Gather from all state agencies and maintain data regarding the State's risks and casualty, property, and fidelity losses;
 - (8) In conjunction with the attorney general and as otherwise provided by this chapter, compromise or settle claims cognizable under chapter 662;
 - (9) Provide technical services in risk management and insurance to state agencies;
 - (10) Be authorized to establish a captive insurance company pursuant to article 19 of chapter 431 to effectuate the purposes of this chapter; and
 - (11) Do all other things appropriate to the development of sound risk management practices and policies for the State."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2017.

(Approved June 23, 2017.)

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H.B. NO. 459

A Bill for an Act Relating to Firearms.

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

SECTION 1. Section 134-2, Hawaii Revised Statutes, is amended to read as follows:

“§134-2 Permits to acquire. (a) No person shall acquire the ownership of a firearm, whether usable or unusable, serviceable or unserviceable, modern or antique, registered under prior law or by a prior owner or unregistered, either by purchase, gift, inheritance, bequest, or in any other manner, whether procured in the State or imported by mail, express, freight, or otherwise, until the person

has first procured from the chief of police of the county of the person's place of business or, if there is no place of business, the person's residence or, if there is neither place of business nor residence, the person's place of sojourn, a permit to acquire the ownership of a firearm as prescribed in this section. When title to any firearm is acquired by inheritance or bequest, the foregoing permit shall be obtained before taking possession of a firearm; provided that upon presentation of a copy of the death certificate of the owner making the bequest, any heir or legatee may transfer the inherited or bequested firearm directly to a dealer licensed under section 134-31 or licensed by the United States Department of Justice without complying with the requirements of this section.

(b) The permit application form shall include the applicant's name, address, sex, height, weight, date of birth, place of birth, country of citizenship, social security number, alien or admission number, and information regarding the applicant's mental health history and shall require the fingerprinting and photographing of the applicant by the police department of the county of registration; provided that where fingerprints and a photograph are already on file with the department, these may be waived.

(c) An applicant for a permit shall sign a waiver at the time of application, allowing the chief of police of the county issuing the permit access to any records that have a bearing on the mental health of the applicant. The permit application form and the waiver form shall be prescribed by the attorney general and shall be uniform throughout the State.

(d) The chief of police of the respective counties may issue permits to acquire firearms to citizens of the United States of the age of twenty-one years or more, or duly accredited official representatives of foreign nations, or duly commissioned law enforcement officers of the State who are aliens; provided that any law enforcement officer who is the owner of a firearm and who is an alien shall transfer ownership of the firearm within forty-eight hours after termination of employment from a law enforcement agency. The chief of police of each county may issue permits to aliens of the age of eighteen years or more for use of rifles and shotguns for a period not exceeding sixty days, upon a showing that the alien has first procured a hunting license under chapter 183D, part II. The chief of police of each county may issue permits to aliens of the age of twenty-one years or more for use of firearms for a period not exceeding six months, upon a showing that the alien is in training for a specific organized sport-shooting contest to be held within the permit period. The attorney general shall adopt rules, pursuant to chapter 91, as to what constitutes sufficient evidence that an alien is in training for a sport-shooting contest. Notwithstanding any [provision of the] law to the contrary and upon joint application, the chief of police may issue permits to acquire firearms jointly to spouses who otherwise qualify to obtain permits under this section.

(e) The permit application form shall be signed by the applicant and by the issuing authority. One copy of the permit shall be retained by the issuing authority as a permanent official record. Except for sales to dealers licensed under section 134-31, or dealers licensed by the United States Department of Justice, or law enforcement officers, or where a license is granted under section 134-9, or where any firearm is registered pursuant to section 134-3(a), no permit shall be issued to an applicant earlier than fourteen calendar days after the date of the application; provided that a permit shall be issued or the application denied before the twentieth day from the date of application. Permits issued to acquire any pistol or revolver shall be void unless used within ten days after the date of issue. Permits to acquire a pistol or revolver shall require a separate application and permit for each transaction. Permits issued to acquire any rifle or shotgun shall entitle the permittee to make subsequent purchases of rifles or shotguns for

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a period of one year from the date of issue without a separate application and permit for each acquisition, subject to the disqualifications under section 134-7 and subject to revocation under section 134-13; provided that if a permittee is arrested for committing a felony or any crime of violence or for the illegal sale of any drug, the permit shall be impounded and shall be surrendered to the issuing authority. The issuing authority shall perform an inquiry on an applicant by using the International Justice and Public Safety Network, including the United States Immigration and Customs Enforcement query, the National Crime Information Center, and the National Instant Criminal Background Check System, pursuant to section 846-2.7 before any determination to issue a permit or to deny an application is made.

(f) In all cases where a pistol or revolver is acquired from another person within the State, the permit shall be signed in ink by the person to whom title to the pistol or revolver is transferred and shall be delivered to the person who is transferring title to the firearm, who shall verify that the person to whom the firearm is to be transferred is the person named in the permit and enter on the permit in the space provided the following information: name of the person to whom the title to the firearm was transferred; names of the manufacturer and importer; model; type of action; caliber or gauge; and serial number, as applicable. The person who is transferring title to the firearm shall sign the permit in ink and cause the permit to be delivered or sent by registered mail to the issuing authority within forty-eight hours after transferring the firearm.

In all cases where receipt of a firearm is had by mail, express, freight, or otherwise from sources without the State, the person to whom the permit has been issued shall make the prescribed entries on the permit, sign the permit in ink, and cause the permit to be delivered or sent by registered mail to the issuing authority within forty-eight hours after taking possession of the firearm.

In all cases where a rifle or shotgun is acquired from another person within the State, the person who is transferring title to the rifle or shotgun shall submit, within forty-eight hours after transferring the firearm, to the authority [which] that issued the permit to acquire, the following information, in writing: name of the person who transferred the firearm, name of the person to whom the title to the firearm was transferred; names of the manufacturer and importer; model; type of action; caliber or gauge; and serial number, as applicable.

(g) Effective July 1, 1995, no person shall be issued a permit under this section for the acquisition of a pistol or revolver unless the person, at any time prior to the issuance of the permit, has completed:

- (1) An approved hunter education course as authorized under section 183D-28;
- (2) A firearms safety or training course or class available to the general public offered by a law enforcement agency of the State or of any county;
- (3) A firearms safety or training course offered to law enforcement officers, security guards, investigators, deputy sheriffs, or any division or subdivision of law enforcement or security enforcement by a state or county law enforcement agency; or
- (4) A firearms training or safety course or class conducted by a state certified or National Rifle Association certified firearms instructor or a certified military firearms instructor that provides, at a minimum, a total of at least two hours of firing training at a firing range and a total of at least four hours of classroom instruction, which may include a video, that focuses on:
 - (A) The safe use, handling, and storage of firearms and firearm safety in the home; and

(B) Education on the firearm laws of the State.

An affidavit signed by the certified firearms instructor who conducted or taught the course, providing the name, address, and phone number of the instructor and attesting to the successful completion of the course by the applicant shall constitute evidence of certified successful completion under this paragraph.

(h) No person shall sell, give, lend, or deliver into the possession of another any firearm except in accordance with this chapter.

(i) No fee shall be charged for permits, or applications for permits, under this section, except for a single fee chargeable by and payable to the issuing county, for individuals applying for their first permit, in an amount equal to the fee charged by the Hawaii criminal justice data center pursuant to section 846-2.7. In the case of a joint application, the fee provided for in this section may be charged to each person to whom no previous permit has been issued.

(j) In all cases where a permit application under this section is denied because an applicant is prohibited from owning, possessing, receiving, or controlling firearms under federal or state law, the chief of police of the applicable county shall, within ten business days from the date of denial, send written notice of the denial including the identity of the applicant and the reasons for the denial to the:

- (1) Prosecuting attorney in the county where the permit was denied;
- (2) Attorney general;
- (3) United States Attorney for the District of Hawaii; and
- (4) Director of public safety.

If the permit to acquire was denied because the applicant is subject to an order described in section 134-7(f), the chief of police shall, within three business days from the date of denial, send written notice of the denial to the court that issued the order.

When the director of public safety receives notice that an applicant has been denied a permit because of a prior criminal conviction, the director of public safety shall determine whether the applicant is currently serving a term of probation or parole, and if the applicant is serving such a term, send written notice of the denial to the applicant's probation or parole officer.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved June 29, 2017.)

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H.B. NO. 165

A Bill for an Act Relating to Public Meetings.

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

SECTION 1. Chapter 92, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§92- Board packet; filing; public inspection; notice. At the time the board packet is distributed to the board members, the board shall also make the board packet available for public inspection in the board’s office. The board shall provide notice to persons requesting notification of meetings pursuant to section

92-7(e) that the board packet is available for inspection in the board's office and shall provide reasonably prompt access to the board packet to any person upon request. The board is not required to mail board packets. As soon as practicable, the board shall accommodate requests for electronic access to the board packet.

For purposes of this section, "board packet" means documents that are compiled by the board and distributed to board members before a meeting for use at that meeting, to the extent the documents are public under chapter 92F; provided that this section shall not require disclosure of executive session minutes, license applications, or other records for which the board cannot reasonably complete its redaction of nonpublic information in the time available before the public inspection required by this section."

SECTION 2. Section 92-7, Hawaii Revised Statutes, is amended to read as follows:

"§92-7 Notice. (a) The board shall give written public notice of any regular, special, emergency, or rescheduled meeting, or any executive meeting when anticipated in advance. The notice shall include an agenda [which] that lists all of the items to be considered at the forthcoming meeting, the date, time, and place of the meeting, and in the case of an executive meeting, the purpose shall be stated. If an item to be considered is the proposed adoption, amendment, or repeal of administrative rules, an agenda meets the requirements for public notice pursuant to this section if it contains a statement on the topic of the proposed rules or a general description of the subjects involved, as described in section 91-3(a)(1)(A), and a statement of when and where the proposed rules may be viewed in person and on the Internet as provided in section 91-2.6. The means specified by this section shall be the only means required for giving notice under this part notwithstanding any law to the contrary.

(b) [The board shall file the notice in the office of the lieutenant governor or the appropriate county clerk's office.] No less than six calendar days prior to the meeting, the board shall post the notice on an electronic calendar on a website maintained by the State or the appropriate county and in the board's office for public inspection[, at least six calendar days before the meeting]. The notice shall also be posted at the site of the meeting whenever feasible. The board shall provide a copy of the notice to the office of the lieutenant governor or the appropriate county clerk's office at the time the notice is posted, and the office of the lieutenant governor or the appropriate clerk's office shall post paper or electronic copies of all meeting notices in a central location in a public building; provided that a failure to do so by the board, the office of the lieutenant governor, or the appropriate county clerk's office shall not require cancellation of the meeting.

(c) If the written public notice is [filed in the office of the lieutenant governor or the appropriate county clerk's office] electronically posted on an electronic calendar less than six calendar days before the meeting, the [lieutenant governor or the appropriate county clerk shall immediately notify the chairperson of the board, or the director of the department within which the board is established or placed, of the tardy filing of the meeting notice. The] meeting shall be canceled as a matter of law[, the] and shall not be held. The chairperson or the director shall ensure that a notice canceling the meeting is posted at the place of the meeting[, and no meeting shall be held]. If there is a dispute as to whether a notice was timely posted on an electronic calendar maintained by the State or appropriate county, a printout of the electronic time-stamped agenda shall be conclusive evidence of the electronic posting date. The board shall provide a copy of the time-stamped record upon request.

(d) No board shall change the agenda, [~~once filed,~~] less than six calendar days prior to the meeting, by adding items thereto without a two-thirds recorded vote of all members to which the board is entitled; provided that no item shall be added to the agenda if it is of reasonably major importance and action thereon by the board will affect a significant number of persons. Items of reasonably major importance not decided at a scheduled meeting shall be considered only at a meeting continued to a reasonable day and time.

(e) The board shall maintain a list of names and postal or electronic mail addresses of persons who request notification of meetings and shall mail or electronically mail a copy of the notice to [such] the persons by the means chosen by the persons at their last recorded postal or electronic mail address no later than the time the agenda is [~~filed~~] required to be electronically posted under subsection (b)."

SECTION 3. Section 92-8, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) If a board finds that an imminent peril to the public health, safety, or welfare requires a meeting in less time than is provided for in section 92-7, the board may hold an emergency meeting provided that:

- (1) The board states in writing the reasons for its findings;
- (2) Two-thirds of all members to which the board is entitled agree that the findings are correct and an emergency exists;
- (3) An emergency agenda and the findings are [~~filed with the office of the lieutenant governor or the appropriate county clerk's office, and in the board's office; and~~] electronically posted pursuant to section 92-7(b); provided that the six calendar day requirement for filing and electronic posting shall not apply; and
- (4) Persons requesting notification on a regular basis are contacted by postal or electronic mail or telephone as soon as practicable.

(b) If an unanticipated event requires a board to take action on a matter over which it has supervision, control, jurisdiction, or advisory power, within less time than is provided for in section 92-7 to notice and convene a meeting of the board, the board may hold an emergency meeting to deliberate and decide whether and how to act in response to the unanticipated event; provided that:

- (1) The board states in writing the reasons for its finding that an unanticipated event has occurred and that an emergency meeting is necessary and the attorney general concurs that the conditions necessary for an emergency meeting under this subsection exist;
- (2) Two-thirds of all members to which the board is entitled agree that the conditions necessary for an emergency meeting under this subsection exist;
- (3) The finding that an unanticipated event has occurred and that an emergency meeting is necessary and the agenda for the emergency meeting under this subsection are [~~filed with the office of the lieutenant governor or the appropriate county clerk's office, and in the board's office;~~] electronically posted pursuant to section 92-7(b); provided that the six calendar day requirement for filing and electronic posting shall not apply;
- (4) Persons requesting notification on a regular basis are contacted by postal or electronic mail or telephone as soon as practicable; and
- (5) The board limits its action to only that action [~~which~~] that must be taken on or before the date that a meeting would have been held, had the board noticed the meeting pursuant to section 92-7."

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SECTION 4. Section 92-9, Hawaii Revised Statutes, is amended to read as follows:

“§92-9 Minutes. (a) The board shall keep written or recorded minutes of all meetings. Unless otherwise required by law, neither a full transcript nor a recording of the meeting is required, but the [written] minutes shall give a true reflection of the matters discussed at the meeting and the views of the participants. [The] Written minutes shall include, but need not be limited to:

- (1) The date, time and place of the meeting;
- (2) The members of the board recorded as either present or absent;
- (3) The substance of all matters proposed, discussed, or decided; and a record, by individual member, of any votes taken; and
- (4) Any other information that any member of the board requests be included or reflected in the minutes.

(b) The minutes shall be [public records and shall be available] made available to the public by posting on the board's website or, if the board does not have a website, on an appropriate state or county website within [thirty] forty days after the meeting except where such disclosure would be inconsistent with section 92-5; provided that minutes of executive meetings may be withheld so long as their publication would defeat the lawful purpose of the executive meeting, but no longer. A written summary shall accompany any minutes that are posted in a digital or analog recording format and shall include:

- (1) The date, time, and place of the meeting;
- (2) The members of the board recorded as either present or absent, and the times when individual members entered or left the meeting;
- (3) A record, by individual member, of motions and votes made by the board; and
- (4) A time stamp or other reference indicating when in the recording the board began discussion of each agenda item and when motions and votes were made by the board.

(c) All or any part of a meeting of a board may be recorded by any person in attendance by [means of a tape recorder or any other] any means of [sonic] reproduction, except when a meeting is closed pursuant to section 92-4; provided the recording does not actively interfere with the conduct of the meeting.”

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 6. This Act shall take effect on July 1, 2018.

(Approved June 29, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

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H.B. NO. 186

A Bill for an Act Relating to Coffee Berry Borer Beetle.

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

SECTION 1. Coffee is one of the largest agricultural crops in the State and is a highly valued commodity in Hawaii's economy. In recent years, the cof-

fee berry borer, a small beetle, has infested coffee crops in the Kona and Kau regions of Hawaii island and, more recently, has been detected on Oahu and Maui. This infestation threatens the viability of Hawaii's entire coffee industry. Ongoing efforts to control the coffee berry borer are critical, and the State must continue to support these efforts.

Application of the organic biological pesticide containing the fungus *Beauveria bassiana* is known to cause high rates of mortality in the coffee berry borer and is a primary method of pest control for the coffee berry borer in other coffee-growing regions of the world. Research shows that subsidizing the cost of pesticides is an effective and necessary incentive to encourage farmers to adopt recommended pest management strategies.

Act 105, Session Laws of Hawaii 2014, appropriated funds for the development and implementation of a pesticide subsidy program to assist coffee growers with offsetting the cost of purchasing pesticides containing *Beauveria bassiana*. However, it took longer than anticipated for Act 105 to be implemented, and this assistance only became available from the State at the end of 2016, more than two years later.

The purpose of this Act is to extend the sunset date of the pesticide subsidy program for two years so that the program can remain in effect for the number of years that was intended when Act 105 was passed.

SECTION 2. Act 105, Session Laws of Hawaii 2014, as amended by Act 152, Session Laws of Hawaii 2015, is amended as follows:

1. By amending section 3 to read:

“**SECTION 3.** (a) There is established in the department of agriculture a pesticide subsidy program to be administered by the department [for five years] beginning on July 1, 2014, and ending on June 30, [2019.] 2021. The department shall grant subsidies to coffee growers to assist them in offsetting the costs of purchasing any pesticide that is listed by the department pursuant to subsection (f).

(b) Applications for subsidies by coffee growers shall be submitted on a form furnished by the department and shall be filed with accompanying documentation of the costs of purchasing the pesticide; provided that:

- (1) The applicant shall indemnify and hold harmless the State and its officers, agents, and employees from all claims arising out of or resulting from the pesticide purchased; and
- (2) The department may request an applicant to provide necessary information for the purposes of verifying the size or sale weight, as applicable, and amount of the pesticide purchased.

(c) Documentation of pesticide costs, as requested by the department, shall be filed for pesticides purchased within the immediate preceding fiscal year of filing and shall be effective for pesticide costs incurred after June 30, 2014, and before July 1, [2019.] 2021.

(d) Funds shall be disbursed [from the pesticide use revolving fund established under section 149A-13.5, Hawaii Revised Statutes,] upon approval on an annual basis by the department to the coffee grower for up to seventy-five per cent of the costs incurred for the purchase of the pesticide before July 1, 2016, and for up to fifty per cent of the costs incurred after June 30, 2016, and before July 1, [2019.] 2021.

(e) The department shall aggregate the total subsidy applications pursuant to this section and divide and distribute the available subsidy funds on a pro rata basis; provided that no single coffee grower shall receive subsidies that are more than \$600 per year per acre of land in coffee production; provided fur-

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ther that no single coffee grower shall receive subsidies that are more than \$9,000 per year[.]; provided further that no single coffee grower shall receive subsidies that total more than \$6,000 per year for the period after June 30, 2018, and before July 1, 2021.

(f) The department shall establish a list of pesticides that are registered with the Environmental Protection Agency and are licensed with the State that contain *Beauveria bassiana*, a fungus known to eradicate the coffee berry borer, as an active ingredient.

(g) There is established within the department a pesticide subsidy program manager position, which shall be a full-time, temporary position exempt from chapters 76 and 89, Hawaii Revised Statutes. The pesticide subsidy program manager shall possess a requisite level of knowledge and expertise in the area of program management necessary to carry out the duties of the position. The pesticide subsidy program manager shall:

- (1) Facilitate the efficient division and distribution of available subsidy funds; and
- (2) Manage the day-to-day coordination for the pesticide subsidy program.

The pesticide subsidy program manager shall receive a salary of not more than \$50,000 per year.

(h) Not later than twenty days prior to the convening of the regular session of [2019,] 2021, the department shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature on the results of the subsidy program and whether the program should be allowed to expire or be extended, and if extended, with or without modification.

(i) Actions taken by the department pursuant to this section shall be exempt from the rulemaking requirements of section 91-3, Hawaii Revised Statutes."

2. By amending section 6 to read:

"SECTION 6. This Act shall take effect on July 1, 2014; provided that section 3 shall be repealed on June 30, [2019,] 2021; provided further that the amendment made to section 149A-13.5(b), Hawaii Revised Statutes, under section 2 of this Act shall not be repealed when section 149A-13.5(b), Hawaii Revised Statutes, is repealed and reenacted on June 30, 2015, by section 4 of Act 168, Session Laws of Hawaii 2010."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved June 30, 2017.)

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S.B. NO. 505

A Bill for an Act Relating to Health.

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

SECTION 1. The legislature finds that a nationwide drug epidemic exists related to prescription pain relieving drugs that are causing alarming rates of addiction, overdose, and death. According to the National Institute on Drug Abuse, an estimated 2,100,000 people in the United States suffer from substance

use disorders related to prescription opioid pain relievers. Society is facing the devastating consequences of this epidemic. The number of unintentional overdose deaths from prescription pain relievers has more than quadrupled since 1999. According to data provided by the Pew Charitable Trusts, opioid pain relievers killed nearly 20,000 Americans in 2014.

According to the National Institute on Drug Abuse, in terms of abuse and mortality, opioids account for the greatest proportion of the prescription drug abuse problem. The rise of prescription opioids started in the beginning of the twenty-first century and by 2002 prescription opioids caused more deaths than heroin or cocaine. The National Institute on Drug Abuse reports that the increase in the availability of opioid pain relievers is the result of a drastic increase in the number of prescriptions written and dispensed, greater social acceptability for using medications for different purposes, and aggressive marketing by pharmaceutical companies. As a result of the staggering number of people suffering from substance use disorders related to prescription opioid pain relievers, the United States Centers for Disease Control and Prevention, national and state legislators, and many others are trying to curb this epidemic through public education and limits on opioid prescribing practices.

The legislature also finds that informed consent is an effective process between a provider and patient that relates to a specific medication or a form of treatment such as safe opioid therapy. The informed consent process allows the patient to better understand the goals of treatment, potential benefits of treatment, realistic outcomes, potential risks, how to use the medication, and alternative treatment options. The informed consent process is one approach to begin addressing the nationwide opioid epidemic.

The purpose of this Act is to reduce addiction, overdose, and death related to the use of opioids by:

- (1) Requiring execution of an opioid therapy informed consent process agreement between a patient and a prescriber of opioids in circumstances that may carry an elevated risk of causing dependency; and
- (2) Limiting initial concurrent prescriptions for opioids and benzodiazepines to a maximum of seven consecutive days, except for treatment of specified conditions.

SECTION 2. Chapter 329, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§329. Opioid therapy; informed consent process; requirement for written policies. (a) Beginning on July 1, 2018, any provider authorized to prescribe opioids shall adopt and maintain written policy or policies that include execution of a written agreement to engage in an informed consent process between the prescribing provider and qualifying opioid therapy patient.

(b) The department of health shall develop and make available a template of an opioid therapy informed consent process agreement for use in the State. The template shall be posted to the department of health’s website no later than December 31, 2017.

(c) For the purposes of this section, “qualifying opioid therapy patient” means:

- (1) A patient requiring opioid treatment for more than three months;
- (2) A patient who is prescribed benzodiazepines and opioids together; or
- (3) A patient who is prescribed a dose of opioids that exceeds ninety morphine equivalent doses.

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(d) A violation of this section shall not be subject to the penalty provisions of part IV of chapter 329."

SECTION 3. Section 329-38, Hawaii Revised Statutes, is amended to read as follows:

"§329-38 Prescriptions. (a) No controlled substance in schedule II may be dispensed without a written prescription of a practitioner, except:

- (1) In the case of an emergency situation, a pharmacist may dispense a controlled substance listed in schedule II upon receiving oral authorization from a prescribing practitioner; provided that:
 - (A) The quantity prescribed and dispensed is limited to the amount adequate to treat the patient during the emergency period (dispensing beyond the emergency period shall be pursuant to a written prescription signed by the prescribing practitioner);
 - (B) If the prescribing practitioner is not known to the pharmacist, the pharmacist shall make a reasonable effort to determine that the oral authorization came from a registered practitioner, which may include a callback to the prescribing practitioner using the phone number in the telephone directory or other good faith efforts to identify the prescriber; and
 - (C) Within seven days after authorizing an emergency oral prescription, the prescribing practitioner shall cause a written prescription for the emergency quantity prescribed to be delivered to the dispensing pharmacist. In addition to conforming to the requirements of this subsection, the prescription shall have written on its face "Authorization for Emergency Dispensing". The written prescription may be delivered to the pharmacist in person or by mail, and if by mail, the prescription shall be postmarked within the seven-day period. Upon receipt, the dispensing pharmacist shall attach this prescription to the oral emergency prescription, which had earlier been reduced to writing. The pharmacist shall notify the administrator if the prescribing practitioner fails to deliver a written prescription to the pharmacy within the allotted time. Failure of the pharmacist to do so shall void the authority conferred by this paragraph to dispense without a written prescription of a prescribing individual practitioner. Any practitioner who fails to deliver a written prescription within the seven-day period shall be in violation of section 329-41(a)(1);
- (2) No schedule II narcotic controlled substance may be prescribed or dispensed for more than a thirty-day supply, except where such substances come in a single unit dose package that exceeds the thirty-day limit or where a terminally ill patient is certified by a physician to exceed the thirty-day limit;
- (3) When dispensed directly by a practitioner, other than a pharmacist, to the ultimate user. The practitioner in dispensing a controlled substance in schedule II shall affix to the package a label showing:
 - (A) The date of dispensing;
 - (B) The name, strength, and quantity of the drug dispensed;
 - (C) The dispensing practitioner's name and address;
 - (D) The name of the patient;
 - (E) The "use by" date for the drug, which shall be:

- (i) The expiration date on the manufacturer's or principal labeler's container; or
- (ii) One year from the date the drug is dispensed, whichever is earlier; and

(F) Directions for use, and cautionary statements, if any, contained in the prescription or as required by law.

A complete and accurate record of all schedule II controlled substances ordered, administered, prescribed, and dispensed shall be maintained for five years. Prescriptions and records of dispensing shall otherwise be retained in conformance with the requirements of section 329-36. No prescription for a controlled substance in schedule II may be refilled; or

(4) In the case of an electronic prescription, a pharmacist may dispense a controlled substance listed in schedule II upon receiving an electronic prescription.

(b) A schedule II controlled substance prescription shall:

- (1) Be filled within seven days following the date the prescription was issued to the patient; and
- (2) Be supplied to a patient only if the prescription has been filled and held by the pharmacy for not more than seven days.

(c) Initial concurrent prescriptions for opioids and benzodiazepines

shall not be for longer than seven consecutive days unless a supply of longer than seven days is determined to be medically necessary for the treatment of:

- (1) Pain experienced while the patient is in post-operative care;
- (2) Chronic pain and pain management;
- (3) Substance abuse or opioid or opiate dependence;
- (4) Cancer;
- (5) Pain experienced while the patient is in palliative care; or
- (6) Pain experienced while the patient is in hospice care;

provided that if a prescribing practitioner issues a concurrent prescription for more than a seven-day supply of an opioid and benzodiazepine, the practitioner shall document in the patient's medical record the condition for which the practitioner issued the prescription and that an alternative to the opioid and benzodiazepine was not appropriate treatment for the condition.

(d) After an initial concurrent prescription for opioids and benzodiazepines has been made, a prescribing practitioner may authorize subsequent prescriptions through a telephone consultation with the patient when the prescribing practitioner deems such action to be medically necessary for post-operative and pain management patients; provided that a prescribing practitioner shall consult with a patient in person at least once every ninety days for the duration during which the practitioner concurrently prescribes opioids and benzodiazepines to the patient.

[e] (e) The transfer of original prescription information for a controlled substance listed in schedule III, IV, or V for the purpose of dispensing is permissible between pharmacies on a one time basis only. However, pharmacies electronically sharing a real-time, online database may transfer up to the maximum refills permitted by law and the prescriber's authorization. Transfers are subject to the following requirements:

- (1) The transfer shall be communicated directly between two licensed pharmacists, and the transferring pharmacist shall:
 - (A) Write or otherwise place the word "VOID" on the face of the invalidated prescription;
 - (B) Record on the reverse of the invalidated prescription the name, address, and Drug Enforcement Administration registration

- number of the pharmacy to which it was transferred and the name of the pharmacist receiving the prescription information; and
- (C) Record the date of the transfer and the name of the pharmacist transferring the information;
- (2) The pharmacist receiving the transferred prescription information shall reduce to writing the following:
- (A) Write or otherwise place the word "transfer" on the face of the transferred prescription;
- (B) Record all information required to be on a prescription, including:
- (i) The date of issuance of original prescription;
- (ii) The original number of refills authorized on original prescription;
- (iii) The date of original dispensing;
- (iv) The number of valid refills remaining and dates and locations of previous refills;
- (v) The pharmacy's name, address, Drug Enforcement Administration registration number, and original prescription number from which the prescription information was transferred;
- (vi) The name of the transferor pharmacist; and
- (vii) The pharmacy's name, address, and Drug Enforcement Administration registration number, along with the prescription number from which the prescription was originally filled;
- (3) Both the original and transferred prescription shall be maintained for a period of five years from the date of last refill; and
- (4) Any pharmacy electronically accessing a prescription record shall satisfy all information requirements of a manual mode prescription transferal.

Failure to comply with this subsection shall void the authority of the pharmacy to transfer prescriptions or receive a transferred prescription to or from another pharmacy.

[d] (f) A pharmacy and an authorized central fill pharmacy may share information for initial and refill prescriptions of schedule III, IV, or V controlled substances. The following requirements shall apply:

- (1) A pharmacy may electronically transmit, including by facsimile, prescriptions for controlled substances listed in schedule III, IV, or V to a central fill pharmacy. The pharmacy transmitting the prescription information shall:
- (A) Ensure that all information required to be on a prescription pursuant to subsection [g] (i) is transmitted to the central fill pharmacy either on the face of the prescription or electronically; and
- (B) Keep a record of receipt of the filled prescription, including the date of receipt, the method of delivery (private, common, or contract carrier) and the identity of the pharmacy employee accepting delivery; and
- (2) The central fill pharmacy receiving the transmitted prescription shall:
- (A) Keep for five years a copy of a prescription received by facsimile or an electronic record of all the information transmitted by the pharmacy, including the name, address, and Drug

Enforcement Administration registration number of the pharmacy transmitting the prescription;

- (B) Keep a record of the date of receipt of the transmitted prescription, the name of the licensed pharmacists filling the prescription, and the dates the prescription was filled or is refilled; and
- (C) Keep a record of the date the filled prescription was shipped to the pharmacy.

[~~(e)~~] (g) No controlled substance in schedule III, IV, or V may be dispensed without a written, facsimile of a written, oral prescription of a practitioner, or receipt of an electronic prescription, except when a controlled substance is dispensed directly by a practitioner, other than a pharmacist, to an ultimate user. The practitioner, in dispensing a controlled substance in schedule III, IV, or V, shall affix to the package a label showing:

- (1) The date of dispensing;
- (2) The name, strength, and quantity issued of the drug;
- (3) The dispensing practitioner's name and business address;
- (4) The name of the patient;
- (5) The "use by" date for the drug, which shall be:
 - (A) The expiration date on the manufacturer's or principal labeler's container; or
 - (B) One year from the date the drug is dispensed, whichever is earlier;
- (6) Directions for use; and
- (7) Cautionary statements, if any, contained in the prescription or as required by law.

A complete and accurate record of all schedule III, IV, and V controlled substances administered, prescribed, and dispensed shall be maintained for five years. Prescriptions and records of dispensing shall be retained in conformance with the requirements of section 329-36 unless otherwise provided by law. Prescriptions may not be filled or refilled more than three months after the date of the prescription or be refilled more than two times after the date of the prescription, unless the prescription is renewed by the practitioner.

[~~(f)~~] (h) The effectiveness of a prescription for the purposes of this section shall be determined as follows:

- (1) A prescription for a controlled substance shall be issued for a legitimate medical purpose by an individual practitioner acting in the usual course of the practitioner's professional practice. The responsibility for the proper prescribing and dispensing of controlled substances shall be upon the prescribing practitioner, but a corresponding responsibility shall rest with the pharmacist who fills the prescription. An order purporting to be a prescription issued not in the usual course of professional treatment or for legitimate and authorized research shall not be deemed a prescription within the meaning and intent of this section, and the person who knowingly fills such a purported prescription, as well as the person who issues the prescription, shall be subject to the penalties provided for violations of this chapter;
- (2) A prescription may not be issued to allow an individual practitioner to obtain controlled substances for supplying the individual practitioner for the purpose of general dispensing to patients;
- (3) A prescription may not be issued for the dispensing of narcotic drugs listed in any schedule for the purpose of "medically managed

withdrawal", also known as "detoxification treatment", or "maintenance treatment" except as follows:

- (A) The administering or dispensing directly (but not prescribing) of narcotic drugs listed in any schedule to a narcotic drug-dependent person for "medically managed withdrawal", also known as "detoxification treatment", or "maintenance treatment" shall be deemed to be "in the course of a practitioner's professional practice or research" so long as the practitioner is registered separately with the department and the federal Drug Enforcement Agency as required by section 329-32(e) and complies with Title 21 Code of Federal Regulations section 823(g) and any other federal or state regulatory standards relating to treatment qualification, security, records, and unsupervised use of drugs; and
 - (B) Nothing in this section shall prohibit a physician or authorized hospital staff from administering or dispensing, but not prescribing, narcotic drugs in a hospital to maintain or detoxify a person as an incidental adjunct to medical or surgical treatment of conditions other than addiction;
- (4) An individual practitioner shall not prescribe or dispense a substance included in schedule II, III, IV, or V for that individual practitioner's personal use, except in a medical emergency; and
- (5) A pharmacist shall not dispense a substance included in schedule II, III, IV, or V for the pharmacist's personal use.

[(g)] (i) Prescriptions for controlled substances shall be issued only as follows:

- (1) All prescriptions for controlled substances shall originate from within the State and be dated as of, and signed on, the day when the prescriptions were issued and shall contain:
 - (A) The first and last name and address of the patient; and
 - (B) The drug name, strength, dosage form, quantity prescribed, and directions for use. Where a prescription is for gamma hydroxybutyric acid, methadone, or buprenorphine, the practitioner shall record as part of the directions for use, the medical need of the patient for the prescription.

Except for electronic prescriptions, controlled substance prescriptions shall be no larger than eight and one-half inches by eleven inches and no smaller than three inches by four inches. A practitioner may sign a prescription in the same manner as the practitioner would sign a check or legal document (e.g., J.H. Smith or John H. Smith) and shall use both words and figures (e.g., alphabetically and numerically as indications of quantity, such as five (5)), to indicate the amount of controlled substance to be dispensed. Where an oral order or electronic prescription is not permitted, prescriptions shall be written with ink or indelible pencil or typed, shall be manually signed by the practitioner, and shall include the name, address, telephone number, and registration number of the practitioner. The prescriptions may be prepared by a secretary or agent for the signature of the practitioner, but the prescribing practitioner shall be responsible in case the prescription does not conform in all essential respects to this chapter and any rules adopted pursuant to this chapter. In receiving an oral prescription from a practitioner, a pharmacist shall promptly reduce the oral prescription to writing, which shall include the following information: the drug name,

strength, dosage form, quantity prescribed in figures only, and directions for use; the date the oral prescription was received; the full name, Drug Enforcement Administration registration number, and oral code number of the practitioner; and the name and address of the person for whom the controlled substance was prescribed or the name of the owner of the animal for which the controlled substance was prescribed.

A corresponding liability shall rest upon a pharmacist who fills a prescription not prepared in the form prescribed by this section. A pharmacist may add a patient's missing address or change a patient's address on all controlled substance prescriptions after verifying the patient's identification and noting the identification number on the back of the prescription document on file. The pharmacist shall not make changes to the patient's name, the controlled substance being prescribed, the quantity of the prescription, the practitioner's Drug Enforcement Administration number, the practitioner's name, the practitioner's electronic signature, or the practitioner's signature;

- (2) An intern, resident, or foreign-trained physician, or a physician on the staff of a Department of Veterans Affairs facility or other facility serving veterans, exempted from registration under this chapter, shall include on all prescriptions issued by the physician:

- (A) The registration number of the hospital or other institution; and
(B) The special internal code number assigned to the physician by the hospital or other institution in lieu of the registration number of the practitioner required by this section.

The hospital or other institution shall forward a copy of this special internal code number list to the department as often as necessary to update the department with any additions or deletions. Failure to comply with this paragraph shall result in the suspension of that facility's privilege to fill controlled substance prescriptions at pharmacies outside of the hospital or other institution. Each written prescription shall have the name of the physician stamped, typed, or hand-printed on it, as well as the signature of the physician;

- (3) An official exempted from registration shall include on all prescriptions issued by the official:

- (A) The official's branch of service or agency (e.g., "U.S. Army" or "Public Health Service"); and
(B) The official's service identification number, in lieu of the registration number of the practitioner required by this section. The service identification number for a Public Health Service employee shall be the employee's social security or other government issued identification number.

Each prescription shall have the name of the officer stamped, typed, or handprinted on it, as well as the signature of the officer; and

- (4) A physician assistant registered to prescribe controlled substances under the authorization of a supervising physician shall include on all controlled substance prescriptions issued:

- (A) The Drug Enforcement Administration registration number of the supervising physician; and
(B) The Drug Enforcement Administration registration number of the physician assistant.

Each written controlled substance prescription issued shall include the printed, stamped, typed, or hand-printed name, address, and

phone number of both the supervising physician and physician assistant, and shall be signed by the physician assistant. The medical record of each written controlled substance prescription issued by a physician assistant shall be reviewed and initialed by the physician assistant's supervising physician within seven working days.

[#] (j) A prescription for controlled substances may only be filled by a pharmacist acting in the usual course of the pharmacist's professional practice and either registered individually or employed in a registered pharmacy, central fill pharmacy, or registered institutional practitioner. A central fill pharmacy authorized to fill prescriptions on behalf of a pharmacy shall have a contractual relationship with the pharmacy that provides for this activity or shall share a common owner with the pharmacy. A central fill pharmacy shall not prepare prescriptions for any controlled substance listed in schedule II.

[#] (k) Partial filling of controlled substance prescriptions shall be determined as follows:

- (1) The partial filling of a prescription for a controlled substance listed in schedule II is permissible if the pharmacist is unable to supply the full quantity called for in a written, electronic prescription, or emergency oral prescription and the pharmacist makes a notation of the quantity supplied on the face of the written prescription (or written record of the electronic prescription or emergency oral prescription). The remaining portion of the prescription may be filled within seventy-two hours of the first partial filling; provided that if the remaining portion is not or cannot be filled within the seventy-two-hour period, the pharmacist shall notify the prescribing individual practitioner. No further quantity shall be supplied beyond seventy-two hours without a new prescription;
- (2) The partial filling of a prescription for a controlled substance listed in schedule III, IV, or V is permissible; provided that:
 - (A) Each partial filling is recorded in the same manner as a refilling;
 - (B) The total quantity dispensed in all partial fillings does not exceed the total quantity prescribed;
 - (C) No dispensing occurs more than three months after the date on which the prescription was issued; and
 - (D) The prescription is refilled no more than two times after the initial date of the prescription, unless the prescription is renewed by the practitioner; and
- (3) A prescription for a schedule II controlled substance issued for a patient in a long-term care facility or for a patient with a medical diagnosis documenting a terminal illness may be filled in partial quantities to include individual dosage units. If there is any question whether a patient may be classified as having a terminal illness, the pharmacist shall contact the practitioner prior to partially filling the prescription. Both the pharmacist and the prescribing practitioner have a corresponding responsibility to assure that the controlled substance is for a terminally ill patient. The pharmacist shall record on the prescription document on file whether the patient is "terminally ill" or a "long-term care facility patient". For the purposes of this section, "TI" means terminally ill and "LTCF" means long-term care facility. A prescription that is partially filled and does not contain the notation "TI" or "LTCF patient" shall be deemed to have been filled in violation of this section. For each partial filling, the dispensing pharmacist shall record on the back of the prescription (or on another appropriate record, uniformly maintained, and

readily retrievable) the date of the partial filling, quantity dispensed, remaining quantity authorized to be dispensed, and the identification of the dispensing pharmacist. The total quantity of schedule II controlled substances dispensed in all partial fillings shall not exceed the total quantity prescribed, nor shall a prescription be partially filled more than three times after the initial date of the prescription. Schedule II controlled substance prescriptions for patients in a long-term care facility or patients with a medical diagnosis documenting a terminal illness shall be valid for a period not to exceed thirty days from the issue date unless sooner terminated by the discontinuance of medication.

[~~(f)~~] [(l)] A prescription for a schedule II controlled substance may be transmitted by the practitioner or the practitioner's agent to a pharmacy by facsimile equipment; provided that the original written, signed prescription is presented to the pharmacist for review prior to the actual dispensing of the controlled substance, except as noted in subsections [~~(k), (l), and~~] (m)[-], (n), and (o). The original prescription shall be maintained in accordance with section 329-36. A prescription for a schedule III, IV, or V controlled substance may be transmitted by the practitioner or the practitioner's agent to a pharmacy by facsimile; provided that:

- (1) The information shall be communicated only between the prescribing practitioner or the prescriber's authorized agent and the pharmacy of the patient's choice. The original prescription shall be maintained by the practitioner in accordance with section 329-36;
- (2) The information shall be communicated in a retrievable, recognizable format acceptable to the intended recipient and shall include the physician's oral code designation and the name of the recipient pharmacy;
- (3) No electronic system, software, or other intervening mechanism or party shall alter the practitioner's prescription, order entry, selection, or intended selection without the practitioner's approval on a per prescription per order basis. Facsimile prescription information shall not be altered by any system, software, or other intervening mechanism or party prior to receipt by the intended pharmacy;
- (4) The prescription information processing system shall provide for confidentiality safeguards required by federal or state law; and
- (5) Prescribing practitioners and pharmacists shall exercise prudent and professional judgment regarding the accuracy, validity, and authenticity of any facsimile prescription information. The facsimile shall serve as the original written prescription for purposes of this section and shall be maintained in accordance with section 329-36.

[~~(k)~~] [(m)] A prescription prepared in accordance with subsection [~~(g)~~] (i) written for a narcotic listed in schedule II to be compounded for the direct administration to a patient by parenteral, intravenous, intramuscular, subcutaneous, or intraspinal infusion, but does not extend to the dispensing of oral dosage units of controlled substances, may be transmitted by the practitioner or the practitioner's agent to the pharmacy by facsimile. The original prescription shall be maintained by the practitioner in accordance with section 329-36. The pharmacist shall note on the face of the facsimile prescription in red ink "Home Infusion/IV" and this facsimile shall serve as the original written prescription for purposes of this section and it shall be maintained in accordance with section 329-36.

[~~(l)~~] [(n)] A prescription prepared in accordance with subsection [~~(g)~~] (i) written for a schedule II substance for a patient enrolled in a hospice care pro-

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gram certified or paid for by medicare under Title XVIII or a hospice program that is licensed by the State may be transmitted by the practitioner or the practitioner's agent to the dispensing pharmacy by facsimile. The original prescription shall be maintained by the practitioner in accordance with section 329-36. The practitioner or practitioner's agent shall note on the prescription that the patient is a hospice patient. The pharmacist shall note on the face of the facsimile prescription in red ink "HOSPICE" and this facsimile shall serve as the original written prescription for purposes of this section and it shall be maintained in accordance with section 329-36.

[~~(m)~~] (o) A prescription prepared in accordance with subsection [~~(g)~~] (i) written for a schedule II controlled substance for a resident of a state-licensed long-term care facility may be transmitted by the practitioner or the practitioner's agent to the dispensing pharmacy by facsimile. The original prescription shall be maintained by the practitioner in accordance with section 329-36. The pharmacist shall note on the face of the facsimile prescription in red ink "LTCF" and this facsimile shall serve as the original written prescription for purposes of this section and it shall be maintained in accordance with section 329-36.

[~~(n)~~] (p) An electronic prescription for a schedule II, III, IV, or V controlled substance may be electronically transmitted by the practitioner to a pharmacy; provided that:

- (1) The information shall be communicated only between the prescribing practitioner and the pharmacy of the patient's choice. The electronic prescription shall be maintained by the practitioner in accordance with section 329-36;
- (2) The information shall be communicated in a retrievable, recognizable format acceptable to the intended recipient;
- (3) No electronic system, software, or other intervening mechanism or party shall alter the practitioner's prescription, order entry, selection, or intended selection without the practitioner's approval on a per-prescription, per-order basis. Transmitted prescription information shall not be altered by any electronic system, software, or other intervening mechanism or party prior to receipt by the intended pharmacy;
- (4) The prescription information processing system shall provide for confidentiality safeguards required by any applicable federal or state law; and
- (5) Prescribing practitioners and pharmacists shall exercise prudent and professional judgment regarding the accuracy, validity, and authenticity of any electronic prescription information."

SECTION 4. Section 457-12, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) In addition to any other actions authorized by law, the board shall have the power to deny, revoke, limit, or suspend any license to practice nursing as a registered nurse or as a licensed practical nurse applied for or issued by the board in accordance with this chapter, and to fine or to otherwise discipline a licensee for any cause authorized by law, including but not limited to the following:

- (1) Fraud or deceit in procuring or attempting to procure a license to practice nursing as a registered nurse or as a licensed practical nurse;
- (2) Gross immorality;
- (3) Unfitness or incompetence by reason of negligence, habits, or other causes;

- (4) Habitual intemperance, addiction to, or dependency on alcohol or other habit-forming substances;
- (5) Mental incompetence;
- (6) Unprofessional conduct as defined by the board in accordance with its own rules;
- (7) Wilful or repeated violation of any of the provisions of this chapter or any rule adopted by the board;
- (8) Revocation, suspension, limitation, or other disciplinary action by another state of a nursing license;
- (9) Conviction, whether by nolo contendere or otherwise, of a penal offense substantially related to the qualifications, functions, or duties of a nurse, notwithstanding any statutory provision to the contrary;
- (10) Failure to report to the board any disciplinary action taken against the licensee in another jurisdiction within thirty days after the disciplinary action becomes final;
- (11) Submitting to or filing with the board any notice, statement, or other document required under this chapter, which is false or untrue or contains any material misstatement of fact, including a false attestation of compliance with continuing competency requirements; [or]
- (12) Violation of the conditions or limitations upon which any license is issued[-]; or
- (13) Violation of chapter 329, the uniform controlled substances act, or any rule adopted thereunder except as provided in section 329-122.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 6. This Act shall take effect on July 1, 2017, and shall be repealed on June 30, 2023; provided that sections 329-38 and 457-12(a), Hawaii Revised Statutes, shall be reenacted in the form in which they read on the day prior to the effective date of this Act.

(Approved July 3, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 67

S.B. NO. 513

A Bill for an Act Relating to Contraceptive Supplies.

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

SECTION 1. The legislature finds that many reproductive health experts have long sought to make prescription contraceptives more readily accessible. Research indicates that women are more likely to use prescription contraceptives and less likely to have unintended pregnancies when barriers to contraceptive access are lifted. Furthermore, studies have also indicated that it is safe for women to obtain contraceptive supplies without a physician and that women can accurately identify conditions that make it appropriate to use certain contraceptives by using a simple checklist.

The legislature further finds that under the federal Patient Protection and Affordable Care Act of 2010, contraceptives are required to be covered at a \$0

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copayment, thus removing financial barriers for patients and ensuring that patients have better opportunities to receive contraceptive care.

The legislature additionally finds that some states are also taking steps to ensure greater access to contraceptive supplies. For example, recent legislation in California and Oregon has expanded access to prescription contraceptives for millions of women. The California and Oregon laws, enacted in 2016, permit women to obtain contraceptive supplies from pharmacists without first having to visit a primary care provider for a prescription. The legislature concludes that Hawaii should adopt similar legislation, which will increase access to prescription contraceptive supplies and decrease barriers regarding reproductive health care.

The purpose of this Act is to expand access to prescription contraceptives by:

- (1) Authorizing pharmacists to prescribe and dispense self-administered hormonal contraceptive supplies; and
- (2) Specifying requirements pharmacists must meet prior to prescribing and dispensing contraceptive supplies.

SECTION 2. Chapter 461, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§461- Contraceptive supplies; authority to prescribe and dispense; requirements. (a) A pharmacist may prescribe and dispense contraceptive supplies to a patient regardless of whether the patient has evidence of a previous prescription for contraceptive supplies from a licensed physician, advanced practice registered nurse, or other primary care provider authorized to prescribe contraceptive supplies.

(b) A pharmacist who prescribes and dispenses contraceptive supplies pursuant to subsection (a) shall:

- (1) Complete an Accreditation Council for Pharmacy Education program approved by the board related to prescribing contraceptive supplies;
 - (2) Provide a self-screening risk assessment tool that a patient shall complete before the pharmacist prescribes any contraceptive supplies; provided that the self-screening risk assessment tool shall be based on the current version of the United States Medical Eligibility Criteria for Contraceptive Use developed by the federal Centers for Disease Control and Prevention;
 - (3) Refer the patient to the patient’s primary care provider upon prescribing and dispensing the contraceptive supplies; provided that if the patient does not have a primary care provider, the pharmacist shall advise the patient to consult a licensed physician, advanced practice registered nurse, or other primary care provider of the patient’s choice;
 - (4) Provide the patient with a written record of the contraceptive supplies prescribed and dispensed and advise the patient to consult with a primary care provider of the patient’s choice; and
 - (5) Dispense the contraceptive supplies to the patient as soon as practicable after the pharmacist issues the prescription.
- (c) A pharmacist who prescribes and dispenses contraceptive supplies pursuant to subsection (a) shall not require a patient to schedule an appointment with the pharmacist for the prescribing or dispensing of contraceptive supplies.”

SECTION 3. Section 431:10A-116.6, Hawaii Revised Statutes, is amended to read as follows:

“§431:10A-116.6 Contraceptive services. (a) Notwithstanding any provision of law to the contrary, each employer group accident and health or sickness policy, contract, plan, or agreement issued or renewed in this State on or after January 1, 2000, shall cease to exclude contraceptive services or supplies for the subscriber or any dependent of the subscriber who is covered by the policy, subject to the exclusion under section 431:10A-116.7 and the exclusion under section 431:10A-102.5.

(b) Except as provided in subsection (c), all policies, contracts, plans, or agreements under subsection (a), that provide contraceptive services or supplies, or prescription drug coverage, shall not exclude any prescription contraceptive supplies or impose any unusual copayment, charge, or waiting requirement for such supplies.

(c) Coverage for oral contraceptives shall include at least one brand from the monophasic, multiphasic, and the progestin-only categories. A member shall receive coverage for any other oral contraceptive only if:

- (1) Use of brands covered has resulted in an adverse drug reaction; or
- (2) The member has not used the brands covered and, based on the member's past medical history, the prescribing health care provider believes that use of the brands covered would result in an adverse reaction.

(d) Coverage required by this section shall include reimbursement to a prescribing health care provider or dispensing entity for prescription contraceptive supplies intended to last for up to a twelve-month period for an insured.

(e) Coverage required by this section shall include reimbursement to a prescribing and dispensing pharmacist who prescribes and dispenses contraceptive supplies pursuant to section 461-

[f] (f) For purposes of this section:

“Contraceptive services” means physician-delivered, physician-supervised, physician assistant-delivered, advanced practice registered nurse-delivered, nurse-delivered, or pharmacist-delivered medical services intended to promote the effective use of contraceptive supplies or devices to prevent unwanted pregnancy.

“Contraceptive supplies” means all United States Food and Drug Administration-approved contraceptive drugs or devices used to prevent unwanted pregnancy.

[f] (g) Nothing in this section shall be construed to extend the practice or privileges of any health care provider beyond that provided in the laws governing the provider's practice and privileges.”

SECTION 4. Section 432:1-604.5, Hawaii Revised Statutes, is amended to read as follows:

“§432:1-604.5 Contraceptive services. (a) Notwithstanding any provision of law to the contrary, each employer group health policy, contract, plan, or agreement issued or renewed in this State on or after January 1, 2000, shall cease to exclude contraceptive services or supplies, and contraceptive prescription drug coverage for the subscriber or any dependent of the subscriber who is covered by the policy, subject to the exclusion under section 431:10A-116.7.

(b) Except as provided in subsection (c), all policies, contracts, plans, or agreements under subsection (a), that provide contraceptive services or supplies, or prescription drug coverage, shall not exclude any prescription contraceptive

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supplies or impose any unusual copayment, charge, or waiting requirement for such drug or device.

(c) Coverage for contraceptives shall include at least one brand from the monophasic, multiphasic, and the progestin-only categories. A member shall receive coverage for any other oral contraceptive only if:

- (1) Use of brands covered has resulted in an adverse drug reaction; or
- (2) The member has not used the brands covered and, based on the member's past medical history, the prescribing health care provider believes that use of the brands covered would result in an adverse reaction.

(d) Coverage required by this section shall include reimbursement to a prescribing health care provider or dispensing entity for prescription contraceptive supplies intended to last for up to a twelve-month period for a member.

(e) Coverage required by this section shall include reimbursement to a prescribing and dispensing pharmacist who prescribes and dispenses contraceptive supplies pursuant to section 461-

[f(e)] (f) For purposes of this section:

"Contraceptive services" means physician-delivered, physician-supervised, physician assistant-delivered, advanced practice registered nurse-delivered, nurse-delivered, or pharmacist-delivered medical services intended to promote the effective use of contraceptive supplies or devices to prevent unwanted pregnancy.

"Contraceptive supplies" means all Food and Drug Administration-approved contraceptive drugs or devices used to prevent unwanted pregnancy.

[f(f)] (g) Nothing in this section shall be construed to extend the practice or privileges of any health care provider beyond that provided in the laws governing the provider's practice and privileges."

SECTION 5. Section 461-1, Hawaii Revised Statutes, is amended as follows:

1. By adding two new definitions to be appropriately inserted and to read:

"Advanced practice registered nurse" means a person licensed pursuant to section 457-8.5 and granted prescriptive authority pursuant to section 457-8.6.

"Contraceptive supplies" means all United States Food and Drug Administration-approved self-administered hormonal contraceptives."

2. By amending the definition of "practice of pharmacy" to read:

"Practice of pharmacy" means:

(1) The interpretation and evaluation of prescription orders; the compounding, dispensing, and labeling of drugs and devices (except labeling by a manufacturer, packer, or distributor of nonprescription drugs and commercially legend drugs and devices); the participation in drug selection and drug utilization reviews; the proper and safe storage of drugs and devices and the maintenance of proper records therefor; the responsibility for advising when necessary or where regulated, of therapeutic values, content, hazards, and use of drugs and devices;

(2) Performing the following procedures or functions as part of the care provided by and in concurrence with a "health care facility" and "health care service" as defined in section 323D-2, or a "pharmacy" or a licensed physician or a licensed advanced practice registered nurse with prescriptive authority, or a "managed care plan" as defined in section 432E-1, in accordance with policies, procedures, or

protocols developed collaboratively by health professionals, including physicians and surgeons, pharmacists, and registered nurses, and for which a pharmacist has received appropriate training required by these policies, procedures, or protocols:

- (A) Ordering or performing routine drug therapy related patient assessment procedures;
- (B) Ordering drug therapy related laboratory tests;
- (C) Initiating emergency contraception oral drug therapy in accordance with a written collaborative agreement approved by the board, between a licensed physician or advanced practice registered nurse with prescriptive authority and a pharmacist who has received appropriate training that includes programs approved by the American Council of Pharmaceutical Education (ACPE), curriculum-based programs from an ACPE-accredited college of pharmacy, state or local health department programs, or programs recognized by the board of pharmacy;
- (D) Administering drugs orally, topically, by intranasal delivery, or by injection, pursuant to the order of the patient's licensed physician or advanced practice registered nurse with prescriptive authority, by a pharmacist having appropriate training that includes programs approved by the ACPE, curriculum-based programs from an ACPE-accredited college of pharmacy, state or local health department programs, or programs recognized by the board of pharmacy;
- (E) Administering:
 - (i) Immunizations orally, by injection, or by intranasal delivery, to persons eighteen years of age or older by a pharmacist having appropriate training that includes programs approved by the ACPE, curriculum-based programs from an ACPE-accredited college of pharmacy, state or local health department programs, or programs recognized by the board of pharmacy; and
 - (ii) Vaccines to persons between fourteen and seventeen years of age pursuant to section 461-11.4;
- (F) As authorized by the written instructions of a licensed physician or advanced practice registered nurse with prescriptive authority, initiating or adjusting the drug regimen of a patient pursuant to an order or authorization made by the patient's licensed physician or advanced practice registered nurse with prescriptive authority and related to the condition for which the patient has been seen by the licensed physician or advanced practice registered nurse with prescriptive authority; provided that the pharmacist shall issue written notification to the patient's licensed physician or advanced practice registered nurse with prescriptive authority or enter the appropriate information in an electronic patient record system shared by the licensed physician or advanced practice registered nurse with prescriptive authority, within twenty-four hours;
- (G) Transmitting a valid prescription to another pharmacist for the purpose of filling or dispensing;
- (H) Providing consultation, information, or education to patients and health care professionals based on the pharmacist's training and for which no other licensure is required; or

- (I) Dispensing an opioid antagonist in accordance with a written collaborative agreement approved by the board, between a licensed physician and a pharmacist who has received appropriate training that includes programs approved by the American Council on Pharmaceutical Education (ACPE), curriculum-based programs from an ACPE-accredited college of pharmacy, state or local health department programs, or programs recognized by the board; [and]
- (3) The offering or performing of those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of pharmacy[-]; and
- (4) Prescribing and dispensing contraceptive supplies pursuant to section 461-”

SECTION 6. Section 461-8, Hawaii Revised Statutes, is amended to read as follows:

“§461-8 Renewal of licenses; continuing education requirement. (a) All licenses issued by the board, except temporary licenses issued under section 461-7, shall be renewed biennially on or before December 31 of each odd-numbered year. Failure to pay the biennial fee and, beginning with the renewal for the licensing biennium commencing on January 1, 2008, to satisfy the continuing education requirement on or before December 31 of each odd-numbered year, shall constitute a forfeiture of the license as of the date of expiration.

(b) Any license forfeited pursuant to subsection (a) may be restored within three years upon payment of any penalty fee, the current biennial fees, and the renewal fee for the next biennium, if applicable, upon submission of proof of compliance with the continuing education requirement for the prior biennium, and upon meeting any other requirements specified in rules adopted pursuant to chapter 91.

(c) In the event that the pharmacist has not engaged in the practice of pharmacy in this State or in another state or territory of the United States within the past five years, the board may require the pharmacist to satisfy additional requirements, as specified in rules adopted pursuant to chapter 91, to demonstrate that the pharmacist is competent to practice in this State.

(d) Beginning with the renewal for the licensing biennium commencing on January 1, 2008, and every biennial renewal thereafter, each licensee shall have completed thirty credit hours in continuing education courses within the two-year period preceding the renewal date, regardless of the licensee's initial date of licensure; provided that a licensee who has graduated from an accredited pharmacy school within one year of the licensee's first license renewal period shall not be subject to the continuing education requirement for the first license renewal. The board may extend the deadline for compliance with the continuing education requirement based on any of the following:

- (1) Illness, as certified by a physician or osteopathic physician licensed under chapter 453 or licensed in the jurisdiction in which the licensee was treated;
- (2) Military service under extended active duty with the armed forces of the United States;
- (3) Lack of access to continuing education courses due to the practice of pharmacy in geographically isolated areas; and
- (4) Inability to undertake continuing education due to incapacity, undue hardship, or other extenuating circumstances.

(e) A pharmacist who administers any vaccine to persons between the ages of fourteen and seventeen years pursuant to section 461-11.4 shall complete a training program approved by the board within every other biennial renewal period and submit proof of successful completion of the training program to the board; provided that the pharmacist shall meet these requirements prior to administering any vaccine to persons between the ages of fourteen and seventeen years.

(f) A pharmacist who prescribes and dispenses contraceptive supplies pursuant to section 461- shall complete an Accreditation Council for Pharmacy Education program approved by the board within every other biennial renewal period and submit proof of successful completion of the continuing education program to the board.

[~~(g)~~] (g) Each licensee shall maintain the licensee's continuing education records. At the time of renewal, each licensee shall certify under oath that the licensee has complied with the continuing education requirement of this section. The board may require a licensee to submit, in addition to the certification, evidence satisfactory to the board that demonstrates compliance with the continuing education requirement of this section.

[~~(g)~~] (h) The board may conduct random audits to determine compliance with the continuing education requirement. The board shall provide written notice of an audit to a licensee randomly selected for audit. Within sixty days of notification, the licensee shall provide the board with documentation verifying compliance with the continuing education requirement."

SECTION 7. Section 461-21, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) In addition to any other actions authorized by law, the board may deny, revoke, or suspend any license or permit applied for or issued by the board, in accordance with this chapter, and fine or otherwise discipline a licensee or permit holder for any cause authorized by law, including but not limited to the following:

- (1) Procuring a license through fraud, misrepresentation, or deceit;
- (2) Professional misconduct, gross carelessness, or manifest incapacity;
- (3) Permitting an unlicensed person to perform activities that require a license under this chapter;
- (4) Violation of any of the provisions of this chapter or the rules adopted pursuant thereto;
- (5) Violation of any state or federal drug, controlled substance, or poison law;
- (6) False, fraudulent, or deceptive advertising;
- (7) Any other conduct constituting fraudulent or dishonest dealings;
- (8) Failure to comply with a board order;
- (9) Making a false statement on any document submitted or required to be filed by this chapter, including a false certification of compliance with the continuing education requirement;
- (10) Habitual intemperance or addiction to the use of habit-forming drugs; [~~or~~]
- (11) Administering a vaccine to a person between fourteen and seventeen years of age without complying with section 461-11.4[.]; or
- (12) Prescribing or dispensing contraceptive supplies without complying with section 461- ."

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

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SECTION 9. This Act shall take effect on July 1, 2017.

(Approved July 3, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 68

S.B. NO. 514

A Bill for an Act Relating to Health.

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

SECTION 1. The legislature finds that human papillomavirus is a very common virus that can cause cervical, vaginal, and vulvar cancers in women; penile cancer in men; and anal cancer, cancer of the throat, and genital warts in both men and women. The legislature also finds that the human papillomavirus vaccine is available and protects against infection and the cancers caused by human papillomavirus.

The legislature further finds that under current law pharmacists are permitted to administer vaccines to children between the ages of fourteen and seventeen, whereas the Centers for Disease Control recommends that preteen boys and girls receive the human papillomavirus vaccine at age eleven or twelve so they are protected prior to any exposure to the virus. The legislature additionally finds that in addition to the human papillomavirus vaccine, three other vaccines, including the Tdap (tetanus, diphtheria, pertussis), meningococcal, and influenza vaccines, make up what is known as the "Adolescent Platform", a series of shots recommended for adolescents between the ages of eleven and twelve.

The purpose of this Act is to improve the overall health of the population in the State and reduce the incidence of infectious disease and cervical and other cancers by allowing pharmacists to administer the human papillomavirus, Tdap (tetanus, diphtheria, pertussis), meningococcal, and influenza vaccines to children between the ages of eleven and seventeen.

SECTION 2. Section 461-1, Hawaii Revised Statutes, is amended by amending the definition of "practice of pharmacy" to read as follows:

"Practice of pharmacy" means:

- (1) The interpretation and evaluation of prescription orders; the compounding, dispensing, and labeling of drugs and devices (except labeling by a manufacturer, packer, or distributor of nonprescription drugs and commercially legend drugs and devices); the participation in drug selection and drug utilization reviews; the proper and safe storage of drugs and devices and the maintenance of proper records therefor; the responsibility for advising when necessary or where regulated, of therapeutic values, content, hazards, and use of drugs and devices;
- (2) Performing the following procedures or functions as part of the care provided by and in concurrence with a "health care facility" and "health care service" as defined in section 323D-2, or a "pharmacy" or a licensed physician or a licensed advanced practice registered nurse with prescriptive authority, or a "managed care plan" as defined in section 432E-1, in accordance with policies, procedures, or protocols developed collaboratively by health professionals, including physicians and surgeons, pharmacists, and registered nurses, and

for which a pharmacist has received appropriate training required by these policies, procedures, or protocols:

- (A) Ordering or performing routine drug therapy related patient assessment procedures;
- (B) Ordering drug therapy related laboratory tests;
- (C) Initiating emergency contraception oral drug therapy in accordance with a written collaborative agreement approved by the board, between a licensed physician or advanced practice registered nurse with prescriptive authority and a pharmacist who has received appropriate training that includes programs approved by the American Council of Pharmaceutical Education (ACPE), curriculum-based programs from an ACPE-accredited college of pharmacy, state or local health department programs, or programs recognized by the board of pharmacy;
- (D) Administering drugs orally, topically, by intranasal delivery, or by injection, pursuant to the order of the patient's licensed physician or advanced practice registered nurse with prescriptive authority, by a pharmacist having appropriate training that includes programs approved by the ACPE, curriculum-based programs from an ACPE-accredited college of pharmacy, state or local health department programs, or programs recognized by the board of pharmacy;
- (E) Administering:
 - (i) Immunizations orally, by injection, or by intranasal delivery, to persons eighteen years of age or older by a pharmacist having appropriate training that includes programs approved by the ACPE, curriculum-based programs from an ACPE-accredited college of pharmacy, state or local health department programs, or programs recognized by the board of pharmacy; [and]
 - (ii) Vaccines to persons between fourteen and seventeen years of age pursuant to section 461-11.4; and
 - (iii) Human papillomavirus, Tdap (tetanus, diphtheria, pertussis), meningococcal, and influenza vaccines to persons between eleven and seventeen years of age pursuant to section 461-11.4;
- (F) As authorized by the written instructions of a licensed physician or advanced practice registered nurse with prescriptive authority, initiating or adjusting the drug regimen of a patient pursuant to an order or authorization made by the patient's licensed physician or advanced practice registered nurse with prescriptive authority and related to the condition for which the patient has been seen by the licensed physician or advanced practice registered nurse with prescriptive authority; provided that the pharmacist shall issue written notification to the patient's licensed physician or advanced practice registered nurse with prescriptive authority or enter the appropriate information in an electronic patient record system shared by the licensed physician or advanced practice registered nurse with prescriptive authority, within twenty-four hours;
- (G) Transmitting a valid prescription to another pharmacist for the purpose of filling or dispensing;

- (H) Providing consultation, information, or education to patients and health care professionals based on the pharmacist's training and for which no other licensure is required; or
 - (I) Dispensing an opioid antagonist in accordance with a written collaborative agreement approved by the board, between a licensed physician and a pharmacist who has received appropriate training that includes programs approved by the [American Council on Pharmaceutical Education (ACPE)], curriculum-based programs from an ACPE-accredited college of pharmacy, state or local health department programs, or programs recognized by the board; and
- (3) The offering or performing of those acts, services, operations, or transactions necessary in the conduct, operation, management, and control of pharmacy.”

SECTION 3. Section 461-8, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

“(e) A pharmacist who administers any vaccine to persons between the ages of fourteen and seventeen years or administers the human papillomavirus, Tdap (tetanus, diphtheria, pertussis), meningococcal, or influenza vaccine to persons between eleven and seventeen years of age pursuant to section 461-11.4 shall complete a training program approved by the board within every other biennial renewal period and submit proof of successful completion of the training program to the board; provided that the pharmacist shall meet these requirements prior to administering any vaccine to persons between the ages of fourteen and seventeen years[-] or administering the human papillomavirus, Tdap (tetanus, diphtheria, pertussis), meningococcal, or influenza vaccine to persons between eleven and seventeen years of age.”

SECTION 4. Section 461-11.4, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) A pharmacist may administer [a]:

- (1) A vaccine to persons between fourteen and seventeen years of age pursuant to a valid prescription[-]; and
- (2) A human papillomavirus, Tdap (tetanus, diphtheria, pertussis), meningococcal, or influenza vaccine to persons between eleven and seventeen years of age pursuant to a valid prescription.

The pharmacist shall verify that the prescriber or the prescriber's authorized agent is the patient's medical home.”

2. By amending subsection (d) to read:

“(d) All pharmacists who administer vaccines to persons between the ages of fourteen and seventeen years or administer human papillomavirus, Tdap (tetanus, diphtheria, pertussis), meningococcal, and influenza vaccines to persons between the ages of eleven and seventeen years shall complete a training program approved by the Accreditation Council of Pharmacy Education for which a certificate of completion is issued. The pharmacist shall complete the training program and submit the completion certificate for the training program to the board prior to administering any vaccine to persons between the ages of fourteen and seventeen years[-] and prior to administering any human papillomavirus, Tdap (tetanus, diphtheria, pertussis), meningococcal, or influenza vaccine to persons between the ages of eleven and seventeen years.”

SECTION 5. Section 461-21, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) In addition to any other actions authorized by law, the board may deny, revoke, or suspend any license or permit applied for or issued by the board, in accordance with this chapter, and fine or otherwise discipline a licensee or permit holder for any cause authorized by law, including but not limited to the following:

- (1) Procuring a license through fraud, misrepresentation, or deceit;
- (2) Professional misconduct, gross carelessness, or manifest incapacity;
- (3) Permitting an unlicensed person to perform activities that require a license under this chapter;
- (4) Violation of any of the provisions of this chapter or the rules adopted pursuant thereto;
- (5) Violation of any state or federal drug, controlled substance, or poison law;
- (6) False, fraudulent, or deceptive advertising;
- (7) Any other conduct constituting fraudulent or dishonest dealings;
- (8) Failure to comply with a board order;
- (9) Making a false statement on any document submitted or required to be filed by this chapter, including a false certification of compliance with the continuing education requirement;
- (10) Habitual intemperance or addiction to the use of habit-forming drugs; or
- (11) Administering a vaccine [to a person between fourteen and seventeen years of age], including a human papillomavirus, Tdap (tetanus, diphtheria, pertussis), meningococcal, or influenza vaccine, without complying with section 461-11.4."

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect upon its approval.

(Approved July 3, 2017.)

ACT 69

S.B. NO. 902

A Bill for an Act Relating to the High Technology Development Corporation.

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

PART I

SECTION 1. The purpose of this part is to change the name of the high technology development corporation to the Hawaii technology development corporation.

The high technology development corporation was established by the legislature in 1983 to facilitate the development and growth of Hawaii's commercial high technology industry. The State views high technology as an important driver in the diversification of Hawaii's economy and one that provides quality, high-paying jobs for Hawaii residents. With rapid advancements in telecommunication, the Internet, and automation, "high technology" is now simply referred to as "technology" and has become an integral component of leading business across all industries. The high technology development corporation's mission

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is to grow the technology and innovation economy of the State. Changing the name of the high technology development corporation to the Hawaii technology development corporation more accurately describes its mission.

SECTION 2. Chapter 206M, Hawaii Revised Statutes, is amended by amending its title to read as follows:

"[HIGH] HAWAII TECHNOLOGY DEVELOPMENT CORPORATION"

SECTION 3. Chapter 206M, part I, Hawaii Revised Statutes, is amended by amending its title to read as follows:

"[HIGH] HAWAII TECHNOLOGY DEVELOPMENT CORPORATION"

SECTION 4. Sections 26-18(b), 171-2(11), 171-64.7(a)(8), 206M-1, 206M-2, 210-7(b), 211F-3(a), 227D-2(b), 304A-3101(b), and 394-8(b), Hawaii Revised Statutes, are amended by substituting the term "Hawaii technology development corporation" wherever the term "high technology development corporation" appears.

SECTION 5. Sections 206M-1, 206M-2, 206M-3, 206M-8, 206M-9, 206M-10, 206M-15, 206M-15.5, 206M-17, 206M-41, 206M-44, and 206M-45, Hawaii Revised Statutes, are amended by substituting the word "technology" wherever the term "high technology" appears.

PART II

SECTION 6. The purpose of this part is to repeal the Hawaii software service center. The Hawaii software service center was established within the high technology development corporation in 1990 to foster and sustain Hawaii's software industry primarily by researching and maintaining directories of software contracting opportunities and software providers in the State. The Hawaii software service center has been unfunded and inactive for at least ten years.

SECTION 7. Chapter 206M, part II, Hawaii Revised Statutes, is repealed.

PART III

SECTION 8. All acts passed by the legislature during the regular session of 2017, whether enacted before, on, or after the effective date of this Act, shall be amended to conform to this Act unless such acts specifically provide that this Act is being amended.

SECTION 9. This Act shall not affect the validity of any contract, lease, rule, other document, or appropriation that uses the term "high technology development corporation" or "high technology special fund."

SECTION 10. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 11. This Act shall take effect upon its approval; provided that part I of this Act shall take effect on July 1, 2017.

(Approved July 3, 2017.)

ACT 70**A Bill for an Act Relating to Land.***Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that changes made by Act 203, Session Laws of Hawaii 2013 ("Act 203"), will jeopardize Hawaii's ability to participate in the National Flood Insurance Program ("NFIP"). If remedial action is not taken immediately to restore the eligibility of the State and the counties to give the counties land use authority to meet the minimum floodplain management requirements of the NFIP by July 31, 2017, the Federal Emergency Management Agency (FEMA) stated that it will begin the process of suspending the sale of federal flood insurance in the State and to all of Hawaii's communities currently participating in the NFIP. This is a serious matter because suspension from the NFIP would result in the loss of NFIP flood insurance coverage for Hawaii communities. The loss of federal assistance for flood disasters would negatively impact the nearly sixty thousand policies in force for over \$13.2 billion in flood risk covered by NFIP insurance policies in Hawaii.

The legislature further finds that in order for federal flood insurance to be sold within the State, the State must ensure that its political subdivisions with delegated land use authority can regulate development within flood-prone areas and establish minimum state flood plain management regulatory standards that are consistent with NFIP's minimum requirements.

The purpose of this Act is to address and mitigate the concerns raised by FEMA to ensure that Hawaii's communities are not suspended from participation in the NFIP.

SECTION 2. Section 46-88, Hawaii Revised Statutes, is amended to read as follows:

"§46-88 Agricultural buildings and structures; exemptions from building permit and building code requirements. (a) Notwithstanding any law to the contrary, the following agricultural buildings, structures, and appurtenances thereto that are not used as dwellings or lodging units are exempt from building permit and building code requirements where they are no more than one thousand square feet in floor area:

- (1) Nonresidential manufactured pre-engineered commercial buildings and structures;
- (2) Single stand alone recycled ocean shipping or cargo containers that are used as nonresidential commercial buildings and are properly anchored;
- (3) Notwithstanding the one thousand square foot floor area restriction, agricultural shade cloth structures, cold frames, or greenhouses not exceeding twenty thousand square feet in area per structure; provided that where multiple structures are erected, the minimum horizontal separation between each shade cloth structure, cold frame, or greenhouse is fifteen feet;
- (4) Aquacultural or aquaponics structures, including above-ground water storage or production tanks, troughs, and raceways with a maximum height of six feet above grade, and in-ground ponds and raceways, and piping systems for aeration, carbon dioxide, or fertilizer or crop protection chemical supplies within agricultural or aquacultural production facilities;

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- (5) Livestock watering tanks, water piping and plumbing not connected to a source of potable water, or separated by an air gap from such a source;
 - (6) Non-masonry fences not exceeding ten feet in height and masonry fences not exceeding six feet in height;
 - (7) One-story masonry or wood-framed buildings or structures with a structural span of less than twenty-five feet and a total square footage of no more than one thousand square feet, including farm buildings used as:
 - (A) Barns;
 - (B) Greenhouses;
 - (C) Farm production buildings including aquaculture hatcheries and plant nurseries;
 - (D) Storage buildings for farm equipment or plant or animal supplies or feed; or
 - (E) Storage or processing buildings for crops; provided that the height of any stored items shall not collectively exceed twelve feet in height;
 - (8) Raised beds containing soil, gravel, cinders, or other growing media or substrates with wood, metal, or masonry walls or supports with a maximum height of four feet;
 - (9) Horticultural tables or benches no more than four feet in height supporting potted plants or other crops; and
 - (10) Nonresidential indigenous Hawaiian Hale that do not exceed five hundred square feet in size, have no kitchen or bathroom, and are used for traditional agricultural activities or education;
- provided that the buildings, structures, and appurtenances thereto comply with all applicable state and county zoning codes.
- (b) Notwithstanding the one thousand square foot floor area restriction in subsection (a), the following buildings, structures, and appurtenances thereto shall be exempt from building permit requirements when compliant with relevant building codes or county, national, or international prescriptive construction standards:
- (1) Nonresidential manufactured pre-engineered and county pre-approved commercial buildings and structures consisting of a total square footage greater than one thousand square feet but no more than eight thousand square feet; and
 - (2) One-story wood-framed or masonry buildings or structures with a structural span of less than twenty-five feet and a total square footage greater than one thousand square feet but no more than eight thousand square feet constructed in accordance with county, national, or international prescriptive construction standards, including buildings used as:
 - (A) Barns;
 - (B) Greenhouses;
 - (C) Farm production buildings, including aquaculture hatcheries and plant nurseries;
 - (D) Storage buildings for farm equipment, plant or animal supplies, or feed; or
 - (E) Storage or processing buildings for crops; provided that the height of any stored items shall not collectively exceed twelve feet in height.
- (c) The exemptions in subsections (a) and (b) shall apply; provided that:

- (1) The aggregate floor area of the exempted agricultural buildings shall not exceed:
 - (A) Five thousand square feet per zoning lot for lots of two acres or less;
 - (B) Eight thousand square feet per zoning lot for lots greater than two acres but not more than five acres; and
 - (C) Eight thousand square feet plus two per cent of the acreage per zoning lot for lots greater than five acres; provided that each exempted agricultural building is compliant with the square foot area restrictions in subsection (a) or subsection (b);
- (2) The minimum horizontal separation between each agricultural building, structure, or appurtenance thereto is fifteen feet;
- (3) The agricultural buildings, structures, or appurtenances thereto are located on a commercial farm or ranch and are used for general agricultural or aquacultural operations, or for purposes incidental to such operations;
- (4) The agricultural buildings, structures, or appurtenances thereto are constructed or installed on property that is used primarily for agricultural or aquacultural operations, and is two or more contiguous acres in area or one or more contiguous acres in area if located in a nonresidential agricultural or aquacultural park;
- (5) An owner or occupier that intends to utilize the exemptions under this section shall provide written notice to the appropriate county agency of the size, type, and location of the proposed building, structure, related appurtenances, or development. No work shall commence until the county agency has determined that a building permit for the proposed building, structure, related appurtenances, or development is not required for compliance with county, state, or federal floodplain management development standards, ordinances, codes, statutes, rules, or regulations pursuant to the National Flood Insurance Program requirements;
- (6) The appropriate county agency shall certify the building, structure, related appurtenances, or development within thirty calendar days upon the receipt of the written notice from the owner or occupier, pursuant to paragraph (5);
- [5] (7) [Upon completion of construction or installation, the] The owner or occupier shall provide a final as-built written notice to the appropriate [county fire department and] county building permitting agency of the final as-built size, type, and [locations] location of the building, structure, [or appurtenance thereto.] related appurtenances, or development. Such final as-built written notification shall be provided to the county [agencies] agency within thirty calendar days of the completion, occupancy, or use of the building, structure, [or appurtenance thereto.] related appurtenances, or development. Failure to provide such written notice may void the building permit or building code exemption, or both, which voidance for such failure is subject to the sole discretion of the appropriate county building permitting agency;
- [6] (8) No electrical power and no plumbing systems shall be connected to the building or structure without first obtaining the appropriate county electrical or plumbing permit, and all such installations shall be installed under the supervision of a licensed electrician or plumber, as appropriate, and inspected and approved by an appropriate county or licensed inspector or, if a county building agency is

unable to issue an electrical permit because the building or structure is permit-exempt, an electrical permit shall be issued for an electrical connection to a meter on a pole beyond the permit-exempt structure in accordance with the installation, inspection, and approval requirements in this paragraph;

[(7)] (9) Disposal of wastewater from any building or structure constructed or installed pursuant to this section shall comply with chapter 342D; and

[(8)] (10) Permit-exempt structures shall be exempt from any certificate of occupancy requirements.

(d) As used in this section:

“Agricultural building” means a development, including a nonresidential building or structure, built for agricultural or aquacultural purposes, located on a commercial farm or ranch constructed or installed to house farm or ranch implements, agricultural or aquacultural feeds or supplies, livestock, poultry, or other agricultural or aquacultural products, used in or necessary for the operation of the farm or ranch, or for the processing and selling of farm or ranch products.

“Agricultural operation” means the planting, cultivating, harvesting, processing, or storage of crops, including those planted, cultivated, harvested, and processed for food, ornamental, grazing, feed, or forestry purposes, as well as the feeding, breeding, management, and sale of animals including livestock, poultry, honeybees, and their products.

“Appurtenance” means an object or device in, on, or accessory to a building or structure, and which enhances or is essential to the usefulness of the building or structure, including but not limited to work benches, horticultural and floricultural growing benches, aquacultural, aquaponic, and hydroponic tanks, raceways, troughs, growbeds, and filterbeds, when situated within a structure.

“Aquacultural operation” means the propagation, cultivation, farming, harvesting, processing, and storage of aquatic plants and animals in controlled or selected environments for research, commercial, or stocking purposes and includes aquaponics or any growing of plants or animals in or with aquaculture effluents.

“Development” means any manmade change to improved or unimproved real estate, including but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavating or drilling operations, or storage of equipment or materials.

“Dwelling” means a structure, or part of a structure, which is used as a home, residence, or sleeping place by one person or by two or more persons maintaining a common household, to the exclusion of all others.

“Manufactured pre-engineered commercial building or structure” means a building or structure whose specifications comply with appropriate county codes, and have been pre-approved by a county or building official.

“Nonresidential building or structure” means a building or structure, including an agricultural building, that is used only for agricultural or aquacultural operations and is not intended for use as, or used as, a dwelling.

(e) This section shall not apply to buildings or structures otherwise exempted from building permitting or building code requirements by applicable county ordinance.

(f) This section shall not be construed to supersede public or private lease conditions.

(g) This section shall not apply to [the construction or installation of any building or structure] development on land in [~~an~~] the state land use urban district.

(h) The State or any county shall not be liable for claims arising from the construction of agricultural buildings, structures, ~~or~~ related appurtenances, or other development [thereto] exempt from the building code and permitting process as described in this section, unless the claim arises out of gross negligence or intentional misconduct by the State or county.

(i) This section shall not apply to buildings or structures used to store pesticides or other hazardous material unless stored in accordance with federal and state law.

(j) This section does not exempt any new or existing agricultural buildings, structures, related appurtenances, or other development from building permit requirements and other requirements of county, state, or federal floodplain management development standards, ordinances, codes, statutes, rules, or regulations, pursuant to National Flood Insurance Program requirements.

[+] (k) Failure to comply with the conditions of this section shall result in penalties consistent with county building department provisions."

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 3, 2017.)

ACT 71

H.B. NO. 1498

A Bill for an Act Relating to Condominiums.

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

PART I

SECTION 1. Section 514B-154.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Notwithstanding any other provision in the declaration, bylaws, or house rules, if any, the following documents, records, and information, whether maintained, kept, or required to be provided pursuant to this section or section 514B-152, 514B-153, or 514B-154, shall be made available to any unit owner and the owner's authorized agents by the managing agent, resident manager, board through a board member, or the association's representative:

- (1) All financial and other records sufficiently detailed in order to comply with requests for information and disclosures related to the resale of units;
- (2) An accurate copy of the declaration, bylaws, house rules, if any, master lease, if any, a sample original conveyance document, and all public reports and any amendments thereto;
- (3) Detailed, accurate records in chronological order of the receipts and expenditures affecting the common elements, specifying and itemizing the maintenance and repair expenses of the common elements and any other expenses incurred and monthly statements indicating

- the total current delinquent dollar amount of any unpaid assessments for common expenses;
- (4) All records and the vouchers authorizing the payments and statements kept and maintained at the address of the project, or elsewhere within the State as determined by the board, subject to section 514B-152;
- (5) All signed and executed agreements for managing the operation of the property, expressing the agreement of all parties, including but not limited to financial and accounting obligations, services provided, and any compensation arrangements, including any subsequent amendments;
- (6) An accurate and current list of members of the condominium association and the members' current addresses and the names and addresses of the vendees under an agreement of sale, if any. A copy of the list shall be available, at cost, to any unit owner or owner's authorized agent who furnishes to the managing agent, resident manager, or the board a duly executed and acknowledged affidavit stating that the list:
- (A) Shall be used by the unit owner or owner's authorized agent personally and only for the purpose of soliciting votes or proxies or for providing information to other unit owners with respect to association matters; and
- (B) Shall not be used by the unit owner or owner's authorized agent or furnished to anyone else for any other purpose;
- (7) The association's most current financial statement, at no cost or on twenty-four-hour loan, at a convenient location designated by the board;
- (8) Meeting minutes of the association, pursuant to section 514B-122;
- (9) Meeting minutes of the board, pursuant to section 514B-126, which shall be:
- (A) Available for examination by unit owners or owners' authorized agents at no cost or on twenty-four-hour loan at a convenient location at the project, to be determined by the board; or
- (B) Transmitted to any unit owner or owner's authorized agent making a request for the minutes within fifteen days of receipt of the request by the owner or owner's authorized agent; provided that:
- (i) The minutes shall be transmitted by mail, electronic mail transmission, or facsimile, by the means indicated by the owner or owner's authorized agent, if the owner or owner's authorized agent indicated a preference at the time of the request; and
- (ii) The owner or owner's authorized agent shall pay a reasonable fee for administrative costs associated with handling the request, subject to section 514B-105(d);
- (10) Financial statements, general ledgers, the accounts receivable ledger, accounts payable ledgers, check ledgers, insurance policies, contracts, and invoices of the association for the duration those records are kept by the association, and any documents regarding delinquencies of ninety days or more shall be available for examination by unit owners or owners' authorized agents at convenient hours at a place designated by the board; provided that:
- (A) The board may require unit owners or owners' authorized agents to furnish to the association a duly executed and ac-

- knowledged affidavit stating that the information is requested in good faith for the protection of the interests of the association, its members, or both; and
- (B) Unit owners or owners' authorized agents shall pay for administrative costs in excess of eight hours per year;
- (11) Proxies, tally sheets, ballots, unit owners' check-in lists, and the certificate of election subject to section 514B-154(c);
- (12) Copies of an association's documents, records, and information, whether maintained, kept, or required to be provided pursuant to this section or section 514B-152, 514B-153, or 514B-154;
- (13) A copy of the management contract from the entity that manages the operation of the property before the organization of an association; [and]
- (14) Other documents requested by a unit owner or owner's authorized agent in writing; provided that the board shall give written authorization or written refusal with an explanation of the refusal within thirty calendar days of receipt of a request for documents pursuant to this paragraph[-]; and
- (15) A copy of any contract, written job description, and compensation between the association and any person or entity retained by the association to manage the operation of the property on-site, including but not limited to the general manager, operations manager, resident manager, or site manager; provided that personal information may be redacted from the contract copy, including but not limited to the manager's date of birth, age, signature, social security number, residence address, telephone number, non-business electronic mail address, driver's license number, Hawaii identification card number, bank account number, credit or debit card number, access code or password that would permit access to the manager's financial accounts, or any other information that may be withheld under state or federal law."

PART II

SECTION 2. The legislature finds that existing condominium law permits different classes of directors in mixed-use projects and provides for the removal of directors by a majority of unit owners. However, clarification is needed in the law regarding the removal of directors in a mixed-use project.

The legislature further finds that existing law specifies that no votes allocated to a unit owned by a condominium association may be cast for the election or reelection of directors. This prohibition may be an issue for mixed-use condominium projects where directors are elected by different classes of owners. For example, in a mixed-use project that contains residential and commercial units, the board of directors may be comprised of directors elected by residential unit owners and directors elected by commercial unit owners. A condominium association that owns the single commercial unit in a mixed-use project would, therefore, be unable to elect or reelect the directors needed to represent that commercial unit.

Accordingly, the purpose of this part is to:

- (1) Clarify that the removal or replacement of a director elected by a class of unit owners shall be by a majority of only the members of that class; and
- (2) Specify that for an election in a mixed-use condominium project where directors are elected by different classes of owners, an asso-

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ciation is permitted to cast a vote or votes allocated to any nonresidential unit owned by the association where those eligible to vote in the election are limited to owners of one or more nonresidential units, including the nonresidential unit owned by the association.

SECTION 3. Section 514B-110, Hawaii Revised Statutes, is amended by amending subsection (h) to read as follows:

“(h) This section shall not preclude the removal and replacement of any one or more members of the board pursuant to section 514B-106(f)[-]; provided that any director elected by a class of unit owners may be removed or replaced only by a vote of a majority of the common interest represented by that class. Any removal and replacement shall not affect the proportionate composition of the board as prescribed in the bylaws as amended pursuant to this section.”

SECTION 4. Section 514B-123, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) No votes allocated to a unit owned by the association may be cast for the election or reelection of directors[-]; provided that, notwithstanding section 514B-106(b) or any provision in an association's declaration or bylaws to the contrary, in a mixed-use project containing units for residential and non-residential use, where the board is comprised of directors elected by owners of residential units and directors elected by owners of nonresidential units, the association, acting by and through its board, may cast the vote or votes allocated to any nonresidential unit owned by the association in any election of one or more directors where those eligible to vote in the election are limited to owners of one or more nonresidential units, which includes the nonresidential unit owned by the association.”

PART III

SECTION 5. Section 514B-107, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) No tenant, resident manager, or employee of a condominium shall serve on its board.

For the purposes of this subsection, “tenant” means any person who occupies a dwelling unit for dwelling purposes who is not also an owner of a dwelling unit in the same condominium.”

PART IV

SECTION 6. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect on July 1, 2017.

(Approved July 3, 2017.)

ACT 72

H.B. NO. 1501

A Bill for an Act Relating to Drug Paraphernalia.

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

SECTION 1. The legislature finds that the benefits of making the offenses of possession and delivery of drug paraphernalia violations outweigh the benefits of the current felony criminal treatment of these offenses.

The legislature further finds that state funds are better spent on community programs and rehabilitation of nonviolent, low-risk drug offenders, as envisioned by the reentry pilot project established under Act 149, Session Laws of Hawaii 2014.

Accordingly, the purpose of this Act is to decriminalize the possession and delivery of drug paraphernalia and, instead, to make these offenses violations.

SECTION 2. Section 329-43.5, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

(a) Except as provided in subsection (e), it is unlawful for any person to use, or to possess with intent to use, drug paraphernalia to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body a controlled substance in violation of this chapter. [Any person who violates this section is guilty of a class C felony and upon conviction may be imprisoned pursuant to section 706-660 and, if appropriate as provided in section 706-641, fined pursuant to section 706-640.] A violation of this subsection shall constitute a violation subject to a fine of no more than \$500.

(b) Except as provided in subsection (e), it is unlawful for any person to deliver, possess with intent to deliver, or manufacture with intent to deliver drug paraphernalia, knowing or under circumstances where one reasonably should know, that it will be used to plant, propagate, cultivate, grow, harvest, manufacture, compound, convert, produce, process, prepare, test, analyze, pack, repack, store, contain, conceal, inject, ingest, inhale, or otherwise introduce into the human body a controlled substance in violation of this chapter. [Any person who violates this section is guilty of a class C felony and upon conviction may be imprisoned pursuant to section 706-660 and, if appropriate as provided in section 706-641, fined pursuant to section 706-640.] A violation of this subsection shall constitute a violation subject to a fine of no more than \$500.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 3, 2017.)

ACT 73

H.B. NO. 239

A Bill for an Act Relating to Condominiums.

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

SECTION 1. The legislature finds that existing law on voting pursuant to a proxy at a meeting of a condominium association specifies that a standard proxy form must contain boxes for a condominium owner to check and indicate

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how a proxy is given. However, proxy forms may sometimes be returned to an association's secretary or managing agent with more than one box checked, or with nothing marked on the proxy form. This situation may lead to confusion over how the proxy should be counted.

Accordingly, the purpose of this Act is to clarify that if a proxy is a standard proxy form authorized by an association, and the proxy is returned with no box checked or more than one box checked, the proxy shall be counted for quorum purposes only.

SECTION 2. Section 514B-123, Hawaii Revised Statutes, is amended to read as follows:

"§514B-123 Association meetings; voting; proxies. (a) If only one of several owners of a unit is present at a meeting of the association, that owner is entitled to cast all the votes allocated to that unit. If more than one of the owners is present, the votes allocated to that unit may be cast only in accordance with the agreement of a majority in interest of the owners, unless the declaration or bylaws expressly provide otherwise. There is majority agreement if any one of the owners casts the votes allocated to that unit without protest being made by any of the other owners of the unit to the person presiding over the meeting before the polls are closed.

(b) Votes allocated to a unit may be cast pursuant to a proxy duly executed by a unit owner. A unit owner may vote by mail or electronic transmission through a duly executed proxy. If a unit is owned by more than one person, each owner of the unit may vote or register protest to the casting of votes by the other owners of the unit through a duly executed proxy. In the absence of protest, any owner may cast the votes allocated to the unit by proxy. A unit owner may revoke a proxy given pursuant to this section only by actual notice of revocation to the secretary of the association or the managing agent. A proxy is void if it purports to be revocable without notice.

(c) No votes allocated to a unit owned by the association may be cast for the election or reelection of directors.

(d) A proxy, to be valid, shall:

- (1) Be delivered to the secretary of the association or the managing agent, if any, no later than 4:30 p.m. on the second business day prior to the date of the meeting to which it pertains; and
- (2) Contain at least the name of the association, the date of the meeting of the association, the printed names and signatures of the persons giving the proxy, the unit numbers for which the proxy is given, the names of persons to whom the proxy is given, and the date that the proxy is given[; and].

[3] (e) If [it] a proxy is a standard proxy form authorized by the association, the proxy shall comply with the following additional requirements:

- (1) The proxy shall contain boxes wherein the owner [has indicated] may indicate that the proxy is given:
 - (A) For quorum purposes only;
 - (B) To the individual whose name is printed on a line next to this box;
 - (C) To the board as a whole and that the vote is to be made on the basis of the preference of the majority of the directors present at the meeting; or
 - (D) To those directors present at the meeting with the vote to be shared with each director receiving an equal percentage[;];

provided that if the proxy is returned with no box or more than one of the boxes in subparagraphs (A) through (D) checked, the proxy shall be counted for quorum purposes only; and

- (2) The proxy form shall also contain a box wherein the owner may indicate that the owner wishes to obtain a copy of the annual audit report required by section 514B-150.

[~~(e)~~] (f) A proxy shall only be valid for the meeting to which the proxy pertains and its adjournments, may designate any person as proxy, and may be limited as the unit owner desires and indicates; provided that no proxy shall be irrevocable unless coupled with a financial interest in the unit.

[~~(f)~~] (g) A copy, facsimile telecommunication, or other reliable reproduction of a proxy may be used in lieu of the original proxy for any and all purposes for which the original proxy could be used; provided that any copy, facsimile telecommunication, or other reproduction shall be a complete reproduction of the entire original proxy.

[~~(g)~~] (h) Nothing in this section shall affect the holder of any proxy under a first mortgage of record encumbering a unit or under an agreement of sale affecting a unit.

[~~(h)~~] (i) With respect to the use of association funds to distribute proxies:

- (1) Any board that intends to use association funds to distribute proxies, including the standard proxy form referred to in subsection [~~(d)(3)~~] (e), shall first post notice of its intent to distribute proxies in prominent locations within the project at least twenty-one days before its distribution of proxies. If the board receives within seven days of the posted notice a request by any owner for use of association funds to solicit proxies accompanied by a statement, the board shall mail to all owners either:

- (A) A proxy form containing the names of all owners who have requested the use of association funds for soliciting proxies accompanied by their statements; or
 (B) A proxy form containing no names, but accompanied by a list of names of all owners who have requested the use of association funds for soliciting proxies and their statements.

The statement, which shall be limited to black text on white paper, shall not exceed one single-sided 8-1/2" x 11" page, indicating the owner's qualifications to serve on the board or reasons for wanting to receive proxies; and

- (2) A board or member of the board may use association funds to solicit proxies as part of the distribution of proxies. If a member of the board, as an individual, seeks to solicit proxies using association funds, the board member shall proceed as a unit owner under paragraph (1).

[~~(i)~~] (j) No managing agent or resident manager, or their employees, shall solicit, for use by the managing agent or resident manager, any proxies from any unit owner of the association that retains the managing agent or employs the resident manager, nor shall the managing agent or resident manager cast any proxy vote at any association meeting except for the purpose of establishing a quorum.

[~~(j)~~] (k) No board shall adopt any rule prohibiting the solicitation of proxies or distribution of materials relating to association matters on the common elements by unit owners; provided that a board may adopt rules regulating reasonable time, place, and manner of the solicitations or distributions, or both."

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SECTION 3. Section 514B-150, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The board shall make available a copy of the annual audit to each unit owner at least thirty days prior to the annual meeting which follows the end of the fiscal year. The board shall not be required to submit a copy of the annual audit report to an owner if the proxy form issued pursuant to section [514B-123(d)] 514B-123(e) is not marked to indicate that the owner wishes to obtain a copy of the report. If the annual audit has not been completed by that date, the board shall make available:

- (1) An unaudited year end financial statement for the fiscal year to each unit owner at least thirty days prior to the annual meeting; and
- (2) The annual audit to all owners at the annual meeting, or as soon as the audit is completed, but not later than six months after the annual meeting.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 3, 2017.)

ACT 74

H.B. NO. 1246

A Bill for an Act Relating to Alternatives to Incarceration.

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

SECTION 1. Section 353-10.5, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) As used in this section, “alternative programs” mean programs that are created and funded by legislative appropriation or federal grant naming the department of public safety or one of its operating agencies as the expending agency and that are intended to provide an alternative to incarceration. Alternative programs may include:

- (1) Home detention, curfew [~~using electronic monitoring and surveillance~~, or both;
- (2) Supervised release, graduated release, furlough, and structured educational or vocational programs; [~~and~~]
- (3) Similar programs created and designated as alternative programs by the legislature or the director of public safety for inmates who do not pose significant risks to the community~~[.]; and~~
- (4) The use of electronic monitoring and surveillance.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2017.

(Approved July 3, 2017.)

ACT 75

H.B. NO. 1129

A Bill for an Act Relating to Special Duty for Deputy Sheriffs.

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

SECTION 1. The legislature finds that deputy sheriffs routinely serve the community by providing off-duty law enforcement service, commonly known as "special duty", for monetary compensation to persons, organizations, and government entities other than the state department of public safety. Therefore, the legislature finds it is appropriate to include statutory authorization for special duty performed by deputy sheriffs.

The purpose of this Act is to require the department of public safety to:

- (1) Develop policies and procedures to govern the processing of requests for special duty;
- (2) Establish a compensation schedule for deputy sheriffs performing special duty; and
- (3) Submit a report to the legislature on policies and procedures, amounts paid for deputy sheriffs performing special duty, and compensation received by each deputy sheriff for special duty.

SECTION 2. (a) The department of public safety shall:

- (1) Develop policies and procedures to govern the processing of requests for special duty; and
- (2) Establish the compensation schedule for law enforcement services provided by deputy sheriffs performing special duty.

(b) For purposes of this Act, "special duty" means the performance of a service for a person, organization, or governmental entity other than the department of public safety, by a deputy sheriff of the sheriff division acting in a law enforcement capacity, in return for which the deputy sheriff receives a direct or indirect payment or compensation of some kind.

SECTION 3. (a) In order for the legislature to determine whether this Act should be extended beyond its repeal date of June 30, 2018, the department of public safety shall submit a report to the legislature by February 1, 2018, that provides the following information:

- (1) The policies and procedures established pursuant to this Act;
 - (2) Amounts paid by state departments and agencies for deputy sheriffs performing special duty; and
 - (3) The compensation received by deputy sheriffs performing special duty for governmental entities, persons, or organizations.
- (b) More specifically, the report shall include:
- (1) The policies and procedures for deputy sheriffs performing special duty as established pursuant to this Act, including the compensation charged for special duty and the process by which deputy sheriffs are selected for special duty;
 - (2) The difference between the current policies and procedures and the former policies and procedures;
 - (3) Separately for fiscal year 2016-2017 and the fiscal period July 1, 2017, to December 31, 2017, the amounts paid by state departments and agencies to deputy sheriffs performing special duty during normal state office hours (7:45 a.m. to 4:45 p.m., Monday to Friday) and outside of normal state office hours;

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- (4) The reasons that the sheriffs' division does not assign deputy sheriffs performing regular duty to state departments and agencies that need security during normal state office hours;
- (5) The following information for each deputy sheriff (by position title and number and without name) who has performed special duty during fiscal year 2017-2018 and the fiscal period July 1, 2017, to December 31, 2017:
 - (A) The total special duty compensation received, with a breakout for compensation received from state departments and agencies for special duty during normal state office hours, compensation received from state departments and agencies for special duty outside of normal state office hours, and compensation received for other special duty;
 - (B) The number of hours of special duty, with the same breakouts as under subparagraph (A); and
 - (C) The percentage of special duty pay to base salary; and
- (6) A comparison between county police department special duty rates and the department of public safety special duty rates for each county.

SECTION 4. This Act shall take effect upon its approval, and shall be repealed on June 30, 2018.

(Approved July 3, 2017.)

ACT 76

H.B. NO. 1130

A Bill for an Act Relating to Employment Practices.

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

SECTION 1. Section 378-27, Hawaii Revised Statutes, is amended to read as follows:

“§378-27¹ Exception. Nothing in this part shall be deemed to:

- (1) Repeal or affect any law or ordinance or government rule or regulation having the force and effect of law;
- (2) Apply to lie detector tests administered by any law enforcement or corrections agency;
- (3) Apply to the United States and any subdivision thereof;
- (4) Conflict with or affect the application of security regulations in employment established by the United States or the State; or
- (5) Apply to psychological tests administered by a law enforcement or corrections agency to determine the suitability of a candidate for employment with the law enforcement or corrections agency.”

SECTION 2. This Act shall apply to any pending suitability assessments prior to the effective date of this Act.

SECTION 3. New statutory material is underscored.

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

(Approved July 3, 2017.)

Note

1. So in original.

ACT 77

H.B. NO. 1135

A Bill for an Act Relating to Public Safety.

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

PART I

SECTION 1. In July 2012, the governor, the chief justice, the president of the senate, the speaker of the house of representatives, and the director of public safety joined together to begin implementing a data-driven justice reinvestment strategy that was intended to bring back out-of-state prisoners to Hawaii, reduce spending on corrections, and reinvest savings generated in strategies that would reduce recidivism and crime and increase public safety. Act 139, Session Laws of Hawaii 2012, which became known as the Justice Reinvestment Initiative, included a provision that would repeal certain sections of that Act. Given the ongoing problem of prison overcrowding and the effectiveness of many aspects of Act 139, it is important to retain those effective sections.

Despite the general effectiveness of Act 139 at helping reduce the prison population, the legislature finds that section 10 of that Act, aimed at facilitating restitution payments to crime victims, has been largely ineffective. Section 10 of Act 139 diverts moneys earned by inmates while in prison to the victim. However, this provision has had very little impact because the vast majority of offenders owing restitution to crime victims are not in prison, in part due to the types of parole and pretrial assessments implemented by Act 139. Therefore, to better facilitate the payment of restitution to crime victims while maintaining the effective prison population reduction elements of Act 139, it is necessary to establish additional mechanisms through which restitution payments to crime victims may be secured.

Accordingly, the purpose of this Act is to:

- (1) Make permanent certain provisions of Act 139, Session Laws of Hawaii 2012, the Justice Reinvestment Initiative, relating to pretrial risk assessments, parole, and parole hearings;
- (2) Amend the definition of "debt" relating to the recovery of money owed to the State to include court-ordered restitution subject to civil enforcement;
- (3) Require that any bail posted by a defendant be applied toward payment of any court-ordered restitution in the same case; and
- (4) Extend victims' access to adult probation records to include access to payment compliance records.

PART II

SECTION 2. Act 139, Session Laws of Hawaii 2012, as amended by section 2 of Act 67, Session Laws of Hawaii 2013, as amended by section 69 of Act 231, Session Laws of Hawaii 2016, is amended by amending section 14 to read as follows:

"**SECTION 14.** This Act shall take effect on July 1, 2012; provided that:

- (1) Section 3 shall take effect on January 1, 2013;
- (2) Section 7 shall take effect on July 1, 2012, for any individual on parole supervision on or after July 1, 2012; *and*
- (3) Section 8 shall take effect on July 1, 2012, and shall be applicable to individuals committing an offense on or after that date; *and*

- (4) ~~Sections 3, 7, 8, and 11 shall be repealed on July 1, 2018, and sections 353-10, 353-66, 706-670(1), and 353-69, Hawaii Revised Statutes, shall be reenacted in the form in which they read on June 30, 2012.]~~

PART III

SECTION 3. Section 231-52, Hawaii Revised Statutes, is amended by amending the definition of "debt" to read as follows:

"Debt" includes:

- (1) Any delinquency in periodic court-ordered or administrative-ordered payments for child support pursuant to section 576D-1, in an amount equal to or exceeding the sum of payments which would become due over a one-month period;
- (2) Any liquidated sum exceeding \$25 which is due and owing any claimant agency, regardless of whether there is an outstanding judgment for that sum, and whether the sum has accrued through contract, subrogation, tort, operation of law, or judicial or administrative judgment or order;
- (3) Any defaulted education loan note held by the United Student Aid Funds, Inc. incurred under the federal Higher Education Act of 1965 (Public Law 89-329, 79 Stat. 1219), as amended;
- (4) Any federal income taxes due and owing to the United States Treasurer; [or]
- (5) Any medicaid overpayment under section 346-59.6[-]; or
- (6) Any unpaid court-ordered restitution enforceable as a civil judgment pursuant to section 706-647.

SECTION 4. Section 706-646, Hawaii Revised Statutes, is amended to read as follows:

"§706-646 Victim restitution. (1) As used in this section, "victim" includes any of the following:

- (a) The direct victim of a crime including a business entity, trust, or governmental entity;
 - (b) If the victim dies as a result of the crime, a surviving relative of the victim as defined in chapter 351;
 - (c) A governmental entity that has reimbursed the victim for losses arising as a result of the crime or paid for medical care provided to the victim as a result of the crime; or
 - (d) Any duly incorporated humane society or duly incorporated society for the prevention of cruelty to animals, contracted with the county or State to enforce animal-related statutes or ordinances, that impounds, holds, or receives custody of a pet animal pursuant to section 711-1109.1, 711-1109.2, or 711-1110.5; provided that this section does not apply to costs that have already been contracted and provided for by the counties or State.
- (2) The court shall order the defendant to make restitution for reasonable and verified losses suffered by the victim or victims as a result of the defendant's offense when requested by the victim. The court shall order restitution to be paid to the crime victim compensation commission if the victim has been given an award for compensation under chapter 351. If the court orders payment of a fine in addition to restitution or a compensation fee, or both, the payment of restitution and compensation fee shall be made pursuant to section 706-651.

(3) In ordering restitution, the court shall not consider the defendant's financial ability to make restitution in determining the amount of restitution to order. The court, however, shall consider the defendant's financial ability to make restitution for the purpose of establishing the time and manner of payment. The court shall specify the time and manner in which restitution is to be paid. While the defendant is in the custody of the department of public safety, restitution shall be collected pursuant to chapter 353 and any court-ordered payment schedule shall be suspended. Restitution shall be a dollar amount that is sufficient to reimburse any victim fully for losses, including but not limited to:

- (a) Full value of stolen or damaged property, as determined by replacement costs of like property, or the actual or estimated cost of repair, if repair is possible;
- (b) Medical expenses; and
- (c) Funeral and burial expenses incurred as a result of the crime.

(4) In any criminal proceeding before any court, all money deposited by the defendant as bail and not declared forfeited shall be applied toward payment of any restitution, fines, or fees ordered by the court in the same case, consistent with the priorities in subsection (2).

[4] (5) The restitution ordered shall not affect the right of a victim to recover under section 351-33 or in any manner provided by law; provided that any amount of restitution actually recovered by the victim under this section shall be deducted from any award under section 351-33."

SECTION 5. Section 806-73, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) All adult probation records shall be confidential and shall not be deemed to be public records. As used in this section, the term "records" includes[.] but is not limited to[.] all records made by any adult probation officer in the course of performing the probation officer's official duties. The records, or the content of the records, shall be divulged only as follows:

(1) A copy of any adult probation case record or of a portion of it, or the case record itself, upon request, may be provided to:

- (A) An adult probation officer, court officer, social worker of a Hawaii state adult probation unit, or a family court officer who is preparing a report for the courts; or
- (B) A state or federal criminal justice agency, or state or federal court program that:
 - (i) Is providing supervision of a defendant or offender convicted and sentenced by the courts of Hawaii; or
 - (ii) Is responsible for the preparation of a report for a court;

(2) The residence address, work address, home telephone number, or work telephone number of a current or former defendant shall be provided only to:

- (A) A law enforcement officer as defined in section 710-1000 to locate the probationer for the purpose of serving a summons or bench warrant in a civil, criminal, or deportation hearing, or for the purpose of a criminal investigation; or
- (B) A collection agency or licensed attorney contracted by the judiciary to collect any delinquent court-ordered penalties, fines, restitution, sanctions, and court costs pursuant to section 601-17.5[.][.]

(3) A copy of a presentence report or investigative report shall be provided only to:

- (A) The persons or entities named in section 706-604;

- (B) The Hawaii paroling authority;
 - (C) Any psychiatrist, psychologist, or other treatment practitioner who is treating the defendant pursuant to a court order or parole order for that treatment;
 - (D) The intake service centers;
 - (E) In accordance with applicable law, persons or entities doing research; and
 - (F) Any Hawaii state adult probation officer or adult probation officer of another state or federal jurisdiction who:
 - (i) Is engaged in the supervision of a defendant or offender convicted and sentenced in the courts of Hawaii; or
 - (ii) Is engaged in the preparation of a report for a court regarding a defendant or offender convicted and sentenced in the courts of Hawaii;
- (4) Access to adult probation records by a victim, as defined in section 706-646 to enforce an order filed pursuant to section 706-647, shall be limited to the [name]:
- (A) Name and contact information of the defendant's adult probation officer;
 - (B) Compliance record of the defendant with court-ordered payments;
 - (C) Amounts paid by the defendant;
 - (D) Dates of the payments made by the defendant;
 - (E) Payee of payments made by the defendant; and
 - (F) Remaining unpaid balance,
without the assessment of a filing fee or surcharge;
- (5) Upon written request, the victim, or the parent or guardian of a minor victim or incapacitated victim, of a defendant who has been placed on probation for an offense under section 580-10(d)(1), 586-4(e), 586-11(a), or 709-906 may be notified by the defendant's probation officer when the probation officer has any information relating to the safety and welfare of the victim;
- (6) Notwithstanding paragraph (3) and upon notice to the defendant, records and information relating to the defendant's risk assessment and need for treatment services; information related to the defendant's past treatment and assessments, with the prior written consent of the defendant for information from a treatment service provider; provided that for any substance abuse records such release shall be subject to title 42 Code of Federal Regulations part 2, relating to the confidentiality of alcohol and drug abuse patient records; and information that has therapeutic or rehabilitative benefit, may be provided to:
- (A) A case management, assessment[[],] or treatment service provider assigned by adult probation to service the defendant; provided that such information shall be given only upon the acceptance or admittance of the defendant into a treatment program;
 - (B) Correctional case manager, correctional unit manager, and parole officers involved with the defendant's treatment or supervision; and
 - (C) In accordance with applicable law, persons or entities doing research;
- (7) Probation drug test results may be released with prior written consent of a defendant to the defendant's treating physician when test

- results indicate substance use which may be compromising the defendant's medical care or treatment;
- (8) Records obtained pursuant to section [§704-404(9)] may be made available as provided in that section;
- (9) Any person, agency, or entity receiving records, or contents of records, pursuant to this subsection shall be subject to the same restrictions on disclosure of the records as Hawaii state adult probation offices; and
- (10) Any person who uses the information covered by this subsection for purposes inconsistent with the intent of this subsection or outside of the scope of the person's official duties shall be fined no more than \$500."

PART IV

SECTION 6. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 7. 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 that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 9. This Act shall take effect upon its approval.

(Approved July 3, 2017.)

ACT 78

H.B. NO. 1516

A Bill for an Act Relating to Animal Forfeiture.

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

SECTION 1. The legislature finds that the final disposition of rescued animals can be delayed while preparing for a criminal case, especially when large numbers of animals are involved. This delay can impose extraordinary costs and strains upon the incorporated humane society or incorporated society that is tasked with the care of the animals; postpone the full recovery of the animals that are being held unnecessarily; and prevent the adoption of the rescued animals.

The purpose of this Act is to clarify that an incorporated humane society or incorporated society for the prevention of cruelty to animals may petition the court for the forfeiture of an impounded animal prior to the filing or disposition of criminal charges against the owner of the animal that arise from circumstances supporting the impoundment.

SECTION 2. Section 711-1109.2, Hawaii Revised Statutes, is amended to read as follows:

“§711-1109.2 Forfeiture of animal prior to filing of or final disposition of criminal charges. (1) If any pet animal or equine animal is impounded pursuant to section 711-1109.1, prior to filing of, or final disposition of a criminal charge under section 711-1108.5, 711-1109, 711-1109.3, or 711-1109.35, as applicable, against the pet animal's or equine animal's owner, any duly incorporated humane society or duly incorporated society for the prevention of cruelty to animals that is holding the pet animal or equine animal may file a petition in the court that would have jurisdiction over the criminal case when the criminal charge is filed, if the petition is filed prior to the filing of the criminal charge, or in the criminal action requesting that the court issue an order for forfeiture of the pet animal or equine animal to the county or to the duly incorporated humane society or duly incorporated society for the prevention of cruelty to animals prior to the filing of the criminal charge that arises from the impoundment or final disposition of the criminal charge. The petitioner shall serve a true copy of the petition upon the owner or custodian of the impounded pet animal or equine animal, when a petition is filed prior to the filing of the criminal charge, or the defendant, in the criminal action, and the prosecuting attorney.

(2) Upon receipt of a petition pursuant to subsection (1), the court shall set a hearing on the petition. The hearing shall be conducted within fourteen days after the filing of the petition, or as soon as practicable.

(3) At a hearing conducted pursuant to subsection (2), the petitioner shall have the burden of establishing probable cause that the pet animal or equine animal was subjected to a violation of section 711-1108.5, 711-1109, 711-1109.3, or 711-1109.35, as applicable. If the court finds that probable cause exists, the court shall order immediate forfeiture of the pet animal or equine animal to the petitioner, unless the owner or custodian of the impounded pet animal or equine animal, when a petition is filed prior to the filing of the criminal charge, or the defendant, in the criminal action, within seventy-two hours of the hearing:

- (a) Posts a security deposit or bond with the court clerk in an amount determined by the court to be sufficient to repay all reasonable costs incurred, and anticipated to be incurred, by the petitioner in caring for the pet animal or equine animal from the date of initial impoundment to the date of trial; or
- (b) Demonstrates to the court that proper alternative care has been arranged for the pet animal or equine animal.

Notwithstanding subsection (3)(a), a court may waive, for good cause shown, the requirement that the owner or custodian of the impounded pet animal or equine animal, when a petition is filed prior to the filing of the criminal charge, or the defendant, in the criminal action, post a security deposit or bond.

(4) If a security deposit or bond has been posted in accordance with subsection (3)(a), the petitioner may draw from the security deposit or bond the actual reasonable costs incurred by the petitioner in caring for the pet animal or equine animal until the date of final disposition of the criminal action. If the trial is continued to a later date, any order of continuance shall require the owner or custodian of the impounded pet animal or equine animal, when a petition is filed prior to the filing of the criminal charge, or the defendant, in the criminal action, to post an additional security deposit or bond in an amount determined by the court that shall be sufficient to repay all additional reasonable costs anticipated to be incurred by the petitioner in caring for the pet animal or equine animal until the date of final disposition of the criminal action, and the petitioner may draw from the additional security deposit or bond as necessary.

(5) No pet animal or equine animal may be destroyed by a petitioner under this section prior to final disposition of a criminal charge under section

711-1108.5, 711-1109, 711-1109.3, or 711-1109.35, as applicable, against the pet animal's or equine animal's owner, except in the event that the pet animal or equine animal is a danger to itself or others, or so severely injured that there is no reasonable probability that its life can be saved.

(6) Forfeiture of a pet animal or equine animal under this section shall not be subject to the provisions of chapter 712A.

(7) In addition to any reasonable costs incurred under subsection (4) by the petitioner in the caring for the pet animal or equine animal, the court may award reasonable attorney's fees and court costs to the petitioner following the conviction of the defendant.

(8) As used in this section, "pet animal or equine animal" includes any offspring from the pet animal or equine animal that was pregnant at the time of the rescue and born during the impoundment of the pet animal or equine animal.

(9) An acquittal or dismissal in a criminal proceeding shall not preclude civil proceedings under this chapter.

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. New statutory material is underscored.

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

(Approved July 3, 2017.)

ACT 79

H.B. NO. 558

A Bill for an Act Relating to the Repeal of Section 325-15, Hawaii Revised Statutes.

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

SECTION 1. The legislature finds that mandatory testing for tuberculosis of United States citizens returning from certain areas after absences of five or more years provides marginal benefits to tuberculosis control in Hawaii and is costly to maintain and impractical to enforce. Repealing this requirement will diminish burdens for travelers without significant risk to public health.

The purpose of this Act is to repeal section 325-15, Hawaii Revised Statutes, which requires United States citizens or nationals upon returning to the State after five or more years' residence in any United States territory or possession, or any foreign country, with a high occurrence of infectious and communicable diseases, to submit a medical examination report that shall include a tuberculin skin test or a chest x-ray examination, and in the case of a positive skin test, a chest x-ray report, to the department of health within sixty days of returning to the State.

SECTION 2. Section 325-15, Hawaii Revised Statutes, is repealed.

SECTION 3. Statutory material to be repealed is bracketed and stricken.¹

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 3, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to the Hawaiian Homes Commission Act.

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

SECTION 1. The legislature recognizes that the State has a fiduciary duty to support the rehabilitation of the Hawaiian people, in part by ensuring long-term tenancies to beneficiaries and successors of beneficiaries of the Hawaiian Homes Commission Act, 1920, as amended.

The legislature emphasizes that many descendants of lessees of Hawaiian home lands do not qualify as successors because interracial marriages and blended families produce descendants who are less than twenty-five per cent Hawaiian. These disruptions create undue hardships of displacement and interfere with families' abilities to maintain the equity of their homes and businesses.

The legislature further finds that a reduction in blood quantum requirements for certain successors will lead to a reduction in the trend of "highest bid" and "leapfrog" homestead lease sales. Further, this reform will encourage current lessees to maintain and invest in their residences, as the lessees anticipate that their descendants will be able to make use of the properties for many generations to come.

The purpose of this Act is to reduce the minimum Hawaiian blood quantum requirement of certain successors to lessees of Hawaiian home lands from one quarter to one thirty-second.

SECTION 2. Section 209 of the Hawaiian Homes Commission Act, 1920, as amended, is amended by amending subsection (a) to read as follows:

"(a) Upon the death of the lessee, the lessee's interest in the tract or tracts and the improvements thereon, including growing crops and aquacultural stock (either on the tract or in any collective contract or program to which the lessee is a party by virtue of the lessee's interest in the tract or tracts), shall vest in the relatives of the decedent as provided in this paragraph. From the following relatives of the lessee who are (1) at least [one-quarter] one thirty-second Hawaiian, [~~husband, wife,~~] spouse, children, grandchildren, brothers, or sisters, or (2) native Hawaiian, father and mother, widows or widowers of the children, widows or widowers of the brothers and sisters, or nieces and nephews,—the lessee shall designate the person or persons to whom the lessee directs the lessee's interest in the tract or tracts to vest upon the lessee's death. The Hawaiian blood requirements shall not apply to the descendants of those who are not native Hawaiians but who were entitled to the leased lands under section 3 of the Act of May 16, 1934 (48 Stat. 777, 779), as amended, or under section 3 of the Act of July 9, 1952 (66 Stat. 511, 513). In all cases that person or persons need not be eighteen years of age. The designation shall be in writing, may be specified at the time of execution of the lease with a right in the lessee in similar manner to change the beneficiary at any time and shall be filed with the department and approved by the department in order to be effective to vest the interests in the successor or successors so named.

In case of the death of any lessee, except as hereinabove provided, who has failed to specify a successor or successors as approved by the department, the department may select from only the following qualified relatives of the decedent:

- (1) [~~Husband or wife;~~] Spouse; or
- (2) If there is no [~~husband or wife,~~] spouse, then the children; or

- (3) If there is no [husband, wife,] spouse or child, then the grandchildren; or
- (4) If there is no [husband, wife,] spouse, child, or grandchild, then brothers or sisters; or
- (5) If there is no [husband, wife,] spouse, child, grandchild, brother, or sister, then from the following relatives of the lessee who are native Hawaiian: father and mother, widows or widowers of the children, widows or widowers of the brothers and sisters, or nieces and nephews.

The rights to the use and occupancy of the tract or tracts may be made effective as of the date of the death of the lessee.

In the case of the death of a lessee leaving no designated successor or successors, [husband, wife,] spouse, children, grandchildren, or relative qualified to be a lessee of Hawaiian home lands, the land subject to the lease shall resume its status as unleased Hawaiian home lands and the department is authorized to lease the land to a native Hawaiian as provided in this Act.

Upon the death of a lessee who has not designated a successor and who leaves a spouse not qualified to succeed to the lease or children not qualified to succeed to the lease, or 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 appraise the value of all the improvements and growing crops or improvements and aquacultural stock, as the case may be, and shall pay to the nonqualified spouse or the nonqualified children as the lessee shall have designated prior to the lessee's death, or to the legal representative of the deceased lessee, or to the previous lessee, as the case may be, the value thereof, less any indebtedness to the department, or for taxes, or for any other indebtedness the payment of which has been assured by the department, owed by the deceased lessee or the previous lessee. These payments shall be made out of the Hawaiian home loan fund and shall be considered an advance therefrom and shall be repaid by the successor or successors to the tract involved. If available cash in the Hawaiian home loan fund is insufficient to make these payments, payments may be advanced from the Hawaiian home general loan fund and shall be repaid by the successor or successors to the tract involved; provided that any repayment for advances made from the Hawaiian home general loan fund shall be at the interest rate established by the department for loans made from the Hawaiian home general loan fund. The successor or successors may be required by the commission to obtain private financing in accordance with section 208(6) to pay off the amount advanced from the Hawaiian home loan fund or Hawaiian home general loan fund."

SECTION 3. The provisions of the amendments made by this Act to the Hawaiian Homes Commission Act, 1920, as amended, are declared to be severable, and if any section, sentence, clause, or phrase, or the application thereof to any person or circumstances is held ineffective because there is a requirement of having the consent of the United States to take effect, then that portion only shall take effect upon the granting of consent by the United States and effectiveness of the remainder of these amendments or the application thereof shall not be affected.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval by the governor of the State of Hawaii with the consent of the United States Congress.

(Approved July 5, 2017.)

A Bill for an Act Relating to Condominiums.

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

SECTION 1. The legislature finds that the board of directors of each association of apartment owners has broad powers that impact its members, such as adopting and amending budgets for revenues, expenditures, and reserves; hiring and discharging management agents and other independent contractors, agents, and employees; instituting, defending, or intervening in litigation or administrative proceedings affecting the condominium; regulating the use, maintenance, repair, replacement, and modification of common elements; imposing and receiving payments, fees, or charges for the use, rental, or operation of the common elements; imposing charges and penalties, including late fees and interest, for late payment of assessments; and levying fines for violations of the association's declaration, bylaws, and rules and regulations.

The legislature further finds that the boards of directors of associations of apartment owners represent the homeowners in managing a condominium, but the homeowners are vested with the ultimate decision-making power. Clarifying board member responsibilities regarding board meetings and the nature and process of an owner's participation in deliberations or discussions of a board will help foster accountability and transparency for owners and board members in a condominium association.

The purpose of this Act is to:

- (1) Clarify that a violation of specific provisions of the State's condominium law by a condominium board of directors or its officers or members may be a violation of fiduciary duty, but provides a safe harbor provision for a board member who votes for compliance or rescinds or withdraws the violating conduct;
- (2) Balance the right of association members to speak and participate in deliberations and discussions of a board, while ensuring that a board is able to complete its agenda in a timely manner;
- (3) Require the notice for board meetings to include a list of items expected to be on the meeting agenda; and
- (4) Require unapproved final drafts of the minutes of a board meeting to be available within thirty days after the meeting.

SECTION 2. Section 514B-106, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Except as provided in the declaration, the bylaws, subsection (b), or other provisions of this chapter, the board may act in all instances on behalf of the association. In the performance of their duties, officers and members of the board shall owe the association a fiduciary duty and exercise the degree of care and loyalty required of an officer or director of a corporation organized under chapter 414D. Any violation by a board or its officers or members of the mandatory provisions of section 514B-161 or 514B-162 may constitute a violation of the fiduciary duty owed pursuant to this subsection; provided that a board member may avoid liability under this subsection by indicating in writing the board member's disagreement with such board action or rescinding or withdrawing the violating conduct within forty-five days of the occurrence of the initial violation."

SECTION 3. Section 514B-125, Hawaii Revised Statutes, is amended to read as follows:

[§514B-125] **Board meetings.** (a) All meetings of the board, other than executive sessions, shall be open to all members of the association, and association members who are not on the board [may] shall be permitted to participate in any deliberation or discussion, other than executive sessions, [unless a majority of a quorum of the board votes otherwise.] pursuant to owner participation rules adopted by the board.

(b) Following any election of board members by the association, the board may, at the board's next regular meeting or at a duly noticed special meeting, establish rules for owner participation in any deliberation or discussion at board meetings, other than executive sessions. A board that establishes such rules pursuant to this subsection:

- (1) Shall notify all owners of these rules; and
- (2) May amend these rules at any regular or duly noticed special meeting of the board; provided that all owners shall be notified of any adopted amendments.

[(b)] (c) The board, [with the approval of a majority of a quorum of its members,] by majority vote, may adjourn a meeting and reconvene in executive session to discuss and vote upon matters:

- (1) Concerning personnel;
- (2) Concerning litigation in which the association is or may become involved;
- (3) Necessary to protect the attorney-client privilege of the association; or
- (4) Necessary to protect the interests of the association while negotiating contracts, leases, and other commercial transactions.

The general nature of any business to be considered in executive session shall first be announced in open session.

[(e)] (d) All board meetings shall be conducted in accordance with the most recent edition of Robert's Rules of Order Newly Revised. Unless otherwise provided in the declaration or bylaws, a board may permit any meeting to be conducted by any means of communication through which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting. If permitted by the board, any unit owner may participate in a meeting conducted by a means of communication through which all participants may simultaneously hear each other during the meeting, provided that the board may require that the unit owner pay for the costs associated with the participation.

[(f)] (e) The board shall meet at least once a year. Notice of all board meetings shall be posted by the managing agent, resident manager, or a member of the board, in prominent locations within the project seventy-two hours prior to the meeting or simultaneously with notice to the board. The notice shall include a list of business items expected to be on the meeting agenda.

[(e)] (f) A director shall not vote by proxy at board meetings.

[(f)] (g) A director shall not vote at any board meeting on any issue in which the director has a conflict of interest. A director who has a conflict of interest on any issue before the board shall disclose the nature of the conflict of interest prior to a vote on that issue at the board meeting, and the minutes of the meeting shall record the fact that a disclosure was made.

"Conflict of interest", as used in this subsection, means an issue in which a director has a direct personal or pecuniary interest not common to other members of the association."

SECTION 4. Section 514B-126, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

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“(c) Minutes of all meetings of the board shall be available within seven calendar days after approval, and unapproved final drafts of the minutes of a meeting shall be available within [sixty] thirty days after the meeting; provided that the minutes of any executive session may be withheld if their publication would defeat the lawful purpose of the executive session.”

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2017.

(Approved July 5, 2017.)

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H.B. NO. 599

A Bill for an Act Relating to the Hawaii State Plan.

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

SECTION 1. Section 226-4, Hawaii Revised Statutes, is amended to read as follows:

“**§226-4 State goals.** In order to [guarantee,] ensure, for present and future generations, those elements of choice and mobility that [insure] ensure that individuals and groups may approach their desired levels of self-reliance and self-determination, it shall be the goal of the State to achieve:

- (1) A strong, viable economy, characterized by stability, diversity, and growth, that enables the fulfillment of the needs and expectations of Hawaii’s present and future generations.
- (2) A desired physical environment, characterized by beauty, cleanliness, quiet, stable natural systems, and uniqueness, that enhances the mental and physical well-being of the people.
- (3) Physical, social, and economic well-being, for individuals and families in Hawaii, that nourishes a sense of community responsibility, of caring, and of participation in community life.”

SECTION 2. Section 226-19, Hawaii Revised Statutes, is amended to read as follows:

“**§226-19 Objectives and policies for socio-cultural advancement—housing.**

(a) Planning for the State’s socio-cultural advancement with regard to housing shall be directed toward the achievement of the following objectives:

- (1) Greater opportunities for Hawaii’s people to secure reasonably priced, safe, sanitary, and livable homes, located in suitable environments that satisfactorily accommodate the needs and desires of families and individuals, through collaboration and cooperation between government and nonprofit and for-profit developers to ensure that more rental and for sale affordable housing is made available to extremely low-, very low-, [low- and moderate income], lower-, moderate-, and above moderate-income segments of Hawaii’s population.
- (2) The orderly development of residential areas sensitive to community needs and other land uses.

- (3) The development and provision of affordable rental housing by the State to meet the housing needs of Hawaii's people.
- (b) To achieve the housing objectives, it shall be the policy of this State to:
- (1) Effectively accommodate the housing needs of Hawaii's people.
 - (2) Stimulate and promote feasible approaches that increase affordable rental and for sale housing choices for [low-income, moderate-income, and gap group] extremely low-, very low-, lower-, moderate-, and above moderate-income households.
 - (3) Increase homeownership and rental opportunities and choices in terms of quality, location, cost, densities, style, and size of housing.
 - (4) Promote appropriate improvement, rehabilitation, and maintenance of existing rental and for sale housing units and residential areas.
 - (5) Promote design and location of housing developments taking into account the physical setting, accessibility to public facilities and services, and other concerns of existing communities and surrounding areas.
 - (6) Facilitate the use of available vacant, developable, and underutilized urban lands for housing.
 - (7) Foster a variety of lifestyles traditional to Hawaii through the design and maintenance of neighborhoods that reflect the culture and values of the community.
 - (8) Promote research and development of methods to reduce the cost of housing construction in Hawaii."

SECTION 3. Section 226-55, Hawaii Revised Statutes, is amended as follows:

1. By amending its title and subsection (a) to read:

"§226-55 Functional plans; preparation[.]; update. (a) The state agency head primarily responsible for a given functional area shall prepare and periodically update the functional plan for the area. In the preparation or update of the functional plan, the state agency head shall work in close cooperation with the advisory committee, respective officials, and people of each county. In the formulation of the initial or updated functional plan, the preparing agency shall solicit public views and concerns. The formulation and revision of a state functional plan shall conform to the provisions of this chapter and shall take into consideration the county general plans. Functional plans and any revisions thereto shall be [approved] accepted by the governor to serve as guidelines for funding requests and implementation by state and county agencies."

2. By amending subsection (c) to read:

"(c) For each functional plan, the lead state agency, with the concurrence of the governor, shall establish an advisory committee, where an advisory body which meets the criteria set out hereunder is not already in existence, whose membership shall be composed of at least one public official from each county [to be nominated by the mayor of each county]; members of the public; experts in the field for which a functional plan is being prepared; and state officials. [The governor shall request the nominations from each of the respective mayors and shall appoint the public official nominated by the mayor of the respective county to serve on the advisory committee. If the nominations of county officials by a mayor are not submitted to the governor within sixty days following the date of the governor's request for such nominations, the governor shall appoint at least one public official from that county to serve on the advisory committee without nominations from that mayor.] The advisory committee shall advise the lead

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state agency in preparing, implementing, monitoring, and updating the functional plan to be in conformance with the overall theme, goals, objectives, policies, and priority guidelines contained within this chapter. The draft functional plan shall be submitted to relevant federal, state, and county agencies for review and input. The advisory committee shall serve as a [permanent] temporary advisory body to the state agency responsible for preparing each respective functional plan. The terms of members from the public and experts in the field for which a functional plan is prepared shall be for four years. Each term shall commence on July 1 and expire on June 30. No member from the public or expert in the field shall be appointed consecutively to more than two terms. These appointments shall not be subject to senate confirmation, and shall be exempt from sections 26-34(a) and 78-4(a) regarding the appointment to boards and commissions."

SECTION 4. Section 226-106, Hawaii Revised Statutes, is amended to read as follows:

"§226-106 Affordable housing. Priority guidelines for the provision of affordable housing:

- (1) Seek to use marginal or nonessential agricultural land, urban land, and public land to meet housing needs of [~~low and moderate-income and gap group~~] extremely low-, very low-, lower-, moderate-, and above moderate-income households.
- (2) Encourage the use of alternative construction and development methods as a means of reducing production costs.
- (3) Improve information and analysis relative to land availability and suitability for housing.
- (4) Create incentives for development which would increase home ownership and rental opportunities for Hawaii's [~~low and moderate-income households, gap group~~] extremely low-, very low-, lower-, and moderate-income households[,] and residents with special needs.
- (5) Encourage continued support for government or private housing programs that provide low interest mortgages to Hawaii's people for the purchase of initial owner-occupied housing.
- (6) Encourage public and private sector cooperation in the development of rental housing alternatives.
- (7) Encourage improved coordination between various agencies and levels of government to deal with housing policies and regulations.
- (8) Give higher priority to the provision of quality housing that is affordable for Hawaii's residents and less priority to development of housing intended primarily for individuals outside of Hawaii."

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 5, 2017.)

ACT 83

H.B. NO. 563

A Bill for an Act Relating to Dental Hygienists.

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

SECTION 1. The legislature finds that dental hygienists are highly-trained, important members of an oral health team who administer a range of oral health services to patients. However, under current law, licensed dental hy-

gienists must operate under the direct supervision of a licensed dentist in most circumstances, meaning that a supervising licensed dentist must examine and diagnose the condition to be treated, authorize each procedure, and remain in the office or facility while the act or procedure is being performed.

The legislature further finds that when a dental hygienist operates under general supervision, the supervising licensed dentist must still examine and diagnose the condition to be treated and authorize each procedure to be carried out, but the dentist is not required to be physically present during the delegated act or procedure. Under general supervision, the dentist must be available for consultation even if not physically present during the delegated act or procedure and is responsible for all delegated acts and procedures performed by the licensed dental hygienist. Permitting licensed dental hygienists to operate under general supervision, rather than direct supervision, when treating patients of record with an established treatment plan will give dentists more flexibility in their practices, enable the dentistry profession to keep pace with increased patient need, and maintain safeguards for patients.

Accordingly, the purpose of this Act is to permit licensed dental hygienists in the State to operate under the general supervision of a licensed dentist in specified circumstances.

SECTION 2. Section 447-1, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

“(f) No person shall practice dental hygiene, either gratuitously or for pay, or shall offer or attempt so to practice, or shall advertise or announce publicly or privately as being prepared or qualified so to practice without having a license as provided in this section. The original or a copy of the certificate of licensure shall be prominently displayed at all times in the workplace where the dental hygienist is employed or practices. A dental hygienist's pocket identification card shall be readily available for viewing upon request to ensure the license is current. A licensed dental hygienist shall practice only under the supervision of a licensed dentist as provided in this chapter; provided that a licensed dental hygienist [shall administer]:

- (1) May administer under the direct supervision of a licensed dentist only those categories of intra-oral block anesthesia listed in the course content submitted to the board pursuant to subsection (a)[.];
- (2) May practice under the general supervision of a licensed dentist and pursuant to an existing treatment plan with respect to patients of record who have had an examination by the licensed dentist; provided that a licensed dental hygienist shall not perform any irreversible procedure or administer any intra-oral block anesthesia under general supervision; and
- (3) May practice under the direct supervision of a licensed dentist as provided in this chapter.”

SECTION 3. Section 447-3, Hawaii Revised Statutes, is amended by amending subsections (b), (c), and (d) to read as follows:

“(b) Clinical dental hygiene may be practiced by a licensed dental hygienist. The practice of clinical dental hygiene is defined as the removal of hard and soft deposits and stains from the portion of the crown and root surfaces to the depth of the gingival sulcus, polishing natural and restored surfaces of teeth, the application of preventive chemical agents to the coronal surfaces of teeth, which chemical agents have been approved by the board of dental examiners, and the use of mouth washes approved by the board, but shall not include the performing of any repair work or the preparation thereof, or any other operation on

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the teeth or tissues of the mouth; provided that nothing in this subsection shall prohibit a dental hygienist from using or applying topically any chemical agent which has been approved in writing by the department of health for any of the purposes set forth in part V of chapter 321, and other procedures delegated by a dentist in accordance with the rules of the board of dental examiners.

In addition, a licensed dental hygienist may administer intra-oral infiltration local anesthesia and intra-oral block anesthesia under the [direct] supervision of a dentist as provided in section 447-1(f) after being certified by the board, and for those categories of intra-oral infiltration local anesthesia and intra-oral block anesthesia for which the licensed dental hygienist has been certified through a course of study meeting the requirements of this chapter.

(c) A licensed dental hygienist may operate in the office of any licensed dentist, or legally incorporated eleemosynary dental dispensary or infirmary, private school, welfare center, hospital, nursing home, adult day care center or assisted living facility, mental institution, nonprofit health clinic, or in any building owned or occupied by the State or any county, but only under the aforesaid employment and under the direct or general supervision of a licensed dentist[; provided that in the private practice of dentistry, the hygienist shall be under the direct supervision of a licensed dentist.] as provided in section 447-1(f). No dental hygienist may establish or operate any separate care facility which exclusively renders dental hygiene services.

(d) A licensed dental hygienist may operate under the [general or direct] supervision as provided in section 447-1(f) of any licensed dentist providing dental services in a public health setting. As used in this subsection, "public health setting" includes dental services in a legally incorporated eleemosynary dental dispensary or infirmary, private school, welfare center, hospital, nursing home, adult day care center or assisted living facility, mental institution, nonprofit health clinic, or the State or any county. A licensed dental hygienist employed in a public health setting may perform dental education, dental screenings, and fluoride applications. Other permissible duties shall be pre-screened and authorized by a supervising licensed dentist, subject to the dentist's determination that the equipment and facilities are appropriate and satisfactory to carry out the recommended treatment plan. No direct reimbursements shall be provided to licensed dental hygienists."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2017.

(Approved July 5, 2017.)

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H.B. NO. 374

A Bill for an Act Relating to Dental Assistants.

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

SECTION 1. The legislature finds that thirty-eight states and the District of Columbia require some form of certification or licensure for dental assistants. However, dental assistants are not currently required to be certified or otherwise regulated in Hawaii. The legislature notes that the University of Hawaii, Kapiolani community college offers a dental assisting certification program, accredited by the Commission on Dental Accreditation of the American Dental

Association. Furthermore, Kapiolani community college's dental assisting program offers pathways to certification as a certified dental assistant via passage of an examination offered by the Dental Assisting National Board, Inc.

Accordingly, the purpose of this Act is to require the auditor to conduct a sunrise analysis on the effects of regulation of dental assistants in the State via the certification options for dental assistants offered by Kapiolani community college's dental assisting program.

SECTION 2. (a) Notwithstanding any other law, the auditor shall conduct a sunrise analysis on the effects of regulation of dental assistants in the State via the certification requirements for dental assistants offered by the University of Hawaii Kapiolani community college's dental assisting program.

(b) The auditor shall examine the following pathways to certification for dental assistants:

- (1) Successful completion of the certificate of achievement in dental assisting program at Kapiolani Community College and successful completion of the certified dental assistant examination offered by the Dental Assisting National Board, Inc.; and
- (2) Successful completion of the certificate of competence in dental assisting from Kapiolani community college, plus employer-verified proof of more than 3,500 hours of employment as a dental assistant, and successful completion of the certified dental assistant examination offered by the Dental Assisting National Board, Inc.

(c) The auditor shall submit a report of findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2018.

SECTION 3. This Act shall take effect on July 1, 2017.

(Approved July 5, 2017.)

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H.B. NO. 1182

A Bill for an Act Relating to the Employees' Retirement System.

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

SECTION 1. Chapter 88, part II, Hawaii Revised Statutes, is amended by adding a new section to subpart D to be appropriately designated and to read as follows:

“§88- Stress test; annual report. (a) The actuary shall conduct an annual stress test of the system.

(b) The board shall submit an annual report to the legislature, not later than twenty days prior to the convening of each regular session, on the results of the actuary's stress test.

(c) For the purposes of this section, a “stress test” shall address:

- (1) Projections of assets, liabilities, pension debt, service costs, employee contributions, employer contributions, net amortization, benefit payments, payroll, and funded ratio for the system for each of the next thirty years based upon the then-current actuarial assumptions, including the assumed rate of return;

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- (2) Projections for the items listed in paragraph (1), assuming that investment returns are two percentage points lower than the assumed rate of return and that the State makes employer contributions:
 - (A) Based upon the then-current funding policy for the system; and
 - (B) That are held constant at the levels calculated for paragraph (1);
- (3) Estimates of the items listed in paragraph (1), if there is a one year loss on planned investments of twenty per cent followed by a twenty-year period of investment returns two percentage points below plan assumptions, with the following assumptions regarding contribution policy:
 - (A) Employer contributions are adjusted based upon current policy; and
 - (B) Employer contributions are held constant at the levels calculated for the baseline projections; and
- (4) The estimated actuarially accrued liability, the total plan normal cost for all benefit tiers, and the employer normal cost for all benefit tiers, calculated using:
 - (A) A discount rate equal to the assumed rate of return; and
 - (B) The ten-year average of the yield of thirty-year treasury notes.”

SECTION 2. New statutory material is underscored.¹

SECTION 3. This Act shall take effect on July 1, 2017.

(Approved July 5, 2017.)

Note

- 1. Edited pursuant to HRS §23G-16.5.

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H.B. NO. 1028

A Bill for an Act Relating to Charitable Organizations.

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

SECTION 1. Section 28-5.2, Hawaii Revised Statutes, is amended to read as follows:

“[§28-5.2] Protection of charitable assets; attorney general’s authority. (a) The attorney general shall represent the public interest in the protection of charitable assets and may:

- (1) Enforce the application of a charitable asset in accordance with:
 - (A) The law and terms governing the use, management, investment, distribution, and expenditure of the charitable asset; and
 - (B) The charitable purpose of the person holding the asset;
- (2) Act to prevent or remedy:
 - (A) The misapplication, diversion, or waste of a charitable asset; or
 - (B) A breach of fiduciary or other legal duty in the governance, management, or administration of a charitable asset; or

(3) Commence or intervene in an action to:

(A) Prevent, remedy, or obtain damages for:

- (i) The misapplication, diversion, or waste of a charitable asset; or
- (ii) A breach of fiduciary or other legal duty in the governance, management, or administration of a charitable asset; or

(B) Determine that an asset is a charitable asset.

(b) If the attorney general has reason to believe an investigation is necessary to determine whether action is advisable under this section, the attorney general may conduct an investigation, including exercising administrative subpoena power under sections 28-2.5 and 467B-9.3.

(c) This section shall not limit the powers and duties of the attorney general under the laws of this State.

(d) As used in this section¹ "charitable asset" means property that is given, received, or held for a charitable purpose. The term does not include property acquired or held for a for-profit purpose.

(e) As used in this section, "property" includes all interests in real property or tangible or intangible personal property, including cash, remainder interests, land, and conservation or preservation easements or restrictions. The remainder interest in a charitable remainder trust is property held for a charitable purpose, as is the current interest in a charitable lead trust, property held for ten years in a building fund, and property given to a charitable organization subject to a restriction on its use. Property held in a revocable trust that provides a remainder interest for a charitable purpose is not a charitable asset while the settlor is alive because the settlor can revoke or change the interest."

SECTION 2. Section 467B-2.1, Hawaii Revised Statutes, is amended to read as follows:

"§467B-2.1 Registration of charitable organizations[.]; deactivation. (a)

Every public benefit corporation domiciled in Hawaii and every charitable organization not exempted by section 467B-11.5 shall register with the department prior to conducting any solicitation of contributions or prior to having any solicitation of contributions conducted on its behalf by others. [Two] An authorized [officers] officer or agent of the charitable organization shall sign the registration form and shall certify that the statements therein are true and correct to the best of [their] the officer's or agent's knowledge subject to penalties imposed by section 710-1063. A central or parent organization that has received a group exemption letter from the Internal Revenue Service may submit a consolidated application for registration for itself and any or all of the subordinate organizations covered under the group exemption that are included in the central or parent organization's annual information return to the Internal Revenue Service.

(b) Any charitable organization registered in Hawaii or any charitable organization exempted from registration pursuant to section 467B-11.5 that will no longer be conducting any solicitation of contributions or having any solicitation of contributions conducted on its behalf by others and that wishes to be deactivated shall file a request for deactivation with the attorney general in writing. The attorney general shall deactivate the organization after being satisfied that all obligations of the organization under this chapter have been met. Deactivation of a charitable organization shall not deprive the attorney general of jurisdiction over the activities of the charitable organization that occurred while the organization was registered or should have been registered.

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[§467B-2.5] (c) The attorney general may make available a registration and a deactivation form to assist in the registration or deactivation by charitable organizations.

[§467B-2.5] (d) The attorney general may require that registration or deactivation forms be filed with the department electronically and may require the use of electronic signatures.”

SECTION 3. Section 467B-2.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Within ninety days after a solicitation campaign or event has been completed [and on] or within ninety days of the anniversary of the commencement of a solicitation campaign lasting more than one year, a professional solicitor shall file with the attorney general a financial report for the campaign, including gross revenue from Hawaii donors and national gross revenue and an itemization of all expenses incurred on a form prescribed by the attorney general. The attorney general may require the financial report to be submitted electronically~~[.]~~ and may require the use of electronic signatures. This report shall be signed [under penalty provided by section 710-1063] by the professional solicitor or by an authorized [contracting] officer or agent [for] of the professional solicitor [and shall report gross revenue from Hawaii donors and national gross revenue from a solicitation activity or campaign.] who shall certify that the statements therein are true and correct to the best of the solicitor's, officer's, or agent's knowledge subject to penalties imposed by section 710-1063. If a financial report required under this section is not filed in a timely manner, taking into account any extension of time for filing, unless it is shown that the failure is due to reasonable cause, an initial late filing fee of \$100 shall be imposed, and an additional late filing fee of \$20 per day shall be imposed, for each day during which the violation continues; provided that the total fee amount imposed under this subsection shall not exceed \$1,000. The attorney general may waive all or part of the late filing fee imposed by this subsection if there is a reasonable cause for the failure to timely file. The professional solicitor shall provide a copy of the financial report to the charitable organization to which the financial report pertains within ten days of its submission of the report to the attorney general. A professional solicitor shall maintain during each solicitation campaign and for not less than three years after the completion of that campaign the following records, which shall be available for inspection upon demand by the attorney general:

- (1) The date and amount of each contribution received and the name and address of each contributor;
- (2) The name and residence of each employee, agent, or other person involved in the solicitation;
- (3) Records of all revenue received and expenses incurred in the course of the solicitation campaign; and
- (4) The location and account number of each bank or other financial institution account in which the professional solicitor has deposited revenue from the solicitation campaign.”

SECTION 4. Section 467B-6.5, Hawaii Revised Statutes, is amended to read as follows:

“§467B-6.5 Annual financial reports; fiscal records and fees. (a) Every registered charitable organization shall annually file with the department a report for its most recently completed fiscal year. If the charitable organization files a Form 990 [or], 990-EZ, or 990-PF with the Internal Revenue Service, the

annual report shall be a copy of that Form 990 [~~or~~], 990-EZ[~~or~~], or 990-PF. If the registered charitable organization is required to file a Form 990-T with the Internal Revenue Service, the annual report shall include a copy of that Form 990-T. If a charitable organization is not required to file a Form 990 [~~or~~], 990-EZ, or 990-PF with the Internal Revenue Service, the annual report shall contain all information prescribed by the department. The annual report for a charitable organization that files a Form 990 [~~or~~], 990-EZ, or 990-PF shall be electronically submitted to the department within ten business days of the date that the organization files the form with the Internal Revenue Service. The annual report for a charitable organization that files a Form 990-N or that is not required to file a Form 990 [~~or~~], 990-EZ, or 990-PF shall be electronically submitted to the department not² later than the fifteenth day of the fifth month following the close of its fiscal year. An authorized officer or agent of the charitable organization shall sign the annual report and shall certify that the statements therein are true and correct to the best of the officer's or agent's knowledge subject to penalties imposed by section 710-1063. A charitable organization that has obtained an extension of time to file a Form 990 [~~or~~], 990-EZ, or 990-PF from the Internal Revenue Service shall provide a copy to the attorney general within twenty days after the copy is requested by the attorney general. [The annual report shall be accompanied by a filing fee as prescribed by subsection (d).] The department shall accept, under conditions prescribed by the attorney general, a copy or duplicate original of financial statements, reports, or returns filed by the charitable organization with the Internal Revenue Service or another state having requirements similar to the provisions of this section; provided that the attorney general may prescribe the form of the annual financial report for charitable organizations that file the Form 990-N with the Internal Revenue Service, or who are not required to file a Form 990 [~~or~~], 990-EZ, or 990-PF with the Internal Revenue Service.

(b) A charitable organization with contributions in excess of \$500,000 in the year covered by the annual financial report and a charitable organization required to obtain an audit report by a governmental authority or a third party shall include with its annual financial report, an audit report, prepared in accordance with generally accepted accounting principles, by a certified public accountant.

[~~(c) The department, upon written request and for good cause shown, may grant an extension of time, not to exceed three months, for the filing of the annual report required by this section.~~

[~~(d)~~] (c) Each charitable organization filing a report required by this section shall pay a filing fee to the department based on the total amount of its gross revenues during the time covered by the report at the close of the calendar or fiscal year adopted by the charitable organization as follows:

- (1) \$0, if gross revenue is less than \$25,000;
- (2) \$25, if gross revenue is at least \$25,000 but less than \$50,000;
- (3) \$50, if gross revenue is at least \$50,000 but less than \$100,000;
- (4) \$100, if gross revenue is at least \$100,000 but less than \$250,000;
- (5) \$150, if gross revenue is at least \$250,000 but less than \$500,000;
- (6) \$200, if gross revenue is at least \$500,000 but less than \$1,000,000;
- (7) \$250, if gross revenue is at least \$1,000,000 but less than \$2,000,000;
- (8) \$350, if gross revenue is at least \$2,000,000 but less than \$5,000,000; or
- (9) \$600, if gross revenue is \$5,000,000 or more.

[~~(e)~~] (d) If a return, report, or filing fee required under this section is not filed or paid, taking into account any extension of time for filing, unless it is shown that the failure is due to reasonable cause, a late filing fee of \$20 shall

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be imposed for each day during which the violation continues; provided that the total amount imposed under this subsection shall not exceed \$1,000.

[~~(f)~~] (e) Every charitable organization subject to section 467B-2.1 and this section shall keep true fiscal records that shall be available to the department for inspection upon request. The organization shall retain the records for no less than three years after the end of the fiscal year to which they relate.

[~~(g)~~] (f) The attorney general may require the annual financial report and audit report required by subsections (a) and (b) to be electronically submitted and to include electronic signatures.”

SECTION 5. Section 467B-11.5, Hawaii Revised Statutes, is amended to read as follows:

“§467B-11.5 Charitable organizations exempted from registration and financial disclosure requirements. The following charitable organizations shall not be subject to sections 467B-2.1 and 467B-6.5, if the organization submits an application for an exemption to the department and the department approves the organization's application:

- (1) Any duly organized religious corporation, institution, or society that is exempt from filing Form 990 with the Internal Revenue Service pursuant to [~~sections 6033(a)(3)(A)(i) and (iii) and 6033(a)(3)(C)(i)~~] section 6033(a)(3)(A)(i) and (iii) and (C)(i) of the Internal Revenue Code, as amended;
- (2) Parent-teacher associations;
- (3) Any educational institution that is licensed or accredited by any of the following licensing or accrediting organizations[~~:~~] or their successor organizations:
 - (A) Hawaii Association of Independent Schools;
 - [~~(B)~~] Hawaii Council of Private Schools;
 - [~~(C)~~] (B) Western Association of Schools and Colleges;
 - [~~(D)~~] (C) Middle States Association of Colleges and Schools;
 - [~~(E)~~] (D) New England Association of Schools and Colleges;
 - [~~(F)~~] (E) North Central Association of Colleges and Schools;
 - [~~(G)~~] (F) Higher Learning Commission;
 - [~~(H)~~] (G) Northwest Commission on Colleges and Universities;
 - [~~(I)~~] (H) Southern Association of Colleges and Schools;
 - [~~(J)~~] (I) The National Association for the Education of Young Children; or
 - [~~(K)~~] (J) The Northwest Accreditation Commission for Primary and Secondary Schools; and any]
 - [~~(L)~~] (I) AdvancED;
- (4) Any organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code expressly authorized by, and having an established identity with, an education institution accredited by one of the [~~foregoing~~] accrediting agencies[~~:~~] as provided in paragraph (3); provided that the organization's solicitation of contributions is primarily directed to the students, alumni, faculty, and trustees of the institutions and their respective families;
- [~~(4)~~] (5) Any nonprofit hospital licensed by the State or any similar provision of the laws of any other state;
- [~~(5)~~] (6) Any corporation established by an act of the United States Congress that is required by federal law to submit to Congress annual reports, fully audited by the United States Department of De-

fense, of its activities including itemized accounts of all receipts and expenditures;

[6)] (7) Any agency of this State, another state, or the federal government; and

[7)] (8) Any charitable organization that normally receives less than \$25,000 in contributions annually, if the organization does not employ or compensate a professional solicitor or professional fund-raising counsel. For purposes of this paragraph, an organization normally receives less than \$25,000 in contributions annually if, during the immediately preceding three fiscal years, it received, on average, less than \$25,000 in contributions.

The attorney general may require the application for exemption to be filed electronically with the department and may require the use of electronic signatures."

SECTION 6. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect on July 1, 2017.

(Approved July 5, 2017.)

Notes

1. Prior to amendment "," appeared here.
2. Prior to amendment "no" appeared here.

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H.B. NO. 1027

A Bill for an Act Relating to Nonprofit Corporations.

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

SECTION 1. Chapter 414D, Hawaii Revised Statutes, is amended by adding three new sections to be appropriately designated and to read as follows:

"§414D- Conversions into and from corporations. (a) A domestic corporation may adopt a plan of conversion and convert to a foreign corporation if:

- (1) The board of directors and members, if any, of the domestic corporation approve the plan of conversion in the manner prescribed by section 414D-202 if the conversion were treated as a merger to which the converting entity is a party and not the surviving entity;
- (2) The conversion is permitted by and complies with the laws of the state or country in which the converted entity is to be incorporated, formed, or organized; and the incorporation, formation, or organization of the converted entity complies with those laws;
- (3) At the time the conversion becomes effective, any member of the converting entity, unless otherwise agreed to by the member, shall become a member of the converted entity;
- (4) The members of the domestic corporation, as a result of the conversion, shall not become personally liable without the members' consent for the liabilities or obligations of the converted entity; and
- (5) The converted entity is incorporated, formed, or organized as part of or pursuant to the plan of conversion.

(b) Any foreign corporation may adopt a plan of conversion and convert to a domestic corporation if the conversion is permitted by and com-

plies with the laws of the state or country in which the foreign corporation is incorporated.

(c) A plan of conversion shall set forth:

(1) The name of the converting entity and the converted entity;

(2) A statement that the converting entity is continuing its existence in the organizational form of the converted entity; and

(3) A statement describing the organizational form of the converted entity and the state or country under the laws of which the converted entity is to be incorporated.

(d) A plan of conversion may set forth any other provisions relating to the conversion that are not prohibited by law, including without limitation the initial bylaws and officers of the converted entity.

(e) After the conversion of a domestic corporation is approved, and at any time before the conversion becomes effective, the plan of conversion may be abandoned by the domestic corporation in accordance with the procedures set forth in the plan of conversion or, if these procedures are not provided in the plan, in the manner determined by the board of directors. If articles of conversion have been filed with the department director but the conversion has not become effective, the conversion may be abandoned if a statement, executed on behalf of the converting entity by an officer or other duly authorized representative and stating that the plan of conversion has been abandoned in accordance with applicable law, is filed with the department director prior to the effective date of the conversion. If the department director finds that the statement satisfies the requirements provided by law, the department director, after all fees have been paid, shall:

(1) Stamp the statement and include the date of the filing;

(2) File the document in the department director's office; and

(3) Issue a certificate of abandonment to the converting entity or its authorized representatives.

(f) Once the statement provided in subsection (e) is filed with the department director, the conversion shall be deemed abandoned and shall not be effective.

§414D- Articles of conversion. (a) If a plan of conversion has been approved in the manner prescribed by section 414D-202 and has not been abandoned, articles of conversion shall be executed by an officer or other duly authorized representative of the converting entity and shall set forth a statement certifying the following:

(1) The name, form of entity, and state or country of incorporation of the converting and converted entities;

(2) That a plan of conversion has been approved;

(3) That an executed plan of conversion is on file at the principal place of business of the converting entity and stating the address thereof;

(4) That a copy of the plan of conversion shall be furnished by the converting entity prior to the conversion or by the converted entity after the conversion on written request and without cost, to any member or director, as the case may be, of the converting entity or the converted entity; and

(5) That the approval of the plan of conversion was duly authorized and complied with the laws under which it was incorporated, formed, or organized.

(b) The articles of conversion shall be delivered to the department director. The converted entity, if a domestic corporation, shall attach a copy of its articles of incorporation with the articles of conversion.

(c) If the department director finds that the articles of conversion satisfy the requirements provided by law, and that all required documents are filed, the department director, after all fees have been paid, shall:

- (1) Stamp the articles of conversion and include the date of the filing;
- (2) File the document in the department director's office; and
- (3) Issue a certificate of conversion to the converted entity or its authorized representatives.

§414D- Effect of conversion. When a conversion becomes effective:

- (1) The converting entity shall continue to exist without interruption, but in the organizational form of the converted entity;
- (2) All rights, title, and interest in all real estate and other property owned by the converting entity shall automatically be owned by the converted entity without reversion or impairment, subject to any existing liens or other encumbrances;
- (3) All liabilities and obligations of the converting entity shall automatically be liabilities and obligations of the converted entity without impairment or diminution due to the conversion;
- (4) The rights of creditors of the converting entity shall continue against the converted entity and shall not be impaired or extinguished by the conversion;
- (5) Any action or proceeding pending by or against the converting entity may be continued by or against the converted entity without any need for substitution of parties; and
- (6) If the converted entity is a foreign corporation or other business entity incorporated under a law other than the law of this State, the converted entity shall file with the department director:
 - (A) An agreement that the converted entity may be served with process in this State in any action or proceeding for the enforcement of any liability or obligation of the converting domestic corporation; and
 - (B) An irrevocable appointment of a resident of this State, including the street address, as its agent to accept service of process in any such proceeding."

SECTION 2. Section 414D-149, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) A director shall discharge the director's duties as a director, including the director's duties as a member of a committee:

- (1) In good faith;
- (2) In a manner that is consistent with the director's duty of loyalty to the corporation;
- [{2}] (3) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- [{3}] (4) In a manner the director reasonably believes to be in the best interests of the corporation."

SECTION 3. Section 414D-155, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) An officer with discretionary authority shall discharge the officer's duties under that authority:

- (1) In good faith;
- (2) In a manner that is consistent with the officer's duty of loyalty to the corporation;

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- [2] [3] With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and
- [3] [4] In a manner the officer reasonably believes to be in the best interests of the corporation.¹"

SECTION 4. Section 414D-233, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) No assets shall be transferred or conveyed by a public benefit corporation as part of the dissolution process until twenty business days after it has given the written notice required by subsection (a) to the attorney general or until the attorney general has consented in writing to the dissolution, or indicated in writing that the attorney general will take no action in respect to, the transfer or conveyance, whichever is earlier."

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.²

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

(Approved July 5, 2017.)

Notes

1. Prior to amendment "and its members, if any" appeared here.
2. Edited pursuant to HRS §23G-16.5.

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H.B. NO. 912

A Bill for an Act Relating to Nursing.

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

SECTION 1. The legislature finds that advanced practice registered nurses are primary care providers who may practice to the full scope of practice allowed under chapter 457, Hawaii Revised Statutes. The legislature further finds that, as licensed health care practitioners, advanced practice registered nurses are qualified to provide primary medical care services to adolescents and fulfill a vital role in caring for patients' current and future health needs. The legislature additionally finds that removing barriers to practice for advanced practice registered nurses will result in improved access to safe, timely, quality health care for the people of Hawaii.

The purpose of this Act is to allow advanced practice registered nurses, who hold a national certification in a psychiatric specialty, to offer care and services, similar to those offered by physicians and other health care service providers, to minors and patients in assisted community treatment.

SECTION 2. Section 334-121, Hawaii Revised Statutes, is amended to read as follows:

"§334-121 Criteria for assisted community treatment. A person may be ordered to obtain assisted community treatment if the family court finds that:

- (1) The person is mentally ill or suffering from substance abuse; [and]
- (2) The person is unlikely to live safely in the community without available supervision based on the professional opinion of a psychiatrist[; and] or advanced practice registered nurse with prescriptive

- authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization;
- (3) The person, at some time in the past: (A) has received inpatient hospital treatment for mental illness or substance abuse or (B) has been found to be imminently dangerous to self or others, as a result of mental illness or substance abuse; [and]
 - (4) The person, based on the person's treatment history and current condition, is now in need of treatment in order to prevent a relapse or deterioration which would predictably result in the person becoming imminently dangerous to self or others; [and]
 - (5) The person has a history of a lack of adherence to treatment for mental illness or substance abuse, and the person's current mental status or the nature of the person's disorder limits or negates the person's ability to make an informed decision to voluntarily seek or comply with recommended treatment; [and]
 - (6) The assisted community treatment is medically appropriate, and in the person's medical interests; and
 - (7) Considering less intrusive alternatives, assisted community treatment is essential to prevent the danger posed by the person."

SECTION 3. Section 334-122, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"Advanced practice registered nurse" means a registered nurse licensed to practice in this State who:

- (1) Has met the qualifications set forth in chapter 457 and this part;
- (2) Because of advanced education and specialized clinical training, is authorized to assess, screen, diagnose, order, utilize, or perform medical, therapeutic, preventive, or corrective measures;
- (3) Holds an accredited national certification in an advanced practice registered nurse psychiatric specialization; and
- (4) Holds prescriptive authority pursuant to section 457-8.6."

SECTION 4. Section 334-123, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The petition may be accompanied by a certificate of a licensed psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization who has examined the subject of the petition within twenty calendar days prior to the filing of the petition. For purposes of the petition, an examination shall be considered valid so long as the licensed psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization has obtained enough information from the subject of the petition to reach a diagnosis of the subject of the petition, and to express a professional opinion concerning the same, even if the subject of the petition is not fully cooperative."

SECTION 5. Section 334-126, Hawaii Revised Statutes, is amended by amending subsection (h) to read as follows:

"(h) No subject of the petition shall be ordered to receive assisted community treatment unless at least one psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization testifies in person at the hearing who has personally assessed the subject, within a

reasonable time before the filing of the petition up to the time when the psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization provides oral testimony at court. The [psychiatrist's] testimony of the psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization shall state the facts which support the allegation that the subject meets all the criteria for assisted community treatment, provide a written treatment plan, which shall include non-mental health treatment if appropriate, provide the rationale for the recommended treatment, and identify the designated mental health program responsible for the coordination of care.

If the recommended assisted community treatment includes medication, the [psychiatrist's] testimony of the psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization shall describe the types or classes of medication which should be authorized, and describe the physical and mental beneficial and detrimental effects of such medication."

SECTION 6. Section 334-127, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

"(b) If after hearing all relevant evidence, including the results of any diagnostic examination ordered by the family court, the family court finds that the criteria for assisted community treatment under section 334-121(1) have been met beyond a reasonable doubt and that the criteria under section 334-121(2) to 334-121(7) have been met by clear and convincing evidence, the family court shall order the subject to obtain assisted community treatment for a period of not more than one year. The written treatment plan submitted pursuant to section 334-126(h) shall be attached to the order and made a part of the order.

If the family court finds by clear and convincing evidence that the beneficial mental and physical effects of recommended medication outweigh the detrimental mental and physical effects, if any, the order may authorize types or classes of medication to be included in treatment at the discretion of the treating psychiatrist[.] or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization.

The court order shall also state who should receive notice of intent to discharge early in the event that the treating psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization determines, prior to the end of the court ordered period of treatment, that the subject should be discharged early from assisted community treatment.

(c) The family court shall also designate on the order the treating psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization who is to be responsible for the management and supervision of the subject's treatment, or shall assign an administrator of a designated mental health program to, in turn, designate the treating psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization during the treatment period without court approval, and may designate either a publicly employed psychiatrist[.] or advanced practice registered nurse with prescriptive authority and who holds an accredited national

certification in an advanced practice registered nurse psychiatric specialization, or a private psychiatrist[,] or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization; provided that the private psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization shall agree to the designation. The order for assisted community treatment shall be subject to the Health Care Privacy Harmonization Act, [chapter 323B].”

SECTION 7. Section 334-129, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) A treating psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization may prescribe or administer to the subject of the order reasonable and appropriate medication or medications, if specifically authorized by the court order, and treatment which is consistent with accepted medical standards and the family court order, including the written treatment plan submitted pursuant to section 334-126(h).”

2. By amending subsection (d) to read:

“(d) The designated mental health program’s treating psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization or [psychiatrist’s] designee of the psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization shall make all reasonable efforts to solicit the subject’s compliance with the prescribed treatment. If the subject fails or refuses to comply after the efforts to solicit compliance, the treating psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization shall assess whether the subject of the order meets criteria for admission to a psychiatric facility under part IV of this chapter, and proceed with the admission pursuant to section 334-59(a)(2) or (3); provided that the refusal of treatment shall not, by itself, constitute a basis for involuntary hospitalization.”

SECTION 8. Section 334-131, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) When the treating psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization contemplates discharge for a subject of the order because of expiration of the court order or because the subject of the order is no longer a proper subject for assisted community treatment, as determined by the criteria in section 334-121, the treating psychiatrist or advanced practice registered nurse with prescriptive authority and who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization shall provide notice of intent to discharge.”

SECTION 9. Section 577-29, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

- “(f) As used in this section:

“Licensed mental health professional” means any of the following:

- (1) A person licensed as a mental health counselor pursuant to chapter 453D;
- (2) A person licensed as a marriage and family therapist pursuant to chapter 451J;
- (3) A clinical social worker licensed pursuant to chapter 467E;
- (4) A person licensed as a psychologist pursuant to chapter 465; [or]
- (5) A board certified, or board eligible, licensed psychiatrist[.], or
- (6) An advanced practice registered nurse licensed pursuant to chapter 457 who holds an accredited national certification in an advanced practice registered nurse psychiatric specialization.

“Mental health treatment or counseling services” means the provision of outpatient mental health treatment or counseling by a licensed mental health professional.”

SECTION 10. Section 577A-2, Hawaii Revised Statutes, is amended to read as follows:

“§577A-2 Consent valid. The consent to the provision of medical care and services 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[,] or advanced practice registered nurse as defined in section 457-2.7, 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, or a minor seeking family planning services shall be valid and binding as if the 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, or a minor seeking family planning services 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[,] or advanced practice registered nurse as defined in section 457-2.7, as a person of full legal age and capacity, the infancy of the 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[,] or advanced practice registered nurse as defined in section 457-2.7, to such a minor.”

SECTION 11. Section 577A-3, Hawaii Revised Statutes, is amended to read as follows:

“§577A-3 Providing information. Public and private hospitals, or public and private clinics or physicians licensed to practice medicine or advanced practice registered nurses as defined in section 457-2.7 may, at the discretion of the treating physician[,] or advanced practice registered nurse, inform the spouse, parent, custodian, or guardian of any minor patient of the provision of medical care and services to the minor or disclose any information pertaining to such care and services after consulting with the minor patient to whom such medical care and services have been provided under this chapter.

If the minor patient is not diagnosed as being pregnant or afflicted with venereal disease, such information as well as the application for diagnosis may be disclosed, at the discretion of the treating physician or advanced practice registered nurse after consulting with the minor patient.”

SECTION 12. Section 577A-4, Hawaii Revised Statutes, is amended to read as follows:

“§577A-4 Financial responsibility; counseling. (a) If a minor consents to receive medical care and services, the spouse, parent, custodian, or guardian of the minor patient shall not be liable for the legal obligations resulting from the furnishing of medical care and services provided by the public and private hospital, [or] public and private clinic or physician licensed to practice medicine[.], or advanced practice registered nurse as defined in section 457-2.7. A minor who consents to the provision of medical care and services under this section shall assume financial responsibility for the costs of such medical care and services. Any other law to the contrary notwithstanding, no spouse, parent, custodian, or guardian whose consent has not been obtained or who has no prior knowledge that the minor has consented to the provision of such medical care and services shall be liable for the costs incurred by virtue of the minor’s consent.

(b) Medical care and services shall include individual counseling for each minor patient by a physician licensed to practice medicine[.] or advanced practice registered nurse as defined in section 457-2.7. Such counseling shall seek to open the lines of communication between parent and child.”

SECTION 13. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 14. This Act shall take effect upon its approval.

(Approved July 5, 2017.)

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H.B. NO. 605

A Bill for an Act Relating to Wastewater.

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

SECTION 1. Chapter 342D, Hawaii Revised Statutes, is amended by adding a new section to part III to be appropriately designated and to read as follows:

“§342D- Household aerobic unit approval. (a) The installation or use of household aerobic units that discharge directly to groundwater are prohibited in the State unless approved by the director.

(b) The director shall approve household aerobic units based on the National Sanitation Foundation/American National Standards Institute Standard 245 for class I aerobic units.

(c) The director may adopt rules, pursuant to chapter 91, necessary for the purposes of this section.”

SECTION 2. New statutory material is underscored.¹

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

(Approved July 5, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

A Bill for an Act Relating to Insurance.

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

SECTION 1. The legislature finds that section 431:13-108, Hawaii Revised Statutes, also known as the clean claims statute, requires health plans to pay providers on a timely basis when uncontested claims are submitted. Under this law, insurers are required to reimburse providers for clean claims payments within thirty days for clean claims submitted in writing, and within fifteen days for clean claims submitted electronically. There were amendments made to section 431:13-108, Hawaii Revised Statutes, in the 2015 legislative session on a separate, but related, insurance matter that created some ambiguity as to whether acute care hospitals were covered.

The purpose of this Act is to ensure that acute care hospitals are covered under the clean claims statute.

SECTION 2. Section 323D-2, Hawaii Revised Statutes, is amended by amending the definition of "health care facility" and "health care service" to read as follows:

"Health care facility" and "health care service" include any program, institution, place, building, or agency, or portion thereof, private or public, other than federal facilities or services, whether organized for profit or not, used, operated, or designed to provide medical diagnosis, treatment, nursing, rehabilitative, or preventive care to any person or persons. The terms include, but are not limited to, health care facilities and health care services commonly referred to as hospitals, facilities that provide inpatient medical care and other related services for surgery or acute medical conditions or injuries (usually for a short-term illness or condition), extended care and rehabilitation centers, nursing homes, skilled nursing facilities, intermediate care facilities, hospices for the terminally ill that require licensure or certification by the department of health, kidney disease treatment centers including freestanding hemodialysis units, outpatient clinics, organized ambulatory health care facilities, emergency care facilities and centers, home health agencies, health maintenance organizations, and others providing similarly organized services regardless of nomenclature."

SECTION 3. Section 431:13-108, Hawaii Revised Statutes, is amended by amending subsection (l) to read as follows:

(l) As used in this section:

["Acute care hospital" means a hospital that provides inpatient medical care and other related services for surgery or acute medical conditions or injuries (usually for a short-term illness or condition).]

"Claim" means any claim, bill, or request for payment for all or any portion of health care services provided by a health care provider of services submitted by an individual or pursuant to a contract or agreement with an entity, using the entity's standard claim form with all required fields completed with correct and complete information.

"Clean claim" means a claim in which the information in the possession of an entity adequately indicates that:

- (1) The claim is for a covered health care service provided by an eligible health care provider to a covered person under the contract;
- (2) The claim has no material defect or impropriety;
- (3) There is no dispute regarding the amount claimed; and

- (4) The payer has no reason to believe that the claim was submitted fraudulently.

The term does not include:

- (1) Claims for payment of expenses incurred during a period of time when premiums were delinquent;
- (2) Claims that are submitted fraudulently or that are based upon material misrepresentations;
- (3) Claims for self-insured employer groups; claims for services rendered to individuals associated with a health care entity through a national participating provider network; or claims for medicaid, medicare, medigap, or other federally financed plan; and
- (4) Claims that require a coordination of benefits, subrogation, or pre-existing condition investigations, or that involve third-party liability.

“Contest”, “contesting”, or “contested” means the circumstances under which an entity was not provided with, or did not have reasonable access to, sufficient information needed to determine payment liability or basis for payment of the claim.

“Deny”, “denying”, or “denied” means the assertion by an entity that it has no liability to pay a claim based upon eligibility of the patient, coverage of a service, medical necessity of a service, liability of another payer, or other grounds.

“Entity” means accident and health or sickness insurance providers under part I of article 10A of chapter 431, mutual benefit societies under article 1 of chapter 432, dental service corporations under chapter 423, and health maintenance organizations under chapter 432D.

“Fraud” shall have the same meaning as in section 431:2-403.

“Health care facility” shall have the same meaning as in section 323D-2[; provided that health care facility shall not include an acute care hospital].

“Health care provider” means a Hawaii health care facility, physician, nurse, or any other provider of health care services covered by an entity.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 5, 2017.)

ACT 91

H.B. NO. 849

A Bill for an Act Relating to the University of Hawaii Accounting and Financial Management System.

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

SECTION 1. The legislature finds that the University of Hawaii has maintained a separate accounting system since 1986, which has been compatible with both the State's accounting system requirements and generally accepted accounting principles. The legislature further finds that the University of Hawaii, with authorization from the legislature and after significant commitment of human and financial resources, has recently upgraded its accounting system through its participation in the Kuali Financial System Consortium, a university-based financial management software that better meets the unique needs of university systems throughout the United States. Since the implementation of the Kuali

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Financial System, the University of Hawaii continues to provide bi-monthly payroll feeds to the department of accounting and general services, in addition to routine and annual financial reports that are included in the State of Hawaii's Annual Consolidated Financial Statements. The use of the Kuali Financial System has benefited and served the needs of the university without in any way negatively impacting the State or its financial reporting.

The University of Hawaii's authorization to maintain a separate accounting and financial management system terminated on June 30, 2016.

The purpose of this Act is to affirm the express authority of the University of Hawaii system to maintain a separate accounting and financial management system that is compatible with the State of Hawaii accounting and financial systems.

SECTION 2. Section 40-1, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) With respect to the executive branch, except the University of Hawaii [until June 30, 2016,] and the department of education, the comptroller shall have complete supervision of all accounts. The comptroller shall preaudit all proposed payments of \$10,000 or more to determine the propriety of expenditures and compliance with executive orders and rules that may be in effect. When necessary, the comptroller shall withhold approval of any payment. Whenever approval is withheld, the department or agency concerned shall be promptly notified. With respect to the University of Hawaii and the department of education, the comptroller shall issue warrants for the release of funds for the operating costs of the university or the department of education, as applicable, in amounts and at times mutually agreed upon by the governor or director of finance and the university or department of education, as applicable; provided that:

- (1) The amounts released shall not exceed the allotment ceilings for the respective funding sources of the university's or the department of education's appropriations established by the governor for an allotment period pursuant to section 37-34; and
- (2) The comptroller may issue warrants as an advance from the state treasury to the University of Hawaii and the department of education to establish a checking account and provide working capital in amounts and at times mutually agreed upon by the governor or director of finance and the University of Hawaii and the department of education.

The University of Hawaii and the department of education shall preaudit all proposed payments of \$10,000 or more and shall preaudit samples of the population of proposed payments of less than \$10,000; provided that the sample size comprises at least five per cent of the population, and is of a size that the chief financial officers of the University of Hawaii and the department of education, as applicable, determine appropriate, to determine the propriety of expenditures and compliance with applicable laws, executive orders, and rules. The University of Hawaii and the department of education shall make disbursements for operating expenses from the amounts released by the comptroller and maintain records and documents necessary to support those disbursements at times mutually agreed upon by the university president or the superintendent of education, as applicable, and the comptroller; provided that when requested by the university or the department of education, the comptroller shall make all disbursements for the university or the department of education, as applicable, subject to available allotment. Funds released pursuant to this section shall be deposited by the university or the department of education, as applicable, in accordance with

the provisions applicable to the director of finance by chapter 38. Any interest earned on the deposit of funds released pursuant to this section shall be deposited in the state treasury at the end of each fiscal year.”

SECTION 3. Section 40-2, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The accounting system installed by the commission on public accountancy under Act 181, Session Laws of Hawaii 1923, as amended by Act 220, Session Laws of Hawaii 1925, for use in the offices of the comptroller, director of finance, departmental and agency services of the State, and the auditors, treasurers, departmental and agency services of the several counties shall be the accounting and reporting systems of the State and counties; provided that the University of Hawaii[~~, until June 30, 2016,~~] may install a different accounting system that shall be in conformity with generally accepted accounting principles as applied to colleges and universities; and provided further that the department of education may install a different accounting system that shall be in conformity to generally accepted accounting principles. The comptroller shall make such changes and modifications in the accounting system as shall from time to time appear to be in the best interest of the State and counties.”

SECTION 4. Section 40-4, Hawaii Revised Statutes, is amended to read as follows:

“§40-4 Publication of statements. The comptroller shall prepare and submit to the governor, immediately following the close of each fiscal year, a statement of income and expenditure by funds, showing the principal sources of revenue, the function or purpose for which expenditures were made, together with a consolidated statement showing similar information for all funds; also a statement showing the balance in each fund at the beginning of the fiscal year, plus the receipts, minus the disbursements, and the balance on hand at the close of the fiscal year after deducting outstanding warrants and vouchers. The comptroller may request all agencies, the judiciary, the University of Hawaii [~~until June 30, 2016~~], the department of education, and the legislature to provide such information as may be required for the preparation of statements.”

SECTION 5. Section 40-6, Hawaii Revised Statutes, is amended to read as follows:

“§40-6 Approval of business and accounting forms. The comptroller shall determine the forms required to adequately supply accounting and statistical data for the state government. The comptroller shall require heads of departments and establishments of the state government to submit proposed new forms or proposed changes in current business and accounting forms for review and approval before ordering the same printed; except that the University of Hawaii [~~until June 30, 2016~~] and the department of education shall be subject to this requirement only with respect to uniform business and accounting forms of statewide use in the State’s accounting system. All standard state forms shall be classified, numbered, and standardized in design, dimensions, color, and grade of paper and recorded in a catalogue of accounting and statistical forms by the comptroller.”

SECTION 6. Section 40-58, Hawaii Revised Statutes, is amended to read as follows:

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“§40-58 In favor of assignees. No assignment of moneys by a person to whom the State is directly indebted shall be effective unless the assignment is first approved by the comptroller or, in the case of the University of Hawaii [~~until June 30, 2016,~~] and the department of education, by their respective chief financial officers. The comptroller or the chief financial officers of the University of Hawaii and the department of education may prescribe the form for an assignment, and may approve the assignment within a reasonable time period if, in their respective discretion, the rights or obligations of the State, the University of Hawaii, or the department of education under any contract or other undertaking or under any law, rule, or order by a competent authority will not be prejudiced thereby. Upon approval of the assignment, the comptroller or the respective chief financial officers of the University of Hawaii and the department of education shall draw a warrant payable to the assignee. Except as to contracts encumbered by the comptroller, the University of Hawaii, or the department of education, each expending agency, upon notification of the comptroller’s approval of an assignment, shall prepare a claim for payment in accordance with the terms of the assignment.”

SECTION 7. Section 40-81, Hawaii Revised Statutes, is amended to read as follows:

“§40-81 Report by agencies receiving special moneys. All state officers, departments, boards, bureaus, commissions, or agencies collecting or receiving any moneys not required by law to be deposited in the state treasury shall report to the comptroller all receipts and disbursements on account thereof for each quarterly period of the calendar year not later than the fifteenth day following the end of each quarterly period on such forms and under such rules as may be prescribed by the comptroller; provided that with respect to all moneys held outside the state treasury by the University of Hawaii [~~until June 30, 2016,~~] or the department of education pursuant to the authority granted to the university and the department of education by this chapter, the University of Hawaii and the department of education shall report to the comptroller all transactions for each quarterly period not later than the fifteenth day following the end of each quarterly period on such forms and under such rules as may be prescribed by the comptroller.”

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 9. This Act shall take effect on July 1, 2017.

(Approved July 5, 2017.)

ACT 92

H.B. NO. 651

A Bill for an Act Relating to Consumer Credit Reporting Agencies.

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

SECTION 1. The legislature finds that in 2011, researchers at Carnegie Mellon University analyzed more than 800,000 credit records, including 40,000 belonging to minors. The researchers found that ten per cent of children in the study were victims of identity theft, compared to less than one per cent of adults. Identity thieves may be more likely to target minors because of minors’ clean

credit reports. Furthermore, child identity theft may go undetected for years because children do not use their social security numbers for credit, check credit reports, or review monthly bills as adults do.

The legislature further finds that individuals can protect themselves from many kinds of identity theft by placing a security freeze on their credit reports through a consumer credit reporting agency. However, an individual must have a credit report prior to requesting a freeze, which can be problematic for minors or other protected persons who often do not have this type of established consumer record.

The legislature additionally finds that Maryland was the first state to enact legislation that specifically protected minors from credit fraud. Since that time, twenty-one other states have enacted similar measures. The legislature concludes that Hawaii should join this growing trend of states to help parents and guardians protect minor children and other protected persons from credit fraud and identity theft.

Accordingly, the purpose of this Act is to:

- (1) Require a consumer credit reporting agency to create a record for protected consumers, including minors under the age of sixteen and incapacitated persons, who do not have an existing credit file; and
- (2) Permit a representative of a protected consumer to place a security freeze on the protected consumer's credit report or any record created by the consumer credit reporting agency for the protected consumer.

SECTION 2. Chapter 489P, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§489P- Security freeze for protected consumers; removal of security freezes; fees; applicability and scope. (a) A consumer credit reporting agency shall place a security freeze on a protected consumer's credit report or records if:

- (1) The consumer credit reporting agency receives a request from the protected consumer's representative for the placement of the security freeze under this section; and
- (2) The protected consumer's representative:
 - (A) Submits the request to the consumer credit reporting agency at the address or other point of contact specified by the consumer credit reporting agency;
 - (B) Provides to the consumer credit reporting agency sufficient proof of identification of the protected consumer and the protected consumer's representative;
 - (C) Provides to the consumer credit reporting agency sufficient proof of authority to act on behalf of the protected consumer; and
 - (D) Pays to the consumer credit reporting agency a fee as provided in subsection (h).

(b) If a consumer credit reporting agency does not have a credit file pertaining to the protected consumer when the consumer credit reporting agency receives a request pursuant to this section, the consumer credit reporting agency shall create a record for the protected consumer.

(c) Within thirty days after receiving a request that meets the requirements of this section, a consumer credit reporting agency shall place a security freeze for the protected consumer.

(d) Unless a security freeze for a protected consumer is removed in accordance with this section, a consumer credit reporting agency may not release

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the protected consumer's credit report, any information derived from the protected consumer's credit report, or any record created for the protected consumer.

(e) A security freeze for a protected consumer placed under subsection (a) shall remain in effect until the security freeze is removed in accordance with subsection (f) or (i).

(f) If a protected consumer or a protected consumer's representative wishes to remove a security freeze for the protected consumer, the protected consumer or the protected consumer's representative shall:

- (1) Submit a request for the removal of the security freeze to the consumer credit reporting agency at the address or other point of contact specified by the consumer credit reporting agency;
- (2) Provide to the consumer credit reporting agency:
 - (A) In the case of a request by the protected consumer:
 - (i) Proof that the sufficient proof of authority for the protected consumer's representative to act on behalf of the protected consumer is no longer valid; and
 - (ii) Sufficient proof of identification of the protected consumer; or
 - (B) In the case of a request by the representative of a protected consumer:
 - (i) Sufficient proof of identification of the protected consumer and the representative; and
 - (ii) Sufficient proof of authority to act on behalf of the protected consumer; and
- (3) Pay to the consumer credit reporting agency a fee as provided in subsection (h).

(g) Within thirty business days after receiving a request that meets the requirements of subsection (f), the consumer credit reporting agency shall remove the security freeze for the protected consumer.

(h) A consumer credit reporting agency may charge a reasonable fee, not to exceed \$5, for each placement or removal of a security freeze for a protected consumer; provided that a consumer credit reporting agency shall not charge a fee under this section if:

- (1) The protected consumer's representative has a valid copy of a police report, investigative report, or complaint which the protected consumer or the protected consumer's representative has filed with a law enforcement agency regarding the unlawful use of the protected consumer's personal information by another person, and provides a copy of the report to the consumer credit reporting agency; or
- (2) A request for the placement or removal of a security freeze is for a protected consumer who is under the age of sixteen at the time of the request and the consumer credit reporting agency has a credit report pertaining to the protected consumer.
 - (i) A consumer credit reporting agency may remove a security freeze for a protected consumer or delete a record of a protected consumer if the security freeze was placed or the record was created based on a material misrepresentation of fact by the protected consumer or the protected consumer's representative.
- (j) This section shall not apply to:
- (l) A person administering a credit file monitoring subscription service to which:
 - (A) The protected consumer has subscribed; or
 - (B) The representative of the protected consumer has subscribed on behalf of the protected consumer;

- (2) A person providing the protected consumer or the protected consumer's representative with a copy of the protected consumer's credit report or records at the request of the protected consumer or the protected consumer's representative;
- (3) An entity or purpose listed in section 489P-3(l)(8), (9), or (10) or section 489P-5; or
- (4) A consumer reporting agency database or file that consists entirely of consumer information concerning, and used solely for:
 - (A) Criminal record information;
 - (B) Personal loss history information;
 - (C) Fraud prevention or detection;
 - (D) Employment screening; or
 - (E) Tenant screening.

(k) A person who violates this section shall be subject to the penalties set forth in section 489P-6.

(l) As used in this section, unless the context otherwise requires:

“Protected consumer” means an individual who is:

- (1) Under the age of sixteen at the time a request for the placement of a security freeze is made; or
- (2) Incapacitated or for whom a court or other authority has appointed a guardian or conservator.

“Record” means a compilation of information that:

- (1) Identifies a protected consumer;
- (2) Is created by a consumer credit reporting agency solely for the purpose of complying with this section; and
- (3) May not be created or used to consider the protected consumer’s credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living for any purposes listed in title 15 United States Code section 1681b.

“Representative” means a person who provides to a consumer credit reporting agency sufficient proof of authority to act on behalf of a protected consumer.

“Security freeze” means:

- (1) If a consumer credit reporting agency does not have a file pertaining to a protected consumer, a restriction that:
 - (A) Is placed on the protected consumer’s record in accordance with this section; and
 - (B) Prohibits the consumer credit reporting agency from releasing the protected consumer’s record, except as provided in this section; or
- (2) If a consumer credit reporting agency has a file pertaining to the protected consumer, a restriction that:
 - (A) Is placed on the protected consumer’s credit report in accordance with this section; and
 - (B) Prohibits the consumer credit reporting agency from releasing the protected consumer’s credit report or any information derived from the protected consumer’s credit report, except as provided in this section.

“Sufficient proof of authority” means clear and proper information regarding the representative’s authority to act on the protected consumer’s behalf including but not limited to:

- (1) A court order that identifies or describes the relationship between the representative and the protected consumer;

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- (2) A duly executed power of attorney that permits the representative to act on the protected consumer's behalf; or
- (3) A notarized affidavit of the representative, stating the relationship between the representative and the protected consumer and the representative's authority to act on the protected consumer's behalf.

"Sufficient proof of identification" means information or documentation that identifies a protected consumer or a representative of a protected consumer, including any one of the following:

- (1) A social security number or a copy of a social security card issued by the Social Security Administration;
- (2) A certified or official copy of a birth certificate issued by the entity authorized to issue the birth certificate;
- (3) A copy of a driver's license, a civil identification card issued by the examiner of drivers, or any other government-issued identification; or
- (4) A copy of a bill, including a bill for telephone, sewer, septic tank, water, electric, oil, or natural gas services, that shows a name and home address."

SECTION 3. New statutory material is underscored.¹

SECTION 4. This Act shall take effect on January 1, 2018.

(Approved July 5, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 93

S.B. NO. 133

A Bill for an Act Relating to Public Employees' Fringe Benefits.

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

SECTION 1. The legislature finds that the State's and counties' liabilities and obligations for the pension and health insurance coverage of public employees are of major concern. State and county contributions as employers for the normal cost and unfunded liability amortization of the employees' retirement system and Hawaii employer-union health benefits trust fund (EUTF) are increasing. The legislature notes that section 88-105, Hawaii Revised Statutes, presently requires annual valuation reports for the employees' retirement system of the State of Hawaii. The legislature finds that more frequent monitoring of the experience and valuations of the employees' retirement system and EUTF is necessary to properly plan future state and county budgetary needs.

The purpose of this Act is to address public employees' fringe benefits by:

- (1) Requiring the actuary of the EUTF to make an annual valuation of the assets and liabilities of the EUTF that includes an update of assumptions specific to the EUTF at least once in each three-year period; and
- (2) Reducing the maximum period between experience studies of the employees' retirement system from five years to three years.

SECTION 2. Chapter 87A, Hawaii Revised Statutes, is amended by adding a new section to part III to be appropriately designated and to read as follows:

“§87A- Actuarial investigation; valuations. Beginning on July 1, 2017, the actuary retained by the board pursuant to section 87A-42 shall make an annual valuation of the assets and liabilities of the fund based on tables and other factors adopted by the board annually. The annual valuation shall include an update of assumptions specific to the fund that are not updated pursuant to section 88-105, as deemed necessary by the actuary, at least once in each three-year period.”

SECTION 3. Section 88-105, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) At least once in each [five-year] three-year period, commencing with fiscal year [1994-1995,] 2018-2019, the actuary shall make an actuarial investigation of the experience of the system and shall recommend to the board of trustees the adoption for actuarial valuation of the system of mortality, service, and other assumptions, factors, and tables as shall be deemed appropriate and necessary. The actuary shall further recommend the acceptable funded ratio for the system, taking into consideration the guaranties of article XVI, section 2 of the state constitution, section 88-107, and section 88-127.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

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

(Approved July 5, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

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S.B. NO. 194

A Bill for an Act Relating to Tuberculosis Testing.

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

SECTION 1. The purpose of this Act is to require the department of health to accept Food and Drug Administration-approved, Centers for Disease Control and Prevention-recommended tests for tuberculosis infection in addition to the Mantoux tuberculin skin test for the purpose of obtaining a certificate of tuberculosis examination. Many individuals are required to be tested for tuberculosis: children entering school, school personnel, personnel working with higher-risk populations, students enrolling in higher education programs, and others. The addition of the Food and Drug Administration-approved, Centers for Disease Control and Prevention-recommended tests for tuberculosis infection as an approved tuberculosis diagnostic is necessary because these tests are appropriate for those who have received the bacille Calmette-Guerin tuberculosis vaccine, individuals opposed to the tuberculin injection, and individuals for whom returning for a second appointment to check for a skin reaction is a hardship. There is no intent to change current requirements or procedures re-

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garding the use of the Mantoux tuberculin skin test or chest x-rays in obtaining a certificate of tuberculosis examination. Rather, the only intent of this Act is to provide for an additional accepted diagnostic.

SECTION 2. The department of health shall accept the results of any tuberculosis blood test that is a Food and Drug Administration-approved, Centers for Disease Control and Prevention-recommended test for tuberculosis infection for the purpose of obtaining a certificate of tuberculosis examination.

SECTION 3. Section 302A-1154, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) No child shall attend any school for the first time in the State unless the child presents to the appropriate school official documentation satisfactory to the department of health that the child has been examined and tested according to the rules of the department[,] and law and is free from tuberculosis in a communicable form.”

SECTION 4. The department of health shall amend its administrative rules to reflect the addition of a Food and Drug Administration-approved, Centers for Disease Control and Prevention-recommended test for tuberculosis infection as an alternative to the Mantoux tuberculin skin test as an acceptable diagnostic for the purpose of obtaining a tuberculosis examination certificate.

SECTION 5. Any existing administrative rules and procedures regarding the use of the Mantoux tuberculin skin test or chest x-rays in obtaining a certificate of tuberculosis examination shall remain in effect until amended to include the addition of Food and Drug Administration-approved, Centers for Disease Control and Prevention-recommended tests for tuberculosis infection as an acceptable tuberculosis diagnostic pursuant to section 4.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect upon its approval.

(Approved July 5, 2017.)

ACT 95

S.B. NO. 1002

A Bill for an Act Relating to Conformity to the Internal Revenue Code.

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

SECTION 1. The purpose of this Act is to conform Hawaii income and estate and generation-skipping transfer tax laws to the Internal Revenue Code of 1986, as amended.

SECTION 2. Section 235-2.3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) For all taxable years beginning after December 31, [2015,] 2016, as used in this chapter, except as provided in section 235-2.35, “Internal Revenue Code” means subtitle A, chapter 1, of the federal Internal Revenue Code of 1986, as amended as of December 31, [2015,] 2016, as it applies to the determination of gross income, adjusted gross income, ordinary income and loss, and taxable

income, except those provisions of the Internal Revenue Code and federal public laws which, pursuant to this chapter, do not apply or are otherwise limited in application and except for the provisions of Public Law 109-001¹ which apply to section 170 of the Internal Revenue Code. The provisions of Public Law 109-001 to accelerate the deduction for charitable cash contributions for the relief of victims of the 2004 Indian Ocean tsunami are applicable for the calendar year that ended December 31, 2004, and the calendar year ending December 31, 2005.

Prior law shall continue to be used to determine:

- (1) The basis of property, if a taxpayer first determined the basis of property in a taxable year to which prior law applies; and
- (2) Gross income, adjusted gross income, ordinary income and loss, and taxable income for a taxable year to which prior law applies."

SECTION 3. Section 236E-3, Hawaii Revised Statutes, is amended to read as follows:

"§236E-3 Conformance to the Internal Revenue Code; general application.

For all decedents dying after December 31, [2015,] 2016, as used in this chapter, "Internal Revenue Code" means subtitle B of the federal Internal Revenue Code of 1986, as amended as of December 31, [2015,] 2016, as it applies to the determination of gross estate, adjusted gross estate, federal taxable estate, and generation-skipping transfers, except those provisions of the Internal Revenue Code and federal public laws that, pursuant to this chapter, do not apply or are otherwise limited in application."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval; provided that:

- (1) Section 2 shall apply to taxable years beginning after December 31, 2016; and
- (2) Section 3 shall apply to decedents dying or taxable transfers occurring after December 31, 2016.

(Approved July 5, 2017.)

Note

1. Prior to amendment "," appeared here.

ACT 96

S.B. NO. 715

A Bill for an Act Relating to the Special Action Team on Affordable Rental Housing.

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

SECTION 1. The purpose of this Act is to address the special action team on affordable rental housing created under Act 127, Session Laws of Hawaii 2016.

More specifically, this Act expands the membership of the special action team to include the executive director of the Hawaii community development authority and executive director of the Hawaii public housing authority. The Hawaii community development authority has jurisdiction over areas conducive to the development of affordable rental housing. The Hawaii public housing authority has jurisdiction over and the mission to provide affordable rental housing for low-income families and individuals.

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The legislature finds that the inclusion of both officers on the special action team on affordable rental housing is necessary and appropriate.

SECTION 2. Act 127, Session Laws of Hawaii 2016, is amended by amending subsection (a) of section 6 to read as follows:

“(a) The special action team shall be composed of the following members:

- (1) The director of the office of planning, who shall serve as chair;
- (2) The executive director of the Hawaii housing finance and development corporation;
- (3) The executive director of the Hawaii community development authority;
- (4) The executive director of the Hawaii public housing authority;
- [~~(5)~~] (5) A member of the house of representatives, to be appointed by the speaker of the house of representatives;
- [~~(6)~~] (6) A member of the senate, to be appointed by the president of the senate;
- [~~(7)~~] (7) A representative from each county, to be appointed by the mayor of the respective county;
- [~~(8)~~] (8) A member of the public to represent affordable housing advocacy groups, to be appointed by the governor;
- [~~(9)~~] (9) A member of the public to represent non-profit developers with expertise in housing development, to be appointed by the governor; and
- [~~(10)~~] (10) A member of the public to represent for-profit developers with expertise in housing development, to be appointed by the governor.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 5, 2017.)

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H.B. NO. 280

A Bill for an Act Relating to Candidate Committee Reports.

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

SECTION 1. Section 11-334, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The candidate and treasurer of the candidate committee of each candidate whose name will appear on the ballot [~~in the immediately succeeding election~~] shall file preliminary, final, and supplemental reports[-] as follows:

- (1) The filing dates for preliminary reports are:
 - (A) Thirty calendar days [~~prior to~~] before a primary, initial special, or initial nonpartisan election;
 - (B) Ten calendar days [~~prior to~~] before a primary, [~~each~~] initial special, or [each] initial nonpartisan election; and
 - (C) Ten calendar days [~~prior to~~] before a general, subsequent special, or subsequent nonpartisan election; provided that this preliminary report does not need to be filed by a candidate who is unsuccessful in a primary, initial special, or initial non-

- partisan election, or a candidate who is elected to office in the primary, initial special, or initial nonpartisan election.
- The preliminary report filed by the date required under subparagraph (A) shall be current through June 30, and all other preliminary reports shall be current through the fifth calendar day before the filing deadline of those other preliminary reports[-];
- (2) The filing date for the final primary report is twenty calendar days after a primary, initial special, or initial nonpartisan election. The report shall be current through the day of the applicable election[-];
 - (3) The filing date for the final election period report is thirty calendar days after a general, subsequent, subsequent special, or subsequent nonpartisan election. The report shall be current through the day of the applicable election. The final election period report shall be filed by a candidate who is unsuccessful in a primary, initial special, or initial nonpartisan election or a candidate who is elected to office in the primary, initial special, or initial nonpartisan election[-]; provided that a candidate who is elected and is to be sworn into office prior to thirty calendar days after a general, subsequent, subsequent special, or subsequent nonpartisan election in which the candidate was elected, shall file the final election period report three business days before the date the candidate is to be sworn into office; and
 - (4) The filing dates for supplemental reports are:
 - (A) January 31 [after an election year] annually; and
 - (B) July 31 after an election year.
 The report shall be current through December 31 for the report filed on January 31 and current through June 30 for the report filed on July 31."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall be effective upon its approval.

(Approved July 5, 2017.)

ACT 98

H.B. NO. 279

A Bill for an Act Relating to Campaign Contributions and Expenditures.

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

SECTION 1. Section 11-363, Hawaii Revised Statutes, is amended to read as follows:

"[§11-363] Other contributions and expenditures. (a) Expenditures or disbursements for electioneering communications as defined in section 11-341, or any other coordinated activity made by any person for the benefit of a candidate in cooperation, consultation, or concert with, or at the request or suggestion of, a candidate, a candidate committee, or their agents, shall be considered to be a contribution to the candidate and expenditure by the candidate.

(b) The financing by any person of the dissemination, distribution, or republication, in whole or in part, of any broadcast or any written or other campaign materials prepared by the candidate, candidate committee, or their agents shall be considered to be a contribution to the candidate.

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This subsection shall not apply [to] if the campaign material is:

- (1) Prepared and used by candidates for governor or lieutenant governor, or their candidate committees, supporting a co-candidate in the general election[-];
 - (2) Disseminated, distributed, or republished by the candidate or the candidate committee that prepared the material;
 - (3) Incorporated into an advertisement or electioneering communication by a different candidate, or by a noncandidate committee, advocating the defeat of the candidate that originally prepared that material; or
 - (4) Incorporated into a news story or editorial disseminated by any broadcast station or publisher of periodicals or newspapers, unless the candidate or the candidate committee that prepared the material also owns or controls the broadcast station or publisher.
- [~~(b)~~] (c) "Coordinated activity" means:
- (1) The payment by any person in cooperation, consultation, or concert with, at the request of, or pursuant to, any general or particular understanding with a candidate, candidate committee, the party of a candidate, or an agent of a candidate, candidate committee, or the party of a candidate;
 - (2) The payment by any person for the production, dissemination, distribution, or republication of any written, graphic, or other form of campaign material, in whole or in part, prepared by a candidate, candidate committee, or noncandidate committee, or an agent of a candidate, candidate committee, or noncandidate committee; or
 - (3) Any payment by any person or contract for any electioneering communication, as defined in section 11-341, where the payment is coordinated with a candidate, candidate committee, the party of the candidate, or an agent of a candidate, candidate committee, or the party of the candidate.
- [~~(e)~~] (d) No expenditure for a candidate who files an affidavit with the commission agreeing to limit aggregate expenditures by the candidate, including coordinated activity by any person, shall be made or incurred by a candidate committee or noncandidate committee without authorization of the candidate or the candidate's authorized representative. Every expenditure so authorized and made or incurred shall be attributed to the candidate with whom the candidate committee or noncandidate committee is directly associated for the purpose of imposing the expenditure limitations set forth in section 11-423."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 5, 2017.)

ACT 99

H.B. NO. 73

A Bill for an Act Relating to Judicial Proceedings.

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

SECTION 1. Act 48, Session Laws of Hawaii 2016, is amended by amending section 14 to read as follows:

"SECTION 14. This Act shall take effect on August 1, 2016, and shall be repealed on July 1, 2019; provided that sections 91-14, 174C-12, 183C-8, [206E-5-6(h),] 206E-5.6, 269-15.5, and [602-5(a),] 602-5, Hawaii Revised Statutes, shall be reenacted in the form in which they read on the day prior to the effective date of this Act."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 5, 2017.)

ACT 100

H.B. NO. 1098

A Bill for an Act Relating to Homeless Shelters.

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

SECTION 1. In an attempt to make the homeless shelter system more cost effective and more appealing to families and individuals, the legislature enacted Act 234, Session Laws of Hawaii (SLH) 2016, and revised chapter 346, Hawaii Revised Statutes (HRS), by adding a new section to part XVII to establish minimum requirements for every homeless emergency shelter operated by a provider agency that is under contract with the department of human services. Act 234, SLH 2016, amended definitions in section 346-361, HRS, and amended section 346-371, HRS, which requires provider agencies to conduct annual audits. Act 234, SLH 2016, amended section 346-374, HRS, directing the department of human services to pay homeless shelter stipends only for performance measures actually achieved by the provider agency, and requiring that the collection of shelter and service payments from homeless families or individuals be based on families' and individuals' ability to pay.

The legislature finds that there is wide variation in the configuration of homeless emergency shelters across the State. In particular, there are distinct differences between emergency shelters located in rural areas as compared to shelters that are located in more densely populated urban communities. To ensure that the minimum health and safety standards adopted by the department of human services provide sufficient flexibility to address these diverse needs, the department needs additional time to meet with shelter providers and discuss the ability to bring shelter space into compliance with the requirements of Act 234, SLH 2016.

Additionally, there is concern that without flexibility for the requirement for partitioned shelter spaces, if Act 234, SLH 2016, is implemented as currently enacted, there may be significant reduction in shelter space among certain homeless shelters.

This Act is intended to provide the department of human services with discretion to determine which emergency homeless shelters may require partitioned space for each homeless person or family based upon guidelines determined by the department. In addition, this Act delays the effective date of Act 234, SLH 2016, except section 6(c), by one year to provide additional time for the implementation.

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SECTION 2. Act 234, Session Laws of Hawaii 2016, is amended by amending subsection (b) of section 346- , Hawaii Revised Statutes, established in section 2 of the Act to read as follows:

“(b) The department shall require an emergency shelter to comply with the following:

- (1) The shelter shall have the number of showers and bathrooms that the department deems appropriate and sufficient for the number of homeless families or individuals [that] who use the shelter and the capacity of the shelter. The showers and bathrooms may be part of the shelter building or portable and unattached to the shelter building;
- (2) The shelter [shall] may have partitioned space for each homeless family or individual that provides separation from other homeless families or individuals in the shelter. The minimum area of the partitioned space and height of the partition shall be determined by the department and may differ among [transitional] emergency shelters, according to the number of homeless families or individuals [that] who use the shelter and the capacity of the shelter. A shelter that provides separate rooms or portable dwelling units for homeless families or individuals, including converted shipping containers or school classrooms, shall be deemed to exceed this minimum requirement; and
- (3) The shelter shall provide storage for the personal possessions of each homeless family or individual served by the shelter. The storage shall be securable by the homeless family or individual. The type and number of the storage equipment, space, or area shall be determined by the department.”

SECTION 3. Act 234, Session Laws of Hawaii 2016, is amended by amending section 6 to read as follows:

“SECTION 6. (a) For the purpose of this section, “emergency shelter”, “provider agency”, and “transitional shelter” mean the same as defined under section 346-361, Hawaii Revised Statutes.

(b) Each contract that takes effect after June 30, [2017.] 2018, between the department of human services and a provider agency for the operation or management of an emergency or transitional shelter shall comply with this Act. This requirement shall apply whether the contract is entered into, renewed, or extended before or after June 30, [2017.] 2018.

(c) Beginning July 1, 2016, the department of human services shall work with provider agencies to implement this Act.”

SECTION 4. Act 234, Session Laws of Hawaii 2016, is amended by amending section 8 to read as follows:

“SECTION 8. This Act shall take effect on July 1, [2017.] 2018; provided that subsection (c) of section 6 shall take effect on July 1, 2016.”

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on June 30, 2017.

(Approved July 5, 2017.)

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H.B. NO. 192

A Bill for an Act Relating to Homeowners' Associations.

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

SECTION 1. The legislature finds that there are subdivisions that do not fit into the current definition of a planned community "association", as used in the laws regarding homeowners' associations. Accordingly, the homeowners' associations in these subdivisions remain unregulated and lack access to the cost-effective dispute resolution mechanisms provided for planned community associations. Applying the planned community associations laws to these subdivisions will allow the subdivisions to be regulated and have access to current mediation processes.

The legislature further finds that existing law on voting pursuant to a proxy at a meeting of a planned community association specifies that a standard proxy form must contain boxes for a member of the association to check and indicate how a proxy is given. However, proxy forms may sometimes be returned to an association's secretary or managing agent with more than one box checked, or with nothing marked on the proxy form. This may lead to confusion over how the proxy should be counted.

The purpose of this Act is to:

- (1) Expand the definition of "association" under the planned community association law to include certain homeowners' associations; and
- (2) Clarify that if a proxy is a standard proxy form authorized by an association, and the proxy is returned with no box checked or more than one box checked, the proxy shall be counted for quorum purposes only.

SECTION 2. Section 421J-2, Hawaii Revised Statutes, is amended by amending the definition of "association" to read as follows:

"Association" means a nonprofit, incorporated, or unincorporated organization:

- (1) Upon which responsibilities are imposed and to which authority is granted in a declaration that governs a planned community; [or]
- (2) That is a planned community association as defined under section 607-14[.]; or
- (3) That is a homeowners' association, in which:
 - (A) The voting membership is made up of ten or more parcel owners or their proxies, or a combination thereof; and
 - (B) Assessments may be imposed that, if unpaid, may become a lien on the parcel.

SECTION 3. Section 421J-4, Hawaii Revised Statutes, is amended to read as follows:

“§421J-4 Proxies. (a) A proxy shall be in writing and shall be valid for only a specified meeting of the association and any adjournments of that meeting.

(b) A member of the association may give a proxy to any person or the board of directors as an entity, and the proxy may be limited as indicated by the member. No proxy shall be irrevocable unless:

- (1) The proxy is coupled with a financial interest in the unit; or

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- (2) The proxy is held pursuant to a first mortgage of record encumbering a unit or an agreement of sale affecting a unit.

(c) To be valid, a proxy shall:

- (1) Be delivered to the secretary of the association or the managing agent, if any, no later than 4:30 p.m. on the second business day prior to the date of the meeting to which it pertains; and

- (2) Contain at least the name of the association, the date of the meeting of the association, the printed name and signature of the person or persons giving the proxy, the unit or units for which the proxy is given, and the date that the proxy is given[; and].

[(3)] (d) If [it] a proxy is a standard proxy form authorized by the association, the proxy shall contain boxes wherein the owner [has indicated] may indicate that the proxy is given:

[(A)] (1) For quorum purposes only;

[(B)] (2) To the individual whose name is printed on a line next to this box;

[(C)] (3) To the board of directors as a whole and that the vote be made on the basis of the preference of the majority of the directors present at the meeting; or

[(D)] (4) To those directors present at the meeting and the vote to be shared with each board member receiving an equal percentage[-];

provided that if the proxy is returned with no box or more than one of the boxes in paragraphs (1) through (4) checked, the proxy shall be counted for quorum purposes only.

[(d)] (e) Any board of directors that intends to use association funds to distribute proxies that include the election of directors shall first post notice of its intent to distribute proxies in prominent locations within the project at least twenty-one days prior to its distribution of proxies; provided that if the board receives within seven days of the posted notice a request by any owner for nomination to the board accompanied by a statement, the board shall mail to all owners either:

- (1) A proxy form containing the names of all owners who have requested nomination to the board accompanied by their statements; or

- (2) A proxy form containing no names, but accompanied by a list of names of all owners who have requested nomination to the board and their statements.

The statement shall be limited to black text on white paper and shall indicate the owner's qualifications to serve on the board or reasons for wanting to receive proxies. If the board's notice of intent to distribute proxies states that the statement shall not exceed one hundred words, but a longer statement shall be available on the Internet, then: the owner may provide a written statement, not to exceed one hundred words, together with a longer statement in an electronic file not to exceed one hundred kilobytes; and the mailing of the written statements by the association shall include an internet link informing owners that longer statements shall be available on the Internet. In all other instances, the statement shall not exceed one single-sided eight and one-half inches by eleven inches page and the association shall not be required to make a longer statement available on the Internet.

[(e)] (f) Nothing in this section shall affect the holder of any proxy under a first mortgage of record encumbering an apartment or under an agreement of sale affecting an apartment.

[(f)] (g) Nothing in this section shall prohibit the use of proxies for filling vacancies that occur after the notice of the annual meeting has been distributed.

[~~(g)~~] (h) No managing agent or resident manager, or employee thereof, shall solicit, for use by the managing agent or resident manager, any proxies from any member of the association that retains the managing agent or employs the resident manager, nor shall the managing agent or resident manager cast any proxy vote at any association meeting except for the purpose of establishing a quorum."

SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2017.

(Approved July 5, 2017.)

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H.B. NO. 607

A Bill for an Act Relating to Kupuna Care.

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

SECTION 1. The legislature finds that the State must find new ways to accommodate a broader range of home- and community-based long-term care options for Hawaii's rapidly growing elderly population. According to 2015 population data from the department of business, economic development, and tourism, there are 236,914 persons, or 16.5 per cent of the population, 65 years and older in Hawaii. The percentage of this population is projected to rise to 19.4 per cent by 2020 and 23 per cent by 2030.

The legislature further finds that family caregivers play a major role in the State's health care system by providing long-term care to the elderly. According to AARP, there are 154,000 unpaid family caregivers in Hawaii, with the average caregiver being a 62-year-old married woman who cares for an elderly parent or husband while still working. Caregiving for an elderly family member takes a toll on caregivers, and care recipients often worry they will become a burden on family members. Numerous studies show that caregivers report higher levels of psychological distress, and caring for elderly family members over extended periods of time without compensation can lead to chronic stress. In some instances, adult children who work on the mainland may have to return to Hawaii to live and abandon their careers in the process, to care for their parents at home because it is the only alternative to expensive institutional care. If children already live in Hawaii, they often have to quit their jobs to stay home to care for aging parents, which may result in financial disaster for the family and a loss of tax revenue for the State. While caregivers play a critical role in helping others, it is imperative that caregivers take care of themselves and have the necessary support and services to sustain their own health as well as the health of the family member for whom they are caring.

The purpose of this Act is to:

- (1) Authorize the executive office on aging to establish the kupuna caregivers program to assist community members in obtaining care for elders while remaining in the workforce;

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- (2) Clarify which kupuna services and supports under the kupuna care program shall be provided by area agencies within the kupuna care program; and
- (3) Appropriate funds for the establishment and implementation of the kupuna caregivers program.

SECTION 2. Chapter 349, Hawaii Revised Statutes, is amended by adding two new sections to part II to be appropriately designated and to read as follows:

“§349-A Definitions. Unless the context clearly requires a different meaning, when used in this part:

“Activities of daily living” means the following activities that individuals perform as a part of daily living: eating, dressing, bathing, toileting, transferring in and out of a bed or chair, and walking.

“Adult day care” means personal care for dependent elders in a supervised, protective, and congregate setting during some portion of a day. Services offered in conjunction with adult day care include social and recreational activities, training, and counseling.

“Aging and disability resource centers” means an entity established by the State as part of the state system of long-term care, serving as a highly visible and trusted source where people of all incomes and ages can get information on the full range of long-term support options, and a single point of entry for access to public long-term support programs and benefits.

“Area agency on aging” means an agency designated by the executive office on aging to develop and administer the area plan for a comprehensive and coordinated system of aging services.

“Assisted transportation” means assistance and transportation, including escort, for a person who has cognitive or physical difficulties using regular vehicular transportation.

“Attendant care” means stand-by assistance, supervision, or cues, including verbal prompts for medication, bathing, eating, grooming, and dressing, and may include other activities to help maintain the independence of an individual at home. “Attendant care” does not include physical contact in support, including but not limited to weight-bearing assistance with transfers, washing, bathing, and dressing.

“Care coordination” means a person-centered, assessment-based, interdisciplinary approach to integrating health care and social support services that are tailored to an individual’s needs and goals across all care services.

“Care recipient” means an individual who:

- (1) Is a citizen of the United States or a qualified alien; provided that for the purposes of this paragraph, “qualified alien” means a lawfully admitted permanent resident under the Immigration and Nationality Act;
- (2) Is sixty years of age or older;
- (3) Is not covered by any comparable government or private home- and community-based care service, except or excluding kupuna care services;
- (4) Does not reside in a long-term care facility, such as an intermediate care facility, assisted living facility, skilled nursing facility, hospital, foster family home, community care foster family home, adult residential care home, or expanded adult residential care home; and
- (5) Has impairments of at least:
 - (A) Two activities of daily living;

- (B) Two instrumental activities of daily living;
- (C) One activity of daily living and one instrumental activity of daily living; or
- (D) Substantive cognitive impairment requiring substantial supervision because the individual behaves in a manner that poses a serious health or safety hazard to the individual or another person.

“Case management” means assistance either in the form of access or care coordination in circumstances where an individual is experiencing diminished functioning capacities, personal conditions, or other characteristics that require the provision of services by formal service providers or family caregivers. Activities of case management may include assessing needs, developing care plans, authorizing and coordinating services among providers, and providing follow-up and reassessment, as required.

“Chore” means assistance such as heavy housework, yard work, or sidewalk maintenance for a person.

“Coach” means an individual who:

- (1) Helps the care recipient understand the program of participant-directed services and support;
- (2) Develops and implements a spending plan to describe how the care recipient will spend the care recipient’s budget; and
- (3) Evaluates whether the participant-directed service and support program is meeting the care recipient’s needs.

“Family caregivers” means a spouse, adult child, other relative, partner, or friend who has a personal relationship with, and provides a broad range of unpaid assistance for an older adult with a chronic or disabling condition.

“Home-delivered meals” means a meal provided to a care recipient in the care recipient’s place of residence; provided that the meal is served in a program administered by the executive office on aging or an area agency on aging and meets all of the requirements of the Older Americans Act of 1965, as amended, and all state and local laws.

“Homemaker services” means assistance with preparing meals, shopping for personal items, managing money, using the telephone, or performing light housework.

“Instrumental activities of daily living” means the following instrumental activities that individuals perform as a part of daily living: preparing meals, shopping for personal items, medication management, managing money, using the telephone, performing light housework, performing heavy housework, and making use of available transportation.

“Kupuna care core services” means services consisting of:

- (1) Adult day care;
- (2) Attendant care;
- (3) Case management;
- (4) Chores;
- (5) Homemaker services;
- (6) Home-delivered meals;
- (7) Personal care;
- (8) Transportation; or
- (9) Assisted transportation.

“Personal care” means personal assistance, stand-by assistance, supervision, or cues.

“Person-centered planning” means a process, directed by the care recipient, intended to identify the strengths, capacities, preferences, needs, and desired outcomes of the care recipient.

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“Person-centered support plan” or “support plan” means a plan developed by a care recipient with the assistance of a coach that allows the care recipient to establish the goals, skills, and knowledge necessary to work toward the desired outcomes and lays out practical steps toward the achievement of the goals; provided that family members and friends may provide assistance in developing a care recipient’s plan if the care recipient chooses to include them.

“Qualified caregiver” means an individual who meets the following requirements:

- (1) Provides care for a care recipient; and
- (2) Is employed at least thirty hours per week by one or more employers.

“Respite care” means services that offer temporary, substitute supports, or living arrangements for care recipients to provide a brief period of rest to qualified caregivers. “Respite care” includes:

- (1) In-home respite (personal care, homemaker services, and other in-home respite);
- (2) Respite provided by attendance of the care recipient at a nonresidential program;
- (3) Institutional respite provided by placing the care recipient in an institutional setting such as a nursing home for a short period of time as a respite service to the caregiver; and
- (4) Any combination of services to assist the caregiver as deemed appropriate by the area agency on aging.

“Service provider” means an entity that has all required licenses or certificates, and is registered as a business entity in the State.

“Transportation” means transportation from one location to another with a vehicle and does not include any other activity.

§349-B Kupuna caregivers program. (a) The executive office on aging may establish the kupuna caregivers program. The program shall provide assistance to a qualified caregiver who meets the requirements of this section.

(b) The program shall be coordinated and administered by the executive office on aging and implemented through the area agency on aging.

(c) The kupuna caregivers program shall award an allocation of funds, subject to the availability of funding and up to a maximum of \$70 per day, to cover costs for the following services that would otherwise be performed by the qualified caregiver for the care recipient:

- (1) Adult day care;
- (2) Assisted transportation;
- (3) Chores;
- (4) Home-delivered meals;
- (5) Homemaker services;
- (6) Personal care;
- (7) Respite care; or
- (8) Transportation;

provided that the allocated funds shall be issued directly to the service provider upon request and receipt of an invoice for services rendered.

(d) The director may adopt rules pursuant to chapter 91 necessary for the purposes of this section.”

SECTION 3. Chapter 349, Hawaii Revised Statutes, part II, is amended by amending its title to read as follows:

"[PART II.] KUPUNA CARE AND CAREGIVER SUPPORT SERVICES"

SECTION 4. Section 349-3.1, Hawaii Revised Statutes, shall be appropriately renumbered and included in part II of chapter 349, Hawaii Revised Statutes, and amended to read as follows:

"[§349-3.1] §349- Kupuna care program. (a) The executive office on aging may establish the kupuna care program. The program shall provide [affordable and quality home and community based services;] long-term services and supports to address the needs of Hawaii's older adults and their desire to remain in their own homes and communities as they age.

(b) The program [may be provided in every county as a function of the aging and disability resource centers;] shall be coordinated and administered by the executive office on aging and implemented through the area agencies on aging.

(c) The kupuna care program shall be delivered through two distinct service options: traditional service delivery or participant-directed services and support, based on an individual support plan for each eligible care recipient; provided that:

(1) Traditional service delivery shall be a service provider organization or person who provides services to clients under a formal contractual arrangement with the executive office on aging or area agency on aging who shall deliver to each care recipient one or more kupuna care core services to address the care recipient's specific needs that have been identified in the care recipient's person-centered support plan; and

(2) Participant-directed services and support shall address the care recipient's assessed needs that have been identified through the person-centered planning process and documented in the support plan. Participant-directed services and support shall consist of long-term services and supports that a care recipient uses to maintain independence in the community, in which the care recipient determines what mix of services and support will address the care recipient's needs. The care recipient shall have decision-making authority over the care recipient's budgeted dollar amount to purchase and manage the needed services and supports based upon the care recipient's person-centered support plan. Participant-directed services and support shall provide the care recipient with a coach to assist the care recipient with using the services and support in a manner that best supports the care recipient's ability to maintain independence and enable a quality living experience in the community.

(d) To qualify for the kupuna care program, an individual shall be a care recipient as defined in section 349-A.

(e) An area agency on aging, through the aging and disability resource center or other entity designated by the executive office on aging, shall conduct an intake and assessment of individuals seeking long-term services and supports to determine eligibility for the program. The intake and assessment shall include the following:

(1) A statewide uniform intake process developed with and adopted by the executive office on aging to preliminarily determine eligibility for publicly funded services and supports, including kupuna care services; and

(2) An assessment of the eligible care recipient utilizing a statewide, uniform comprehensive in-home assessment, if necessary. Upon

completion of the in-home assessment, the care recipient develops a written individualized person-centered support plan with:

- (A) The assistance of a coach in the preparation of the support plan; and
- (B) Participation from family, friends, and others, if the care recipient desires such additional assistance.

The support plan identifies all the services and supports needed or currently used to meet the care recipient's needs, both formal and informal, including those provided by other programs such as medicaid or private paid programs. The plan shall be reviewed with the care recipient to confirm that it is the plan the care recipient desires.

(f) An area agency on aging shall use the assessment data and individual's support plan to confirm kupuna care program eligibility, then authorize and coordinate services and supports. An area agency on aging shall directly authorize and allot kupuna care services, and shall not delegate the service authorization function to its subcontractors.

(g) An individual shall be determined to be ineligible for kupuna care services when:

- (1) An individual does not meet the eligibility requirements specified;
- (2) An individual need is not substantiated through an in-home assessment;
- (3) An individual leaves the State or the individual's whereabouts are unknown; or
- (4) An individual refuses services.

(h) An area agency on aging shall provide an individual with written notice of the disposition of the request for kupuna care services.

(i) An individual who has been determined ineligible for kupuna care services shall have the opportunity to appeal the decision to the director of the executive office on aging within ninety days after the date of notice of the area agency on aging's written disposition. The director of the executive office on aging's decision on the appeal shall be issued in writing and shall be final.

(j) Prior to termination of kupuna care services, service providers shall notify the appropriate contracting area agency on aging of the date and reason for termination. Termination of kupuna care services may occur if the care recipient:

- (1) Moves and the provider is unable to locate the care recipient;
- (2) Is transferred to another area agency on aging;
- (3) Dies;
- (4) No longer needs or wants kupuna care services and supports, or no longer needs or wants a particular kupuna care service or support;
- (5) Is uncooperative with the service provider;
- (6) Is noncompliant with the basic requirements of the program;
- (7) Engages in behavior that threatens or demonstrates violence toward the service provider;
- (8) Is placed or resides in a long-term care facility, such as an intermediate care facility, assisted living facility, skilled nursing facility, hospital, community care foster care home, foster family home, adult residential care home, or expanded adult residential care home;
- (9) Uses comparable services from other programs; or
- (10) Has a communicable disease that threatens the safety and welfare of the service provider.

(k) All area agencies on aging shall record all consumer data, assessments, and service delivery within a statewide consolidated database.

[e] As used in this section, unless the context otherwise requires:

"Aging and disability resource centers" means an entity established by the State as part of the state system of long-term care, serving as a highly visible and trusted source where people of all incomes and ages can get information on the full range of long term support options, and a single point of entry for access to public long term support programs and benefits.

"Family caregivers" means a spouse, adult child, other relative, partner, or friend who has a personal relationship with, and provides a broad range of unpaid assistance for an older adult with a chronic or disabling condition.

(d) (1) The director [shall] may adopt rules pursuant to chapter 91 necessary for the purposes of this section."

SECTION 5. Until rules pertaining to the kupuna caregivers program are adopted by the director of health, should the director of health choose to do so, the existing rules pertaining to the kupuna care program may be used as guidance, when appropriate, for the kupuna caregivers program.

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$600,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the establishment and implementation of the kupuna caregivers program.

The sum appropriated shall be expended by the executive office on aging for the purposes of this Act.

SECTION 7. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 9. This Act shall take effect on July 1, 2017.

(Approved July 6, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 103

H.B. NO. 615

A Bill for an Act Relating to the Healthy Aging Partnership Program.

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

SECTION 1. The legislature finds that the Hawaii healthy aging partnership program was established in 2003 to improve the health status of older adults by empowering residents to make healthy decisions and engage in healthier lifestyles. Since its formation, the healthy aging partnership has successfully adapted evidence-based health promotion programs and disease prevention programs for the multicultural population in Hawaii. Participants who complete workshops offered by the healthy aging partnership feel better, are less limited by their health conditions, and often spend less time at their doctor's office. Because of the many accomplishments of the healthy aging partnership program, the program received the 2013 multicultural aging award from the American Society

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on Aging, bringing further recognition for the program's role in improving the health of Hawaii's diverse aging population.

The legislature further finds that the healthy aging partnership program did not receive funding for fiscal year 2016-2017 and that without funds, the program will close and the executive office on aging will not be able to meet the first goal of the Hawaii State Plan on Aging, which is to strive to maximize opportunities for older adults to age well, remain active, and enjoy life in their communities.

The purpose of this Act is to appropriate funds for the healthy aging partnership program to further the program's important role in improving the health and well-being of Hawaii's kupuna.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the healthy aging partnership program to further the program's important role in improving the health and well-being of Hawaii's kupuna.

The sum appropriated shall be expended by the executive office on aging of the department of health for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2017.

(Approved July 6, 2017.)

ACT 104

S.B. NO. 545

A Bill for an Act Relating to the Festival of Pacific Arts.

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

SECTION 1. The legislature finds that the festival of pacific arts has been held approximately every four years since its founding in 1972, bringing together a delegation of at least two thousand five hundred artists, performers, and cultural practitioners from different nations in Oceania to preserve and perpetuate the arts and culture of their indigenous peoples. The festival of pacific arts is the largest gathering in which Pacific peoples unite to respect and appreciate one another, and during the festival, delegations from twenty-seven Pacific island nations and territories share and exchange their cultures. Visitors from around the world come to the festival of pacific arts to appreciate what the artists, performers, cultural practitioners, and host country have to offer, thereby creating a global market for art, ideas, and products.

The legislature further finds that the first festival of pacific arts was held in Fiji in 1972, followed by New Zealand in 1976, Papua New Guinea in 1980, French Polynesia in 1985, Australia in 1988, the Cook Islands in 1992, Samoa in 1996, New Caledonia in 2000, Palau in 2004, American Samoa in 2008, Solomon Islands in 2012, and Guam in 2016. Hawai'i has finally been selected to host the thirteenth festival of pacific arts in 2020, since Hawai'i delegations have attended every festival since 1976.

The purpose of this Act is to create a temporary commission on the thirteenth festival of pacific arts to plan for the historic event to be held in Honolulu from June 11 to June 27, 2020.

SECTION 2. (a) For the purposes of this Act, the term "commission" means the temporary commission on the thirteenth festival of pacific arts.

- (b) The commission shall be placed within the department of business, economic development, and tourism for administrative purposes.
- (c) The commission shall be composed of the following members:
- (1) The governor or the governor's designee;
- (2) The president of the senate or the president's designee;
- (3) The speaker of the house of representatives or the speaker's designee;
- (4) The director of business, economic development, and tourism or the director's designee;
- (5) The president and chief executive officer of the Hawaii tourism authority or the president and chief executive officer's designee;
- (6) The chief executive officer of the office of Hawaiian affairs or the chief executive officer's designee;
- (7) The mayor of the city and county of Honolulu or the mayor's designee; and
- (8) Two members of the community preferably with experience in cultural and international festivals to be appointed by the governor.
- (d) The commission shall select one of its members to serve as chairperson.
- (e) The members of the commission shall serve without compensation but shall be reimbursed for expenses, including travel expenses, necessary for the performance of their duties.

SECTION 3. The commission:

- (1) Shall serve as the coordinating agency for all state-sponsored and other celebration events staged during the celebration period as designated by the chairperson to assure activities planned are timely and appropriate to commemorate the thirteenth festival of pacific arts;
- (2) Shall solicit funding from private and public sources for the purposes of paragraph (1);
- (3) May accept appropriations from the State, counties, foreign governments, intergovernmental agencies, and non-governmental agencies for the purposes of paragraph (1);
- (4) May accept donations of money and personal property from private and public sources; provided that all such donations are recorded and appropriately accounted for; and
- (5) Shall submit a report of its activities and proposed activities, plans, and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2018.

SECTION 4. The commission shall cease to exist on June 30, 2021.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the commission to plan for the festival of pacific arts to be held in Honolulu from June 11 to June 27, 2020.

The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

SECTION 6. This Act shall take effect on July 1, 2017.

(Approved July 6, 2017.)

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ACT 105

H.B. NO. 1420

A Bill for an Act Relating to Filipino Veterans Burial Assistance.

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

SECTION 1. During World War II, the Philippines was a commonwealth of the United States. Nearly one hundred thousand soldiers of the Philippine Commonwealth Army fought alongside United States and Allied forces for four long years to defend and reclaim the Philippine islands from foreign aggression. Valiant Filipino soldiers fought, suffered, and died in some of the bloodiest battles of World War II, defending beleaguered Bataan and Corregidor, and thousands of Filipino prisoners of war endured the infamous Bataan Death March and years of captivity.

The sacrifices of Filipino soldiers played a vital role in the Allied victory in the Pacific as their numerous guerrilla actions provided United States forces with time to build and prepare for the Allied counterattack. Filipino soldiers fought side-by-side with United States forces to secure their island nation as the strategic base from which the Allied forces launched their final effort to bring an end to World War II.

Although Filipino soldiers exhibited tremendous courage and risked their lives to win the war in the Pacific, many of these soldiers were denied full veterans benefits, including burial benefits, which had been promised to them by the United States.

While Filipino soldiers meeting specific requirements were eventually provided with burial benefits at national and state veterans cemeteries at no cost, similar to other veterans of the United States Armed Forces, the wish of some Filipino soldiers who were living in Hawaii was that their remains be returned to their homeland. However, this benefit of returning the remains of Filipino soldiers to their homeland for burial was not provided to them.

Many Filipino veterans have unsuccessfully petitioned for decades to have their relatives granted residence in Hawaii. These veterans are elderly and, with each passing year, the veterans are dying in Hawaii without the comfort of family members at their side. Furthermore, the cost of transporting their remains for burial in the Philippines increases as time passes. Accordingly, the legislature provided for burial grants to be given to qualifying Filipino veterans to honor their final wishes and assist with the return of their remains to their homeland for burial.

The Veterans Administration currently pays the full cost of burial benefits for World War II veterans; however, federal law fails to address the costs of transporting the remains of Filipino veterans to, and burial services in, the Philippines. House Concurrent Resolution No. 23, which was adopted by the legislature in 2016, requested Congress to amend the federal law to cover the costs of transporting the remains of eligible Filipino-American veterans of World War II to the Philippines and for burial services in the Philippines. However, as of this date, Congress has not taken any action in this regard. Although burial grants for Filipino veterans are statutorily established under chapter 363, Hawaii Revised Statutes, the office of veterans services has acknowledged that funding for the provision of these grants has been non-existent. As the number of surviving World War II Filipino veterans continues to dwindle, it is important that their sacrifices be recognized and their final wishes of being buried in their homeland be granted as many of these veterans only have family who reside in the Philippines.

The purpose of this Act is to appropriate funds to the office of veterans services for the provision of burial grants for Filipino-American veterans of World War II; provided that:

- (1) Federal funds remain unavailable;
- (2) There remain eligible Filipino-American veterans living in the State; and
- (3) The funds are matched on a one-to-one basis with private funds.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$50,000 or so much thereof as may be necessary for fiscal year 2017-2018 for burial grants for Filipino-American veterans of World War II, which cover funeral and burial costs, including the cost of returning their remains to the Philippines for burial; provided that:

- (1) Federal funding remains unavailable for this purpose;
- (2) There remain eligible Filipino-American veterans living in the State; and
- (3) The appropriation shall be matched on a one-to-one basis from private sources.

The sum appropriated shall be expended by the office of veterans services for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

ACT 106

H.B. NO. 561

A Bill for an Act Relating to Dentistry.

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

SECTION 1. The legislature finds that Hawaii has a culture of respecting medical professionals, including dentists, and many consumers are reluctant to challenge the qualifications of health care practitioners who hold themselves out to be licensed and duly qualified. Furthermore, concerns about a health care practitioner may arise once a consumer has begun receiving treatment and the consumer may not know where to seek information regarding the practitioner's licensing status or how to access prior complaint history.

The legislature further finds that the administration of general anesthesia, deep sedation, or moderate (conscious) sedation during routine dental procedures is a matter that requires greater oversight than is currently required. While the administration of such drugs can be done safely as part of a routine dental procedure, it is important that the facilities, equipment, and staffing of a dental practice that administers these drugs are adequately equipped to respond to a patient who may experience medical complications during a procedure. Safety of patients is always of paramount concern, but is especially important when the patients involved are small children, whose age and size render them especially vulnerable to large doses of anesthesia or sedatives.

The legislature additionally finds that if better standards had been in place, the tragic death of three-year old dental patient Finley Boyle could have been prevented. In December of 2013, Finley went to a dentist in Kailua and received the maximum dose of five different sedative drugs. Subsequently, she stopped breathing and suffered a heart attack and brain damage. She died in hospice a few weeks later. The dentist in question lacked any formal training in

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administering oral sedatives to a child, but advertised her dental practice as being one "for children".

The legislature notes that the current administrative rules of the board of dental examiners authorize the board to conduct an inspection and evaluation of the facilities, equipment, and personnel of those applying for a written authorization or permit to administer general anesthesia, deep sedation, or moderate (conscious) sedation, but the rules do not make such inspections mandatory.

The purpose of this Act is to:

- (1) Require that every dental office in which general anesthesia, deep sedation, or moderate (conscious) sedation is administered display and keep in a conspicuous place a notice containing contact information for the consumer resource center of the department of commerce and consumer affairs' regulated industries complaints office, so that consumers can verify that the dentist is licensed and holds a current and valid written authorization or permit to administer anesthesia or perform sedation, request prior complaint history on a dentist or dental licensee, or file a complaint against a dentist or dental licensee, and that information on the special privilege accorded to a dentist to administer anesthesia or sedation is reported by the consumer resource center upon request;
- (2) Specify the requirements a licensed dentist must meet to administer general anesthesia, deep sedation, or moderate (conscious) sedation, including the requirements that must be met prior to receiving a written authorization or permit for the administration of anesthesia or sedation; and
- (3) Require the board of dental examiners to perform an on-site inspection of the facility, equipment, and personnel of a licensed dentist prior to the issuance or renewal of a written authorization or permit to administer general anesthesia, deep sedation, or moderate (conscious) sedation, including a requirement that a licensed dentist show proof of the dentist's written authorization or permit and resuscitation plan.

SECTION 2. Chapter 448, Hawaii Revised Statutes, is amended by adding three new sections to be appropriately designated and to read as follows:

“§448-A Notice to consumers. Every dentist who:

- (1) Is engaged in the practice of dentistry; and
- (2) Administers general anesthesia, deep sedation, or moderate (conscious) sedation,

shall display and keep in a conspicuous place at the dentist's place of business a notice no smaller than eight and one-half inches by eleven inches. The notice shall explain that any person may contact the consumer resource center of the department of commerce and consumer affairs' regulated industries complaints office to verify that the dentist is licensed and holds a current and valid written authorization or permit to administer anesthesia or perform sedation, request prior complaint history on a dentist, or file a complaint against a dentist, and that information on the special privilege accorded to a dentist to administer general anesthesia, deep sedation, or moderate (conscious) sedation is reported by the consumer resource center upon request. The notice shall include all available contact information for the consumer resource center, including a telephone number. The text of all information contained in the notice shall be in a font size no smaller than one-half inch. A dentist who fails to ensure the continuous display of such a notice shall be subject to the penalties provided in this chapter.

§448-B Administration of general anesthesia and sedation; requirements.

(a) A licensed dentist shall administer general anesthesia and sedation consistent with the current guidelines and recommendations of the American Dental Association Guidelines for the Use Of Sedation and General Anesthesia by Dentists; provided that for pediatric patients, a licensed dentist shall follow the American Academy of Pediatrics and American Academy of Pediatric Dentistry Guidelines for Monitoring and Management of Pediatric Patients During and After Sedation for Diagnostic and Therapeutic Procedures.

(b) No licensed dentist shall administer or employ another person, such as a physician or nurse anesthetist, who is otherwise qualified in this State to administer general anesthesia, deep sedation, or moderate (conscious) sedation for dental patients, unless the licensed dentist possesses a written authorization or permit from the board.

(c) A licensed dentist intending to produce a given level of sedation shall have the capability to rescue patients whose level of sedation becomes deeper than initially intended.

(d) Prior to receiving a written authorization or permit from the board to administer general anesthesia, deep sedation, or moderate (conscious) sedation, a licensed dentist shall apply to the board, pay an application fee, and submit the following:

- (1) Proof of completion of the following educational training requirements:
 - (A) For general anesthesia and deep sedation:
 - (i) The applicant has completed an advanced dental education program, accredited by the Commission on Dental Accreditation and approved by the board, that provides comprehensive training necessary to administer deep sedation or general anesthesia and includes documented proficiency in Basic Life Support for Healthcare Providers and Advanced Cardiac Life Support or Pediatric Advanced Life Support as required pursuant to rules adopted by the board; and
 - (ii) Evidence of the comprehensive training required under clause (i) includes but is not limited to: being a diplomate of the American Board of Oral and Maxillofacial Surgery; a fellow or member of the American Association of Oral and Maxillofacial Surgeons; or completion of an American Dental Association-accredited residency in Oral and Maxillofacial Surgery or Dental Anesthesiology, and practicing in compliance with that training;
 - (B) For moderate (conscious) sedation:
 - (i) The applicant has completed a comprehensive training program at the postgraduate level that meets the moderate (conscious) sedation program objectives and content as outlined in the current American Dental Association Guidelines for Teaching Pain Control and Sedation to Dentists and Dental Students; and
 - (ii) The training program required under clause (i) shall be a minimum of sixty hours of instruction, include supervised management of at least twenty moderate (conscious) sedation patients with clinical experience in managing the compromised airway and establishment of intravenous access, and provide current documented proficiency in Basic Life Support for Healthcare Pro-

- viders and Advanced Cardiac Life Support or Pediatric Advanced Life Support as required pursuant to rules adopted by the board; and
- (C) A dentist administering general anesthesia or moderate sedation shall be required to complete the Advanced Cardiac Life Support course or, if treating pediatric patients, the Pediatric Advanced Life Support course; provided that both courses shall be completed if the dentist is treating pediatric patients and minors thirteen years or older;
- (2) In lieu of the requirements of paragraph (1)(A) and (B), proof that the licensed dentist employs or works in conjunction with a physician who specializes in anesthesiology and is licensed pursuant to chapter 453, or a certified registered nurse anesthetist, who holds a license in good standing pursuant to chapter 457; provided that the physician who specializes in anesthesiology or certified registered nurse anesthetist shall remain on the premises of the dental facility until the patient is fully recovered and discharged from the facility; and
- (3) Proof of the following facility and staff requirements: The applicant has a properly equipped facility for the administration of general anesthesia, deep sedation, or moderate (conscious) sedation staffed with a supervised team of auxiliary personnel capable of reasonably handling anesthesia procedures, problems, and emergencies incident to the administration of general anesthesia, deep sedation, or moderate (conscious) sedation; provided that the current version of the American Dental Association's Guidelines for the Use of Sedation and General Anesthesia by Dentists and the most current edition of the American Association of Oral and Maxillofacial Surgeons' Office Anesthesia Evaluation Manual are referenced as minimum standards of care; provided further that adequacy of the facility and competence of the anesthesia team may be determined by the consultants appointed by the board pursuant to section 448-C(a), and as provided in rules adopted by the board.
- (e) A licensed dentist who has received a written authorization or permit pursuant to this section to administer or employ a qualified person to administer general anesthesia, deep sedation, or moderate (conscious) sedation shall renew the authorization or permit biennially and pay a biennial fee. As a condition of renewal, the licensed dentist shall show proof of the dentist's written authorization or permit issued pursuant to this section and resuscitation plan.
- (f) The board may, at any time, reevaluate the credentials, facilities, equipment, personnel, and procedures of a licensed dentist who has previously received a written authorization or permit from the board to determine if the dentist is still qualified to have a written authorization or permit. If the board determines that the licensed dentist is no longer qualified to have a written authorization or permit, it may revoke or refuse to renew the authorization or permit, after an opportunity for a hearing is given to the licensed dentist.

§448-C Inspection of facilities, equipment, and personnel. (a) Prior to the issuance or renewal of a written authorization or permit pursuant to section 448-B, the board shall, in addition to other requirements established by statute or administrative rule, require an on-site inspection of the facility, equipment, and personnel to determine whether the facility and staff requirements pursuant to section 448-B(d) have been met. The inspection to determine whether the

facility is adequate and properly equipped may be carried out in a manner that generally follows the guidelines, standards, requirements, and basic principles as described in the most current edition of the American Association of Oral and Maxillofacial Surgeons' Office Anesthesia Evaluation Manual. The inspection and evaluation shall be carried out by a team of consultants appointed by the board.

(b) Written authorizations and permits subject to section 448-B shall be issued only to those applicants whose facilities, equipment, and personnel have been deemed adequate pursuant to this section."

SECTION 3. No later than July 1, 2018, the board of dental examiners shall adopt rules, pursuant to chapter 91, Hawaii Revised Statutes, to effectuate the purposes of this Act.

SECTION 4. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 5. New statutory material is underscored.¹

SECTION 6. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 107

H.B. NO. 209

A Bill for an Act Relating to Taxation.

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

PART I

SECTION 1. Chapter 235, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§235- Earned income tax credit. (a) Each qualifying individual taxpayer may claim a nonrefundable earned income tax credit. The tax credit, for the appropriate taxable year, shall be twenty per cent of the federal earned income tax credit allowed and properly claimed under section 32 of the Internal Revenue Code and reported as such on the individual's federal income tax return.

(b) For a part-year resident, the tax credit shall equal the amount of the tax credit calculated in subsection (a) multiplied by the ratio of Hawaii adjusted gross income to federal adjusted gross income.

(c) For purposes of this section, "qualifying individual taxpayer" means a taxpayer that:

- (1) Files a federal income tax return for the taxable year claiming the earned income tax credit under section 32 of the Internal Revenue Code; and
- (2) Files a Hawaii income tax return using the filing status used on the federal income tax return for the taxable year and claiming the same

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dependents claimed on the federal income tax return for the taxable year.

(d) The credit allowed under this section shall be claimed against the net income tax liability for the taxable year. If the tax credit under this section exceeds the taxpayer's income tax liability, the excess of the tax credit over liability may be used as a credit against the taxpayer's net income tax liability in subsequent years until exhausted. All claims, including amended claims, for a tax credit under this section shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit.

(e) No credit shall be allowed under this section for any taxable year in the disallowance period. For purposes of this subsection, the disallowance period is:

- (1) The period of ten taxable years after the most recent taxable year for which there was a final administrative or judicial decision that the taxpayer's claim for credit under this section was due to fraud; and
 - (2) The period of two taxable years after the most recent taxable year for which there was a final administrative or judicial decision disallowing the taxpayer's claim for credit.
- (f) The director of taxation:
- (1) Shall prepare any forms necessary to claim a tax credit under this section;
 - (2) May require proof of the claim for the tax credit;
 - (3) Shall alert eligible taxpayers of the tax credit using appropriate and available means;
 - (4) Shall prepare an annual public report to the legislature and the governor containing the:
 - (A) Number of credits granted for the prior calendar year;
 - (B) Total amount of the credits granted; and
 - (C) Average value of the credits granted to taxpayers whose earned income falls within various income ranges; and
 - (5) May adopt rules pursuant to chapter 91 to effectuate this section.
- (g) This section shall apply to taxable years beginning after December 31, 2017, but shall not apply to taxable years beginning after December 31, 2022."

PART II

SECTION 2. Section 235-51, Hawaii Revised Statutes, is amended by amending subsections (a), (b), and (c) to read as follows:

"(a) There is hereby imposed on the taxable income of (1) every taxpayer who files a joint return under section 235-93; and (2) every surviving spouse a tax determined in accordance with the following table:

In the case of any taxable year beginning after December 31, 2001:

If the taxable income is:	The tax shall be:
Not over \$4,000	1.40% of taxable income
Over \$4,000 but not over \$8,000	\$56.00 plus 3.20% of excess over \$4,000
Over \$8,000 but not over \$16,000	\$184.00 plus 5.50% of excess over \$8,000
Over \$16,000 but not over \$24,000	\$624.00 plus 6.40% of excess over \$16,000

Over \$24,000 but not over \$32,000	\$1,136.00 plus 6.80% of excess over \$24,000
Over \$32,000 but not over \$40,000	\$1,680.00 plus 7.20% of excess over \$32,000
Over \$40,000 but not over \$60,000	\$2,256.00 plus 7.60% of excess over \$40,000
Over \$60,000 but not over \$80,000	\$3,776.00 plus 7.90% of excess over \$60,000
Over \$80,000	\$5,356.00 plus 8.25% of excess over \$80,000.

In the case of any taxable year beginning after December 31, 2006:

If the taxable income is:	The tax shall be:
Not over \$4,800	1.40% of taxable income
Over \$4,800 but not over \$9,600	\$67.00 plus 3.20% of excess over \$4,800
Over \$9,600 but not over \$19,200	\$221.00 plus 5.50% of excess over \$9,600
Over \$19,200 but not over \$28,800	\$749.00 plus 6.40% of excess over \$19,200
Over \$28,800 but not over \$38,400	\$1,363.00 plus 6.80% of excess over \$28,800
Over \$38,400 but not over \$48,000	\$2,016.00 plus 7.20% of excess over \$38,400
Over \$48,000 but not over \$72,000	\$2,707.00 plus 7.60% of excess over \$48,000
Over \$72,000 but not over \$96,000	\$4,531.00 plus 7.90% of excess over \$72,000
Over \$96,000	\$6,427.00 plus 8.25% of excess over \$96,000.

In the case of any taxable year beginning after December 31, 2017:

If the taxable income is:	The tax shall be:
Not over \$4,800	1.40% of taxable income
Over \$4,800 but not over \$9,600	\$67.00 plus 3.20% of excess over \$4,800
Over \$9,600 but not over \$19,200	\$221.00 plus 5.50% of excess over \$9,600
Over \$19,200 but not over \$28,800	\$749.00 plus 6.40% of excess over \$19,200
Over \$28,800 but not over \$38,400	\$1,363.00 plus 6.80% of excess over \$28,800
Over \$38,400 but not over \$48,000	\$2,016.00 plus 7.20% of excess over \$38,400
Over \$48,000 but not over \$72,000	\$2,707.00 plus 7.60% of excess over \$48,000
Over \$72,000 but not over \$96,000	\$4,531.00 plus 7.90% of excess over \$72,000
Over \$96,000 but not over \$300,000	\$6,427.00 plus 8.25% of excess over \$96,000
Over \$300,000 but not over \$350,000	\$23,257.00 plus 9.00% of excess over \$300,000
Over \$350,000 but not over \$400,000	\$27,757.00 plus 10.00% of excess over \$350,000

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<u>Over \$400,000</u>	<u>\$32,757.00 plus 11.00% of excess over \$400,000.</u>
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(b) There is hereby imposed on the taxable income of every head of a household a tax determined in accordance with the following table:

In the case of any taxable year beginning after December 31, 2001:

If the taxable income is:	The tax shall be:
Not over \$3,000	1.40% of taxable income
Over \$3,000 but not over \$6,000	\$42.00 plus 3.20% of excess over \$3,000
Over \$6,000 but not over \$12,000	\$138.00 plus 5.50% of excess over \$6,000
Over \$12,000 but not over \$18,000	\$468.00 plus 6.40% of excess over \$12,000
Over \$18,000 but not over \$24,000	\$852.00 plus 6.80% of excess over \$18,000
Over \$24,000 but not over \$30,000	\$1,260.00 plus 7.20% of excess over \$24,000
Over \$30,000 but not over \$45,000	\$1,692.00 plus 7.60% of excess over \$30,000
Over \$45,000 but not over \$60,000	\$2,832.00 plus 7.90% of excess over \$45,000
Over \$60,000	\$4,017.00 plus 8.25% of excess over \$60,000.

In the case of any taxable year beginning after December 31, 2006:

If the taxable income is:	The tax shall be:
Not over \$3,600	1.40% of taxable income
Over \$3,600 but not over \$7,200	\$50.00 plus 3.20% of excess over \$3,600
Over \$7,200 but not over \$14,400	\$166.00 plus 5.50% of excess over \$7,200
Over \$14,400 but not over \$21,600	\$562.00 plus 6.40% of excess over \$14,400
Over \$21,600 but not over \$28,800	\$1,022.00 plus 6.80% of excess over \$21,600
Over \$28,800 but not over \$36,000	\$1,512.00 plus 7.20% of excess over \$28,800
Over \$36,000 but not over \$54,000	\$2,030.00 plus 7.60% of excess over \$36,000
Over \$54,000 but not over \$72,000	\$3,398.00 plus 7.90% of excess over \$54,000
Over \$72,000	\$4,820.00 plus 8.25% of excess over \$72,000.

In the case of any taxable year beginning after December 31, 2017:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$3,600</u>	<u>1.40% of taxable income</u>
<u>Over \$3,600 but not over \$7,200</u>	<u>\$50.00 plus 3.20% of excess over \$3,600</u>
<u>Over \$7,200 but not over \$14,400</u>	<u>\$166.00 plus 5.50% of excess over \$7,200</u>
<u>Over \$14,400 but not over \$21,600</u>	<u>\$562.00 plus 6.40% of excess over \$14,400</u>

<u>Over \$21,600 but not over \$28,800</u>	\$1,022.00 plus 6.80% of excess over \$21,600
<u>Over \$28,800 but not over \$36,000</u>	\$1,512.00 plus 7.20% of excess over \$28,800
<u>Over \$36,000 but not over \$54,000</u>	\$2,030.00 plus 7.60% of excess over \$36,000
<u>Over \$54,000 but not over \$72,000</u>	\$3,398.00 plus 7.90% of excess over \$54,000
<u>Over \$72,000 but not over \$225,000</u>	\$4,820.00 plus 8.25% of excess over \$72,000
<u>Over \$225,000 but not over \$262,500</u>	\$17,443.00 plus 9.00% of excess over \$225,000
<u>Over \$262,500 but not over \$300,000</u>	\$20,818.00 plus 10.00% of excess over \$262,500
<u>Over \$300,000</u>	\$24,568.00 plus 11.00% of excess over \$300,000.

(c) There is hereby imposed on the taxable income of (1) every unmarried individual (other than a surviving spouse, or the head of a household) and (2) on the taxable income of every married individual who does not make a single return jointly with the individual's spouse under section 235-93 a tax determined in accordance with the following table:

In the case of any taxable year beginning after December 31, 2001:

If the taxable income is:	The tax shall be:
Not over \$2,000	1.40% of taxable income
Over \$2,000 but not over \$4,000	\$28.00 plus 3.20% of excess over \$2,000
Over \$4,000 but not over \$8,000	\$92.00 plus 5.50% of excess over \$4,000
Over \$8,000 but not over \$12,000	\$312.00 plus 6.40% of excess over \$8,000
Over \$12,000 but not over \$16,000	\$568.00 plus 6.80% of excess over \$12,000
Over \$16,000 but not over \$20,000	\$840.00 plus 7.20% of excess over \$16,000
Over \$20,000 but not over \$30,000	\$1,128.00 plus 7.60% of excess over \$20,000
Over \$30,000 but not over \$40,000	\$1,888.00 plus 7.90% of excess over \$30,000
Over \$40,000	\$2,678.00 plus 8.25% of excess over \$40,000.

In the case of any taxable year beginning after December 31, 2006:

If the taxable income is:	The tax shall be:
Not over \$2,400	1.40% of taxable income
Over \$2,400 but not over \$4,800	\$34.00 plus 3.20% of excess over \$2,400
Over \$4,800 but not over \$9,600	\$110.00 plus 5.50% of excess over \$4,800
Over \$9,600 but not over \$14,400	\$374.00 plus 6.40% of excess over \$9,600
Over \$14,400 but not over \$19,200	\$682.00 plus 6.80% of excess over \$14,400
Over \$19,200 but not over \$24,000	\$1,008.00 plus 7.20% of excess over \$19,200

Over \$24,000 but not over \$36,000	\$1,354.00 plus 7.60% of excess over \$24,000
Over \$36,000 but not over \$48,000	\$2,266.00 plus 7.90% of excess over \$36,000
Over \$48,000	\$3,214.00 plus 8.25% of excess over \$48,000.

In the case of any taxable year beginning after December 31, 2017:

<u>If the taxable income is:</u>	<u>The tax shall be:</u>
<u>Not over \$2,400</u>	<u>1.40% of taxable income</u>
<u>Over \$2,400 but not over \$4,800</u>	<u>\$34.00 plus 3.20% of excess over \$2,400</u>
<u>Over \$4,800 but not over \$9,600</u>	<u>\$110.00 plus 5.50% of excess over \$4,800</u>
<u>Over \$9,600 but not over \$14,400</u>	<u>\$374.00 plus 6.40% of excess over \$9,600</u>
<u>Over \$14,400 but not over \$19,200</u>	<u>\$682.00 plus 6.80% of excess over \$14,400</u>
<u>Over \$19,200 but not over \$24,000</u>	<u>\$1,008.00 plus 7.20% of excess over \$19,200</u>
<u>Over \$24,000 but not over \$36,000</u>	<u>\$1,354.00 plus 7.60% of excess over \$24,000</u>
<u>Over \$36,000 but not over \$48,000</u>	<u>\$2,266.00 plus 7.90% of excess over \$36,000</u>
<u>Over \$48,000 but not over \$150,000</u>	<u>\$3,214.00 plus 8.25% of excess over \$48,000</u>
<u>Over \$150,000 but not over \$175,000</u>	<u>\$11,629.00 plus 9.00% of excess over \$150,000</u>
<u>Over \$175,000 but not over \$200,000</u>	<u>\$13,879.00 plus 10.00% of excess over \$175,000</u>
<u>Over \$200,000</u>	<u>\$16,379.00 plus 11.00% of excess over \$200,000."</u>

PART III

SECTION 3. Act 223, Session Laws of Hawaii 2015, is amended by amending section 4 to read as follows:

“SECTION 4. This Act, upon its approval, shall apply to taxable years beginning after December 31, 2015; ~~provided that this Act shall be repealed on December 31, 2017, and section 235-55.85, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day prior to the effective date of this Act.]~~”

PART IV

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

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

(Approved July 10, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 108

H.B. NO. 281

A Bill for an Act Relating to the Failure to File a Report with the Campaign Spending Commission.

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

SECTION 1. Section 11-340, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

“(f) The commission shall publish on its website the names of all candidate and noncandidate committees that have failed to:

- (1) File a report; or
- (2) Correct a report within [~~the time allowed by~~] two weeks from the notice to correct provided by the commission.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 10, 2017.)

ACT 109

H.B. NO. 282

A Bill for an Act Relating to Campaign Spending.

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

SECTION 1. Section 11-340, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) Subsection (b) notwithstanding, if a candidate committee does not file the second preliminary primary report or the preliminary general report, or if a noncandidate committee does not file the preliminary primary report or the second preliminary general report by the due date, the fine, if assessed, shall not exceed \$300 per day; provided that[:], in aggregate:

- (1) [~~In aggregate, the~~] The fine shall not exceed twenty-five per cent of the total amount of contributions or expenditures, whichever is greater, for the period covered by the report; and
- (2) The minimum fine, if assessed, shall be \$300.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 10, 2017.)

A Bill for an Act Relating to Administrative Procedure.

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

SECTION 1. Section 91-1, Hawaii Revised Statutes, is amended to read as follows:

“§91-1 Definitions. For the purpose of this chapter:

[{(1)}] “Agency” means each state or county board, commission, department, or officer authorized by law to make rules or to adjudicate contested cases, except those in the legislative or judicial branches.

“Agency hearing” refers only to such hearing held by an agency immediately prior to a judicial review of a contested case as provided in section 91-14.

“Contested case” means a proceeding in which the legal rights, duties, or privileges of specific parties are required by law to be determined after an opportunity for agency hearing.

“Party” means each person named or admitted as a party, or properly seeking and entitled as of right to be admitted as a party, in any court or agency proceeding.

[{(2)}] “Persons” includes individuals, partnerships, corporations, associations, agencies, or public or private organizations [of any character other than agencies].

[{(3)}] ~~“Party” means each person or agency named or admitted as a party, or properly seeking and entitled as of right to be admitted as a party, in any court or agency proceeding.~~

[{(4)}] “Rule” means each agency statement of general or particular applicability and future effect that implements, interprets, or prescribes law or policy, or describes the organization, procedure, or practice requirements of any agency. The term does not include regulations concerning only the internal management of an agency and not affecting private rights of or procedures available to the public, nor does the term include declaratory rulings issued pursuant to section 91-8, nor intra-agency memoranda.

[{(5)}] ~~“Contested case” means a proceeding in which the legal rights, duties, or privileges of specific parties are required by law to be determined after an opportunity for agency hearing.~~

[{(6)}] ~~“Agency hearing” refers only to such hearing held by an agency immediately prior to a judicial review of a contested case as provided in section 91-14.]”~~

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 10, 2017.)

ACT 111

H.B. NO. 554

A Bill for an Act Relating to Orders for Treatment Over Objection.

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

SECTION 1. The legislature finds that the initiation of treatment for patients admitted to the Hawaii state hospital needs to be expedient to address patients' psychiatric symptoms and protect the safety of the patient and others.

The legislature further finds that the Hawaii state hospital is used primarily for forensic commitments, and that addressing patients' psychiatric symptoms quickly at the initiation of treatment will help maintain a safe and secure therapeutic environment for patients and staff as well as have a positive impact on the patients' length of stay. Addressing the committed person's psychiatric symptoms quickly helps maintain a safe and secure environment for the individual involved and persons who surround the committed person.

The legislature notes that the current method to obtain an authorization to provide treatment over a patient's objection is by a judicial hearing. Although dependent on circumstances, the average time between the petition and judicial hearing is nearly seventeen days. Other states have addressed the variability and length of time before the judicial hearing by developing a nonjudicial, administrative process to review and authorize requests for treatment despite a patient's objections.

The purpose of this Act is to permit an administrative order to overcome a patient's objection to psychiatric treatment, establish criteria for issuance of the administrative order, and establish criteria for an administrative authorization process to determine whether the administrative order should be issued.

SECTION 2. Chapter 334, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

"PART . ADMINISTRATION OF TREATMENT OVER THE PATIENT'S OBJECTION

§334-A Criteria for issuance of court or administrative order for treatment over the patient's objection. (a) A patient who has been committed to a psychiatric facility for involuntary hospitalization or who is in the custody of the director and residing in a psychiatric facility may be ordered to receive treatment over the patient's objection, including the taking or application of medication, if the court, or administrative panel through the administrative authorization process established pursuant to section 334-B, finds that:

- (1) The patient suffers from a physical or mental disease, disorder, or defect;
- (2) The patient is imminently dangerous to self or others;
- (3) The proposed treatment is medically appropriate; and
- (4) After considering less intrusive alternatives, treatment is necessary to forestall the danger posed by the patient.

(b) For the purposes of this section, "imminently dangerous to self or others" means that, without intervention, the person will likely become dangerous to self or dangerous to others within the next forty-five days.

§334-B Criteria for administrative authorization process. (a) A patient who is in the custody of the director and in a psychiatric facility may be ordered

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to receive medical treatment over the patient's objection through an administrative authorization process that includes the following due process safeguards:

- (1) The facility shall give notice to the patient of the authorization process and the reasons for initiating the process;
 - (2) The administrative panel shall consist of three members with relevant clinical training and experience, and who are not involved with the current treatment of the patient;
 - (3) The patient shall have the right to attend the hearing, receive assistance from an advisor, cross examine witnesses, and present testimony, exhibits, and witnesses; and
 - (4) The patient shall have the right to appeal the decision of the administrative panel.
- (b) The administrative process described by this section is exempt from the contested case requirements of sections 91-8.5 to 91-15.
- (c) The department may adopt rules, pursuant to chapter 91, to effectuate this part."

SECTION 3. Section 334E-2, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Any patient in a psychiatric facility shall be afforded rights[;], and any psychiatric facility shall provide the rights to all patients; provided that when a patient is not able to exercise the patient's rights, the patient's legal guardian or legal representative shall have the authority to exercise the same on behalf of the patient. The rights shall include[.] but not be limited to[,] the following:

- (1) Access to written rules and regulations with which the patient is expected to comply;
- (2) Access to the facility's grievance procedure or to the department of health as provided in section 334-3;
- (3) Freedom from reprisal;
- (4) Privacy, respect, and personal dignity;
- (5) A humane environment;
- (6) Freedom from discriminatory treatment based on race, color, creed, national origin, age, and sex;
- (7) A written treatment plan based on the individual patient;
- (8) Participation in the planning of the patient's treatment plan;
- (9) Refusal of treatment except in emergency situations or [~~where a court order exists;~~] when a court order or an administrative order pursuant to chapter 334, part , has been issued;
- (10) Refusal to participate in experimentation;
- (11) The choice of physician if the physician chosen agrees;
- (12) A qualified, competent staff;
- (13) A medical examination before initiation of non-emergency treatment;
- (14) Confidentiality of the patient's records;
- (15) Access to the patient's records;
- (16) Knowledge of rights withheld or removed by a court or by law;
- (17) Physical exercise and recreation;
- (18) Adequate diet;
- (19) Knowledge of the names and titles of staff members with whom the patient has frequent contact;
- (20) The right to work at the facility and fair compensation for work done; provided that work is available and is part of the patient's treatment plan;

- (21) Visitation rights, unless the patient poses a danger to self or others; provided that where visitation is prohibited, the legal guardian or legal representative shall be allowed to visit the patient upon request;
- (22) Uncensored communication;
- (23) Notice of and reasons for an impending transfer;
- (24) Freedom from seclusion or restraint, except:
 - (A) When necessary to prevent injury to self or others; ~~[or]~~
 - (B) When part of the treatment plan; or
 - (C) When necessary to preserve the rights of other patients or staff;
- (25) Disclosure to a court, at an involuntary civil commitment hearing, of all treatment procedures which have been administered prior to the hearing; and
- (26) Receipt by the patient and the patient's guardian or legal guardian, if the patient has one, of this enunciation of rights at the time of admission."

SECTION 4. The department of health and the department of public safety shall work collaboratively to identify and develop policies, procedures, staffing requirements, and recommendations for legislation to implement a process, based on best practices from other jurisdictions, that shall be available to the department of public safety to obtain administrative orders to overcome the objection of a patient subject to the jurisdiction of the department of public safety to psychiatric treatment, establish criteria for issuance of the administrative order, and establish criteria for an administrative authorization process to determine whether the administrative order should be issued.

SECTION 5. The department of health shall report annually to the legislature on the department's progress in implementing the administrative process established by this Act, the department's utilization of the administrative process, and the department's utilization of the assisted community treatment process established pursuant to part VIII of chapter 334, Hawaii Revised Statutes. The department shall submit the reports required by this section annually, no later than twenty days prior to the convening of each regular session. The department shall submit its initial report as required by this Act no later than twenty days prior to the convening of the regular session of 2018 and shall submit its final report no later than twenty days prior to the convening of the regular session of 2024.

SECTION 6. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect on July 1, 2017, and shall be repealed on June 30, 2024; provided that subsection (a) of section 334E-2, Hawaii Revised Statutes, as amended by section 3 of this Act, shall be reenacted in the form in which it read on June 30, 2017.

(Approved July 10, 2017.)

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H.B. NO. 301

A Bill for an Act Relating to Response to Writ for Certiorari.

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

SECTION 1. Section 602-59, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) An application for a writ of certiorari may be filed with the supreme court no later than thirty days after the filing of the judgment or dismissal order of the intermediate appellate court. Upon a written request filed prior to the expiration of the thirty-day period, a party may extend the time for filing an application for a writ of certiorari for no more than an additional thirty days. [Opposition] A response to an application for a writ of certiorari may be filed no later than fifteen days after the application is filed. Upon a timely written request by a party, the clerk of the court shall grant one extension of time for no more than fifteen days for filing a response to an application for a writ of certiorari. The clerk of the court shall note on the record that the extension was granted. The clerk of the court shall give notice that the request is timely and granted. A request is timely only if it is received by the clerk of the court within the original time for filing of the response. The supreme court shall determine to accept the application within thirty days after [an objection] a response is or could have been filed. The failure of the supreme court to accept within thirty days shall constitute a rejection of the application.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval; provided that section 602-59(c), Hawaii Revised Statutes, shall apply in the form in which it read on the day before the effective date of this Act to cases in which the intermediate appellate court’s judgment or dismissal order was filed before the effective date of this Act.

(Approved July 10, 2017.)

ACT 113

H.B. NO. 1235

A Bill for an Act Relating to the Uniform Family Law Arbitration Act.

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

SECTION 1. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

“CHAPTER UNIFORM FAMILY LAW ARBITRATION ACT

§ -1 Short title. This chapter may be cited as the Uniform Family Law Arbitration Act.

§ -2 Definitions. As used in this chapter:

“Arbitration agreement” means an agreement that subjects a family law dispute to arbitration.

"Arbitration organization" means an association, agency, board, commission, or other entity that is neutral and initiates, sponsors, or administers an arbitration or is involved in the selection of an arbitrator.

"Arbitrator" means an individual selected, alone or with others, to make an award in a family law dispute that is subject to an arbitration agreement.

"Child-related dispute" means a family law dispute regarding child custody, visitation, or financial support regarding a child, under section 571-46, section 576D-7, or chapter 583A.

"Court" means the family court of this State.

"Family law dispute" means a contested issue arising under the family and domestic relations laws of this State.

"Party" means an individual who signs an arbitration agreement and whose rights will be determined by an award.

"Person" means an individual; estate; business or nonprofit entity; public corporation; government or governmental subdivision, agency, or instrumental-ity; or any other legal entity.

"Record", used as a noun, means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

"Sign" means, with present intent to authenticate or adopt a record:

- (1) To execute or adopt a tangible symbol; or
- (2) To attach to or logically associate with the record an electronic symbol, sound, or process.

"State" means a state of the United States, the District of Columbia, Guam, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

§ -3 Scope. (a) This chapter governs arbitration of a family law dispute.

- (b) This chapter does not authorize an arbitrator to make an award that:
 - (1) Grants a divorce, annulment, or separation under chapter 580;
 - (2) Terminates parental rights under section 571-61 or section 587A-33;
 - (3) Grants an adoption under chapter 578, or a guardianship of a child under section 560:5-202 or section 560:5-204, or incapacitated individual under section 560:5-301 or section 560:5-304; or
 - (4) Determines the status of a child in need of protection under chapter 587A.

§ -4 Applicable law. (a) Except as otherwise provided in this chapter, the law applicable to arbitration is chapter 658A.

- (b) In determining the merits of a family law dispute, an arbitrator shall apply the law of this State, including its choice of law rules.

§ -5 Arbitration agreement. (a) An arbitration agreement shall:

- (1) Be in a record signed by the parties;
- (2) Identify the arbitrator, an arbitration organization, or a method of selecting an arbitrator; and
- (3) Identify the family law dispute the parties intend to arbitrate.

(b) Except as otherwise provided in subsection (c), an agreement in a record to arbitrate a family law dispute that arises between the parties before, at the time, or after the agreement is made is valid and enforceable as any other contract and irrevocable except on a ground that exists at law or in equity for the revocation of a contract.

- (c) An agreement to arbitrate a child-related dispute that arises between the parties after the agreement is made is unenforceable unless:
 - (1) The parties affirm the agreement in a record after the dispute arises; or
 - (2) The agreement was entered during a family law proceeding and the court approved or incorporated the agreement in an order issued in the proceeding.
- (d) If a party objects to arbitration on the ground the arbitration agreement is unenforceable or the agreement does not include a family law dispute, the court shall decide whether the agreement is enforceable or includes the family law dispute.

§ -6 Notice of arbitration. A party may initiate arbitration by giving notice to arbitrate to the other party in the manner specified in the arbitration agreement or, in the absence of a specified manner, under the law and procedural rules of this State other than this chapter governing contractual arbitration.

§ -7 Motion for judicial relief. (a) A motion for judicial relief under this chapter shall be made to the court in which a proceeding is pending involving a family law dispute subject to arbitration or, if no proceeding is pending, a court with jurisdiction over the parties and the subject matter.

(b) Upon motion of a party, the court may compel arbitration if the parties have entered into an arbitration agreement that complies with section -5 unless the court determines under section -12 that the arbitration should not proceed.

(c) Upon motion of a party, the court shall terminate arbitration if it determines that:

- (1) The arbitration agreement is unenforceable;
- (2) The family law dispute is not subject to arbitration; or
- (3) Under section -12, the arbitration should not proceed.

(d) Unless prohibited by an arbitration agreement, upon motion of a party, the court may order consolidation of separate arbitrations involving the same parties and a common issue of law or fact if necessary for the fair and expeditious resolution of the family law dispute.

§ -8 Qualification and selection of arbitrator. (a) Except as otherwise provided in subsection (b), unless waived in a record by the parties, an arbitrator shall be trained in identifying domestic violence and child abuse and be:

(1) An attorney in good standing admitted to practice or on inactive status; or
(2) A judge on retired status,
in a state.

(b) The identification in the arbitration agreement of an arbitrator, arbitration organization, or method of selection of the arbitrator controls.

(c) If an arbitrator is unable or unwilling to act or if the agreed-upon method of selecting an arbitrator fails, upon motion of a party, the court shall select an arbitrator.

§ -9 Disclosure by arbitrator; disqualification. (a) Before agreeing to serve as an arbitrator, an individual, after making reasonable inquiry, shall make all disclosures as required by section 658A-12.

(b) An arbitrator, the parties, and the attorneys representing the parties have a continuing obligation to disclose to all parties any known fact that a rea-

sonable person would believe is likely to affect the impartiality of the arbitrator or the arbitrator's ability to make a timely award.

(c) An objection to the selection or continued service of an arbitrator and a motion for a stay of arbitration and disqualification of the arbitrator shall be made under the law and procedural rules of this State other than this chapter governing arbitrator disqualification.

(d) If a disclosure required by subsection (a) or (b) is not made, the court may:

- (1) Upon motion of a party no later than thirty days after the failure to disclose is known or by the exercise of reasonable care should have been known to the party, suspend the arbitration;
- (2) Upon timely motion of a party, vacate an award under section -19(a)(2); or
- (3) If an award has been confirmed, grant other appropriate relief under law of this State other than this chapter.

(e) If the parties agree to discharge an arbitrator or the arbitrator is disqualified or resigns, the parties by agreement may select a new arbitrator or request the court to select another arbitrator as provided in section -8.

§ -10 Party participation. (a) A party may:

- (1) Be represented in an arbitration by an attorney;
- (2) Be accompanied by an individual who will not be called as a witness nor act as an advocate; and
- (3) Participate in the arbitration to the full extent permitted under the law and procedural rules of this State other than this chapter governing a party's participation in contractual arbitration.

(b) A party or representative of a party shall not communicate ex parte with the arbitrator except to the extent allowed in a family law proceeding for communication with a judge.

§ -11 Temporary order or award. (a) Before an arbitrator is selected and able to act, upon motion of a party, the court may enter a temporary order under chapter 580.

(b) After an arbitrator is selected:

- (1) The arbitrator may make a temporary award under chapter 580; and
- (2) If the matter is urgent and the arbitrator is not able to act in a timely manner or provide an adequate remedy, upon motion of a party, the court may enter a temporary order.

(c) Upon motion of a party, before the court confirms a final award, the court under section -16, -18, or -19 may confirm, correct, vacate, or amend a temporary award made under subsection (b)(1).

(d) Upon motion of a party, the court may enforce a subpoena or interim award issued by an arbitrator for the fair and expeditious disposition of the arbitration.

§ -12 Protection of party or child. (a) As used in this section, "protection order" means an injunction or other order, issued under the domestic violence, family violence, stalking, or harassment laws of the issuing jurisdiction, to prevent an individual from engaging in a violent or threatening act against, harassment of, contact or communication with, or being in physical proximity to another individual who is a party or a child under the custodial responsibility of a party.

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- (b) If a party is subject to a protection order or an arbitrator determines there is a reasonable basis to believe a party's safety or ability to participate effectively in arbitration is at risk, the arbitrator shall stay the arbitration and refer the parties to court. The arbitration shall not proceed unless the party at risk affirms the arbitration agreement in a record and the court determines that:
- (1) The affirmation is informed and voluntary;
 - (2) Arbitration is not inconsistent with the protection order; and
 - (3) Reasonable procedures are in place to protect the party from risk of harm, harassment, or intimidation.
- (c) If an arbitrator determines that there is a reasonable basis to believe a child who is the subject of a child-related dispute is abused or neglected, the arbitrator shall terminate the arbitration of the child-related dispute and report the abuse or neglect to the child welfare services branch of the department of human services.
- (d) An arbitrator may make a temporary award to protect a party or child from harm, harassment, or intimidation.
- (e) Upon motion of a party, the court may stay arbitration and review a determination or temporary award under this section.
- (f) This section supplements remedies available under law of this State other than this chapter for the protection of victims of domestic violence, family violence, stalking, harassment, or similar abuse.

§ -13 Powers and duties of arbitrator. (a) An arbitrator shall conduct an arbitration in a manner the arbitrator considers appropriate for a fair and expeditious disposition of the dispute.

- (b) An arbitrator shall provide each party a right to be heard, to present evidence material to the family law dispute, and to cross-examine witnesses.
- (c) Unless the parties otherwise agree in a record, an arbitrator's powers include the power to:
- (1) Select the rules for conducting the arbitration;
 - (2) Hold conferences with the parties before a hearing;
 - (3) Determine the date, time, and place of a hearing;
 - (4) Require a party to provide:
 - (A) A copy of a relevant court order;
 - (B) Information required to be disclosed in a family law proceeding under law of this State other than this chapter; and
 - (C) A proposed award that addresses each issue in arbitration;
 - (5) Meet with or interview a child who is the subject of a child-related dispute;
 - (6) Appoint a private expert at the expense of the parties;
 - (7) Administer an oath or affirmation and issue a subpoena for the attendance of a witness or the production of documents and other evidence at a hearing;
 - (8) Compel discovery concerning the family law dispute and determine the date, time, and place of discovery;
 - (9) Determine the admissibility and weight of evidence;
 - (10) Permit deposition of a witness for use as evidence at a hearing;
 - (11) For good cause, prohibit a party from disclosing information;
 - (12) Appoint an attorney, guardian ad litem, or other representative for a child at the expense of the parties;
 - (13) Impose a procedure to protect a party or child from risk of harm, harassment, or intimidation;

- (14) Allocate arbitration fees, attorney's fees, expert-witness fees, and other costs to the parties; and
- (15) Impose a sanction on a party for bad faith or misconduct during the arbitration according to standards governing imposition of a sanction for litigant misconduct in a family law proceeding.
- (d) An arbitrator shall not allow ex parte communication except to the extent allowed in a family law proceeding for communication with a judge.

§ -14 Recording of hearing. (a) Except as provided in subsection (b) an arbitration hearing need not be recorded unless:

- (1) Otherwise required by law of this State other than this chapter;
- (2) Required by the arbitrator;
- (3) Provided by the arbitration agreement; or
- (4) Requested by a party.

(b) An arbitrator shall require a verbatim recording be made of any part of an arbitration hearing concerning a child-related dispute.

§ -15 Award. (a) An arbitrator shall make an award in a record, dated and signed by the arbitrator. The arbitrator shall give notice of the award to each party by a method agreed upon by the parties or, if the parties have not agreed upon a method, under the law and procedural rules of this State other than this chapter governing notice in contractual arbitration.

(b) Except as otherwise provided in subsection (c), the award under this chapter shall state the reasons on which it is based unless otherwise agreed by the parties.

(c) An award determining a child-related dispute shall state the reasons on which it is based as required by law of this State other than this chapter for a court order in a family law proceeding.

(d) An award under this chapter is not enforceable as a judgment until confirmed under section -16.

§ -16 Confirmation of award. (a) After an arbitrator gives notice under section -15(a) of an award, including an award corrected under section -17, a party may move the court for an order confirming the award.

(b) Except as provided by subsection (c), the court shall confirm an award under this chapter if:

- (1) The parties agree in a record to confirmation; or
- (2) The time has expired for making a motion, and no motion is pending, under section -18 or -19.

(c) If an award determines a child-related dispute, the court shall confirm the award under subsection (b) if the court finds, after a review of the record if necessary, that the award on its face:

- (1) Complies with section -15 and the law of this State other than this chapter governing a child-related dispute; and

- (2) Is in the best interests of the child.

(d) Upon confirmation, an award under this chapter is enforceable as a judgment.

§ -17 Correction by arbitrator of unconfirmed award. Upon motion of a party made no later than thirty days after an arbitrator gives notice under section -15(a) of an award, the arbitrator may correct the award:

- (1) If the award has an evident mathematical miscalculation or an evident mistake in the description of a person, thing, or property;

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- (2) If the award is imperfect in a matter of form not affecting the merits on the issues submitted; or
- (3) To clarify the award.

§ -18 Correction by court of unconfirmed award. (a) Upon motion of a party made no later than ninety days after an arbitrator gives notice under section -15(a) of an award, including an award corrected under section -17, the court shall correct the award if:

- (1) The award has an evident mathematical miscalculation or an evident mistake in the description of a person, thing, or property;
 - (2) The award is imperfect in a matter of form not affecting the merits of the issues submitted; or
 - (3) The arbitrator made an award on a dispute not submitted to the arbitrator and the award may be corrected without affecting the merits of the issues submitted.
- (b) A motion under this section to correct an award may be joined with a motion to vacate or amend the award under section -19.
- (c) Unless a motion under section -19 is pending, the court may confirm a corrected award under section -16.

§ -19 Vacation or amendment by court of unconfirmed award. (a) Upon motion of a party, the court shall vacate an unconfirmed award if the moving party establishes that:

- (1) The award was procured by corruption, fraud, or other undue means;
 - (2) There was:
 - (A) Evident partiality by the arbitrator;
 - (B) Corruption by the arbitrator; or
 - (C) Misconduct by the arbitrator substantially prejudicing the rights of a party;
 - (3) The arbitrator refused to postpone a hearing on showing of sufficient cause for postponement, refused to consider evidence material to the controversy, or otherwise conducted the hearing contrary to section -13, so as to prejudice substantially the rights of a party;
 - (4) The arbitrator exceeded the arbitrator's powers;
 - (5) No arbitration agreement exists, unless the moving party participated in the arbitration without making a motion under section -7 no later than the beginning of the first arbitration hearing;
 - (6) The arbitration was conducted without proper notice under section -6 of the initiation of arbitration, so as to prejudice substantially the rights of a party; or
 - (7) A ground exists for vacating the award under law of this State other than this chapter.
- (b) Except as otherwise provided in subsection (c), on motion of a party, the court shall vacate an unconfirmed award that determines a child-related dispute if the moving party establishes that:
- (1) The award does not comply with section -15 or the law of this State other than this chapter governing a child-related dispute or is contrary to the best interests of the child;
 - (2) The record of the hearing or the statement of reasons in the award is inadequate for the court to review the award; or
 - (3) A ground for vacating the award under subsection (a) exists.

(c) If an award is subject to vacation under subsection (b)(1), on motion of a party, the court may amend the award if amending rather than vacating is in the best interests of the child.

(d) The court shall determine a motion under subsection (b) or (c) based on the record of the arbitration hearing and facts occurring after the hearing.

(e) A motion under this section to vacate or amend an award shall be filed no later than ninety days:

(1) After an arbitrator gives the party filing the motion notice of the award or a corrected award; or

(2) For a motion under subsection (a)(1), after the ground of corruption, fraud, or other undue means is known or by the exercise of reasonable care should have been known to the party filing the motion.

(f) If the court under this section vacates an award for a reason other than the absence of an enforceable arbitration agreement, the court may order a rehearing before an arbitrator. If the reason for vacating the award is that the award was procured by corruption, fraud, or other undue means or there was evident partiality, corruption, or misconduct by the arbitrator, the rehearing shall be before another arbitrator.

(g) If the court under this section denies a motion to vacate or amend an award, the court may confirm the award under section -16 unless a motion is pending under section -18.

§ -20 Clarification of confirmed award. If the meaning or effect of an award confirmed under section -16 is in dispute, the parties may:

(1) Agree to arbitrate the dispute before the original arbitrator or another arbitrator; or

(2) Proceed in court under law of this State other than this chapter governing clarification of a judgment in a family law proceeding.

§ -21 Judgment on award. (a) Upon granting an order confirming, vacating without directing a rehearing, or amending an award under this chapter, the court shall enter judgment in conformity with the order.

(b) Upon motion of a party, the court may order that a document or part of the arbitration record be sealed or redacted to prevent public disclosure of all or part of the record or award to the extent permitted under law of this State other than this chapter.

§ -22 Modification of confirmed award or judgment. If a party requests under law of this State other than this chapter a modification of an award confirmed under section -16 or judgment on the award based on a fact occurring after confirmation:

(1) Unless otherwise authorized under state or federal law, the parties shall proceed under the dispute-resolution method specified in the award or judgment; or

(2) If the award or judgment does not specify a dispute-resolution method, the parties may:

(A) Agree to arbitrate the modification before the original arbitrator or another arbitrator; or

(B) Absent agreement proceed under law of this State other than this chapter governing modification of a judgment in a family law proceeding.

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§ -23 Enforcement of confirmed award. (a) The court shall enforce an award confirmed under section -16, including a temporary award, in the manner and to the same extent as any other order or judgment of a court.

(b) The court shall enforce an arbitration award in a family law dispute confirmed by a court in another state in the manner and to the same extent as any other order or judgment from another state.

§ -24 Appeal. (a) An appeal may be taken under this chapter from:

- (1) An order denying a motion to compel arbitration;
- (2) An order granting a motion to stay arbitration;
- (3) An order confirming or denying confirmation of an award;
- (4) An order correcting an award;
- (5) An order vacating an award without directing a rehearing; or
- (6) A final judgment.

(b) An appeal under this section may be taken as from an order or a judgment in a civil action.

§ -25 Immunity of arbitrator. (a) An arbitrator or arbitration organization acting in that capacity in a family law dispute is immune from civil liability to the same extent as a judge of a court of this State acting in a judicial capacity.

(b) The immunity provided by this section supplements any immunity under law of this State other than this chapter.

(c) An arbitrator's failure to make a disclosure required by section -9 does not cause the arbitrator to lose immunity under this section.

(d) An arbitrator is not competent to testify, and shall not be required to produce records, in a judicial, administrative, or similar proceeding about a statement, conduct, decision, or ruling occurring during an arbitration, to the same extent as a judge of a court of this State acting in a judicial capacity. This subsection does not apply:

- (1) To the extent disclosure is necessary to determine a claim by the arbitrator or arbitration organization against a party to the arbitration; or
- (2) To a hearing on a motion under section -19(a)(1) or (2) to vacate an award, if there is *prima facie* evidence that a ground for vacating the award exists.

(e) If a person commences a civil action against an arbitrator arising from the services of the arbitrator or seeks to compel the arbitrator to testify or produce records in violation of subsection (d) and the court determines that the arbitrator is immune from civil liability or is not competent to testify or required to produce the records, the court shall award the arbitrator reasonable attorney's fees, costs, and reasonable expenses of litigation.

§ -26 Relation to Electronic Signatures in Global and National Commerce Act. This chapter modifies, limits, or supersedes the Electronic Signatures in Global and National Commerce Act, title 15 United States Code section 7001 et seq., but does not modify, limit, or supersede section 101(c) of that Act, title 15 United States Code section 7001(c), or authorize electronic delivery of any of the notices described in section 103(b) of that Act, title 15 United States Code section 7003(b).

§ -27 Transitional provision. This chapter applies to arbitration of a family law dispute under an arbitration agreement made on or after the effective date of this chapter. If an arbitration agreement was made before the effective

date of this chapter, the parties may agree in a record that this chapter applies to the arbitration.”

SECTION 2. This Act shall take effect upon its approval.

(Approved July 10, 2017.)

ACT 114

H.B. NO. 1009

A Bill for an Act Relating to the Landlord Tenant Code.

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

PART I

SECTION 1. Section 521-7, Hawaii Revised Statutes, is amended to read as follows:

“§521-7 Exclusions from application of chapter. Unless created solely to avoid the application of this chapter, this chapter shall not apply to:

- (1) Residence at an institution, whether public or private, where residence is merely incidental to detention or the provision of medical, geriatric, educational, religious, or similar services;
 - (2) Residence in a structure directly controlled and managed by:
 - (A) The University of Hawaii or any other university or college in the State for housing its own students or faculty or residence in a structure erected on land leased from the university or college by a nonprofit corporation for the exclusive purpose of housing students or faculty of the college or university; or
 - (B) A private dorm management company that offers a minimum of fifty beds to students of any college, university, or other institution of higher education in the State;
 - (3) Occupancy under a bona fide contract of sale of the dwelling unit or the property of which it is a part where the tenant is, or succeeds to the interest of, the purchaser;
 - (4) Residence by a member of a fraternal organization in a structure operated without profit for the benefit of the organization;
 - (5) Transient occupancy on a day-to-day basis in a hotel or motel;
 - (6) Occupancy by an employee of the owner or landlord whose right to occupancy is conditional upon that employment or by a pensioner of the owner or landlord or occupancy for a period of up to four years subsequent thereto, pursuant to a plan for the transfer of the dwelling unit or the property of which it is a part to the occupant;
 - (7) A lease of improved residential land for a term of fifteen years or more, measured from the date of the commencement of the lease;
 - (8) Occupancy by the prospective purchaser after an accepted offer to purchase and prior to the actual transfer of the owner's rights;
 - (9) Occupancy in a homeless facility or any other program for the homeless authorized under part XVII of chapter 346;
 - (10) Residence or occupancy in a public housing project or complex directly controlled, owned, or managed by the Hawaii public housing authority pursuant to the federal low rent public housing program;
- [eff]

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- (11) Residence or occupancy in a transitional facility for abused family or household members[-]; or
- (12) Residence or occupancy in a structure or on a property directly controlled, owned, or managed by the Hawaii public housing authority.”

PART II

SECTION 2. Section 356D-44, Hawaii Revised Statutes, is amended to read as follows:

“§356D-44 Administration of state low-income public housing projects and programs. (a) The authority shall construct, develop, and administer property or housing for the purpose of state low-income public housing projects and programs.

(b) The authority shall offer any decommissioned low-income public housing project, except for federal housing projects, to nonprofit or for-profit organizations or government agencies for rehabilitation into emergency or transitional shelter facilities for the homeless or rehabilitation into rental units that set aside at least fifty per cent of the units to persons or families with incomes at or below fifty per cent of the area median family income; provided that:

- (1) The housing project is wholly owned by the State on either state-owned or ceded lands;
- (2) The authority has determined that the housing project is not eligible for rehabilitation using the authority's current resources; and
- (3) The nonprofit or for-profit organization or government agency demonstrates expertise in rehabilitation of housing projects and has community, public, and private resources to substantially pay for the rehabilitation.

The land and improvements may be leased to the nonprofit or for-profit organization or government agency for a period not to exceed ninety-nine years for a sum of \$1 per year.

~~(e) State low-income housing projects shall be subject to chapter 521.~~

~~(d) (c) The authority shall adopt necessary rules in accordance with chapter 91, including the establishment and collection of reasonable fees for administering the state low-income housing projects or programs and to carry out any state program under subsection (a)."~~

SECTION 3. Section 356D-71, Hawaii Revised Statutes, is amended to read as follows:

“§356D-71 Resident selection; dwelling units; rentals. In the administration of elder or elderly housing, the authority shall observe the following with regard to resident selection, dwelling units, and rentals:

- (1) Except as provided in this section, the authority shall accept elder or elderly households as residents in the housing projects;
- (2) It may accept as residents in any dwelling unit one or more persons, related or unrelated by blood or marriage. It may also accept as a resident in any dwelling unit or in any housing project, in the case of illness or other disability of an elder who is a resident in the dwelling unit or in the project, a person designated by the elder as the elder's live-in aide whose qualifications as a live-in aide are verified by the authority, although the person is not an elder; provided that the person shall cease to be a resident therein upon the recovery of, or removal from the project of, the elder;

- (3) It may rent or lease to an elder a dwelling unit consisting of any number of rooms as the authority deems necessary or advisable to provide safe and sanitary accommodations to the proposed resident or residents without overcrowding; and
- (4) Notwithstanding that the elder has no written rental agreement or that the agreement has expired, during hospitalization of the elder due to illness or other disability so long as the elder continues to tender the usual rent to the authority or proceeds to tender receipts for rent lawfully withheld, no action or proceeding to recover possession of the dwelling unit may be maintained against the elder, nor shall the authority otherwise cause the elder to quit the dwelling unit involuntarily, demand an increase in rent from the elder, or decrease the services to which the elder has been entitled[; and
(5) ~~Elder or elderly housing shall be subject to chapter 521.~~”

PART III

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 10, 2017.)

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H.B. NO. 733

A Bill for an Act Relating to Transportation.

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

SECTION 1. Section 286-26, Hawaii Revised Statutes, is amended by amending subsection (h) to read as follows:

- “(h) This section shall not apply to:
 - (1) Any motor vehicle which is covered by part XI, governing safety of motor carrier vehicle operation and equipment; provided that the rules adopted pursuant to part IA impose standards of inspection at least as strict as those imposed under subsection (g) and that certification is required at least as often as provided in subsections (a), (b), (c), and (d); and
 - (2) Aircraft servicing vehicles that are being used exclusively on lands set aside to the department of transportation for airport purposes[; and]
 - (3) Tractor trucks, forklifts, and top picks being used as marine terminal equipment temporarily moving in or between terminals at Sand Island and along Sand Island Parkway and Sand Island Access Road.”

SECTION 2. Section 286-41, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

“(f) The provisions of this part requiring the registration of motor vehicles shall not apply to:

- (1) Special mobile equipment;
- (2) Implements of husbandry temporarily drawn, moved, or otherwise propelled upon the public highways; and

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- (3) Aircraft servicing vehicles which are being used exclusively on lands set aside to the department of transportation for airport purposes[;]; and
- (4) Tractor trucks, forklifts, and top picks being used as marine terminal equipment temporarily moving in or between terminals at Sand Island and along Sand Island Parkway and Sand Island Access Road."

SECTION 3. Section 286-105, Hawaii Revised Statutes, is amended to read as follows:

“§286-105 What persons are exempt from license. The following persons are exempt from license:

- (1) Any person while driving or operating a motor vehicle in the service or employ of any branch or agency of the federal government; provided that the person has received a license or permit from the branch or agency to operate and drive the motor vehicle; provided further that the branch or agency has been duly authorized by the federal government to issue the license or permit;
- (2) Any person while driving or operating any road machine, farm tractor, or implement of husbandry temporarily operated or moved on a highway[;], or tractor trucks, forklifts, and top picks being used as marine terminal equipment temporarily moving in or between terminals at Sand Island and along Sand Island Parkway and Sand Island Access Road; provided that no person under the age of thirteen years shall be permitted to drive or operate any such road machine, farm tractor, [or] implement of husbandry,¹ on a highway[;], or tractor trucks, forklifts, and top picks being used as marine terminal equipment temporarily moving in or between terminals at Sand Island and along Sand Island Parkway and Sand Island Access Road;
- (3) Any person who is at least eighteen years of age and who has in the person's possession a valid driver's license to drive the categories of motor vehicles listed in section 286-102(b), except section 286-102(b)(4), that is equivalent to a driver's license issued in this State but was issued to the person in another state of the United States, the Commonwealth of Puerto Rico, United States Virgin Islands, American Samoa, Guam, a province of the Dominion of Canada, or the Commonwealth of the Northern Mariana Islands for that category of motor vehicle which the person is operating;
- (4) Any person who has in the person's possession a valid commercial motor vehicle driver's license issued by any state of the United States, Mexico, or a province of the Dominion of Canada that issues licenses in accordance with the minimum federal standards for the issuance of commercial motor vehicle driver's licenses; and
- (5) Any person who drives or operates state or county motor vehicles while employed by, in the service of, or volunteering for the state or county fire departments, provided that they are trained and certified to drive category (4) motor vehicles as set forth in section 286-102(b)(4) by the state or county government, as appropriate, and provided that the person maintains a category (3) license as set forth in section 286-102(b)(3)."

SECTION 4. Section 291-36, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) The director of transportation, in the case of state highways, or the county engineer, in the case of county roads and streets, may, upon application in writing, issue a written permit authorizing the applicant to operate or move a vehicle or combination of vehicles, self-propelled construction or farm equipment, marine terminal equipment as referenced in section 286-26(h)(3), or special mobile equipment of dimensions or weights, including loads or both, which exceed the limits set in sections 291-34 and 291-35."

2. By amending subsection (c) to read:

"(c) The application for any such permit shall specifically describe the vehicle or combination of vehicles, the self-propelled construction or farm equipment, the marine terminal equipment as referenced in section 286-26(h)(3), the load to be operated or moved, the particular highways over which the permit to operate is requested, and whether such permit is requested for a single trip or for continuous operation."

3. By amending subsections (e) and (f) to read:

"(e) Every such permit shall be carried in the vehicle or combination of vehicles [~~or the~~], self-propelled construction or farm equipment, or marine terminal equipment as referenced in section 286-26(h)(3), to which it refers and shall be open to inspection of any peace officer or traffic officer or employee charged with the care or protection of the highways; provided that in the case of annual permits, this requirement may be met where a copy of the permit is carried in the vehicle, and the original permit is readily available for inspection from the operator's offices in the county of issuance.

(f) The owner of any vehicle or combination of vehicles [~~or~~], self-propelled construction or farm equipment, or marine terminal equipment as referenced in section 286-26(h)(3) found operating in violation of the terms or conditions of any permit or over sections of the highway not covered by the permit shall be subject to the penalties provided in section 291-37."

SECTION 5. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

Note

1. Comma should be underscored.

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H.B. NO. 1230

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds to Assist MauiGrown Coffee, Inc.

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

SECTION 1. The legislature finds that state support for local agriculture serves the public interest. Hawaii's coffee industry has become a successful agri-

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cultural sector and an important economic driver for the State. After oil, coffee is the second-most traded consumer commodity in the world; the global market for Hawaii-grown coffee has increased exponentially over the last several years.

MauiGrown Coffee, Inc. has achieved commercial success with its limited operations in west Maui and now has the opportunity to expand through leasing lands formerly used to cultivate sugar cane by Hawaiian Commercial & Sugar Company in the Haliimaile area. The legislature finds that the planned expansion of MauiGrown Coffee, Inc.'s operations will create opportunities for well-paying agricultural jobs for displaced sugar industry workers under a collective bargaining agreement. These jobs will help lift the prevailing wages in the agricultural sector and increase the State's revenue collections.

The legislature further finds that the consolidated lease of large tracts of land to a single entity, as opposed to a series of fragmented leases to multiple cottage producers, will allow for the application of uniform land management and pest-control programs, which will assist with the eradication of pests such as the invasive coffee berry borer beetle.

The legislature finds that MauiGrown Coffee, Inc.'s planned expansion and operation constitute a project under part X of chapter 39A, Hawaii Revised Statutes, assisting agricultural enterprises, and is therefore eligible for assistance through special purpose revenue bonds.

The legislature finds and declares that the issuance of special purpose revenue bonds under this Act is in the public interest and for the public health, safety, and general welfare.

The purpose of this Act is to authorize the issuance of special purpose revenue bonds to assist MauiGrown Coffee, Inc. with the expansion of its operations.

SECTION 2. Pursuant to part X, chapter 39A, Hawaii Revised Statutes, the department of budget and finance, with the approval of the governor, is authorized to issue special purpose revenue bonds in a total amount not to exceed \$13,000,000, in one or more series, for the purpose of assisting MauiGrown Coffee, Inc., a Hawaii corporation, with the expanded operation of its coffee farm and mill in Puukolii, Maui. The legislature hereby finds and determines that this expansion constitutes a project as defined in part X, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to agricultural enterprise.

SECTION 3. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part X, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist agricultural enterprises.

SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2022, to issue special purpose revenue bonds in whatever principal amounts the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 and to refund special purpose revenue bonds authorized in this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption or whether the refunding special purpose revenue bonds shall be bonds for the multi-project programs described in section 2. In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized by this section.

SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2022.

SECTION 6. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

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H.B. NO. 1333

A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds to Honokaa Land Company, LLC.

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

SECTION 1. The legislature finds and declares that the issuance of special purpose revenue bonds under this Act is in the public interest and for the public health, safety, and general welfare.

SECTION 2. Pursuant to part X, chapter 39A, Hawaii Revised Statutes, the department of budget and finance, with the approval of the governor, is authorized to issue special purpose revenue bonds in a total amount not to exceed \$50,000,000, in one or more series, for the purpose of assisting Honokaa Land Company, LLC, a domestic limited liability company, with acquiring, developing, and renovating various facilities. The work will include rebuilding structures at the Haina Mill site for soils development, equipment, greenhouse facilities, and other infrastructure development, and the conversion of the Hawi site to organic production; development of cover crops including alfalfa, pigeon pea, and other livestock feed; significant upgrades to existing structures; and construction of pasteurization facilities, a creamery/cheesery, and the requisite equipment. The funds will also be used to aid the Honokaa Land Company, LLC, in converting to renewable energy such as solar and wind energy. The legislature hereby finds and determines that the agricultural development and facilities renovations constitute a project as defined in part X, chapter 39A, Hawaii Revised Statutes, and the financing thereof is assistance to an agricultural enterprise.

SECTION 3. The special purpose revenue bonds and the refunding special purpose revenue bonds issued under this Act shall be issued pursuant to part X, chapter 39A, Hawaii Revised Statutes, relating to the power to issue special purpose revenue bonds to assist agricultural enterprises.

SECTION 4. The department of budget and finance is authorized, from time to time, including times subsequent to June 30, 2022, to issue special purpose revenue bonds in whatever principal amounts the department shall determine to be necessary to refund the special purpose revenue bonds authorized in section 2 and to refund special purpose revenue bonds authorized in this section, regardless of whether the outstanding special purpose revenue bonds or refunding special purpose revenue bonds have matured or are the subject of redemption or whether the refunding special purpose revenue bonds shall be bonds for the multi-project programs described in section 2. In making this determination, the department shall comply with federal law relating to the exemption from federal income taxation of the interest on bonds of the nature authorized by this section.

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SECTION 5. The authorization to issue special purpose revenue bonds under this Act shall lapse on June 30, 2022.

SECTION 6. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

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H.B. NO. 50

A Bill for an Act Relating to Appraisal Management Companies.

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

SECTION 1. The legislature finds that in 2008, the nation's economy was shaken by the collapse of the sub-prime mortgage market, which threatened the country's financial system. While investigating the causes that led to this collapse, Congress determined one cause was the use of appraisals that did not conform to generally accepted standards of independence, objectivity, and impartiality. Extensive abuse was also discovered in the mortgage origination industry, with appraisers' close business relationships with lenders and the use of biased appraisals to facilitate the lending process found to be contributing factors.

In response, Congress enacted the Dodd-Frank Wall Street Reform and Consumer Protection Act, P.L. 111-203 (Dodd-Frank Act). The Dodd-Frank Act helped restore independence to the appraisal process by separating the lending process and appraisal functions and requiring these functions to be autonomous.

The legislature further finds that appraisal management companies, commonly referred to as AMCs, have proliferated as a result of the Dodd-Frank Act. One way of maintaining independence between the appraisal function and the loan origination function of an appraisal process is to have an intermediary separate from the lender that orders and receives appraisals, a function that has been fulfilled by appraisal management companies.

Section 1473 of the Dodd-Frank Act required six federal regulatory agencies to jointly promulgate rules that establish minimum requirements to be applied by states in the registration and supervision of appraisal management companies. The appraisal management companies final rule (AMC Final Rule) was published in the Federal Register on June 9, 2015, (80 Federal Register 32657 et seq.) and became effective August 10, 2015. The AMC Final Rule outlines certain minimum registration and oversight requirements for each state to adopt. While the AMC Final Rule does not force a state to enact these minimum requirements, it specifies that if a state fails to do so by August 10, 2018, certain non-federally regulated appraisal management companies will be barred from providing appraisal management services for federally related transactions in that state.

The legislature additionally finds that Hawaii's failure to adopt regulations for appraisal management companies that conform to the AMC Final Rule could have unintended and adverse consequences for Hawaii consumers and others involved in the residential appraisal process in the State. The legislature notes that a large source of Hawaii's funding for residential mortgages comes from outside the State, through either direct lending or secondary market investments, which frequently use appraisal management companies. Furthermore, if conforming legislation is not enacted, there is a risk that direct lending for residential mortgages from outside the State could come to a standstill, since appraisal orders could not be placed by mainland lenders and Hawaii is too small a

market for a large lender to customize a system for the State. There is also a risk that mortgages may not be available to all people in the State who need them. This potential restriction of available mortgage funds could make home affordability even more elusive for residents of Hawaii and could adversely impact home ownership for many families.

The legislature also finds that at least forty other states have acted to preserve the flow of residential lending capital into their communities by enacting legislation in conformance with the AMC Final Rule. The legislature concludes that Hawaii must also enact legislation in conformity with the AMC Final Rule before the August 10, 2018, deadline.

Accordingly, the purpose of this Act is to establish a regulatory framework for appraisal management companies in Hawaii, which conforms with the minimum regulatory requirements of the AMC Final Rule and the Dodd-Frank Act.

SECTION 2. The Hawaii Revised Statutes is amended by adding a new chapter to be appropriately designated and to read as follows:

“CHAPTER APPRAISAL MANAGEMENT COMPANIES”

§ -1 Findings and purpose. The legislature finds that the regulation of appraisal management companies is essential to protect consumers. The legislature further finds that it is necessary to establish a regulatory framework for appraisal management companies in the State in conformity with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act, Pub. L. No. 111-203, and the final regulations published on June 9, 2015, at title 12 Code of Federal Regulations, sections 1222.20, et seq., 80 Federal Register 32657 et seq. The purpose of this chapter is to establish minimum requirements for the regulation of certain non-federally regulated appraisal management companies.

§ -2 Definitions. As used in this chapter, unless the context otherwise requires:

“Affiliate” has the same meaning as defined under title 12 United States Code section 1841, or any successor federal statute.

“AMC national registry” means the registry of state-registered appraisal management companies and federally regulated appraisal management companies maintained by the Appraisal Subcommittee.

“Appraisal management company” means a person that:

- (1) Provides appraisal management services to creditors or secondary mortgage market participants, including affiliates;
- (2) Provides appraisal management services in connection with valuing a consumer’s principal dwelling as security for a consumer credit transaction or incorporating these transactions into securitizations; and
- (3) Within a twelve-month calendar year, beginning January 1 of each year and ending on December 31 of each year, oversees an appraiser panel of more than fifteen state-certified or state-licensed appraisers in a state or twenty-five or more state-certified or state-licensed appraisers in two or more states, as described in section -5.

“Appraisal management company” does not include a department or division of an entity that provides appraisal management services only to that entity.

“Appraisal management services” means one or more of the following:

- (1) Recruiting, selecting, and retaining appraisers;

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- (2) Contracting with state-certified or state-licensed appraisers to perform appraisal assignments;
- (3) Managing the process of having an appraisal performed, including providing administrative services such as receiving appraisal orders and appraisal reports, submitting completed appraisal reports to creditors and secondary market participants; collecting fees from creditors and secondary market participants for services provided; and paying appraisers for services performed; and
- (4) Reviewing and verifying the work of appraisers.

“Appraiser panel” means a network, list, or roster of licensed or certified appraisers approved by an appraisal management company to perform appraisals as independent contractors for the appraisal management company. Appraisers on an appraisal management company’s “appraiser panel” include:

- (1) Appraisers accepted by the appraisal management company for consideration for future appraisal assignments in covered transactions or for secondary mortgage market participants in connection with covered transactions; and
- (2) Appraisers engaged by the appraisal management company to perform one or more appraisals in covered transactions or for secondary mortgage market participants in connection with covered transactions.

For purposes of this chapter, an appraiser is an independent contractor if the appraiser is treated as an independent contractor by the appraisal management company for purposes of federal income taxation.

“Appraisal review” means the process of developing and communicating an opinion about the quality of another appraiser’s work that was performed as part of an appraisal assignment or appraisal review assignment related to the appraiser’s data collection, analysis, opinions, conclusions, estimate of value, or compliance with the Uniform Standards of Professional Appraisal Practice.

“Appraisal review” does not include:

- (1) A general examination for grammatical, typographical, mathematical, or other similar errors; or
- (2) A general examination for completeness, including regulatory or client requirements as specified in the agreement process, that does not communicate an opinion of value.

“Appraisal Subcommittee” means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council created pursuant to title XI of the federal Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

“Consumer credit” means credit offered or extended to a consumer primarily for personal, family, or household purposes.

“Controlling person” means:

- (1) An officer, director, or owner of greater than a ten per cent interest of a corporation, partnership, or other business entity seeking to act as an appraisal management company in the State;
- (2) An individual employed, appointed, or authorized by an appraisal management company who has the authority to:
 - (A) Enter a contractual relationship with other persons for performance of services requiring registration as an appraisal management company; and
 - (B) Enter agreements with appraisers for the performance of appraisals; or

- (3) An individual who possesses, directly or indirectly, the power to direct or cause the direction of the management or policies of an appraisal management company.

“Covered transaction” means any consumer credit transaction secured by the consumer’s principal dwelling.

“Creditor” means a person who regularly extends consumer credit that is subject to a finance charge or is payable by written agreement in more than four installments (not including a down payment) and to whom the obligation is initially payable, either on the face of the note or contract, or by agreement when there is no note or contract.

A person regularly extends consumer credit if:

- (1) The person extended credit (other than credit subject to the requirements of title 12 Code of Federal Regulations section 1026.32) more than five times for transactions secured by a dwelling in the preceding calendar year. If a person did not meet these numerical standards in the preceding calendar year, the numerical standards shall be applied to the current calendar year; or
- (2) In any twelve-month period, the person extends more than one credit extension that is subject to the requirements of title 12 Code of Federal Regulations section 1026.32 or one or more such credit extensions through a mortgage broker.

“Department” means the department of commerce and consumer affairs.

“Director” means the director of commerce and consumer affairs.

“Dwelling” means a residential structure that contains one to four units, whether or not that structure is attached to real property. “Dwelling” includes an individual condominium unit, cooperative unit, mobile home, and trailer, if it is used as a residence. A consumer can have only one principal dwelling at a time. A vacation or other second home is not considered a principal dwelling; provided that for purposes of this definition, if a consumer buys or builds a new dwelling that will become the consumer’s principal dwelling within a year or upon the completion of construction, the new dwelling shall be considered the principal dwelling.

“Federally regulated appraisal management company” means an appraisal management company that is owned and controlled by an insured depository institution, as defined in title 12 United States Code section 1813, and regulated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation.

“Federally related transaction” means any real estate-related financial transaction that involves an insured depository institution regulated by the Office of the Comptroller of the Currency, Board of Governors of the Federal Reserve System, Federal Deposit Insurance Corporation, or National Credit Union Administration, and that requires the services of an appraiser under the interagency appraisal rules.

“Person” means a natural person or an organization, including a corporation, partnership, proprietorship, association, cooperative, estate, trust, or government unit.

“Real estate-related financial transaction” means any transaction involving the sale, lease, purchase, investment in, or exchange of real property, including interests in property or the financing thereof, including the refinancing of real property or interests in real property and the use of real property or interests in property as security for a loan or investment, including mortgage-backed securities.

“Secondary mortgage market participant” means a guarantor or insurer of mortgage-backed securities or an underwriter or issuer of mortgage-backed

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securities. "Secondary mortgage market participant" only includes an individual investor in a mortgage-backed security if that investor also serves in the capacity of a guarantor, insurer, underwriter, or issuer for the mortgage-backed security.

"Uniform Standards of Professional Appraisal Practice" means the most recent iteration of the Uniform Standards of Professional Appraisal Practice developed by the appraisal standards board of The Appraisal Foundation and approved by the director.

§ -3 Appraisal management company registration program. There is established an appraisal management company registration program, subject to the real estate appraiser program established pursuant to section 466K-2, to be administered by the director in the director's capacity as the program administrator for both programs.

§ -4 Powers and duties of the director. In addition to any other powers and duties authorized by law, the director shall have the following powers and duties:

- (1) Review and approve or deny an appraisal management company's application for initial registration;
- (2) Renew or deny an appraisal management company's registration periodically;
- (3) Examine the books and records of an appraisal management company operating in the State and require the appraisal management company to submit reports, information, and documents;
- (4) Verify that the appraisers on the appraisal management company's appraiser panel hold valid state licenses or certifications, as applicable;
- (5) Conduct investigations of appraisal management companies to assess potential violations of applicable appraisal-related laws, regulations, or orders;
- (6) Discipline, suspend, terminate, or deny renewal of the registration of an appraisal management company that violates applicable appraisal-related laws, regulations, or orders;
- (7) Report an appraisal management company's violation of applicable appraisal-related law, regulations, or orders, as well as disciplinary and enforcement actions and other relevant information about an appraisal management company's operations, to the Appraisal Subcommittee; and
- (8) Adopt, amend, and repeal rules, pursuant to chapter 91, as may be necessary to establish the appraisal management company registration program and implement, administer, and enforce this chapter.

§ -5 Appraiser panel; annual size calculation. (a) For purposes of determining whether an appraisal entity meets the size requirement of an appraisal management company, as that term is defined in section -2, an appraiser shall be deemed part of the appraisal management company's appraiser panel as of the earliest date on which the appraisal management company:

- (1) Accepts the appraiser for the appraisal management company's consideration for future appraisal assignments in covered transactions or for secondary mortgage market participants in connection with covered transactions; or
- (2) Engages the appraiser to perform one or more appraisals on behalf of a creditor for covered transactions or a secondary mortgage market participant in connection with covered transactions.

(b) An appraiser who is deemed part of the appraisal management company's appraiser panel pursuant to subsection (a) shall be deemed to remain on the appraiser panel until the date on which the appraisal management company:

- (1) Sends written notice to the appraiser removing the appraiser from the appraiser panel, with an explanation of the appraisal management company's action; or
- (2) Receives written notice from the appraiser asking to be removed from the appraiser panel or notice of the death or incapacity of the appraiser.
- (c) If an appraiser is removed from an appraisal management company's appraiser panel pursuant to subsection (b), and the appraisal management company subsequently accepts the appraiser for consideration for future assignments or engages the appraiser at any time during the twelve months after the appraiser's removal:
 - (1) The removal shall be deemed not to have occurred; and
 - (2) The appraiser shall be deemed to have been part of the appraisal management company's appraiser panel without interruption.

§ -6 Registration required. (a) No person may directly or indirectly engage or attempt to engage in business as an appraisal management company, directly or indirectly perform or attempt to perform appraisal management services, or advertise or hold oneself out as engaging in or conducting business as an appraisal management company without first being registered pursuant to this chapter.

- (b) An appraisal management company shall:
 - (1) Register with the real estate appraiser program administered by the department pursuant to chapter 466K;
 - (2) Engage only state-licensed or state-certified appraisers for federally related transactions in conformity with any federally related transaction regulations;
 - (3) Establish and comply with processes and controls reasonably designed to ensure that the appraisal management company, in engaging an appraiser, selects an appraiser who is independent of the transaction and has the requisite education, expertise, and experience necessary to competently complete the appraisal assignment for the particular market and property type;
 - (4) Direct an appraiser to perform the assignment in accordance with the Uniform Standards of Professional Appraisal Practice; and
 - (5) Establish and comply with processes and controls reasonably designed to ensure that the appraisal management company conducts its appraisal management services in accordance with the requirements of section 129E(a) through 129E(i) of the Truth in Lending Act, title 15 United States Code sections 1639e(a) through 1639e(i), and regulations adopted thereunder.
- (c) This section shall not apply to:
 - (1) A person that exclusively employs appraisers on an employer and employee basis for the performance of appraisals in this State;
 - (2) A federally regulated appraisal management company;
 - (3) A department or unit within a financial institution that is subject to direct regulation by an agency of the federal government that is a member of the Federal Financial Institutions Examination Council or its successor, or to regulation by the commissioner of financial institutions under chapter 412, that receives a request for the perfor-

mance of an appraisal from one employee of the financial institution, and another employee of the same financial institution assigns the request for the appraisal to an appraiser that is an independent contractor to the institution, except that an appraisal management company that is a wholly owned subsidiary of a financial institution shall not be considered a department or unit within a financial institution to which the provisions of this chapter do not apply; or

- (4) An appraiser who enters into an agreement with another appraiser for the performance of an appraisal that upon completion results in a report signed by both the appraiser who completed the appraisal and the appraiser who requested the completion of the appraisal.

(d) Any person who engages in an activity requiring registration as an appraisal management company issued by the director and who fails to obtain the required registration, or who uses any work, title, or representation to induce the false belief that the person is registered to engage in said activity, shall be guilty of a misdemeanor and shall be subject to a fine of not more than \$1,000 or imprisoned not more than one year, or both, and each day of violation shall be deemed a separate offense.

(e) The director may maintain a suit to enjoin the performance or the continuance of any act or acts by a person acting without a registration where a registration is required by law, and if injured thereby, for the recovery of damages.

§ -7 Registration process. An applicant for registration under this chapter shall file an application for registration with the director on a form prescribed by the director and pay a fee established by the director. The form shall require any information necessary to determine eligibility for registration.

§ -8 Criminal history record checks. (a) The application submitted pursuant to section -7 shall contain the information and authorizations necessary to conduct a criminal history record check in accordance with section 846-2.7 for:

- (1) Each person applying for registration who owns more than ten per cent of an appraisal management company; and

- (2) Each of the applicant's controlling persons.

(b) The information and authorizations shall be accompanied by the appropriate payment of the applicable fee for each record check.

§ -9 Appraisal management company registration numbers. (a) The director shall issue a unique registration number to each appraisal management company registered in this State.

(b) The director shall maintain a list of the appraisal management companies that are registered with the director.

(c) An appraisal management company registered in this State shall place its registration number on engagement documents utilized by the appraisal management company to procure appraisal services in this State.

§ -10 Expiration of registration. Registrations shall expire on December 31 of each odd-numbered year. The expiration date of the registration shall appear on the appraisal management company registration certificate issued to the registrant, and no other notice of its expiration need be given to the registrant.

§ -11 Compliance with the Uniform Standards of Professional Appraisal Practice. As a condition of registration or renewal of registration, each appraisal management company in the State shall certify that the company requires appraisers completing appraisals at the company's request to comply with the Uniform Standards of Professional Appraisal Practice.

§ -12 Consent to service of process. An applicant for registration under this chapter that is not domiciled in the State shall complete an irrevocable consent to service of process, in a form approved by the attorney general.

§ -13 Reporting requirements; non-federally regulated appraisal management companies. The director shall collect from each appraisal management company registered or seeking registration in the State all information and fees required by the Appraisal Subcommittee to be submitted to the Appraisal Subcommittee by the State, pursuant to regulations or guidance promulgated by the Appraisal Subcommittee.

§ -14 Reporting requirements; federally regulated appraisal management companies; reporting information for appraisal management companies. A federally regulated appraisal management company operating in the State shall report to the director the information required to be submitted by the State to the Appraisal Subcommittee, pursuant to the Appraisal Subcommittee's policies regarding the determination of the AMC national registry fee. These reporting requirements shall include:

- (1) A notice of intent to operate in the State;
- (2) Information related to whether the appraisal management company is owned in whole or in part, directly or indirectly, by any person who has had an appraiser license or certification refused, denied, canceled, surrendered in lieu of revocation, or revoked in any state for a substantive cause, as determined by the Appraisal Subcommittee; and
- (3) If a person has had such action taken on the person's appraisal license or certification, the director shall collect information related to whether the license or certification was revoked for a substantive cause and if the license or certification has been reinstated by the state or states in which the appraiser was licensed or certified.

§ -15 Owner requirements. (a) An appraisal management company applying for, holding, or renewing a registration under this chapter shall not be owned, in whole or in part, directly or indirectly, by any person who has had an appraiser license or certification refused, denied, canceled, surrendered in lieu of revocation, or revoked in any state for a substantive cause, as determined by the appropriate state appraiser certifying and licensing agency; provided that an appraisal management company may be registered under this chapter if the license or certification of the appraiser with an ownership interest was not revoked for a substantive cause and the license or certification has been reinstated by the state in which the appraiser was licensed or certified.

(b) Each person that owns more than ten per cent of an appraisal management company and applies for, holds, or renews a registration under this chapter shall:

- (1) Be of good moral character; and
- (2) Submit to a criminal history record check pursuant to section -8.

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§ -16 Controlling person. An appraisal management company applying for registration or renewal of registration in the State shall designate one controlling person to serve as the main contact for all communication between the department and the company. The controlling person shall:

- (1) Be in good standing in the State and in any other state that has at any time issued the controlling person an appraiser license or certification; provided that nothing in this chapter shall require that a designated controlling person hold or continue to hold an appraiser license or certification in any jurisdiction;
- (2) Never have had an appraiser license or certification in this State or any other state refused, denied, canceled, revoked, or surrendered in lieu of a pending disciplinary proceeding in any jurisdiction and not have had the license or certification subsequently reinstated or granted;
- (3) Be of good moral character; and
- (4) Submit to a criminal history record check pursuant to section -8.

§ -17 Appraiser engagement. Before or at the time of placing an assignment to appraise real property in the State with an appraiser on the appraiser panel of an appraisal management company, the appraisal management company shall verify that the appraiser receiving the assignment holds an appraiser license or certification in good standing in this State and verify that the appraiser receiving the assignment meets the competency rule of the Uniform Standards of Professional Appraisal Practice. An attestation provided by an appraiser that such appraiser is geographically competent within the appraiser's scope of practice will satisfy an appraisal management company's responsibility under this section.

§ -18 Appraisal review. Any employee of or independent contractor to an appraisal management company who performs an appraisal review for a property located in this State shall be a licensed or certified appraiser in good standing in the State and any other jurisdiction in which the appraiser is licensed or certified.

§ -19 Verification of licensure or certification. (a) An appraisal management company registered in the State may not enter into any contract or agreement with an appraiser for the performance of appraisals in the State unless the company verifies that the appraiser is licensed or certified in good standing in the State.

(b) An appraisal management company seeking registration or renewal of registration in the State shall certify that the company has a system and process in place to verify that an individual added to the appraiser panel of the company for appraisal services holds an appraiser license or certification in good standing in this State.

§ -20 Fee disclosure. An appraisal management company registered in the State shall not prohibit an independent appraiser who is part of the appraiser panel from recording the fee that the appraiser was paid by the appraisal management company for the performance of an appraisal within the communication of the appraisal.

§ -21 Retention of records. (a) Each appraisal management company seeking registration or renewal of registration in the State shall certify that the

appraisal management company maintains a detailed record of each service request the company receives for appraisals of real property located in the State.

(b) An appraisal management company registered in the State shall retain all records required to be maintained under this chapter for at least five years after the file is submitted to the appraisal management company or at least two years after final disposition of any related judicial proceeding of which the appraisal management company is provided notice, whichever period expires last.

(c) All records required to be maintained pursuant to this section shall be made available for inspection by the director upon request.

§ -22 Payments to appraisers. (a) An appraisal management company shall, except in bona fide cases of breach of contract or substandard performance of services, make payment to an independent appraiser for the completion of an appraisal or valuation assignment within forty-five days of the date on which the appraiser transmits or otherwise provides the completed appraisal or valuation assignment to the appraisal management company or the company's assignee, unless a mutually agreed-upon alternate arrangement has been previously established.

(b) An appraisal management company seeking registration or renewal of registration shall certify that the company will require appraisals to be conducted independently, as required by the appraisal independence requirements under section 129E of the Truth in Lending Act, title 15 United States Code section 1639e, including the requirement that a customary and reasonable fee be paid to an independent appraiser who completes an appraisal in connection with a consumer credit transaction secured by the principal dwelling.

§ -23 Appraiser independence. (a) It shall be a violation of this chapter for any employee, director, officer, or agent of an appraisal management company registered in this State to engage in any act or practice that violates appraisal independence as described in subsection (b).

(b) For purposes of subsection (a), acts or practices that violate appraisal independence shall include:

- (1) Any appraisal of a property offered as security for repayment of the consumer credit transaction that is conducted in connection with such transaction in which a person with an interest in the underlying transaction compensates, coerces, extorts, colludes, instructs, induces, bribes, or intimidates a person, appraisal management company, firm, or other entity conducting or involved in an appraisal, or attempts to compensate, coerce, extort, collude, instruct, induce, bribe, or intimidate such a person, for the purpose of causing the appraisal value assigned, under the appraisal, to the property to be based on any fact other than the independent judgment of the appraiser;
- (2) Mischaracterizing, or suborning any mischaracterization of, the appraised value of the property securing the extension of credit;
- (3) Seeking to influence an appraiser or otherwise to encourage a targeted value in order to facilitate the making or pricing of the transaction; and
- (4) Withholding or threatening to withhold timely payment for an appraisal report or for appraisal services rendered when the appraisal report or services are provided in accordance with the contract between the parties.

(c) The requirements of subsections (a) and (b) shall not be construed as prohibiting an appraisal management company, employee of an appraisal

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management company, consumer, or any other person with an interest in a real estate transaction from asking an appraiser to:

- (1) Consider additional appropriate property information, including the consideration of additional comparable properties to make or support an appraisal;
- (2) Provide further detail, substantiation, or explanation for the appraiser's consideration in the appraisal; or
- (3) Correct objective errors in the appraisal report.

(d) Any appraisal management company, employee of an appraisal management company, or any other person involved in a real estate transaction involving an appraisal in connection with a consumer credit transaction who has a reasonable basis to believe an appraiser is failing to comply with the Uniform Standards of Professional Appraisal Practice, is violating applicable laws, or is otherwise engaging in unethical or unprofessional conduct, shall refer the matter to the director.

(e) Every appraisal management company shall establish and comply with processes and controls reasonably designed to ensure that the appraisal management company, in engaging an appraiser, selects an appraiser who is independent of the transaction and who has the requisite education, expertise, and experience necessary to competently complete the appraisal assignment for the particular market and property type. Every appraisal management company shall establish and comply with processes and controls reasonably designed to ensure that the appraisal management company conducts its appraisal management services in accordance with the requirements of title 15 United States Code section 1639e(a) through (i), and regulations adopted thereunder.

§ -24 Mandatory reporting of violations. An appraisal management company that has a reasonable basis to believe an appraiser has materially failed to comply with applicable laws or rules or has materially violated the Uniform Standards of Professional Appraisal Practice shall refer the matter to the director in conformance with applicable federal laws and regulations.

§ -25 Prohibited conduct. (a) No employee, director, officer, agent, independent contractor, or other third party acting on behalf of an appraisal management company shall:

- (1) Procure or attempt to procure a registration or renewal by knowingly making a false statement, submitting false information, or refusing to provide complete information in response to a question in an application for registration or renewal;
- (2) Wilfully violate this chapter or rules adopted by the director pursuant to this chapter;
- (3) Improperly influence or attempt to improperly influence the development, reporting, result, or review of an appraisal through intimidation, coercion, extortion, bribery, or any other manner, including but not limited to:
 - (A) Withholding payment for appraisal services;
 - (B) Threatening to exclude an appraiser from future work or threatening to demote or terminate the appraiser in order to improperly obtain a desired result;
 - (C) Conditioning payment of an appraisal fee upon the opinion, conclusion, or valuation to be reached; or
 - (D) Requesting that an appraiser report a predetermined opinion, conclusion, or valuation or the desired valuation of any person or entity;

- (4) Alter, amend, or change an appraisal report submitted by an appraiser without the appraiser's knowledge and written consent;
 - (5) Except within the first ninety days after an independent appraiser is added to an appraiser panel, remove an independent appraiser from an appraiser panel without prior written notice to the appraiser; provided that the prior written notice shall include the following, if applicable:
 - (A) The appraiser's illegal conduct;
 - (B) The appraiser's violation of the Uniform Standards of Professional Appraisal Practice, this chapter, or rules adopted pursuant to this chapter;
 - (C) The appraiser's improper or unprofessional conduct; or
 - (D) The appraiser's substandard performance or other substantive deficiencies;
 - (6) Require an appraiser to sign any indemnification agreement that would require the appraiser to defend and hold harmless the appraisal management company or any of its agents or employees for any liability, damage, losses, or claims arising out of the services performed by the appraisal management company or its agents, employees, or independent contractors, and not the services performed by the appraiser;
 - (7) Prohibit lawful communications between the appraiser and any other person to whom the appraiser, in the appraiser's professional judgment, believes possesses information that would be relevant;
 - (8) Engage in any other act or practice that impairs or attempts to impair a real estate appraiser's independence, objectivity, and impartiality;
 - (9) Fail to timely respond to any subpoena or other request for information;
 - (10) Fail to timely obey an administrative order of the director or department; or
 - (11) Fail to cooperate in any investigation.
- (b) Nothing in this chapter shall prevent an appraisal management company from requesting an appraiser to provide additional information about the basis for a valuation, correct objective factual errors in an appraisal report, or consider additional appropriate property information.

§ -26 Disciplinary proceedings. The director may deny, suspend, or revoke the registration of an appraisal management company; impose a monetary penalty of an amount not to exceed \$5,000 per violation; issue a letter of reprimand; refuse to issue or renew the registration of an appraisal management company; or take other disciplinary action against an appraisal management company for any one or more of the following acts or conditions:

- (1) The applicant is not of a good moral character;
- (2) The applicant has had a registration revoked or suspended for cause, or surrendered in lieu of disciplinary proceedings;
- (3) The applicant, upon renewal of registration, would not be eligible for registration on a first application;
- (4) The issuance of a registration would result in a violation of this chapter or any rules adopted pursuant to this chapter;
- (5) In the conduct of affairs under the registration, the registrant has demonstrated incompetency, untrustworthiness, or conduct or practices rendering the registrant unfit to carry on appraisal management services; made continuance in the business detrimental to the public interest; or is no longer in good faith carrying on appraisal

- management services, and for this conduct is found by the director to be a source of detriment, injury, or loss to the public;
- (6) The appraisal management company committed any act in violation of this chapter;
 - (7) The appraisal management company violated any rule adopted by the department in the interest of the public and consistent with this chapter;
 - (8) The appraisal management company procured a registration or renewal of registration for the appraisal management company or intentionally committed any other act by fraud, misrepresentation, or deceit; or
 - (9) The appraisal management company violates this chapter, chapter 436B, or any rule or order of the director.

§ -27 Fees; bond required. (a) The director may charge the appraisal management company reasonable fees to offset costs of operating the appraisal management company registration program established pursuant to this chapter. The following fees shall apply:

- (1) Nonrefundable application fee...\$60;
- (2) Biennial registration fee...\$4,200; and
- (3) Biennial compliance resolution fund fee...\$500.

In addition, upon the issuance of a new registration and at each renewal period, each appraisal management company shall pay a special assessment fee of \$300 that shall be deposited into the compliance resolution fund established pursuant to section 26-9(o). Fees assessed pursuant to this chapter shall be used to defray costs incurred by the department in implementing this chapter.

(b) Pursuant to section 26-9(l), the director shall establish other fees relating to the administration of this chapter by rule.

(c) Each appraisal management company applying for or renewing a registration shall post with the director and maintain a surety bond in the amount of \$25,000 as follows:

- (1) The bond shall be in a form satisfactory to the director;
- (2) The bond will accrue to the program for the benefit of a claimant against the registrant to secure the faithful performance of the registrant's obligations under applicable laws and rules and to a real estate appraiser who has performed an appraisal for the registrant for which the appraiser has not been paid;
- (3) The aggregate liability of the surety shall not exceed the principal sum of the bond;
- (4) A party having a claim against the registrant may bring suit directly on the surety bond, or the director may bring suit on behalf of the party having a claim against the registrant, either in one action or in successive actions;
- (5) A claim reducing the face amount of the bond shall be annually restored upon renewal of the registrant's registration;
- (6) The bond shall remain in effect until cancellation, which may occur only after ninety days' written notice to the program. Cancellation shall not affect any liability incurred or accrued during that period; and
- (7) Upon termination or cancellation of the bond required in this subsection, a registered appraisal management company shall file a replacement bond or shall surrender its registration to do business in the State and shall immediately cease operation as an appraisal management company in the State. A registered appraisal manage-

ment company that voluntarily ceases operations in this State shall ensure a surety bond remains in place for no less than two years after the registered appraisal management company ceases operations.

§ -28 Federal registry requirements. (a) The director shall collect from each appraisal management company registered or seeking to be registered in this State the information that the Appraisal Subcommittee requires to be submitted to it by the State pursuant to regulations or guidance adopted by the Appraisal Subcommittee.

(b) A federally regulated appraisal management company operating in this State shall report to the director the information required to be submitted by the State to the Appraisal Subcommittee, pursuant to the Appraisal Subcommittee's policies regarding the determination of the appraisal management company national registry fee. These reports shall include:

- (1) A report to the director of the intent of the federally regulated appraisal management company to operate in this State;
- (2) Information related to whether the appraisal management company is owned in whole or in part, directly or indirectly, by any person who has had an appraiser license or certificate refused, denied, canceled, surrendered in lieu of revocation, or revoked in any state for a substantive cause, as determined by the Appraisal Subcommittee; and
- (3) If such person or persons has had such action taken on their appraisal license, the director shall collect information related to whether the license was revoked for a substantive cause and if it has been reinstated by the state or states in which the appraiser was licensed.

§ -29 Exemption. This chapter shall not apply to an appraiser who enters an agreement with another appraiser for the performance of an appraisal that, upon completion, results in a report signed by the appraiser who completed the appraisal and the appraiser who requested completion of the appraisal."

SECTION 3. Section 846-2.7, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

- "(b) Criminal history record checks may be conducted by:
 - (1) The department of health or its designee on operators of adult foster homes for individuals with developmental disabilities or developmental disabilities domiciliary homes and their employees, as provided by section 321-15.2;
 - (2) The department of health or its designee on prospective employees, persons seeking to serve as providers, or subcontractors in positions that place them in direct contact with clients when providing non-witnessed direct mental health or health care services as provided by section 321-171.5;
 - (3) The department of health or its designee on all applicants for licensure or certification for, operators for, prospective employees, adult volunteers, and all adults, except adults in care, at healthcare facilities as defined in section 321-15.2;
 - (4) The department of education on employees, prospective employees, and teacher trainees in any public school in positions that necessitate close proximity to children as provided by section 302A-601.5;

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- (5) The counties on employees and prospective employees who may be in positions that place them in close proximity to children in recreation or child care programs and services;
- (6) The county liquor commissions on applicants for liquor licenses as provided by section 281-53.5;
- (7) The county liquor commissions on employees and prospective employees involved in liquor administration, law enforcement, and liquor control investigations;
- (8) The department of human services on operators and employees of child caring institutions, child placing organizations, and foster boarding homes as provided by section 346-17;
- (9) The department of human services on prospective adoptive parents as established under section 346-19.7;
- (10) The department of human services or its designee on applicants to operate child care facilities, household members of the applicant, prospective employees of the applicant, and new employees and household members of the provider after registration or licensure as provided by section 346-154, and persons subject to section 346-152.5;
- (11) The department of human services on persons exempt pursuant to section 346-152 to be eligible to provide child care and receive child care subsidies as provided by section 346-152.5;
- (12) The department of health on operators and employees of home and community-based case management agencies and operators and other adults, except for adults in care, residing in community care foster family homes as provided by section 321-15.2;
- (13) The department of human services on staff members of the Hawaii youth correctional facility as provided by section 352-5.5;
- (14) The department of human services on employees, prospective employees, and volunteers of contracted providers and subcontractors in positions that place them in close proximity to youth when providing services on behalf of the office or the Hawaii youth correctional facility as provided by section 352D-4.3;
- (15) The judiciary on employees and applicants at detention and shelter facilities as provided by section 571-34;
- (16) The department of public safety on employees and prospective employees who are directly involved with the treatment and care of persons committed to a correctional facility or who possess police powers including the power of arrest as provided by section 353C-5;
- (17) The board of private detectives and guards on applicants for private detective or private guard licensure as provided by section 463-9;
- (18) Private schools and designated organizations on employees and prospective employees who may be in positions that necessitate close proximity to children; provided that private schools and designated organizations receive only indications of the states from which the national criminal history record information was provided pursuant to section 302C-1;
- (19) The public library system on employees and prospective employees whose positions place them in close proximity to children as provided by section 302A-601.5;
- (20) The State or any of its branches, political subdivisions, or agencies on applicants and employees holding a position that has the same type of contact with children, vulnerable adults, or persons committed to a correctional facility as other public employees who hold po-

- sitions that are authorized by law to require criminal history record checks as a condition of employment as provided by section 78-2.7;
- (21) The department of health on licensed adult day care center operators, employees, new employees, subcontracted service providers and their employees, and adult volunteers as provided by section 321-15.2;
- (22) The department of human services on purchase of service contracted and subcontracted service providers and their employees serving clients of the adult protective and community services branch, as provided by section 346-97;
- (23) The department of human services on foster grandparent program, senior companion program, and respite companion program participants as provided by section 346-97;
- (24) The department of human services on contracted and subcontracted service providers and their current and prospective employees that provide home and community-based services under section 1915(c) of the Social Security Act, title 42 United States Code section 1396n(c), or under any other applicable section or sections of the Social Security Act for the purposes of providing home and community-based services, as provided by section 346-97;
- (25) The department of commerce and consumer affairs on proposed directors and executive officers of a bank, savings bank, savings and loan association, trust company, and depository financial services loan company as provided by section 412:3-201;
- (26) The department of commerce and consumer affairs on proposed directors and executive officers of a nondepositary financial services loan company as provided by section 412:3-301;
- (27) The department of commerce and consumer affairs on the original chartering applicants and proposed executive officers of a credit union as provided by section 412:10-103;
- (28) The department of commerce and consumer affairs on:
- (A) Each principal of every non-corporate applicant for a money transmitter license;
 - (B) The executive officers, key shareholders, and managers in charge of a money transmitter's activities of every corporate applicant for a money transmitter license; and
 - (C) The persons who are to assume control of a money transmitter licensee in connection with an application requesting approval of a proposed change in control of licensee, as provided by sections 489D-9 and 489D-15;
- (29) The department of commerce and consumer affairs on applicants for licensure and persons licensed under title 24;
- (30) The Hawaii health systems corporation on:
- (A) Employees;
 - (B) Applicants seeking employment;
 - (C) Current or prospective members of the corporation board or regional system board; or
 - (D) Current or prospective volunteers, providers, or contractors, in any of the corporation's health facilities as provided by section 323F-5.5;
- (31) The department of commerce and consumer affairs on:
- (A) An applicant for a mortgage loan originator license; and

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- (B) Each control person, executive officer, director, general partner, and manager of an applicant for a mortgage loan originator company license, as provided by chapter 454F;
- (32) The state public charter school commission or public charter schools on employees, teacher trainees, prospective employees, and prospective teacher trainees in any public charter school for any position that places them in close proximity to children, as provided in section 302D-33;
- (33) The counties on prospective employees who work with children, vulnerable adults, or senior citizens in community-based programs;
- (34) The counties on prospective employees for fire department positions which involve contact with children or vulnerable adults;
- (35) The counties on prospective employees for emergency medical services positions which involve contact with children or vulnerable adults;
- (36) The counties on prospective employees for emergency management positions and community volunteers whose responsibilities involve planning and executing homeland security measures including viewing, handling, and engaging in law enforcement or classified meetings and assisting vulnerable citizens during emergencies or crises;
- (37) The State and counties on employees, prospective employees, volunteers, and contractors whose position responsibilities require unescorted access to secured areas and equipment related to a traffic management center;
- (38) The State and counties on employees and prospective employees whose positions involve the handling or use of firearms for other than law enforcement purposes;
- (39) The State and counties on current and prospective systems analysts and others involved in an agency's information technology operation whose position responsibilities provide them with access to proprietary, confidential, or sensitive information;
- (40) The department of commerce and consumer affairs on [applicants]:
 - (A) Applicants for real estate appraiser licensure or certification as provided by chapter 466K;
 - (B) Each person who owns more than ten per cent of an appraisal management company who is applying for registration as an appraisal management company, as provided by section -7; and
 - (C) Each of the controlling persons of an applicant for registration as an appraisal management company, as provided by section -7;
- (41) The department of health or its designee on all license applicants, licensees, employees, contractors, and prospective employees of medical marijuana dispensaries, and individuals permitted to enter and remain in medical marijuana dispensary facilities as provided under sections 329D-15(a)(4) and 329D-16(a)(3);
- (42) The department of commerce and consumer affairs on applicants for nurse licensure or license renewal, reactivation, or restoration as provided by sections 457-7, 457-8, 457-8.5, and 457-9;
- [¶(43)¶] The county police departments on applicants for permits to acquire firearms pursuant to section 134-2 and on individuals registering their firearms pursuant to section 134-3;
- [¶(44)¶] The department of commerce and consumer affairs on:

- (A) Each of the controlling persons of the applicant for licensure as an escrow depository, and each of the officers, directors, and principals who will be in charge of the escrow depository's activities upon licensure; and
- (B) Each of the controlling persons of an applicant for proposed change in control of an escrow depository licensee, and each of the officers, directors, and principals who will be in charge of the licensee's activities upon approval of such application, as provided by chapter 449; and
- [§(45)] Any other organization, entity, or the State, its branches, political subdivisions, or agencies as may be authorized by state law."

SECTION 4. Section 26H-4, Hawaii Revised Statutes, is amended to read as follows:

"§26H-4 Repeal dates for newly enacted professional and vocational regulatory programs. (a) Any professional or vocational regulatory program enacted after January 1, 1994, and listed in this section shall be repealed as specified in this section. The auditor shall perform an evaluation of the program, pursuant to section 26H-5, prior to its repeal date.
 (b) Chapter 436H (athletic trainers) shall be repealed on June 30, 2018.
 (c) Chapter 465D (behavior analysts) shall be repealed on June 30, 2021.
(d) Chapter (appraisal management companies) shall be repealed on June 30, 2023."

SECTION 5. The department of commerce and consumer affairs may employ necessary personnel without regard to chapter 76, Hawaii Revised Statutes, to assist with the implementation and continuing function of this Act.

SECTION 6. There is appropriated out of the compliance resolution fund established pursuant to section 26-9(o), Hawaii Revised Statutes, the sum of \$140,000 or so much thereof as may be necessary for fiscal year 2017-2018 to implement the appraisal management company registration program.

The sum appropriated shall be expended by the department of commerce and consumer affairs for the purposes of this Act.

SECTION 7. The provisions of this Act shall be enforced to the extent they are not held to conflict with any federal law. If any provision of this Act is held in conflict with any federal law, this Act in its entirety, shall be invalid.

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 9. This Act shall take effect on January 1, 2018; provided that section 6 of this Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

A Bill for an Act Relating to Public Safety.

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

SECTION 1. The legislature finds that rising prison populations and shrinking correctional budgets have made reducing costs important for correctional facilities.

The legislature further finds that prison farm programs can reduce correctional costs by producing food in-house, increase food self-sufficiency for correctional facilities, and address the correctional issues of underused labor power and inmates in need of programs and rehabilitation.

The legislature further finds that inmates working on prison farm programs tend to be less aggressive, less prone to recidivism, and healthier, and tend to consume a higher-quality diet. Farm inmates are also exposed to a functioning workplace and gain benefits such as employability, time management and responsibility skills, access to nature, individual and team building skills, and conflict resolution.

Prison farm programs also offer a unique environment where inmates learn a variety of technical skills and trades. Farm inmates also learn the practice of horticulture, including caring for and identifying plants, managing and controlling pests, applying planting and harvesting techniques, and performing watering and weeding. Farm inmates also have the opportunity to learn to drive and operate a tractor and learn to repair farm machinery.

The purpose of this Act is to appropriate funds for:

- (1) A full-time temporary agricultural management position and equipment for Kulani correctional facility agriculture operations; and
- (2) A full-time temporary agricultural management position and equipment for Waiawa correctional facility agriculture operations.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$50,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the establishment of one full-time equivalent (1.00 FTE) temporary agricultural management position in the department of public safety to manage agricultural operations at Kulani correctional facility.

The sum appropriated shall be expended by the department of public safety for the purposes of this Act.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$50,000 or so much thereof as may be necessary for fiscal year 2017-2018 for equipment for Kulani correctional facility agriculture operations, as determined to be necessary by the agricultural manager.

The sum appropriated shall be expended by the department of public safety for the purposes of this Act.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$50,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the establishment of one full-time equivalent (1.00 FTE) temporary agricultural management position in the department of public safety to manage agricultural operations at Waiawa correctional facility.

The sum appropriated shall be expended by the department of public safety for the purposes of this Act.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$50,000 or so much thereof as may be necessary for fiscal year 2017-2018 for equipment for Waiawa correctional facility agriculture operations, as determined to be necessary by the agricultural manager.

The sum appropriated shall be expended by the department of public safety for the purposes of this Act.

SECTION 6. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

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H.B. NO. 1436

A Bill for an Act Relating to Awarded Federal Emergency Management Agency Hazard Mitigation Grant.

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

SECTION 1. In 2007, the state building code council was created to review and adopt current, nationally-recognized building codes and standards to ensure compliance with requirements of building safety, the National Flood Insurance Program, hurricane and earthquake resiliency standards, energy efficiency, fire safety, and technological advances in building materials and methods.

The legislature finds that since funding was never provided to the state building code council for staff and operational expenses, the effectiveness of the council's eleven voting members has been limited.

The state building code council applied for federal funds that were available through the Federal Emergency Management Agency Hazard Mitigation Grant Program to fund the adoption of the hurricane and earthquake resiliency standards in the 2012 international building code and Hawaii-specific amendments approved by the council.

In November 2016, the department of accounting and general services received notification that the Federal Emergency Management Agency Hazard Mitigation Grant Program awarded the State a reimbursement grant for a project entitled "Hawaii state building code administrative rules to implement updated statewide standards for hurricane mitigation". Under terms of the reimbursement grant, the department of accounting and general services is required to use its operating funds to accomplish the project and, after a review, the Federal Emergency Management Agency will reimburse the State up to \$75,000. The \$75,000 award amount comprises:

- (1) \$60,000 for a consultant to provide services to assist the state building code council with the timely performance of all tasks required to complete the Hawaii rulemaking process under chapter 91, Hawaii Revised Statutes, including publication and advertising costs required for a public hearing; and
- (2) \$15,000 for management of the consultant contract by the department of accounting and general services.

The volunteer members of the state building code council will also provide an additional in-kind soft match of \$25,000 for the State. The Federal Emergency Management Agency hazard mitigation grant will enable the state building code council to fulfill its statutory obligation to update the state building code once every six years. The latest update occurred in 2010 and was based on the 2006 international building code, which is four versions behind the latest version. Hawaii is among the last few states using an obsolete building code that

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is considered inadequate by the Federal Emergency Management Agency and this situation jeopardizes timely, Federal Emergency Management Agency post-disaster aid to Hawaii.

The purpose of this Act is to appropriate funds for the state building code council to update the state building code standards for hurricane mitigation and secure a reimbursement grant from the Federal Emergency Management Agency Hazard Mitigation Grant Program.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$75,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the state building code council to update the state building code standards for hurricane mitigation and secure a reimbursement grant from the Federal Emergency Management Agency Hazard Mitigation Grant Program; provided that all reimbursements from the Federal Emergency Management Agency grant described in this section for any portion of the sum appropriated under this section shall be deposited into the general fund.

The sum appropriated shall be expended by the department of accounting and general services for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

ACT 121

H.B. NO. 144

A Bill for an Act Relating to the Mitigation of Hazardous Situations Statewide.

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

SECTION 1. Section 127A-18, Hawaii Revised Statutes, allows the governor to authorize designated state employees, agents, contractors, or representatives, when no emergency exists, to enter private property at reasonable times to mitigate situations deemed by the governor to be hazardous to the health and safety of the public. The landowner and occupier are given notice and a reasonable opportunity to mitigate the hazardous situation without assistance of the State. If state assistance is required, the State may seek recovery and reimbursement of costs and expenses.

This program has proven to be very effective in mitigating hazards within the State. As of November 30, 2016, a total of five hundred ninety-eight cases were received, of which four hundred seventy-four were resolved and closed. The majority of these closed cases resulted from outreach and mediation efforts by the Hawaii emergency management agency between the complainant and property owner. During the 2016 Tropical Storm Darby event, minimal damage was reported by the counties from downed albizia trees and other hazards. This is in sharp contrast to the major damage to highways, power lines, and homes caused by downed albizia trees on the island of Hawaii during Tropical Storm Iselle in 2014. This improvement was due largely to the mitigation of hazardous situations program and other culling projects conducted by the counties and other organizations.

Funding for this program in the amount of \$1,000,000 was appropriated by Act 122, Session Laws of Hawaii 2014. This funding will lapse on June 30, 2017. As of November 30, 2016, approximately \$463,823 of the funding has been obligated with \$536,177 remaining. The purpose of this Act is to reauthorize the remaining funds to be available for the program.

SECTION 2. Act 134, Session Laws of Hawaii 2013, as amended by Act 122, Session Laws of Hawaii 2014, is amended by amending section 26.1 to read as follows:

“**SECTION 26.1.** Provided that of the general fund appropriation for amelioration of physical disaster (DEF 110), the sum of [\$1,000,000] \$463,823 or so much thereof as may be necessary for fiscal year 2014-2015 shall be expended for the purpose of mitigating hazardous situations statewide in accordance with section [128-10.3.] 127A-18, Hawaii Revised Statutes; provided further that any funds not expended for this purpose shall not lapse to the general fund at the end of the fiscal year appropriated but shall be carried forward into subsequent years; and provided further that any unexpended funds shall lapse to the general fund on June 30, 2017.”

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$536,177 or so much thereof as may be necessary for fiscal year 2017-2018 to be expended for the purpose of mitigating hazardous situations statewide in accordance with section 127A-18, Hawaii Revised Statutes; provided that any funds not expended for this purpose shall not lapse to the general fund at the end of the fiscal year appropriated but shall be carried forward into subsequent years; and provided further that any unexpended funds shall lapse to the general fund on June 30, 2020.

The sum appropriated shall be expended by the department of defense for the purposes of this Act.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

ACT 122

H.B. NO. 1115

A Bill for an Act Relating to the Hawaii Labor Relations Board.

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

SECTION 1. Section 396-11.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) In any hearing conducted by the appeals board under this chapter and pursuant to chapter 91, notwithstanding section 91-9.5, all parties shall be given written notice of hearing by first class mail or by electronic service through a company designated by the appeals board at least fifteen days before the hearing.”

SECTION 2. Section 396-12, Hawaii Revised Statutes, is amended to read as follows:

“§396-12 Judicial review. Except where an order has already become final for failure to contest, the decision and order of the appeals board shall be final and conclusive unless the director or any party to the proceedings before the appeals board obtains a review thereof in the manner provided in chapter 91 by instituting proceedings in the circuit court of the circuit in which the place of

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employment, machine, device, apparatus, or equipment is situated or such practice, means, method, operation, or process is employed. The hearing on review shall be on the record and the department shall be deemed a party to any such proceedings. The court shall give precedence to such proceedings over all other civil cases.

The party seeking the review of a decision and order of the appeals board shall bear the cost of preparing a transcript, unless otherwise prohibited by law, in which case the appeals board shall bear the cost of preparing the transcript.”

SECTION 3. New statutory material is underscored.

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

(Approved July 10, 2017.)

ACT 123

H.B. NO. 530

A Bill for an Act Relating to Homebuyer Assistance.

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

SECTION 1. The legislature finds that homeownership creates strong communities through economic growth. Homeowners have a greater sense of security, continuity, belonging, and pride in their communities. According to the United States Department of Housing and Urban Development, with careful loan underwriting, homeownership helps lower income households build wealth even during tough economic times.

In a recently released national housing survey sponsored by Fannie Mae, the most cited reasons for wanting to own a home were to have a good place to raise children, a safe place to live, more space for family, and control over one's living space. These factors have been linked to better physical and psychological health, including greater satisfaction with life, one's home, and one's neighborhood. Homeowners viewed their communities as stronger, safer, and more stable than did renters and were more likely to report that they felt connected to others, knew their neighbors, and were civically engaged.

The legislature further finds that one of the major barriers to homeownership is the lack of availability of downpayment assistance. Even small amounts of downpayment assistance increase the probability of moving first-time buyers into homeownership. Although about one out of five first-time homebuyers receive such help from their families, low- and moderate-income households are less likely to have this option available. The late Edward Szymanoski, former United States Department of Housing and Urban Development Associate Deputy Assistant Secretary for Economic Affairs, said, "First-time buyers often lack cash to pay the downpayment and closing costs charged by conventional lenders and would otherwise have to defer homeownership for many years."

The Hawaii housing finance and development corporation's downpayment loan program was established in 1995 to assist eligible first-time homebuyers earning up to 120 per cent of the area median income with downpayment loans. While there has been a continuing need for downpayment assistance, this program has not realized its full potential due to funding and outdated programmatic constraints.

The purpose of this Act is to modernize the downpayment loan program.

SECTION 2. Chapter 201H, Hawaii Revised Statutes, is amended by adding to part III, subpart F, a new section to be appropriately designated and to read as follows:

“§201H- Downpayment loan assistance program; fees. The corporation may establish, revise, charge, and collect fees, premiums, and charges as necessary, reasonable, or convenient, for its downpayment loan assistance program. The fees, premiums, and charges shall be deposited into the housing finance revolving fund established in section 201H-80.”

SECTION 3. Chapter 201H, Hawaii Revised Statutes, is amended by amending the title of part III, subpart F, to read as follows:

“F. Downpayment Loan Assistance Program”

SECTION 4. Section 201H-161, Hawaii Revised Statutes, is amended to read as follows:

“[§201H-161] Downpayment loans. (a) The corporation may make [direct] downpayment loans, either directly or through a nonprofit organization as defined in section 454F-1, to eligible borrowers who qualify for loans under section 201H-162. The downpayment loan to any one borrower shall not exceed [thirty] fifteen per cent of the purchase price or appraised value of the residential property or [\$15,000,] \$60,000, whichever is less. In no event shall the loan amount and purchase money mortgage amount exceed one hundred per cent of combined loan-to-value. The interest rate on the loans may range from [zero] one per cent to eight per cent, depending on the buyer's income.

(b) The repayment of every downpayment loan shall be secured by a duly recorded second mortgage executed by the borrower to the State on the residential property purchased with the downpayment loan.

(c) The principal of the downpayment loan, together with accrued interest, shall be due and payable upon the sale, transfer, or refinancing of the property, or shall be repaid by the borrower in installments as determined by the corporation; provided that the corporation may provide a period in which payments may be waived. The period over which the principal and interest shall be paid need not coincide with the period over which the loan from the mortgage lender for the balance of the purchase price must be repaid. The borrower may repay the whole or any part of the unpaid balance of the downpayment loan, plus accrued interest, at any time without penalty.

(d) The corporation may secure the services of nonprofit organizations, as defined in section 454F-1, to originate the downpayment loans on behalf of the State for an origination fee not in excess of the prevailing loan origination fee amount, as determined by the corporation.

[e] (e) The corporation may secure the services of the mortgage lender who loans to the borrower the balance of the purchase price of the residential property or the services of any other mortgage lender doing business in the State to collect, on behalf of the State, the principal and interest of the downpayment loan and otherwise to service the downpayment loan, for a servicing fee not in excess of the prevailing loan servicing fees.

[e] (f) The corporation shall adopt rules pursuant to chapter 91 to carry out the purposes of this subpart.”

SECTION 5. Section 201H-162, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

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“(a) No person shall be qualified for a downpayment loan unless the person:

- (1) Is a citizen of the United States or a resident alien;
- (2) Is at least eighteen years of age;
- (3) Is a bona fide resident of the State;
- (4) Will physically reside in the residential property to be purchased for the term of the loan;
- (5) Is accepted by a mortgage lender as a person to whom it is willing to lend money for the purchase of the residential property provided the required downpayment is made; [and]
- (6) Provides a portion of the downpayment which shall be equal to at least [three] five per cent of the sales price[.]; and
- (7) Has successfully completed a homeownership counseling program provided by a housing counseling agency approved by the United States Department of Housing and Urban Development.”

SECTION 6. Section 201H-171, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) In establishing such a program, the corporation shall adopt rules pursuant to chapter 91 relating to establishing a savings program for participants based upon individual analyses of income and family expenses. The rules may also provide for integration of the homebuyers' club program with other governmental programs including but not limited to individual housing accounts under section 235-5.5, the state mortgage guarantee program under subpart E, the downpayment loan assistance program established under subpart F, and the rent-to-own program established under subpart H.”

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 8. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 124

H.B. NO. 235

A Bill for an Act Relating to Health.

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

SECTION 1. The legislature finds that Act 251, Session Laws of Hawaii 1997 (Act 251), provided much demanded and much needed amendments to the motor vehicle insurance law to reduce motor vehicle insurance premiums and preserve adequate protection of the rights of drivers. One provision in Act 251 tied all provider fees to the medicare fee schedule used under the workers' compensation law and set the benefit for chiropractic and acupuncture treatments at thirty visits at no more than \$75 per visit. Acupuncture codes were not included in the medicare fee schedule as of the effective date of Act 251, and acupuncturists were therefore placed under the same restrictions as chiropractors. The benefit allowed for acupuncture treatments has not increased in nearly twenty

years, while rates for other services, such as physical therapy and medical office visits, have increased over the years.

The purpose of this Act is to specify that the authorized benefit for acupuncture treatments allowed under personal injury protection benefits provided through motor vehicle insurance shall be tied to the charges, and any subsequent increases in charges, permissible under the workers' compensation supplemental medical fee schedule.

SECTION 2. Section 431:10C-103.6, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) Acupuncture treatments shall be allowed for no more than thirty visits [~~at no more than \$75 a visit~~]. The charges for acupuncture treatments under this section shall be tied to the charges, and any subsequent increases in charges, permissible under the workers' compensation supplemental medical fee schedule."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

ACT 125

H.B. NO. 1244

A Bill for an Act Relating to Cesspools.

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

SECTION 1. Chapter 342D, Hawaii Revised Statutes, is amended by adding a new section to part IV to be appropriately designated and to read as follows:

"§342D- Cesspools; mandatory upgrade, conversion, or connection. (a) Prior to January 1, 2050, every cesspool in the State, excluding cesspools granted exemptions by the director of health pursuant to subsection (b), shall be:

- (1) Upgraded or converted to a septic system or aerobic treatment unit system; or
- (2) Connected to a sewerage system.

(b) The director of health may grant exemptions from the requirements of subsection (a) to property owners of cesspools that apply for an exemption and present documentation showing a legitimate reason that makes it infeasible to upgrade, convert, or connect the cesspools. For the purposes of this subsection, a legitimate reason shall include but not be limited to:

- (1) Small lot size;
- (2) Steep topography;
- (3) Poor soils; or
- (4) Accessibility issues.

(c) As used in this section:

"Aerobic treatment unit system" means an individual wastewater system that consists of an aerobic treatment unit tank, aeration device, piping, and a discharge method that is in accordance with rules adopted by the department relating to household aerobic units.

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“Cesspool” means an individual wastewater system consisting of an excavation in the ground whose depth is greater than its widest surface dimension, which receives untreated wastewater, and retains or is designed to retain the organic matter and solids discharged into it, but permits the liquid to seep through its bottom or sides to gain access to the underground geographic formation.

“Septic system” means an individual wastewater system that typically consists of a septic tank, piping, and a drainage field where there is natural biological decontamination as wastewater discharged into the system is filtered through soil.”

SECTION 2. Section 235-16.5, Hawaii Revised Statutes, is amended by amending the definition of “qualified cesspool” in subsection (i) to read:

“Qualified cesspool” means a cesspool that is [certified]:

- (1) Certified by the department of health [as being:] to be:
- [+] (A) Located within:
 - [(A) Two] (i) Five hundred feet of a shoreline, perennial stream, or wetland; or
 - [B] (ii) A source water assessment program area (two year time of travel from a cesspool to a public drinking water source); [or]
- (B) Shown to impact drinking water supplies or recreational waters; or
- [+] (C) A residential large capacity cesspool[-]; or
- (2) Certified by a county or private sewer company to be appropriate for connection to its existing sewer system.”

SECTION 3. The department of health shall investigate the number, scope, location, and priority of cesspools statewide that require upgrade, conversion, or connection based on each cesspool’s impact on public health. The department of health shall also work in collaboration with the department of taxation to assess the feasibility of a grant program to assist low-income property owners with cesspool upgrade, conversion, or connection. The department of health shall submit a report of its findings and recommendations, including any proposed legislation and recommended administrative action, to the legislature no later than twenty days prior to the convening of the regular session of 2018.

SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 6. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 126

H.B. NO. 1114

A Bill for an Act Relating to Occupational Safety and Health Penalties.

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

SECTION 1. Section 396-10, Hawaii Revised Statutes, is amended to read as follows:

“§396-10 Violations and penalties. (a) Any employer who violates this chapter, or any occupational safety and health standard promulgated hereunder or any rule [or regulation] issued under the authority of this chapter, or who violates or fails to comply with any citation, notice, or order made under or by virtue of this chapter or under or by virtue of any rule [or regulation] of the department, or who defaces, displaces, destroys, damages, or removes without the authority of the department any safety device, safeguards, notice, or warning required by this chapter or any rule [or regulation] of the department may be assessed a civil penalty as specified in this chapter.

(b) Any employer who has received an order or citation for a serious violation of any standard or rule adopted pursuant to this chapter shall be assessed a civil penalty of not more than [\$7,700] \$12,675 for each violation.

(c) Any employer who has received an order or citation for a violation of any standard or rule adopted pursuant to this chapter, and the violation is specifically determined not to be of a serious nature, may be assessed a civil penalty of up to [\$7,700] \$12,675 for each violation.

(d) Each day a violation continues shall constitute a separate violation except that during an abatement period only, no additional penalty shall be levied against the employer.

(e) Any employer who violates any of the posting requirements prescribed under this chapter shall be assessed a civil penalty of up to [\$7,700] \$12,675 for each violation.

(f) Any employer who wilfully or repeatedly violates this chapter, or any standard, rule, citation, or order issued under the authority of this chapter, shall be assessed a civil penalty of not [less than \$5,500 nor] more than [\$77,000] \$126,749 for each violation[-], but not less than \$9,054 for each wilful violation.

(g) Any employer convicted of wilful or repeated violations of any standard, rule, citation, or order issued under the authority of this chapter resulting in the death of an employee shall be punished by a fine of not more than [\$77,000] \$126,749 or by imprisonment for not more than six months, or both, except that if the conviction is for a violation committed after a first conviction, punishment shall be by a fine of not more than [\$77,000] \$126,749 or by imprisonment for not more than one year, or both. Failure to correct a violation for which an order or citation of arrest has been issued shall be evidence of wilful conduct.

(h) Any employer who has received an order for violation under section 396-8(e) may be assessed a civil penalty of not more than [\$1,100] \$9,054 for each violation.

(i) Any person who gives advance notice of any inspection to be conducted under this chapter, without authority from the director or the director's designees shall, upon conviction, be punished by a fine of not more than [\$1,100] \$9,054 or by imprisonment for not more than six months, or by both.

(j) The director shall have authority to assess all civil penalties provided in this section, giving due consideration to the appropriateness of the penalty with respect to the size of the business of the employer being charged, the grav-

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ity of the violation, the good faith of the employer, and the history of previous violations.

(k) Civil penalties imposed under this chapter shall be paid to the department and may be recovered by civil action in the name of the department and the State brought in the district or circuit court for the circuit where the violation is alleged to have occurred or where the employer has its principal office.

(l) When an alleged violation of any provision of this chapter or any standard, rule, or order made [~~thereunder~~] pursuant to this chapter has occurred, the department shall promptly issue a written citation, order, or notice thereof to the employer who shall be required to post the citation, order, or notice. The citation, order, or notice thereof shall include the abatement requirements and within a reasonable time the employer shall be advised of the proposed sanctions, including proposed penalties. Whenever reference is made to posting of any citation, order, notice, petition, decision, or any other type of document issued by the director under this chapter and rules adopted pursuant to this chapter, the employer shall post copies of the document at the work site involved or affected and at the place or places where notices to the employees involved are normally posted. Where posting starts the time for notice of action to or for appeal by employees under this chapter and rules adopted under this chapter, the document shall be posted by the employer upon receipt or on the next business day following receipt.

(m) Whoever knowingly makes any false statement, representation, or certification in any application, record, report, plan, or other document filed or required to be maintained pursuant to this chapter shall, upon conviction, be punished by a fine of not more than \$11,000, or by imprisonment for not more than six months, or by both.

(n) Criminal offenses committed against any employee of the State acting within the scope of the employee's office, employment, or authority under this chapter shall be subject to the penalties set forth in the Hawaii Penal Code; provided that:

- (1) Ten years shall be added to the maximum term of imprisonment (unless life imprisonment is imposed) and \$55,000 shall be added to the maximum fine imposed for conviction of a class A felony;
- (2) Five years shall be added to the maximum term of imprisonment and \$27,500 shall be added to the maximum fine imposed for conviction of a class B felony;
- (3) Three years shall be added to the maximum term of imprisonment and \$11,000 shall be added to the maximum fine for conviction of a class C felony;
- (4) One year shall be added to the maximum term of imprisonment and \$2,200 shall be added to the maximum fine for conviction of a misdemeanor; and
- (5) The maximum term of imprisonment and maximum fines prescribed for misdemeanors under the Hawaii Penal Code shall apply to convictions of a petty misdemeanor.

(o) The director shall adjust penalties pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, section 701 of P.L. 114-74, by December 15, 2018, and each year thereafter. The director shall adjust penalty levels using the guidance of the Office of Management and Budget and issue the new penalties by December 15 of each year. The new penalties shall take effect the following January 15 of each year. The director shall submit a report to the legislature no later than twenty days prior to the convening of each regular session on the penalty adjustments."

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on January 1, 2018.

(Approved July 10, 2017.)

ACT 127

H.B. NO. 143

A Bill for an Act Relating to State Bonds.

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

SECTION 1. Declaration of findings with respect to the general obligation bonds authorized by this Act. Pursuant to the clause in Article VII, Section 13, of the State Constitution, which states: "Effective July 1, 1980, the legislature shall include a declaration of findings in every general law authorizing the issuance of general obligation bonds that the total amount of principal and interest, estimated for such bonds and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit to be exceeded at the time of issuance", the legislature finds and declares as follows:

- (1) Limitation on general obligation debt. The debt limit of the State is set forth in Article VII, Section 13, of the State Constitution, which states in part: "General obligation bonds may be issued by the State; provided that such bonds at the time of issuance would not cause the total amount of principal and interest payable in the current or any future fiscal year, whichever is higher, on such bonds and on all outstanding general obligation bonds to exceed: a sum equal to twenty per cent of the average of the general fund revenues of the State in the three fiscal years immediately preceding such issuance until June 30, 1982; and thereafter, a sum equal to eighteen and one-half per cent of the average of the general fund revenues of the State in the three fiscal years immediately preceding such issuance." Article VII, Section 13, of the State Constitution also provides that in determining the power of the State to issue general obligation bonds, certain bonds are excludable, including "reimbursable general obligation bonds issued for a public undertaking, improvement or system but only to the extent that reimbursements to the general fund are in fact made from the net revenue, or net user tax receipts, or combination of both, as determined for the immediately preceding fiscal year" and bonds constituting instruments of indebtedness under which the State incurs a contingent liability as a guarantor, but only to the extent the principal amount of those bonds does not exceed seven per cent of the principal amount of outstanding general obligation bonds not otherwise excluded under said Article VII, Section 13, of the State Constitution.
- (2) Actual and estimated debt limits. The limit on principal and interest of general obligation bonds issued by the State, actual for fiscal year 2016-2017 and estimated for each fiscal year from 2017-2018 to 2020-2021, is as follows:

<u>Fiscal Year</u>	<u>Net General Fund Revenues</u>	<u>Debt Limit</u>
2013-2014	\$6,088,589,303	
2014-2015	6,569,327,192	
2015-2016	7,075,981,186	
2016-2017	7,190,222,000	\$1,216,923,690
2017-2018	7,338,873,000	1,284,857,707
2018-2019	7,612,821,000	1,332,313,031
2019-2020	7,931,362,000	1,365,418,153
2020-2021	(not applicable)	1,411,121,787

For fiscal years 2016-2017, 2017-2018, 2018-2019, 2019-2020, and 2020-2021, respectively, the debt limit is derived by multiplying the average of the net general fund revenues for the three preceding fiscal years by eighteen and one-half per cent. The net general fund revenues for fiscal years 2013-2014, 2014-2015, and 2015-2016 are actual, as certified by the director of finance in the Statement of the Debt Limit of the State of Hawaii as of July 1, 2016, dated November 23, 2016. The net general fund revenues for fiscal years 2016-2017 to 2019-2020 are estimates, based on general fund revenue estimates made as of March 13, 2017, by the council on revenues, the body assigned by Article VII, Section 7, of the State Constitution to make such estimates, and based on estimates made by the department of budget and finance of those receipts that cannot be included as general fund revenues for the purpose of calculating the debt limit, all of which estimates the legislature finds to be reasonable.

- (3) Principal and interest on outstanding bonds applicable to the debt limit.

(A) According to the department of budget and finance, the total amount of principal and interest on outstanding general obligation bonds, after the exclusions permitted by Article VII, Section 13, of the State Constitution, for determining the power of the State to issue general obligation bonds within the debt limit as of April 1, 2017, is as follows for fiscal year 2017-2018 to fiscal year 2023-2024:

<u>Fiscal Year</u>	<u>Principal and Interest</u>
2017-2018	\$685,848,502
2018-2019	707,199,504
2019-2020	674,669,263
2020-2021	610,398,573
2021-2022	607,429,871
2022-2023	589,078,597
2023-2024	575,214,566

The department of budget and finance further reports that the amount of principal and interest on outstanding bonds applicable to the debt limit generally continues to decline each year from fiscal year 2024-2025 to fiscal year 2036-2037 when the final installment of \$30,268,500 shall be due and payable.

- (B) The department of budget and finance further reports that the outstanding principal amount of bonds constituting instruments of indebtedness under which the State may incur a contingent liability as a guarantor is \$233,500,000, all or part of

- which is excludable in determining the power of the State to issue general obligation bonds, pursuant to Article VII, Section 13, of the State Constitution.
- (4) Amount of authorized and unissued general obligation bonds and guaranties and proposed bonds and guaranties.
- (A) As calculated from the state comptroller's bond fund report as of March 31, 2017, adjusted for:
- (i) Appropriations to be funded by general obligation bonds or reimbursable general obligation bonds as provided in House Bill No. 100, H.D. 1, S.D. 1, C.D. 1¹ (the General Appropriations Act of 2017);
- (ii) Lapses as provided in House Bill No. 100, H.D. 1, S.D. 1, C.D. 1¹ (the General Appropriations Act of 2017);
- (iii) Appropriations to be funded by general obligation bonds or reimbursable general obligation bonds as provided in Senate Bill No. 469, S.D. 2, H.D. 1, C.D. 1² (the Judiciary Appropriations Act of 2017); and
- (iv) Lapses as provided in Senate Bill No. 469, S.D. 2, H.D. 1, C.D. 1² (the Judiciary Appropriations Act of 2017); the total amount of authorized but unissued general obligation bonds is \$2,780,801,574. The total amount of general obligation bonds authorized in this Act is \$1,086,746,000. The total amount of general obligation bonds previously authorized and unissued, as adjusted, and the general obligation bonds authorized in this Act is \$3,867,547,574.
- (B) As reported by the department of budget and finance the outstanding principal amount of bonds constituting instruments of indebtedness under which the State may incur a contingent liability as a guarantor is \$233,500,000, all or part of which is excludable in determining the power of the State to issue general obligation bonds, pursuant to Article VII, Section 13, of the State Constitution.
- (5) Proposed general obligation bond issuance. As reported therein for the fiscal years 2016-2017, 2017-2018, 2018-2019, 2019-2020, and 2020-2021, the State proposes to issue \$625,000,000 in general obligation bonds during the second half of fiscal year 2016-2017, \$425,000,000 in general obligation bonds semiannually during fiscal years 2017-2018 and 2018-2019, and \$400,000,000 in general obligation bonds semiannually during fiscal years 2019-2020 and 2020-2021. Generally, it has been the practice of the State to issue twenty-year serial bonds with principal repayments beginning in the third year, the bonds payable in substantially equal annual installments of principal and interest payment with interest payments commencing six months from the date of issuance and being paid semi-annually thereafter. It is assumed that this practice will continue to be applied to the bonds that are proposed to be issued.
- (6) Sufficiency of proposed general obligation bond issuance to meet the requirements of authorized and unissued bonds, as adjusted, and bonds authorized by this Act. From the schedule reported in paragraph (5), the total amount of general obligation bonds that the State proposes to issue during the fiscal years 2016-2017 to 2019-2020 is \$3,125,000,000. An additional \$800,000,000 is proposed to be issued in fiscal year 2020-2021. The total amount of \$3,125,000,000 which is proposed to be issued through fiscal year 2019-2020 is suf-

ficient to meet the requirements of the authorized and unissued bonds, as adjusted, the total amount of which is \$3,867,547,574 reported in paragraph (4), except for \$742,547,574. It is assumed that the appropriations to which an additional \$742,547,574 in bond issuance needs to be applied will have been encumbered as of June 30, 2020. The \$800,000,000 which is proposed to be issued in fiscal year 2020-2021 will be sufficient to meet the requirements of the June 30, 2020 encumbrances in the amount of \$742,547,574. The amount of assumed encumbrances as of June 30, 2020 is reasonable and conservative, based upon an inspection of June 30 encumbrances of the general obligation bond fund as reported by the state comptroller. Thus, taking into account the amount of authorized and unissued bonds, as adjusted, and the bonds authorized by this Act versus the amount of bonds proposed to be issued by June 30, 2020, and the amount of June 30, 2020 encumbrances versus the amount of bonds proposed to be issued in fiscal year 2020-2021, the legislature finds that in the aggregate, the amount of bonds proposed to be issued is sufficient to meet the requirements of all authorized and unissued bonds and the bonds authorized by this Act.

(7) Bonds excludable in determining the power of the State to issue bonds. As noted in paragraph (1), certain bonds are excludable in determining the power of the State to issue general obligation bonds.

(A) General obligation reimbursable bonds can be excluded under certain conditions. It is not possible to make a conclusive determination as to the amount of reimbursable bonds which are excludable from the amount of each proposed bond issued because:

- (i) It is not known exactly when projects for which reimbursable bonds have been authorized in prior acts and in this Act will be implemented and will require the application of proceeds from a particular bond issue; and
- (ii) Not all reimbursable general obligation bonds may qualify for exclusion.

However, the legislature notes that with respect to the principal and interest on outstanding general obligation bonds, according to the department of budget and finance, the average proportion of principal and interest which is excludable each year from the calculation against the debt limit is 0.92 per cent for approximately ten years from fiscal year 2016-2017 to fiscal year 2025-2026. For the purpose of this declaration, the assumption is made that 0.75 per cent of each bond issue will be excludable from the debt limit, an assumption that the legislature finds to be reasonable and conservative.

(B) Bonds constituting instruments of indebtedness under which the State incurs a contingent liability as a guarantor can be excluded, but only to the extent the principal amount of those guarantees does not exceed seven per cent of the principal amount of outstanding general obligation bonds not otherwise excluded under subparagraph (A) of this paragraph (7); and provided that the State shall establish and maintain a reserve in an amount in reasonable proportion to the outstanding loans guaranteed by the State as provided by law. According to the department of budget and finance and the assumptions pre-

sented herein, the total principal amount of outstanding general obligation bonds and general obligation bonds proposed to be issued, which are not otherwise excluded under Article VII, Section 13, of the State Constitution for the fiscal years 2016-2017, 2017-2018, 2018-2019, 2019-2020, and 2020-2021 are as follows:

<u>Fiscal year</u>	Total amount of General Obligation Bonds not otherwise excluded by Article VII, Section 13 <u>of the State Constitution</u>
2016-2017	\$ 6,989,350,000
2017-2018	7,832,980,000
2018-2019	8,676,610,000
2019-2020	9,470,610,000
2020-2021	10,264,610,000

Based on the foregoing and based on the assumption that the full amount of a guaranty is immediately due and payable when such guaranty changes from a contingent liability to an actual liability, the aggregate principal amount of the portion of the outstanding guaranties and the guaranties proposed to be incurred, which does not exceed seven per cent of the average amount set forth in the last column of the above table and for which reserve funds have been or will have been established as heretofore provided, can be excluded in determining the power of the State to issue general obligation bonds. As it is not possible to predict with a reasonable degree of certainty when a guaranty will change from a contingent liability to an actual liability, it is assumed in conformity with fiscal conservatism and prudence, that all guaranties not otherwise excluded pursuant to Article VII, Section 13, of the State Constitution will become due and payable in the same fiscal year in which the greatest amount of principal and interest on general obligation bonds, after exclusions, occurs. Thus, based on such assumptions and on the determination in paragraph (8), all of the outstanding guaranties can be excluded.

- (8) Determination whether the debt limit will be exceeded at the time of issuance. From the foregoing and on the assumption that all of the bonds identified in paragraph (5) will be issued at an interest rate not to exceed 5.75 per cent in fiscal years 2017 through 2021, it can be determined from the following schedule that the bonds which are proposed to be issued, which include all authorized and unissued bonds previously authorized, as adjusted, general obligation bonds, and instruments of indebtedness under which the State incurs a contingent liability as a guarantor authorized in this Act, will not cause the debt limit to be exceeded at the time of such issuance:

<u>Time of Issuance and Amount to be Counted Against Debt Limit</u>	<u>Debt Limit at Time of Issuance</u>	<u>Greatest Amount and Year of Highest Principal and Interest on Bonds and Guaranties</u>
2nd half FY 2016-2017 \$620,315,000	1,216,923,690	748,783,494 (2018-2019)
1st half FY 2017-2018 \$421,815,000	1,284,857,707	761,053,689 (2019-2020)
2nd half FY 2017-2018 \$421,815,000	1,284,857,707	785,308,051 (2019-2020)
1st half FY 2018-2019 \$421,815,000	1,332,313,031	797,435,233 (2019-2020)
2nd half FY 2018-2019 \$421,815,000	1,332,313,031	824,938,334 (2021-2022)
1st half FY 2019-2020 \$397,000,000	1,365,418,153	847,765,834 (2021-2022)
2nd half FY 2019-2020 \$397,000,000	1,365,418,153	879,893,588 (2022-2023)
1st half FY 2020-2021 \$397,000,000	1,411,121,787	903,355,250 (2023-2024)
2nd half FY 2020-2021 \$397,000,000	1,411,121,787	939,332,750 (2023-2024)

- (9) Overall and concluding finding. From the facts, estimates, and assumptions stated in this declaration of findings, the conclusion is reached that the total amount of principal and interest estimated for the general obligation bonds authorized in this Act, and for all bonds authorized and unissued, and calculated for all bonds issued and outstanding, and all guaranties, will not cause the debt limit to be exceeded at the time of issuance.

SECTION 2. The legislature finds the bases for the declaration of findings set forth in this Act are reasonable. The assumptions set forth in this Act with respect to the principal amount of general obligation bonds which will be issued, the amount of principal and interest on reimbursable general obligation bonds which are assumed to be excludable, and the assumed maturity structure shall not be deemed to be binding, it being the understanding of the legislature that such matters must remain subject to substantial flexibility.

SECTION 3. Authorization for issuance of general obligation bonds. General obligation bonds may be issued as provided by law in an amount that may be necessary to finance projects authorized in House Bill No. 100, H.D. 1, S.D. 1, C.D. 1¹ (the General Appropriations Act of 2017), and Senate Bill No. 469, S.D. 2, H.D. 1, C.D. 1² (the Judiciary Appropriations Act of 2017); passed by the legislature during this regular session of 2017 and designated to be financed from the general obligation bond fund and from the general obligation bond fund with debt service cost to be paid from special funds; provided that the sum total of general obligation bonds so issued shall not exceed \$1,086,746,000.

Any law to the contrary notwithstanding, general obligation bonds may be issued from time to time in accordance with Section 39-16, Hawaii Revised Statutes, in such principal amount as may be required to refund any general obligation bonds of the State of Hawaii heretofore or hereafter issued pursuant to law.

SECTION 4. The provisions of this Act are declared to be severable and if any portion thereof is held to be invalid for any reason, the validity of the remainder of this Act shall not be affected.

SECTION 5. In printing this Act, the revisor of statutes shall substitute in section 1 and section 3 the corresponding act numbers for bills identified therein.

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

(Approved July 10, 2017.)

Notes

1. Act 49.
2. Act 195.

ACT 128

H.B. NO. 213

A Bill for an Act Relating to Family Leave.

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

SECTION 1. Section 398-3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) An employee shall be entitled to a total of four weeks of family leave during any calendar year [upon]:

- (1) Upon the birth of a child of the employee or the adoption of a child[, or to]; or
- (2) To care for the employee’s child, spouse [or], reciprocal beneficiary, sibling, or parent with a serious health condition.”

SECTION 2. Section 398-5, Hawaii Revised Statutes, is amended to read as follows:

“§398-5 Notice. In any case in which the necessity for family leave for purposes of birth or adoption of a child or providing care to a child, spouse, reciprocal beneficiary, sibling, or parent is foreseeable, the employee shall provide the employer with prior notice of the expected birth or adoption or serious health condition in a manner that is reasonable and practicable. Requests for family leave shall include evidence that the employee has submitted the request and provided required data in accordance with section 398-9.5.”

SECTION 3. Section 398-6, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) When leave is to care for a child, spouse, reciprocal beneficiary, sibling, or parent who has a serious health condition, certification shall be issued by the health care provider of the individual requiring care. Certification shall be considered sufficient if it provides information as required by the director.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 10, 2017.)

A Bill for an Act Relating to Agricultural Lands.

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

SECTION 1. The legislature finds that it is difficult for farmers in Hawaii to be economically sustainable for a number of reasons, including the limited availability of reliable markets and food hubs, which are facilities used to secure food and process value-added products. Allowing farmers' markets and food hubs to be operated on agricultural lands will help ensure public access to locally grown food and value-added products.

Farmers require convenient processing facilities to bottle and jar fresh jellies, curries, pickled products, and other prepared foods. Having a facility on a farm close to where food is grown increases productivity and provides an abundance of food for local and export markets. Allowing farmers' markets and food hubs on agricultural land also offers customers community-supported agriculture pickup locations, outlets for produce from school gardens, and venues with access to restrooms. Residents and tourists will also be able to enjoy the agrarian lands, attend farm classes, visit demonstration gardens, and see where and how their food is grown.

The legislature further finds that allowing farmers' markets and food hubs on agricultural land will lower costs for and increase revenue to farmers in the State and help farmers become or remain economically sustainable.

The purpose of this Act is to permit farmers' markets and food hubs on agricultural lands.

SECTION 2. Section 205-2, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) Agricultural districts shall include:

- (1) Activities or uses as characterized by the cultivation of crops, crops for bioenergy, orchards, forage, and forestry;
- (2) Farming activities or uses related to animal husbandry and game and fish propagation;
- (3) Aquaculture, which means the production of aquatic plant and animal life within ponds and other bodies of water;
- (4) [Wind generated] Wind-generated energy production for public, private, and commercial use;
- (5) Biofuel production, as described in section 205-4.5(a)(16), for public, private, and commercial use;
- (6) Solar energy facilities; provided that:
 - (A) This paragraph shall apply only to land with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class B, C, D, or E; and
 - (B) Solar energy facilities placed within land with soil classified as overall productivity rating class B or C shall not occupy more than ten per cent of the acreage of the parcel, or twenty acres of land, whichever is lesser, unless a special use permit is granted pursuant to section 205-6;
- (7) Bona fide agricultural services and uses that support the agricultural activities of the fee or leasehold owner of the property and accessory to any of the above activities, regardless of whether conducted on the same premises as the agricultural activities to which they are accessory, including farm dwellings as defined in section 205-4.5(a)(4),

- employee housing, farm buildings, mills, storage facilities, processing facilities, photovoltaic, biogas, and other small-scale renewable energy systems producing energy solely for use in the agricultural activities of the fee or leasehold owner of the property, agricultural-energy facilities as defined in section 205-4.5(a)(17), vehicle and equipment storage areas, and plantation community subdivisions as defined in section 205-4.5(a)(12);
- (8) Wind machines and wind farms;
- (9) Small-scale meteorological, air quality, noise, and other scientific and environmental data collection and monitoring facilities occupying less than one-half acre of land; provided that these facilities shall not be used as or equipped for use as living quarters or dwellings;
- (10) Agricultural parks;
- (11) Agricultural tourism conducted on a working farm, or a farming operation as defined in section 165-2, for the enjoyment, education, or involvement of visitors; provided that the agricultural tourism activity is accessory and secondary to the principal agricultural use and does not interfere with surrounding farm operations; and provided further that this paragraph shall apply only to a county that has adopted ordinances regulating agricultural tourism under section 205-5;
- (12) Agricultural tourism activities, including overnight accommodations of twenty-one days or less, for any one stay within a county; provided that this paragraph shall apply only to a county that includes at least three islands and has adopted ordinances regulating agricultural tourism activities pursuant to section 205-5; provided further that the agricultural tourism activities coexist with a bona fide agricultural activity. For the purposes of this paragraph, "bona fide agricultural activity" means a farming operation as defined in section 165-2;
- (13) Open area recreational facilities;
- (14) Geothermal resources exploration and geothermal resources development, as defined under section 182-1;
- (15) Agricultural-based commercial operations[,] registered in Hawaii, including:
- (A) A roadside stand that is not an enclosed structure, owned and operated by a producer for the display and sale of agricultural products grown in Hawaii and value-added products that were produced using agricultural products grown in Hawaii;
- (B) Retail activities in an enclosed structure owned and operated by a producer for the display and sale of agricultural products grown in Hawaii, value-added products that were produced using agricultural products grown in Hawaii, logo items related to the producer's agricultural operations, and other food items; [and]
- (C) A retail food establishment owned and operated by a producer and permitted under title 11, chapter 12 of the rules of the department of health that prepares and serves food at retail using products grown in Hawaii and value-added products that were produced using agricultural products grown in Hawaii[.];
- (D) A farmers' market, which is an outdoor market limited to producers selling agricultural products grown in Hawaii and value-added products that were produced using agricultural products grown in Hawaii; and

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(E) A food hub, which is a facility that may contain a commercial kitchen and provides for the storage, processing, distribution, and sale of agricultural products grown in Hawaii and value-added products that were produced using agricultural products grown in Hawaii.

The owner of an agricultural-based commercial operation shall certify, upon request of an officer or agent charged with enforcement of this chapter under section 205-12, that the agricultural products displayed or sold by the operation meet the requirements of this paragraph; and

(16) Hydroelectric facilities as described in section 205-4.5(a)(23).

Agricultural districts shall not include golf courses and golf driving ranges, except as provided in section 205-4.5(d). Agricultural districts include areas that are not used for, or that are not suited to, agricultural and ancillary activities by reason of topography, soils, and other related characteristics.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 10, 2017.)

ACT 130

H.B. NO. 1351

A Bill for an Act Relating to the Electronic Device Recycling Fund.

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

SECTION 1. Section 339D-10, Hawaii Revised Statutes, is amended to read as follows:

“[§339D-10] Electronic device recycling fund. (a) There is established in the state treasury the electronic device recycling fund into which shall be deposited all fees, payments, and penalties collected by the department pursuant to this chapter.

(b) The electronic device recycling fund shall be administered by the department of health. Moneys in the fund shall be expended by the director [solely] for the purpose of implementing and enforcing this chapter. Moneys may also be expended by the director to support county electronics collections.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval, and shall be applicable to county electronics collections occurring on or after January 1, 2016.

(Approved July 10, 2017.)

ACT 131

H.B. NO. 335

A Bill for an Act Relating to the Budget of the Office of Hawaiian Affairs.

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

PART I. GENERAL PROVISIONS

SECTION 1. SHORT TITLE. This Act shall be known and may be cited as the Office of Hawaiian Affairs Appropriations Act of 2017.

SECTION 2. DEFINITIONS. Unless otherwise clear from the context, as used in this Act:

“Means of financing” or “MOF” means the source from which funds are appropriated or authorized to be expended for the programs and projects specified in this Act. All appropriations are followed by letter symbols. Such letter symbols, where used, shall have the following meanings:

A general funds

T trust funds

“Position ceiling” means the maximum number of permanent and temporary full-time equivalent positions authorized for a particular program during a specified period or periods, as denoted by an asterisk for permanent full-time equivalent positions and a pound sign for temporary full-time equivalent positions.

“Program ID” means the unique identifier for the specific program and consists of the abbreviation for the Office of Hawaiian Affairs (OHA) followed by the organization number for the program.

PART II. PROGRAM APPROPRIATIONS

SECTION 3. APPROPRIATIONS. The following sums, or so much thereof as may be sufficient to accomplish the purposes and programs designated herein, are hereby appropriated or authorized from the means of financing specified to the Office of Hawaiian Affairs for the fiscal biennium beginning July 1, 2017, and ending June 30, 2019. The total expenditures and the number of permanent and temporary full-time equivalent positions established in each fiscal year of the biennium shall not exceed the sums and the position ceilings indicated for each fiscal year, except as provided elsewhere in this Act or as provided by general law.

PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL YEAR 2017-2018 M F	FISCAL YEAR 2018-2019 M F
Hawaiian Affairs					
		1. OHA150 - OFFICE OF THE TRUSTEES			
		OPERATING	OHA	0.47*	0.47*
				58,323 A	58,323 A
				4.53*	4.53*
			OHA	275,687 T	275,687 T
		2. OHA160 - ADMINISTRATION			
		OPERATING	OHA	5.03*	5.03*
				1,124,042 A	1,124,042 A
				31.97*	31.97*
			OHA	2,861,727 T	2,861,727 T

ACT 131**PROGRAM APPROPRIATIONS**

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
3. OHA175 - BENEFICIARY ADVOCACY					
		OPERATING	OHA	1,47* 1,855,514 A 18.53* 3,292,290 T	1.47* 1,855,514 A 18.53* 3,292,290 T

PART III. PROGRAM PROVISIONS

SECTION 4. Provided that the general fund appropriations in part II of this Act shall be expended by the Office of Hawaiian Affairs.

SECTION 5. Provided that of the funds appropriated for beneficiary advocacy (OHA175), the sum of \$415,000 in general funds and \$415,000 in trust funds for fiscal year 2017-2018 and the same sums for fiscal year 2018-2019 shall be expended to provide for social services, including referral services and case management, to at-risk Office of Hawaiian Affairs beneficiaries to immediately address unexpected crises; provided further that program activities shall be designed with an overall objective to provide financial assistance to improve stability during emergency situations; and provided further that notwithstanding section 10-17(e), Hawaii Revised Statutes, any expenditures for the purposes of this section shall be in accordance with chapter 103D or 103F, Hawaii Revised Statutes, as appropriate.

SECTION 6. Provided that of the funds appropriated for beneficiary advocacy (OHA175), the sum of \$615,000 in general funds and \$615,000 in trust funds for fiscal year 2017-2018 and the same sums for fiscal year 2018-2019 shall be expended to provide for educational improvement programs for Native Hawaiian students; provided further that program activities shall be designed to help Native Hawaiian students meet or exceed educational standards; and provided further that notwithstanding section 10-17(e), Hawaii Revised Statutes, any expenditures for the purposes of this section shall be in accordance with chapter 103D or 103F, Hawaii Revised Statutes, or a competitive grants process, as appropriate.

SECTION 7. Provided that of the funds appropriated for beneficiary advocacy (OHA175), the sum of \$524,400 in general funds and \$524,400 in trust funds for fiscal year 2017-2018 and the same sums for fiscal year 2018-2019 shall be expended to provide for legal services and legal representation to Office of Hawaiian Affairs beneficiaries for:

- (1) The assertion and defense of quiet title actions;
- (2) Assistance with ahupua'a and kuleana tenant rights, including rights of access and rights to water;
- (3) Land title assistance, including review of title and genealogy;
- (4) Preservation of traditional and customary practices;
- (5) Protection of culturally significant places; and
- (6) Preservation of Native Hawaiian land trust entitlements;

provided further that notwithstanding section 10-17(e), Hawaii Revised Statutes, any expenditures for the purposes of this section shall be in accordance with chapter 103D or 103F, Hawaii Revised Statutes, as appropriate.

PART IV. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE

SECTION 8. Provided that whenever necessary, the board of trustees of the Office of Hawaiian Affairs or the board's designee may transfer sufficient funds and positions between programs for operating purposes; provided further that these transfers shall be consistent with legislative intent; and provided further that the Office of Hawaiian Affairs shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30, no later than twenty days prior to the regular sessions of 2018 and 2019.

SECTION 9. If any portion of this Act or its application to any person, entity, or circumstance is held to be invalid for any reason, the legislature 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 expended to fulfill the objective of such appropriation to the extent possible.

SECTION 10. If manifest clerical, typographical, or other mechanical errors are found in this Act, the board of trustees of the Office of Hawaiian Affairs is authorized to correct these errors. All changes made pursuant to this section shall be reported to the legislature at its next session.

SECTION 11. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

ACT 132

H.B. NO. 1031

A Bill for an Act Relating to Criminal History Record Checks.

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

SECTION 1. The legislature finds that the Internal Revenue Service has instituted a new requirement to perform background checks on all current and prospective employees and contractors who receive access to federal tax information. The background checks must be comprehensive and include a Federal Bureau of Investigation fingerprint search. To comply with this new requirement, the child support enforcement agency and the departments of taxation, human services, and labor and industrial relations require additional authorization to search criminal histories of employees, prospective employees, and contractors, and to perform a fingerprint search of these persons. Multiple other departments and agencies have received this additional authority.

The purpose of this Act is to extend similar authority to the child support enforcement agency and the departments of taxation, human services, and labor and industrial relations to allow them to comply with new Internal Revenue Service requirements.

SECTION 2. Chapter 231, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§231- Criminal history record checks. (a) The department shall establish a personnel security program that ensures a background investigation is completed at the appropriate level designated by the federal government for any

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person, including any authorized contractor, to have access to federal tax information. This program shall include criminal history record checks in accordance with section 846-2.7. Information obtained pursuant to this subsection shall be used exclusively by the department for the purpose of determining whether the person is suitable for accessing federal tax information in accordance with applicable federal laws.

(b) The department may terminate or deny employment to any employee or applicant, or terminate or refuse to secure the services of any contractor, if the department finds by reason of the background investigation conducted under subsection (a) that the employee or applicant, or employee or agent of the contractor, poses a risk to the security of federal tax information. Termination or denial of employment, or termination or refusal to secure the services of any contractor, under this subsection shall only occur after appropriate notification to the employee, applicant, or employee or agent of the contractor, of the findings of the background investigation, and after the employee, applicant, or employee or agent of the contractor is given an opportunity to meet and rebut the findings. Nothing in this subsection shall abrogate any applicable appeal rights under chapters 76 and 89, or administrative rules of the department.

(c) The department shall be exempt from section 831-3.1 and need not conduct investigations, notifications, or hearings under this section in accordance with chapter 91."

SECTION 3. Chapter 346, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

"§346- Criminal history record checks. (a) The department shall develop procedures for obtaining verifiable information regarding the criminal history of any person who is employed or seeking employment, including a contractor and its employees or agents if prior authority to access federal tax information has been provided by the United States Department of the Treasury, if the person will require access to federal tax information. The procedures shall include criminal history record checks in accordance with section 846-2.7. Information obtained pursuant to this subsection shall be used exclusively by the department for the purpose of determining whether a person is suitable for accessing federal tax information in accordance with applicable federal laws.

(b) The department may terminate or deny employment to any employee or applicant, or terminate or refuse to secure the services of a contractor and its employees or agents authorized under subsection (a), if the department finds by reason of the nature and circumstances of the background investigation conducted under subsection (a) that the employee, applicant, contractor, or contractor's employees or agents pose a risk to the security of federal tax information. Termination or denial of employment under this subsection shall only occur after appropriate notification to the employee, applicant, or contractor of the findings of the background investigation, and after the employee, applicant, or contractor is given an opportunity to respond to the findings. Nothing in this subsection shall abrogate any applicable appeal rights under chapters 76 and 89, or administrative rules of the department.

(c) The department shall be exempt from section 831-3.1 and need not conduct investigations, notifications, or hearings under this section in accordance with chapter 91."

SECTION 4. Chapter 383, Hawaii Revised Statutes, is amended by adding a new section to part IV to be appropriately designated and to read as follows:

“§383- Criminal history record checks. (a) The department shall establish a personnel security program that ensures a background investigation is completed at the appropriate level designated by the federal government for any individual who will have access to federal tax information, including a contractor and its employees or agents, if prior authority to access federal tax information has been provided by the United States Department of the Treasury. This program shall include criminal history record checks in accordance with section 846-2.7. Information obtained pursuant to this subsection shall be used exclusively by the department for the purpose of determining whether the person is suitable for accessing federal tax information in accordance with applicable federal laws.

(b) The department may terminate or deny employment to any employee or applicant, or terminate or refuse to secure the services of a contractor and its employees or agents authorized under subsection (a), if the department finds by reason of the background investigation conducted under subsection (a) that the employee, applicant, contractor, or contractor's employees or agents pose a risk to the security of federal tax information. Termination or denial of employment under this subsection shall only occur after appropriate notification to the employee, applicant, or contractor of the findings of the background investigation, and after the employee, applicant, or contractor is given an opportunity to meet and rebut the findings. Nothing in this subsection shall abrogate any applicable appeal rights under chapters 76 and 89, or administrative rules of the department.

(c) The department shall be exempt from section 831-3.1 and need not conduct investigations, notifications, or hearings under this section in accordance with chapter 91.”

SECTION 5. Chapter 576D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§576D- Criminal history record checks. (a) The agency shall develop procedures for obtaining verifiable information regarding the criminal history of any person, including any contractor, who is employed, seeking employment with, or provides or seeks to provide services to the agency if this person will require access to federal tax information. These procedures shall include criminal history record checks in accordance with section 846-2.7.

Information obtained pursuant to this subsection shall be used exclusively by the agency for the purpose of determining whether a person is suitable for accessing federal tax information. All decisions shall be subject to applicable federal laws and regulations currently or hereafter in effect.

(b) The agency may terminate or deny employment to any employee or applicant, or terminate or refuse to secure the services of any contractor, if the agency finds by reason of the background investigation conducted under subsection (a) that the employee, applicant, or employee or agent of the contractor poses a risk to the security of federal tax information. Termination or denial of employment, or termination or refusal to secure the services of any contractor under this subsection shall only occur after appropriate notification to the employee, applicant, or employee or agent of the contractor of the findings of the background investigation, and after the employee, applicant, or employee or agent of the contractor is given an opportunity to respond to the findings. Nothing in this subsection shall abrogate any applicable appeal rights under chapters 76 and 89, or administrative rules of the agency.

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(c) The agency shall be exempt from section 831-3.1 and need not conduct investigations, notifications, or hearings under this section in accordance with chapter 91."

SECTION 6. Section 831-3.1, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

"(f) Notwithstanding any law to the contrary, this section shall not apply to:

- (1) Denials by the department of human services, the department of health, or any other branch, political subdivision, or agency of any certificate of approval, license, or permit to any organization, institution, home, or facility subject to licensure under chapters 321, 333F, and 346;
- (2) Denials of employment as a staff member of a youth correctional facility operated under chapter 352;
- (3) Denials of employment as an employee of a detention or shelter facility established or designated pursuant to section 571-33;
- (4) Denials of employment as a staff member of a correctional facility pursuant to chapter 353, or as a staff member that requires the exercise of police powers, including the power to arrest, in the performance of the staff member's duties pursuant to chapter 353C; [and]
- (5) Denials of employment of applicants or employees pursuant to section 78-2.7[-];
- (6) Denials or termination of employment as an employee, employee applicant, or employee or agent of a contractor of the department of taxation with access to federal tax information pursuant to section 231- ;
- (7) Denials or termination of employment as an employee, employee applicant, or employee or agent of a contractor of the department of human services with access to federal tax information pursuant to section 346- ;
- (8) Denials or termination of employment as an employee, employee applicant, or employee or agent of a contractor of the department of labor and industrial relations pursuant to section 383- ; and
- (9) Denials or termination of employment as an employee, employee applicant, or employee or agent of a contractor of the child support enforcement agency with access to federal tax information pursuant to section 576D- ."

SECTION 7. Section 846-2.7, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Criminal history record checks may be conducted by:

- (1) The department of health or its designee on operators of adult foster homes for individuals with developmental disabilities or developmental disabilities domiciliary homes and their employees, as provided by section 321-15.2;
- (2) The department of health or its designee on prospective employees, persons seeking to serve as providers, or subcontractors in positions that place them in direct contact with clients when providing non-witnessed direct mental health or health care services as provided by section 321-171.5;
- (3) The department of health or its designee on all applicants for licensure or certification for, operators for, prospective employees, adult

- volunteers, and all adults, except adults in care, at healthcare facilities as defined in section 321-15.2;
- (4) The department of education on employees, prospective employees, and teacher trainees in any public school in positions that necessitate close proximity to children as provided by section 302A-601.5;
 - (5) The counties on employees and prospective employees who may be in positions that place them in close proximity to children in recreation or child care programs and services;
 - (6) The county liquor commissions on applicants for liquor licenses as provided by section 281-53.5;
 - (7) The county liquor commissions on employees and prospective employees involved in liquor administration, law enforcement, and liquor control investigations;
 - (8) The department of human services on operators and employees of child caring institutions, child placing organizations, and foster boarding homes as provided by section 346-17;
 - (9) The department of human services on prospective adoptive parents as established under section 346-19.7;
 - (10) The department of human services or its designee on applicants to operate child care facilities, household members of the applicant, prospective employees of the applicant, and new employees and household members of the provider after registration or licensure as provided by section 346-154, and persons subject to section 346-152.5;
 - (11) The department of human services on persons exempt pursuant to section 346-152 to be eligible to provide child care and receive child care subsidies as provided by section 346-152.5;
 - (12) The department of health on operators and employees of home and community-based case management agencies and operators and other adults, except for adults in care, residing in community care foster family homes as provided by section 321-15.2;
 - (13) The department of human services on staff members of the Hawaii youth correctional facility as provided by section 352-5.5;
 - (14) The department of human services on employees, prospective employees, and volunteers of contracted providers and subcontractors in positions that place them in close proximity to youth when providing services on behalf of the office or the Hawaii youth correctional facility as provided by section 352D-4.3;
 - (15) The judiciary on employees and applicants at detention and shelter facilities as provided by section 571-34;
 - (16) The department of public safety on employees and prospective employees who are directly involved with the treatment and care of persons committed to a correctional facility or who possess police powers including the power of arrest as provided by section 353C-5;
 - (17) The board of private detectives and guards on applicants for private detective or private guard licensure as provided by section 463-9;
 - (18) Private schools and designated organizations on employees and prospective employees who may be in positions that necessitate close proximity to children; provided that private schools and designated organizations receive only indications of the states from which the national criminal history record information was provided pursuant to section 302C-1;

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- (19) The public library system on employees and prospective employees whose positions place them in close proximity to children as provided by section 302A-601.5;
- (20) The State or any of its branches, political subdivisions, or agencies on applicants and employees holding a position that has the same type of contact with children, vulnerable adults, or persons committed to a correctional facility as other public employees who hold positions that are authorized by law to require criminal history record checks as a condition of employment as provided by section 78-2.7;
- (21) The department of health on licensed adult day care center operators, employees, new employees, subcontracted service providers and their employees, and adult volunteers as provided by section 321-15.2;
- (22) The department of human services on purchase of service contracted and subcontracted service providers and their employees serving clients of the adult protective and community services branch, as provided by section 346-97;
- (23) The department of human services on foster grandparent program, senior companion program, and respite companion program participants as provided by section 346-97;
- (24) The department of human services on contracted and subcontracted service providers and their current and prospective employees that provide home and community-based services under section 1915(c) of the Social Security Act, title 42 United States Code section 1396n(c), or under any other applicable section or sections of the Social Security Act for the purposes of providing home and community-based services, as provided by section 346-97;
- (25) The department of commerce and consumer affairs on proposed directors and executive officers of a bank, savings bank, savings and loan association, trust company, and depository financial services loan company as provided by section 412:3-201;
- (26) The department of commerce and consumer affairs on proposed directors and executive officers of a nondepository financial services loan company as provided by section 412:3-301;
- (27) The department of commerce and consumer affairs on the original chartering applicants and proposed executive officers of a credit union as provided by section 412:10-103;
- (28) The department of commerce and consumer affairs on:
 - (A) Each principal of every non-corporate applicant for a money transmitter license;
 - (B) The executive officers, key shareholders, and managers in charge of a money transmitter's activities of every corporate applicant for a money transmitter license; and
 - (C) The persons who are to assume control of a money transmitter licensee in connection with an application requesting approval of a proposed change in control of licensee,
as provided by sections 489D-9 and 489D-15;
- (29) The department of commerce and consumer affairs on applicants for licensure and persons licensed under title 24;
- (30) The Hawaii health systems corporation on:
 - (A) Employees;
 - (B) Applicants seeking employment;
 - (C) Current or prospective members of the corporation board or regional system board; or

- (D) Current or prospective volunteers, providers, or contractors, in any of the corporation's health facilities as provided by section 323F-5.5;
- (31) The department of commerce and consumer affairs on:
- (A) An applicant for a mortgage loan originator license; and
 - (B) Each control person, executive officer, director, general partner, and manager of an applicant for a mortgage loan originator company license,
- as provided by chapter 454F;
- (32) The state public charter school commission or public charter schools on employees, teacher trainees, prospective employees, and prospective teacher trainees in any public charter school for any position that places them in close proximity to children, as provided in section 302D-33;
- (33) The counties on prospective employees who work with children, vulnerable adults, or senior citizens in community-based programs;
- (34) The counties on prospective employees for fire department positions which involve contact with children or vulnerable adults;
- (35) The counties on prospective employees for emergency medical services positions which involve contact with children or vulnerable adults;
- (36) The counties on prospective employees for emergency management positions and community volunteers whose responsibilities involve planning and executing homeland security measures including viewing, handling, and engaging in law enforcement or classified meetings and assisting vulnerable citizens during emergencies or crises;
- (37) The State and counties on employees, prospective employees, volunteers, and contractors whose position responsibilities require unescorted access to secured areas and equipment related to a traffic management center;
- (38) The State and counties on employees and prospective employees whose positions involve the handling or use of firearms for other than law enforcement purposes;
- (39) The State and counties on current and prospective systems analysts and others involved in an agency's information technology operation whose position responsibilities provide them with access to proprietary, confidential, or sensitive information;
- (40) The department of commerce and consumer affairs on applicants for real estate appraiser licensure or certification as provided by chapter 466K;
- (41) The department of health or its designee on all license applicants, licensees, employees, contractors, and prospective employees of medical marijuana dispensaries, and individuals permitted to enter and remain in medical marijuana dispensary facilities as provided under sections 329D-15(a)(4) and 329D-16(a)(3);
- (42) The department of commerce and consumer affairs on applicants for nurse licensure or license renewal, reactivation, or restoration as provided by sections 457-7, 457-8, 457-8.5, and 457-9;
- [§(43)] The county police departments on applicants for permits to acquire firearms pursuant to section 134-2 and on individuals registering their firearms pursuant to section 134-3;
- [§(44)] The department of commerce and consumer affairs on:
- (A) Each of the controlling persons of the applicant for licensure as an escrow depository, and each of the officers, directors, and

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- principals who will be in charge of the escrow depository's activities upon licensure; and
- (B) Each of the controlling persons of an applicant for proposed change in control of an escrow depository licensee, and each of the officers, directors, and principals who will be in charge of the licensee's activities upon approval of such application, as provided by chapter 449; [and]
- (45) The department of taxation on current or prospective employees or contractors who have access to federal tax information in order to comply with requirements of federal law, regulation, or procedure, as provided by section 231-
- (46) The department of labor and industrial relations on current or prospective employees or contractors who have access to federal tax information in order to comply with requirements of federal law, regulation, or procedure, as provided by section 383-
- (47) The department of human services on current or prospective employees or contractors who have access to federal tax information in order to comply with requirements of federal law, regulation, or procedure, as provided by section 346-
- (48) The child support enforcement agency on current or prospective employees, or contractors who have access to federal tax information in order to comply with federal law, regulation, or procedure, as provided by section 576D-; and
- (45) [49] Any other organization, entity, or the State, its branches, political subdivisions, or agencies as may be authorized by state law."

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.²

SECTION 9. This Act shall take effect upon its approval.

(Approved July 10, 2017.)

Notes

1. Prior to amendment "or" appeared here.
2. Edited pursuant to HRS §23G-16.5.

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H.B. NO. 632

A Bill for an Act Relating to Water Infrastructure Loans.

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

SECTION 1. Section 155-31, Hawaii Revised Statutes, is amended by amending the definitions of "water infrastructure equipment", "water infrastructure loans" and "loan program" to read as follows:

"Water infrastructure equipment" means infrastructure improvements, equipment, and personal property to be installed for dams, reservoirs, hydroelectric pumping, storm water reclamation, ditch maintenance, spillways, wells, water ducts, [and] water distribution systems[-], and water tanks.

"Water infrastructure loans" and "loan program" means the program established by this part and loans made to finance the purchase or installation of water infrastructure equipment for dams, reservoirs, hydroelectric pumping,

storm water reclamation, ditch maintenance, spillways, wells, water ducts, [and] water distribution systems[-], and water tanks.”

SECTION 2. Section 155-32, Hawaii Revised Statutes, is amended to read as follows:

“[§155-32] Hawaii water infrastructure loan program. There is established a Hawaii water infrastructure loan program, which shall be a loan program as defined under section 39-51. The program shall be administered by the department in a manner consistent with chapter 39, part III. This loan program may include:

- (1) Loans made, on terms approved by the department, to [private]:
 - (A) Private entities, whether corporations, partnerships, limited liability companies, or other persons, which entities may lease or provide water infrastructure equipment to utility customers; and
 - (B) Water utilities; and
- (2) Direct loans to utility customers, on terms approved by the department.”

SECTION 3. Section 155-33, Hawaii Revised Statutes, is amended to read as follows:

“[§155-33] Powers of the department. The department shall have the following powers:

- (1) Make loans and expend funds to finance the purchase or installation of water infrastructure equipment for dams, reservoirs, hydroelectric pumping, storm water reclamation, ditch maintenance, spillways, wells, water ducts, [and] water distribution systems[-], and water tanks;
- (2) Hold and invest moneys in the water infrastructure special fund in investments as permitted by law;
- (3) Hire employees necessary to perform its duties;
- (4) Enter into contracts for the service of consultants for rendering professional and technical assistance and advice, and any other contracts that are necessary and proper for the implementation of the loan program;
- (5) Enter into contracts for the administration of the loan program, in accordance with chapter 103D;
- (6) Establish loan program guidelines to carry out the purposes of this part;
- (7) Perform all functions necessary to effectuate the purposes of this part;
- (8) Delegate authority to the chairperson of the board of agriculture to approve loans where the requested amount plus any principal balance on existing loans to the applicant does not exceed \$25,000 of state funds; and
- (9) Adopt rules pursuant to chapter 91 necessary for the purpose of this part.”

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 10, 2017.)

A Bill for an Act Relating to Assisting Dam and Reservoir Owners.

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

SECTION 1. Section 39A-341, Hawaii Revised Statutes, is amended as follows:

1. By amending the definition of "appurtenant works" to read:

~~"Appurtenant works" [shall have the same meaning in this part as it has in section 179D-3.] means any structure, such as spillways in the dam or separate therefrom, the reservoir and its rim, low level outlet works, aboveground freshwater storage tanks, and water conduits, such as tunnels, pipelines, or penstocks, through the dam or its abutment."~~

2. By amending the definition of "dam" to read:

~~"Dam" [shall have the same meaning in this part as it has in section 179D-3.] means any artificial barrier, including appurtenant works, that impounds or diverts water and that:~~

- (1) ~~Is twenty-five feet or more in height from the natural bed of the stream or watercourse measured at the downstream toe of the barrier, or from the lowest elevation of the outside limit of the barrier if it is not across a stream channel or watercourse to a maximum water storage elevation;~~
 - (2) ~~Has an impounding capacity at maximum water storage elevation of fifty acre-feet or more; provided that this definition shall not apply to any artificial barrier that is less than six feet in height regardless of storage capacity or that has a storage capacity at maximum water storage elevation less than fifteen acre-feet regardless of height; or~~
 - (3) ~~Meets additional criteria or is specifically exempt as determined pursuant to rules adopted by the board of land and natural resources."~~
3. By amending the definition of "reservoir" to read:
- ~~"Reservoir" [shall have the same meaning in this part as it has in section 179D-3.] means any basin that contains or will contain water impounded by a dam, including appurtenant works."~~

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 10, 2017.)

A Bill for an Act Relating to Labor.

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

PART I

SECTION 1. Section 386-123, Hawaii Revised Statutes, is amended to read as follows:

"§386-123 Failure to give security for compensation; penalty; injunction.

If an employer fails to comply with section 386-121, the employer shall be liable for a penalty of not less than \$500 or of \$100 for each employee for every day during which such failure continues, whichever sum is greater, to be recovered in an action brought by the director in the name of the State, and the amount so collected shall be paid into the special compensation fund created by section 386-151. The director may, however, in the director's discretion, for good cause shown, remit all or any part of the penalty in excess of \$500; provided that the employer in default complies with section 386-121. With respect to such actions, the attorney general or any county attorney or public prosecutor shall prosecute the same if so requested by the director.

In addition, if any employer is in default under section 386-121 for a period of [thirty] fourteen days, the employer may be enjoined, by the circuit court of the circuit in which the employer's principal place of business is located[;]
in the State or where the violation occurred, from carrying on the employer's business anywhere in the State so long as the default continues, such action for injunction to be prosecuted by the attorney general or any county attorney if so requested by the director."

PART II

SECTION 2. Chapter 388, Hawaii Revised Statutes, is amended by adding three new sections to part I to be appropriately designated and to read as follows:

"§388-A Order of wage payment violation; appeal. (a) When the department of labor and industrial relations, as a result of the department's own investigation, finds that a violation of this chapter or administrative rules adopted under this chapter has been committed and not corrected, the department shall issue an order of wage payment violation to the employer in violation. The order shall include any amount assessed pursuant to section 388-10(a).

(b) The order of wage payment violation shall be final and conclusive unless within twenty days after a copy of the order of wage payment violation has been sent to the employer, the employer files a written notice of appeal with the director in writing.

(c) A hearing on the written notice of appeal shall be held pursuant to chapter 91, by a hearings officer appointed by the director, within thirty days of the filing of the notice of appeal. A decision stating the findings of fact and conclusions of law shall be rendered by the hearings officer within thirty days after the conclusion of the hearing.

(d) Any party to an appeal under this chapter may obtain judicial review of the decision issued by the hearings officer in the manner provided under chapter 91.

§388-B Remittance of penalties. Until the order of wage payment violation becomes final, the director may withdraw or modify the order of wage payment violation or remit all or any part of a penalty assessed if good cause is shown; provided that the employer in default complies with this chapter and the administrative rules adopted under this chapter.

§388-C Enforcement of the order of wage payment violation. The director may file in the circuit court in the jurisdiction in which the employer does business, a certified copy of the final order of wage payment violation. The court shall render a judgment in accordance with the final order of wage payment

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violation and notify the parties of the judgment. The judgment shall have the same effect, and all proceedings in relation to the judgment shall be the same, as though the judgment had been rendered in an action duly heard and determined by the court, except that there shall be no appeal from the judgment."

SECTION 3. Section 388-10, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Civil. Any employer who fails to pay wages in accordance with this chapter without equitable justification or violates this chapter or the administrative rules adopted under this chapter shall be liable [te]:

- (1) To the employee, in addition to the wages legally proven to be due, for a sum equal to the amount of unpaid wages and interest at a rate of six per cent per year from the date that the wages were due[.]; and
- (2) For a penalty of not less than \$500 or \$100 for each violation, whichever is greater. The penalty shall be deposited into the general fund."

PART III

SECTION 4. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

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

(Approved July 10, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 136

S.B. NO. 895

A Bill for an Act Relating to Criminal Trespass.

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

SECTION 1. The legislature finds that it is necessary to establish a new criminal trespass offense to protect against people remaining on improved state land when it is closed or otherwise restricted, or on or under state highways.

The legislature further finds that the offense of criminal trespass in the second degree should be amended to include government agricultural lands that are not fenced, enclosed, or secured in a manner designed to exclude intruders when there is appropriate signage giving notice that the property is government property and trespassing is prohibited.

This Act is not intended to abridge the constitutional rights of persons who are homeless. These include their rights under the Eighth Amendment of the United States Constitution and their corresponding rights under article I, section 12, of the Constitution of the State of Hawaii to be free from cruel and unusual punishment.

SECTION 2. Chapter 708, Hawaii Revised Statutes, is amended by adding to part II a new section to be appropriately designated and to read as follows:

“§708- Criminal trespass onto state lands. (1) Except for lands owned by the office of Hawaiian affairs, and except for improved state lands that are designated safe havens by state departments or agencies, or that are under executive order by the governor to be used as a safe haven and have a department of health component and adequate space, not to include state hospitals, a person commits the offense of criminal trespass onto state lands if:

- (a) The person enters or remains unlawfully in or upon any improved state land when:
 - (i) The land is closed to public use and its closure hours are posted on a sign or signs on the improved state land, and after a request to leave is made by any law enforcement officer the person remains in or upon the land; or
 - (ii) The land is not open to the public and there are signs that are sufficient to give reasonable notice that read: “Government Property - No Trespassing”; provided that these signs shall contain letters no less than two inches in height and shall be placed at reasonable intervals no less than three signs to a mile along the boundary line of the land and at all roads and trails entering the land in a manner and position as to be clearly noticeable from outside the boundary; or
 - (b) The person enters or remains unlawfully in or upon any state land on or under any highway, and the state land has a sign or signs displayed upon the land that are sufficient to give reasonable notice that read: “Government Property - No Trespassing”; provided that the signs shall contain letters no less than two inches in height and shall be placed at reasonable intervals no less than three signs to a mile along the boundary line of the land and at all roads and trails entering the land in a manner and position as to be clearly noticeable from outside the boundary.
- (2) Criminal trespass onto state lands is a petty misdemeanor.
(3) For the purposes of this section, unless the context requires otherwise:

“Highway” has the same meaning as in section 286-2.

“Improved state land” means any state land, including but not limited to harbors under the care and control of the department of transportation under chapter 266, and small boat harbors under the care and control of the department of land and natural resources under chapter 200, upon which there is improvement, including any structure, building, or facility; or alteration of the land by grading, dredging, or mining that would cause a permanent change in the land or that would change the basic natural condition of the land. Land is not “improved state land” if it only has minor improvements, including utility poles, signage, and irrigation facilities or systems; or minor alterations undertaken for the preservation or prudent management of the unimproved or unused land, including fences, trails, or pathways. Land is not “improved state land” solely due to the performance of state maintenance activities on the land, including forest plantings and the removal of weeds, brush, rocks, boulders, or trees; or removal or securing of rocks or boulders undertaken to reduce risk to downslope properties.

“State lands” means all land owned by the State through any of its departments or agencies.

(4) No conviction under this section shall be used to establish a felony conviction under section 708-803."

SECTION 3. Section 708-814, Hawaii Revised Statutes, is amended by amending subsection (1) to read as follows:

"(1) A person commits the offense of criminal trespass in the second degree if:

- (a) The person knowingly enters or remains unlawfully in or upon premises that are enclosed in a manner designed to exclude intruders or are fenced;
- (b) The person enters or remains unlawfully in or upon commercial premises after a reasonable warning or request to leave by the owner or lessee of the commercial premises, the owner's or lessee's authorized agent, or a police officer; provided that this paragraph shall not apply to any conduct or activity subject to regulation by the National Labor Relations Act.

For the purposes of this paragraph, "reasonable warning or request" means a warning or request communicated in writing at any time within a one-year period inclusive of the date the incident occurred, which may contain but is not limited to the following information:

- (i) A warning statement advising the person that the person's presence is no longer desired on the property for a period of one year from the date of the notice, that a violation of the warning will subject the person to arrest and prosecution for trespassing pursuant to [section 708-814(1)(b).] this subsection, and that criminal trespass in the second degree is a petty misdemeanor;
 - (ii) The legal name, any aliases, and a photograph, if practicable, or a physical description, including but not limited to sex, racial extraction, age, height, weight, hair color, eye color, or any other distinguishing characteristics of the person warned;
 - (iii) The name of the person giving the warning along with the date and time the warning was given; and
 - (iv) The signature of the person giving the warning, the signature of a witness or police officer who was present when the warning was given and, if possible, the signature of the violator;
- (c) The person enters or remains unlawfully on agricultural lands without the permission of the owner of the land, the owner's agent, or the person in lawful possession of the land, and the agricultural lands:
 - (i) Are fenced, enclosed, or secured in a manner designed to exclude intruders;
 - (ii) Have a sign or signs displayed on the unenclosed cultivated or uncultivated agricultural land sufficient to give notice and reading as follows: "Private Property"[-] or "Government Property - No Trespassing". The sign or signs, containing letters [~~net~~] no less than two inches in height, shall be placed at reasonable intervals no less than three signs to a mile along the boundary line of the land and at roads and trails entering the land in a manner and position as to be clearly noticeable from outside the boundary line; or
 - (iii) At the time of entry, are fallow or have a visible presence of livestock or a crop;

- (A) Under cultivation;
 - (B) In the process of being harvested; or
 - (C) That has been harvested;
- (d) The person enters or remains unlawfully on unimproved or unused lands without the permission of the owner of the land, the owner's agent, or the person in lawful possession of the land, and the lands:
- (i) Are fenced, enclosed, or secured in a manner designed to exclude the general public; or
 - (ii) Have a sign or signs displayed on the unenclosed, unimproved, or unused land sufficient to give reasonable notice and reads as follows: "Private Property - No Trespassing", "Government Property - No Trespassing", or a substantially similar message; provided that the sign or signs shall contain letters [not] no less than two inches in height and shall be placed at reasonable intervals no less than three signs to a mile along the boundary line of the land and at roads and trails entering the land in a manner and position as to be clearly noticeable from outside the boundary line.
- For the purposes of this paragraph, "unimproved or unused lands" means any land upon which there is no improvement; construction of any structure, building, or facility; or alteration of the land by grading, dredging, or mining that would cause a permanent change in the land or that would change the basic natural condition of the land. Land remains "unimproved or unused land" under this paragraph notwithstanding minor improvements, including the installation or maintenance of utility poles, signage, and irrigation facilities or systems; minor alterations undertaken for the preservation or prudent management of the unimproved or unused land, including the installation or maintenance of fences, trails, or pathways; maintenance activities, including forest plantings and the removal of weeds, brush, rocks, boulders, or trees; and the removal or securing of rocks or boulders undertaken to reduce risk to downslope properties; or
- (e) The person enters or remains unlawfully in or upon the premises of any public housing project or state low-income housing project, as defined in section 356D-1, 356D-51, or 356D-91, after a reasonable warning or request to leave by housing authorities or a police officer, based upon an alleged violation of law or administrative rule; provided that a warning or request to leave shall not be necessary between 10:00 p.m. and 5:00 a.m. at any public housing project or state low-income housing project that is closed to the public during those hours and has signs, containing letters [not] no less than two inches in height, placed at reasonable intervals no less than three signs to a mile along the boundary of the project property[,] and at all entrances to the property, in a manner and position to be clearly noticeable from outside the boundary of the project property and to give sufficient notice that the public housing project or state low-income housing project is closed to the public during those hours."

SECTION 4. The department of the attorney general shall submit a written report to the legislature regarding the extent to which this Act has been utilized, including any proposed legislation, no later than twenty days prior to the convening of the regular sessions of 2018, 2019, and 2020.

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SECTION 5. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 6. This Act does not affect native Hawaiian traditional and customary rights as set forth in the state constitution.

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 8. This Act shall take effect upon its approval.

(Approved July 10, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

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H.B. NO. 735

A Bill for an Act Relating to Motor Vehicle Rental Industry.

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

SECTION 1. The legislature finds that a healthy and robust rental car industry is vital to Hawaii's tourism economy and supports tourism as an integral part of Hawaii's transportation infrastructure. Although current law permits rental car companies to recover from rental car customers certain mandatory government fees paid by the companies to make rental vehicles road-ready, the prorated formula is calculated over a period of three hundred sixty-five days, which results in a significant portion of the fees going unrecovered. Rental car companies incur a shortfall in collections under current law, which hinders their ability to provide a selection of rental cars to customers, many of which are tourists who want to explore areas of the State that require a rental car.

The legislature also finds that many other states have laws permitting rental car companies to pass on to consumers an amount closer to the full recovery of mandatory government fees.

The purpose of this Act is to amend the prorated amount of vehicle license and registration fee and weight taxes that rental car companies are allowed to pass on to lessees, and to expand the categories of government fees that the companies are permitted to collect.

SECTION 2. Section 437D-3, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

“Vehicle license recovery fees” includes motor vehicle weight taxes under section 249-2; fees connected with the registration of specially constructed, reconstructed, or rebuilt vehicles, special interest vehicles, or imported vehicles as referenced in section 286-41(c); license plate and emblem fees under section 249-7(b); inspection fees as referenced in section 286-26; highway beautification fees as referenced in section 286-51(b)(1); and any use tax under chapter 238.”

SECTION 3. Section 437D-8.4, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Notwithstanding any law to the contrary, a lessor may visibly pass on to a lessee:

- (1) The general excise tax attributable to the transaction;
- (2) The vehicle license [and registration fee and weight taxes,] recovery fees, prorated at [1/365th] 1/292nd of the annual vehicle license [and registration fee and weight taxes] recovery fees actually paid on the particular vehicle being rented for each full or partial twenty-four-hour rental day that the vehicle is rented; provided the total of all vehicle license [and registration fees] recovery fees charged to all lessees shall not exceed the annual vehicle license [and registration fee] recovery fees actually paid for the particular vehicle rented;
- (3) The surcharge taxes imposed in chapter 251 attributable to the transaction;
- (4) The county surcharge on state tax under section 46-16.8; provided that the lessor itemizes the tax for the lessee; and
- (5) The rents or fees paid to the department of transportation under concession contracts negotiated pursuant to chapter 102, service permits granted pursuant to title 19, Hawaii Administrative Rules, or rental motor vehicle customer facility charges established pursuant to section 261-7; provided that:
 - (A) The rents or fees are limited to amounts that can be attributed to the proceeds of the particular transaction;
 - (B) The rents or fees shall not exceed the lessor's net payments to the department of transportation made under concession contract or service permit;
 - (C) The lessor submits to the department of transportation and the department of commerce and consumer affairs a statement, verified by a certified public accountant as correct, that reports the amounts of the rents or fees paid to the department of transportation pursuant to the applicable concession contract or service permit:
 - (i) For all airport locations; and
 - (ii) For each airport location;
 - (D) The lessor submits to the department of transportation and the department of commerce and consumer affairs a statement, verified by a certified public accountant as correct, that reports the amounts charged to lessees:
 - (i) For all airport locations;
 - (ii) For each airport location; and
 - (iii) For each lessee;
 - (E) The lessor includes in these reports the methodology used to determine the amount of fees charged to each lessee; and
 - (F) The lessor submits the above information to the department of transportation and the department of commerce and consumer affairs within three months of the end of the preceding annual accounting period or contract year as determined by the applicable concession agreement or service permit.

The respective departments, in their sole discretion, may extend the time to submit the statement required in this subsection. If the director determines that an examination of the lessor's information is inappropriate under this subsection and the lessor fails to correct the matter within ninety days, the director may conduct an examination and charge a lessor an examination fee based upon the cost per hour per examiner for evaluating, investigating, and verifying

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compliance with this subsection, as well as additional amounts for travel, per diem, mileage, and other reasonable expenses incurred in connection with the examination, which shall relate solely to the requirements of this subsection, and which shall be billed by the departments as soon as feasible after the close of the examination. The cost per hour shall be \$40 or as may be established by rules adopted by the director. The lessor shall pay the amounts billed within thirty days following the billing. All moneys collected by the director shall be credited to the compliance resolution fund.”

SECTION 4. No later than twenty days prior to the convening of the regular session of 2019, the motor vehicle rental industry shall report to the legislature on the effect of this Act on the average vehicle license recovery fee charged to each customer on each motor vehicle rental and the average time in service of each motor vehicle rental.

SECTION 5. Beginning March 1, 2019, all rental car companies shall submit an annual audit, to be conducted by a third party certified public accountant, to the office of consumer protection of the department of commerce and consumer affairs by July 1 of every year.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2017; provided that the amendments made to section 437D-8.4(a), Hawaii Revised Statutes, by section 3 of this Act shall not be repealed when that section is reenacted on December 31, 2027, pursuant to section 9 of Act 247, Session Laws of Hawaii 2005, as amended by section 7 of Act 240, Session Laws of Hawaii 2015.

(Approved July 10, 2017.)

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H.B. NO. 997

A Bill for an Act Relating to Concessions.

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

SECTION 1. The legislature finds that the award of airport concession contracts or other arrangements has not always been for the best value of services or in the best interest of the State. Unlike laws applicable to most of the other airports in the United States that require airport concessions to be awarded by best value, Hawaii law requires airport concessions to be awarded based on the amount of money paid without any meaningful discussions or negotiations. For example, under Hawaii law, a fifteen-year, airport concession restaurant contract can be awarded to the person or entity that simply agrees to pay the most money to the State, without any discussions or negotiations regarding the quality or variety of food and service to be provided. The legislature recognizes that the highest amount of money offered for a contract does not necessarily result in the State receiving the best value of services or serve the best interests of the State.

The legislature further finds that tourism is the State's top industry and that public airports are generally a visitor's first and last impressions of Hawaii. Thus, services and offerings at the State's airports truly impact the State's economy. To ensure quality services and offerings to travelers, the department of

transportation should not be limited to awarding airport concessions based on who offers the most or the least amount of money. While dollars paid should be one of the factors considered by the department, monetary amounts should not be the sole or most compelling factor and basis for awarding an airport concession or arrangement at Hawaii's airports.

Act 46, Session Laws of Hawaii 2012, as amended by Act 126, Session Laws of Hawaii 2014, temporarily permitted the department of transportation to negotiate amendments to existing concession contracts in exchange for revenue-enhancing improvements paid for by the concession. This approach proved to be successful as it resulted in better airport experiences and offerings and increased revenues to the public airport system. As a result of negotiations, about \$90,000,000 worth of improvements were fast-tracked and paid for by airport tenants, which in turn, will generate millions of dollars of additional revenues for Hawaii's airport system.

Recognizing that existing laws impeded the award of airport concession contracts that could provide free wireless connectivity and advertising opportunities at state airports, the legislature enacted Act 141, Session Laws of Hawaii 2014, to permit the department of transportation to temporarily pursue airport concession contract negotiations for electronic communication services and advertising opportunities at the State's airports. As a result of Act 141, the department of transportation awarded wireless connectivity and advertising contracts that will provide opportunities and services at Hawaii's major airports and additional revenues to Hawaii's airport system.

The legislature further finds that when an executive department engages in contract negotiations rather than awarding to the highest bidder, the attorney general can provide legal oversight to ensure that the award granting process complies with Hawaii law as well as other applicable laws.

The legislature believes that existing laws with the emphasis on dollars paid without any negotiations allowed has not served the public's best interest in meeting the needs of travelers, providing additional revenues to the airport system, or providing the department of transportation with the flexibility and discretion necessary to meet the department's important goals and objectives.

Therefore, the purpose of this Act is to provide the department of transportation permanent authority, flexibility, and discretion to pursue and enter into concession contracts and other arrangements by negotiation.

SECTION 2. Section 102-2, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) Except as otherwise specifically provided by law, no concession or concession space shall be leased, let, licensed, rented out, or otherwise disposed of either by contract, lease, license, permit or any other arrangement, except under contract let after public notice for sealed bids in the manner provided by law; provided that the duration of the grant of the concession or concession space shall be related to the investment required but in no event to exceed fifteen years[; for the initial term, and if amended, any then remaining term plus any agreed extension thereof awarded or granted by the government agency making a lease or contract or other arrangement relating to a concession; provided further that and subject to approval by county council resolution, the fifteen-year limit shall not apply to nonprofit corporations organized pursuant to chapter 414D.]

(b) The bidding requirements of subsection (a) shall not apply to concessions or space on public property set aside for the following purposes:

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- (1) For operation of ground transportation services and parking lot operations at airports, except for motor vehicle rental operations under chapter 437D;
- (2) For lei vendors;
- (3) For airline and aircraft operations;
- (4) For automated teller machines and vending machines, except vending machines located at public schools operated by blind or visually handicapped persons in accordance with section 302A-412;
- (5) For operation of concessions set aside without any charge;
- (6) For operation of concessions by handicapped or blind persons; except concessions operated in the public schools by blind or visually handicapped persons in accordance with section 302A-412;
- (7) For operation of concessions on permits revocable on notice of thirty days or less; provided that no such permits shall be issued for more than a one year period;
- (8) For operation of concessions or concession spaces for a beach service association dedicated to the preservation of the Hawaii beach boy tradition, incorporated as a nonprofit corporation in accordance with state law, and whose members are appropriately licensed or certified as required by law;
- (9) For operation of concessions at county zoos, botanic gardens, or other county parks which are environmentally, culturally, historically, or operationally unique and are supported, by nonprofit corporations incorporated in accordance with state law solely for purposes of supporting county aims and goals of the zoo, botanic garden, or other county park, and operating under agreement with the appropriate agency solely for such purposes, aims, and goals;
- (10) For operation of concessions that furnish goods or services for which there is only one source, as determined by the head of the awarding government agency in writing that shall be included in the contract file;
- (11) For any of the operations of the Hawaii health systems corporation and its regional system boards;
- [~~(12)~~] ~~For airport operation of concessions providing electronic communication services;~~
- [~~(13)~~] ~~For airport operation of concessions consisting solely of advertising;~~
- [~~(14)~~] ~~(12) For airport operation of concessions;~~
- [~~(13)~~] ~~For the stadium authority operation of concessions providing electronic communication services;~~
- [~~(15)~~] ~~(14) For the stadium authority operation of concessions consisting solely of advertising; and~~
- [~~(16)~~] ~~(15) For the operations of the natural energy laboratory of Hawaii authority.”~~

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017; provided that the amendments made to section 102-2(b), Hawaii Revised Statutes, under section 2 of this Act shall not be repealed when section 102-2(b), Hawaii Revised Statutes, is repealed and reenacted on June 30, 2021, pursuant to section 4, Act 141, Session Laws of Hawaii 2014; provided further that this Act shall apply to existing concessions and arrangements covered by this Act.

(Approved July 10, 2017.)

ACT 139

H.B. NO. 1231

A Bill for an Act Relating to Disaster Relief.

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

SECTION 1. Section 37-41.5, Hawaii Revised Statutes, is amended to read as follows:

“§37-41.5 Department of education; carryover of funds. (a) The department of education may retain up to five per cent of any appropriation, except for appropriations to fund financing agreements entered into in accordance with chapter 37D, at the close of a fiscal year and the funds retained shall not lapse until June 30 of the first fiscal year of the next fiscal biennium. The department of education shall submit:

- (1) A report to the director of finance ninety days after the close of each fiscal year, which shall be prepared in the form prescribed by the director of finance and shall identify the total amount of funds that will carry over to the next fiscal year; and
- (2) A copy of this report to the legislature, as well as a report identifying the carryover of funds on a school-by-school basis, at least twenty days prior to the convening of the next regular session of the legislature.

(b) Appropriations allocated to the schools shall remain within the budget of the school to which they were originally allocated; provided that the retention of an appropriation shall not be used by the department as a basis for reducing a school's future budget requirements.

(c) In addition to the five per cent retainage under subsection (a), the department of education may retain any appropriation received pursuant to section 127A-16(a) or as reimbursement for disaster relief pursuant to section 127A-16(d) at the close of the fiscal year in which the appropriation or reimbursement was received and the funds retained shall not lapse until June 30 of the first fiscal year of the next fiscal biennium. Such funds shall be considered as separate and distinct from the funds the department of education is authorized to retain pursuant to subsection (a). ”

SECTION 2. Section 127A-16, Hawaii Revised Statutes, is amended to read as follows:

“§127A-16 Major disaster fund. (a) The director shall submit requests to the legislature to appropriate from the general revenues of the State sufficient moneys as may be necessary for expenditure by or under the direction of the governor for immediate relief in response to an emergency or disaster in any part of the State; provided that:

- (1) The governor has issued a proclamation of a state of emergency;
- (2) The governor may not expend in excess of \$5,000,000 for immediate relief as a result of any single emergency or disaster; and
- (3) In addition to the funds in paragraph (2), an additional \$5,000,000 may be made available solely for the purpose of matching federal disaster relief funds when these funds become available to the State following a presidential disaster declaration.

In expending the moneys, the governor may allot any portion thereof to any agency, office, or employee of the State or a county for the most efficient relief for the population. Notwithstanding this subsection, the only exception to para-

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graphs (1), (2), and (3) is that the director may use up to \$100,000 per year to support emergency reserve corps training.

(b) No later than one month after any allotment by the governor or the expenditure of any fund moneys, the director shall report to the legislature on the purpose of the allotment or expenditure.

(c) [Federal] Except as provided in subsection (d), federal reimbursement moneys for disaster relief shall be deemed to be trust moneys and may be deposited into a trust account with and under the control of the department of defense. These moneys and any interest earned thereon shall be used for the purpose identified in subsection (a) and shall not lapse to the general fund.

(d) In cases in which the department of education expends the funds appropriated to the department for purposes deemed to be reimbursable by federal reimbursement moneys for disaster relief, the federal reimbursement moneys shall not lapse to the general fund and shall be credited directly to the department of education without regard to whether the original appropriation has lapsed. Such funds shall carryover in accordance with section 37-41.5(c)."

SECTION 3. If any part of this Act is found to be in conflict with federal requirements that are a prescribed condition for the allocation of federal funds to the State, the conflicting part of this Act is inoperative solely to the extent of the conflict and with respect to the agencies affected, and this finding does not affect the operation of the remainder of this Act in its application to the agencies concerned. The rules under this Act shall meet federal requirements that are a necessary condition to the receipt of federal funds by the State.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

ACT 140

H.B. NO. 880

A Bill for an Act Relating to the Department of Education.

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

SECTION 1. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

“PART . MARK LICENSING AGREEMENT PROGRAM

§302A-A Definitions. As used in this part, “mark” means any trademark or service mark entitled to registration under chapter 482, whether registered or not.

§302A-B Mark licensing agreement program; established. (a) There is established within the department a mark licensing agreement program to allow the department and a department school to license, as applicable, the department's or department school's marks.

(b) The department may enter into licensing agreements pursuant to this part and any rules adopted pursuant to section 302A-E.

§302A-C Commercial enterprises. Notwithstanding any law to the contrary, the department may engage in commercial enterprises that are related and incidental to the primary purposes of the department as set forth in this chapter, including the sponsorship of private, cultural, and athletic performances; the sale of goods produced by or for department programs or an individual department school; or the production of goods bearing a department or an individual department school mark.

§302A-D Mark registration. The department may register with the department of commerce and consumer affairs any mark of the department or an individual department school.

§302A-E Administrative rules. The department shall adopt rules pursuant to chapter 91 for the purposes of this part. Rules adopted pursuant to this section shall address, at minimum:

- (1) An application process for a mark licensing agreement;
- (2) Standards for potential licensees and selection criteria;
- (3) The appropriateness and quality of proposed licensed products and uses;
- (4) The assessment and collection of fees;
- (5) The disposition of fees and royalties;
- (6) An appeals process for an application for mark licensing that is denied; and
- (7) A process to revoke or suspend a mark licensing agreement."

SECTION 2. In codifying the new sections added by section 1 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun, before the effective date of this Act.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

ACT 141

H.B. NO. 637

A Bill for an Act Relating to the State Building Codes.

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

SECTION 1. For centuries, Hawaii has been blessed with consistent rainfall and, due to its geology, with high-quality fresh water. Recently, however, scientists, farmers, and others have observed signs that threaten the long-term fresh water security of the Hawaiian islands.

The Pacific Islands Regional Climate Assessment reports that throughout the Pacific region, warmer and drier conditions will result in drought and rising temperatures, thus causing a decrease of fresh water supplies.

Hawaii needs to make changes that will increase its ability to capture, store, and efficiently use fresh water. Among the least expensive and most efficient ways to increase the supply of fresh water are water conservation and reuse. An important component in the conservation and reuse of water is the timely

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adoption of amendments to the state building codes, which include the Uniform Plumbing Code, to encourage water resource conservation, improvements to water distribution systems, and recovery of used water.

The purpose of this Act is to expedite the review, updating, and adoption of appropriate updates to the state building codes.

SECTION 2. Section 107-24, Hawaii Revised Statutes, is amended to read as follows:

“§107-24 Authority and duties of the council. (a) Any law to the contrary notwithstanding, the council shall establish the Hawaii state building codes.

(b) The council shall appoint a subcommittee comprising the four council members representing county building officials, whose duty shall be to recommend any necessary or desirable state amendments to the codes and standards identified in section 107-25. Any recommended state amendments shall require the unanimous agreement of the subcommittee.

(c) The council shall adopt, amend, or update codes and standards identified in section 107-25 on a staggered basis[,] as established by the council; provided that [the adoption, amendment, or update of any] adoption of a code or standard shall be:

- (1) At least once every six years; and
- (2) Based upon a review and evaluation of the utility of the code or standard at the time each respective edition is published.]

within two years of the official publication date of the code or standard, pursuant to chapter 92, and exempt from the requirements of chapter 91. If the council does not adopt a code or standard identified in section 107-25 within the two-year time period, that code or standard shall automatically become part of the Hawaii state building code until superseded by the adoption of an amended version of the code or standard by the council pursuant to this subsection.

(d) The council may appoint other investigative, technical expertise committees, which may include council members.

(e) The council shall consult with general building contractor associations and building trade associations to gather information and recommendations on construction practices and training relevant to building codes and standards.

[f] The council shall review and adopt, as appropriate, new model building codes within eighteen months of the official publication date.

[g] (f) The council may make expenditures for technical references, equipment and supplies, and other operating expenses, and may contract for the conduct of research studies and other technical services.

[h] (g) The council may provide education and technical training and administrative assistance in the form of services or grants at the state and county levels relating to the implementation and enforcement of the Hawaii state building codes adopted pursuant to this part.

[i] (h) At the end of each fiscal year, the council shall submit a written report to the governor on the council's activities, including the codes and standards adopted, amended, or updated by the council.”

SECTION 3. Section 107-27, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) No later than one year after the adoption of [rules under this chapter,] codes or standards pursuant to section 107-24(c), the design of all state building construction shall be in compliance with the Hawaii state building codes, except state building construction shall be allowed to be exempted from:

- (1) County codes that have not adopted the Hawaii state building codes;
- (2) Any county code amendments that are inconsistent with the minimum performance objectives of the Hawaii state building codes or the objectives enumerated in this part; or
- (3) Any county code amendments that are contrary to code amendments adopted by another county.”

SECTION 4. For fiscal year 2017-2018, the state building code council may receive and expend private funds to support activity related to the adoption of amendments to the state building codes.

SECTION 5. 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 for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 for the state building code council to carry out its duties including the hiring of one full-time equivalent (1.00 FTE) position to effectuate the purposes of this Act; provided that for fiscal year 2017-2018, no funds shall be made available under this Act unless \$60,000 in private sources provide a dollar for dollar match of funds for the purposes for which this sum is appropriated.

The sums appropriated shall be expended by the department of accounting and general services for the purposes of this Act.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

ACT 142

H.B. NO. 1044

A Bill for an Act Relating to Renewable Fuels Tax Credit.

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

SECTION 1. The legislature finds that section 235-110.31, Hawaii Revised Statutes, enacted by Act 202, Session Laws of Hawaii 2016, establishes a renewable fuels production tax credit with the intent to create a stronger market for renewable fuels and promote the production of locally grown feedstock. Under this process, the department of business, economic development, and tourism's requirements are as follows:

- (1) Certify the amount and type of renewable fuels produced and sold, including the purpose for which the fuel was produced;
- (2) Issue a certificate to the taxpayer verifying the amount of renewable fuels produced and sold, the credit amount certified for each taxable year, and the cumulative amount of the tax credit during the credit period;
- (3) Administer the \$3,000,000 a year aggregate cap;
- (4) Develop forms that renewable fuels taxpayers must submit to both the department of taxation and the department of business, economic development, and tourism prior to the production of any renewable fuels submitted for consideration under this bill and tax credit;

- (5) Collect data annually from the taxpayer of renewable fuels producers, including the number of British thermal units produced and sold; types of fuels; feedstock used for renewable fuels production; number of facility employees and each employee's state of residency; and projections for next year's British thermal units production; and
- (6) Submit written reports to the governor and state legislature inclusive of:
 - (A) The number, location, and production of renewable fuels production facilities in the State and outside the State that have claimed a credit under Act 202;
 - (B) The total number of British thermal units of renewable fuels, broken down by type of fuel, produced and sold during the previous year; and
 - (C) The projected number of British thermal units of renewable fuels production for the succeeding year.

However, the department of business, economic development, and tourism lacks expertise in tax accounting, specific knowledge of fuels production industries sufficient to verify the actual renewable fuels production, and the required resources, including management database and budget and human resource allocation, to administer the requirements. Such resources or expertise would be required to effectively conduct the department of business, economic development, and tourism's certification and administration requirements per Act 202, Session Laws of Hawaii 2016.

In order to address this discrepancy, this Act seeks to replace the department of business, economic development, and tourism's requirements associated with the certification, administration, and verification of the renewable fuels production tax credit with a survey of the renewable fuels production tax credit. The survey would still allow the department of business, economic development, and tourism to assess the effectiveness of the tax credit and report its findings to the governor and legislature.

SECTION 2. Section 235-110.31, Hawaii Revised Statutes, is amended to read as follows:

"[§235-110.31] Renewable fuels production tax credit. (a) As used in this section:

"Credit period" means a maximum period of five consecutive years, beginning from the first taxable year in which a taxpayer begins renewable fuels production at a level of at least fifteen billion British thermal units of renewable fuels per calendar year.

"Net income tax liability" means income tax liability reduced by all other credits allowed under this chapter.

"Renewable feedstocks" means:

- (1) Biomass crops;
- (2) Agricultural residues;
- (3) Oil crops, including but not limited to algae, canola, jatropha, palm, soybean, and sunflower;
- (4) Sugar and starch crops, including but not limited to sugar cane and cassava;
- (5) Other agricultural crops;
- (6) Grease and waste cooking oil;
- (7) Food wastes;
- (8) Municipal solid wastes and industrial wastes;

- (9) Water; and
- (10) Animal residues and wastes, that can be used to generate energy.

"Renewable fuels" means fuels produced from renewable feedstocks[;], provided that[;] the fuel:

- (1) [The fuels shall be] Is sold as a fuel[;] in Hawaii; and
- (2) [The fuels meet] Meets the relevant ASTM International specifications [for the particular fuel] or other industry specifications for [liquid or gaseous fuels;] the particular fuel, including but not limited to:
 - (A) Methanol, ethanol, or other alcohols;
 - (B) Hydrogen;
 - (C) Biodiesel or renewable diesel;
 - (D) Biogas;
 - (E) Other biofuels; or
 - (F) Renewable jet fuel or renewable gasoline.

(b) Each year during the credit period, there shall be allowed to each taxpayer subject to the taxes imposed by this chapter, a renewable fuels production tax credit that shall be applied to the taxpayer's net income tax liability, if any, imposed by this chapter for the taxable year in which the credit is properly claimed.

For each taxpayer producing renewable fuels, the annual dollar amount of the renewable fuels production tax credit during the five-year credit period shall be equal to 20 cents per seventy-six thousand British thermal units of renewable fuels using the lower heating value sold for distribution in Hawaii; provided that the taxpayer's production of renewable fuels is not less than fifteen billion British thermal units of renewable fuels per calendar year; provided further that the amount of the tax credit claimed under this section by a taxpayer shall not exceed \$3,000,000 per taxable year. No other tax credit may be claimed under this chapter for the costs [related to] incurred in producing the renewable fuels [production] that are used to properly claim a tax credit under this section for the taxable year.

(c) [The department of business, economic development, and tourism shall:

- (1) Verify the amount and type of renewable fuels produced and sold, including the purpose for which the fuel was produced;
- (2) Total all renewable fuels production that the department of business, economic development, and tourism certifies for purposes of paragraph (3); and
- (3) Certify the total amount of the tax credit for each taxable year and the cumulative amount of the tax credit during the credit period.

Upon each determination, the department of business, economic development, and tourism shall issue a certificate to the taxpayer verifying the amount of renewable fuels produced and sold, the credit amount certified for each taxable year, and the cumulative amount of the tax credit during the credit period. The taxpayer shall file the certificate with the taxpayer's tax return with the department of taxation. Notwithstanding the department of business, economic development, and tourism's certification authority under this section, the director of taxation may audit and adjust the certification to conform to the facts.

If in any year, the annual amount of certified credits reaches \$3,000,000 in the aggregate, the department of business, economic development, and tourism shall immediately discontinue certifying credits and notify the department of taxation. In no instance shall the total amount of certified credits exceed \$3,000,000 per year. Notwithstanding any other law to the contrary, the veri-

fication and certification information compiled by the department of business, economic development, and tourism shall be available for public inspection and dissemination under chapter 92F.] Not later than thirty days following the close of the calendar year, every taxpayer claiming a credit under this section shall complete and file an independent, third-party certified statement, at the taxpayer's sole expense, with the department of business, economic development, and tourism in the form prescribed by the department of business, economic development, and tourism providing the following information:

- (1) The type, quantity, and British thermal unit value, using the lower heating value, of each qualified fuel, broken down by the type of fuel, produced and sold during the previous calendar year;
 - (2) The feedstock used for each type of qualified fuel;
 - (3) The proposed total amount of credit to which the taxpayer is entitled for each calendar year and the cumulative amount of the tax credit the taxpayer received during the credit period;
 - (4) The number of full-time and number of part-time employees of the facility and those employees' states of residency, totaled per state; and
 - (5) The number and location of all renewable fuel production facilities within and outside of the State.
- (d) [If the credit under this section exceeds the taxpayer's net income tax liability, the excess of the credit over liability may be used as a credit against the taxpayer's net income tax liability in subsequent years until exhausted. All claims for a credit under this section shall be properly filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit.] Within thirty calendar days after the due date of the statement required under subsection (c), the department of business, economic development, and tourism shall:
- (1) Acknowledge receipt of the statement in writing; and
 - (2) Issue a certificate to the taxpayer reporting the amount of renewable fuels produced and sold, the amount of credit that the taxpayer is entitled to claim for the previous calendar year, and the cumulative amount of the tax credit during the credit period.
- (e) [Prior to production of any renewable fuels for the year, the taxpayer shall provide written notice of the taxpayer's intention to begin production of renewable fuels. The information shall be provided to the department of taxation and the department of business, economic development, and tourism on forms provided by the department of business, economic development, and tourism, and shall include information on the taxpayer, facility location, facility production capacity, anticipated production start date, and taxpayer's contact information. Notwithstanding any other law to the contrary, this taxpayer and facility information shall be available for public inspection and dissemination under chapter 92F.] The taxpayer shall file the certificate issued under subsection (d) with the taxpayer's tax return with the department of taxation. The director of taxation may audit and adjust the certification to conform to the facts.
- (f) [The taxpayer shall provide written notice to the director of taxation and the director of business, economic development, and tourism within thirty days following the start of production. The notice shall include the production start date and expected renewable fuels production for the next twelve months. Notwithstanding any other law to the contrary, this production information shall be available for public inspection and dissemination under chapter 92F.] The total amount of tax credits allowed under this section shall not exceed \$3,000,000 for all eligible taxpayers in any calendar year. In the event that the

credit claims under this section exceed \$3,000,000 for all eligible taxpayers in any given calendar year, the \$3,000,000 shall be divided between all eligible taxpayers for that year in proportion to the total amount of renewable fuels produced by all eligible taxpayers. Upon reaching \$3,000,000 in the aggregate, the department of business, economic development, and tourism shall immediately discontinue issuing certificates and notify the department of taxation. In no instance shall the total dollar amount of certificates issued exceed \$3,000,000 per year.

(g) [Each calendar year during the credit period, the taxpayer shall provide information to the director of business, economic development, and tourism on:

- (1) The number of British thermal units of renewable fuels produced and sold during the previous calendar year;
- (2) The type of fuels;
- (3) Feedstocks used for renewable fuels production;
- (4) The number of employees of the facility and each employee's state of residence; and
- (5) The projected number of British thermal units of renewable fuels production for the succeeding year.]

Notwithstanding any other law to the contrary, the information collected and compiled by the department of business, economic development, and tourism under subsections (c) and (d) for the purposes of the renewable fuels production tax credit, shall be available for public inspection and dissemination subject to chapter 92F.

(h) [In the case of a partnership, S corporation, estate, or trust, distribution and share of the renewable fuels production tax credit shall be determined pursuant to section 704(b) (with respect to partner's distributive share) of the Internal Revenue Code.] If the credit under this section exceeds the taxpayer's net income tax liability, the excess of the credit over liability may be used as a credit against the taxpayer's net income tax liability in subsequent years until exhausted. All claims for a credit under this section shall be properly filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed. Failure to comply with the foregoing provision or to provide the certified statement required under subsection (c) shall constitute a waiver of the right to claim the credit.

(i) [Following each year in which a credit under this section has been claimed, the director of business, economic development, and tourism shall submit a written report to the governor and legislature regarding the production and sale of renewable fuels. The report shall include:

- (1) The number, location, and production of renewable fuels production facilities in the State and outside the State that have claimed a credit under this section;
- (2) The total number of British thermal units of renewable fuels, broken down by type of fuel, produced and sold during the previous year; and
- (3) The projected number of British thermal units of renewable fuels production for the succeeding year.]

Prior to production of any renewable fuels for the calendar year, the taxpayer shall provide written notice of the taxpayer's intention to begin production of renewable fuels. The written notice shall be provided to the department of taxation and the department of business, economic development, and tourism, and shall include information on the taxpayer, facility location, facility production capacity, anticipated production start date, and the taxpayer's contact information. Notwithstanding any other law to the contrary, the written notice described

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in this subsection, including taxpayer and facility information, shall be available for public inspection and dissemination subject to chapter 92F.

(j) [The director of taxation shall prepare forms that may be necessary to claim a credit under this section. The director of taxation may require the taxpayer to furnish information to ascertain the validity of the claim for credit made under this section and may adopt rules necessary to effectuate the purposes of this section pursuant to chapter 91.] The taxpayer shall provide written notice to the director of taxation and the director of business, economic development, and tourism within thirty days following the start of production. The notice shall include the production start date and expected renewable fuels production for the next twelve months. Notwithstanding any other law to the contrary, the written notice described in this subsection shall be available for public inspection and dissemination subject to chapter 92F.

(k) In the case of a partnership, S corporation, estate, or trust, distribution and share of the renewable fuels production tax credit shall be determined pursuant to section 704(b) (with respect to a partner's distributive share) of the Internal Revenue Code of 1986, as amended. For a fiscal year taxpayer, the taxpayer shall report such credit in the taxable year in which the calendar year end is included.

(l) Following each calendar year in which a credit under this section has been claimed, the director of business, economic development, and tourism shall submit a written report to the governor and legislature regarding the production and sale of renewable fuels. The report shall include:

- (1) The number and location of renewable fuels production facilities in the State and outside the State that have claimed a credit under this section;
- (2) The total number of British thermal units of renewable fuels, broken down by type of fuel produced and sold during the previous calendar year; and
- (3) The projected number of British thermal units of renewable fuels production for the succeeding year.

(m) The director of taxation shall prepare forms that may be necessary to claim a credit under this section. The director of taxation may require the taxpayer to furnish information to ascertain the validity of the claim for credit made under this section and may adopt rules necessary to effectuate the purposes of this section pursuant to chapter 91."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act, upon its approval shall apply to taxable years beginning after December 31, 2017.

(Approved July 10, 2017.)

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H.B. NO. 423

A Bill for an Act Relating to Film and Digital Media Industry Development.

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

SECTION 1. The legislature finds that the film industry in Hawaii is an important component of a diversified economy. The legislature also finds that the motion picture, digital media, and film production income tax credit has

been effective in stimulating the economy and creating quality jobs in a clean industry while promoting Hawaii as a visitor destination.

The legislature further finds that the film production process can extend over several years due to extensive planning and development in the preproduction stage. The motion picture, digital media, and film production income tax credit's current sunset date of January 1, 2019, will discourage new productions that may be in the development and preproduction phases at that point in time.

The legislature also finds that additional amendments to the motion picture, digital media, and film production income tax credit are needed to ensure it continues to benefit the State.

The purpose of this Act is to, among other things:

- (1) Extend the motion picture, digital media, and film production income tax credit for an additional seven years to provide stability and economic incentive predictability for the film industry, so Hawaii remains competitive and comparable to other jurisdictions in attracting qualified productions, which generates additional revenue, jobs, and tourism marketing exposure; and
- (2) Amend the qualifications a production must meet in order to claim the credit.

SECTION 2. Section 235-17, Hawaii Revised Statutes, is amended to read as follows:

“§235-17 Motion picture, digital media, and film production income tax credit. (a) Any law to the contrary notwithstanding, there shall be allowed to each taxpayer subject to the taxes imposed by this chapter, an income tax credit that shall be deductible from the taxpayer's net income tax liability, if any, imposed by this chapter for the taxable year in which the credit is properly claimed. The amount of the credit shall be:

- (1) Twenty per cent of the qualified production costs incurred by a qualified production in any county of the State with a population of over seven hundred thousand; or
- (2) Twenty-five per cent of the qualified production costs incurred by a qualified production in any county of the State with a population of seven hundred thousand or less.

A qualified production occurring in more than one county may prorate its expenditures based upon the amounts spent in each county, if the population bases differ enough to change the percentage of tax credit.

In the case of a partnership, S corporation, estate, or trust, the tax credit allowable is for qualified production costs incurred by the entity for the taxable year. The cost upon which the tax credit is computed shall be determined at the entity level. Distribution and share of credit shall be determined by rule.

If a deduction is taken under section 179 (with respect to election to expense depreciable business assets) of the Internal Revenue Code of 1986, as amended, no tax credit shall be allowed for those costs for which the deduction is taken.

The basis for eligible property for depreciation of accelerated cost recovery system purposes for state income taxes shall be reduced by the amount of credit allowable and claimed.

(b) The credit allowed under this section shall be claimed against the net income tax liability for the taxable year. For the purposes of this section, “net income tax liability” means net income tax liability reduced by all other credits allowed under this chapter.

- (c) If the tax credit under this section exceeds the taxpayer's income tax liability, the excess of credits over liability shall be refunded to the taxpayer; provided that no refunds or payment on account of the tax credits allowed by this section shall be made for amounts less than \$1. All claims, including any amended claims, for tax credits under this section shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit.
- (d) To qualify for this tax credit, a production shall:
- (1) Meet the definition of a qualified production specified in subsection [4];] (m);
 - (2) Have qualified production costs totaling at least \$200,000;
 - (3) Provide the State[, at] a qualified Hawaii promotion, which shall be at a minimum, a shared-card, end-title screen credit, where applicable;
 - (4) Provide evidence of reasonable efforts to hire local talent and crew; [and]
 - (5) Provide evidence when making any claim for products or services acquired or rendered outside of this State that reasonable efforts were unsuccessful to secure and use comparable products or services within this State;
 - [§] (6) Provide evidence of financial or in-kind contributions or educational or workforce development efforts, in partnership with related local industry labor organizations, educational institutions, or both, toward the furtherance of the local film and television and digital media industries.
- (e) On or after July 1, 2006, no qualified production cost that has been financed by investments for which a credit was claimed by any taxpayer pursuant to section 235-110.9 is eligible for credits under this section.
- (f) To receive the tax credit, the taxpayer shall first prequalify the production for the credit by registering with the department of business, economic development, and tourism during the development or preproduction stage. [Failure to comply with this provision may constitute a waiver of the right to claim the credit.]
- (g) The director of taxation shall prepare forms as may be necessary to claim a credit under this section. The director may also require the taxpayer to furnish information to ascertain the validity of the claim for credit made under this section and may adopt rules necessary to effectuate the purposes of this section pursuant to chapter 91.
- (h) Every taxpayer claiming a tax credit under this section for a qualified production shall, no later than ninety days following the end of each taxable year in which qualified production costs were expended, submit a written, sworn statement to the department of business, economic development, and tourism, together with a verification review by a qualified certified public accountant using procedures prescribed by the department of business, economic development, and tourism, identifying:
- (1) All qualified production costs as provided by subsection (a), if any, incurred in the previous taxable year;
 - (2) The amount of tax credits claimed pursuant to this section, if any, in the previous taxable year; and
 - (3) The number of total hires versus the number of local hires by category and by county.

This information may be reported from the department of business, economic development, and tourism to the legislature in redacted form pursuant to subsection (i)(4).

(i) The department of business, economic development, and tourism shall:

- (1) Maintain records of the names of the taxpayers and qualified productions thereof claiming the tax credits under subsection (a);
- (2) Obtain and total the aggregate amounts of all qualified production costs per qualified production and per qualified production per taxable year;
- (3) Provide a letter to the director of taxation specifying the amount of the tax credit per qualified production for each taxable year that a tax credit is claimed and the cumulative amount of the tax credit for all years claimed; and
- (4) Submit a report to the legislature no later than twenty days prior to the convening of each regular session detailing the non-aggregated qualified production costs that form the basis of the tax credit claims and expenditures, itemized by taxpayer, in a redacted format to preserve the confidentiality of the taxpayers claiming the credit.

Upon each determination required under this subsection, the department of business, economic development, and tourism shall issue a letter to the taxpayer, regarding the qualified production, specifying the qualified production costs and the tax credit amount qualified for in each taxable year a tax credit is claimed. The taxpayer for each qualified production shall file the letter with the taxpayer's tax return for the qualified production to the department of taxation. Notwithstanding the authority of the department of business, economic development, and tourism under this section, the director of taxation may audit and adjust the tax credit amount to conform to the information filed by the taxpayer.

(j) Total tax credits claimed per qualified production shall not exceed \$15,000,000.

(k) Qualified productions shall comply with subsections (d), (e), (f), and (h).

(l) The total amount of tax credits allowed under this section in any particular year shall be \$35,000,000; however, if the total amount of credits applied for in any particular year exceeds the aggregate amount of credits allowed for such year under this section, the excess shall be treated as having been applied for in the subsequent year and shall be claimed in such year; provided that no excess shall be allowed to be claimed after December 31, 2025.

[l] (m) For the purposes of this section:
“Commercial”:

- (1) Means an advertising message that is filmed using film, videotape, or digital media, for dissemination via television broadcast or theatrical distribution;
- (2) Includes a series of advertising messages if all parts are produced at the same time over the course of six consecutive weeks; and
- (3) Does not include an advertising message with Internet-only distribution.

“Digital media” means production methods and platforms directly related to the creation of cinematic imagery and content, specifically using digital means, including but not limited to digital cameras, digital sound equipment, and computers, to be delivered via film, videotape, interactive game platform, or other digital distribution media.

“Post-production” means production activities and services conducted after principal photography is completed, including but not limited to editing,

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film and video transfers, duplication, transcoding, dubbing, subtitling, credits, closed captioning, audio production, special effects (visual and sound), graphics, and animation.

“Production” means a series of activities that are directly related to the creation of visual and cinematic imagery to be delivered via film, videotape, or digital media and to be sold, distributed, or displayed as entertainment or the advertisement of products for mass public consumption, including but not limited to scripting, casting, set design and construction, transportation, videography, photography, sound recording, interactive game design, and post-production.

“Qualified production”:

- (1) Means a production, with expenditures in the State, for the total or partial production of a feature-length motion picture, short film, made-for-television movie, commercial, music video, interactive game, television series pilot, single season (up to twenty-two episodes) of a television series regularly filmed in the State (if the number of episodes per single season exceeds twenty-two, additional episodes for the same season shall constitute a separate qualified production), television special, single television episode that is not part of a television series regularly filmed or based in the State, national magazine show, or national talk show. For the purposes of subsections (d) and (j), each of the aforementioned qualified production categories shall constitute separate, individual qualified productions; and
- (2) Does not include:
 - (A) News;
 - (B) Public affairs programs;
 - (C) Non-national magazine or talk shows;
 - (D) Televised sporting events or activities;
 - (E) Productions that solicit funds;
 - (F) Productions produced primarily for industrial, corporate, institutional, or other private purposes; and
 - (G) Productions that include any material or performance prohibited by chapter 712.

“Qualified production costs” means the costs incurred by a qualified production within the State that are subject to the general excise tax under chapter 237 or income tax under this chapter and that have not been financed by any investments for which a credit was or will be claimed pursuant to section 235-110.9. Qualified production costs include but are not limited to:

- (1) Costs incurred during preproduction such as location scouting and related services;
- (2) Costs of set construction and operations, purchases or rentals of wardrobe, props, accessories, food, office supplies, transportation, equipment, and related services;
- (3) Wages or salaries of cast, crew, and musicians;
- (4) Costs of photography, sound synchronization, lighting, and related services;
- (5) Costs of editing, visual effects, music, other post-production, and related services;
- (6) Rentals and fees for use of local facilities and locations, including rentals and fees for use of state and county facilities and locations that are not subject to general excise tax under chapter 237 or income tax under this chapter;
- (7) Rentals of vehicles and lodging for cast and crew;
- (8) Airfare for flights to or from Hawaii, and interisland flights;

- (9) Insurance and bonding;
- (10) Shipping of equipment and supplies to or from Hawaii, and interisland shipments; and
- (11) Other direct production costs specified by the department in consultation with the department of business, economic development, and tourism;

provided that any government-imposed fines, penalties, or interest that are incurred by a qualified production within the State shall not be "qualified production costs"."

SECTION 3. Act 88, Session Laws of Hawaii 2006, as amended by Act 89, Session Laws of Hawaii 2013, is amended by amending section 4 to read as follows:

- "**SECTION 4.** This Act shall take effect on July 1, 2006; provided that:
- (1) Section 2 of this Act shall apply to qualified production costs incurred on or after July 1, 2006, and before January 1, [2019,] 2026; and
 - (2) This Act shall be repealed on January 1, [2019,] 2026, and section 235-17, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the effective date of this Act."

SECTION 4. No rule shall be adopted pursuant to chapter 91, Hawaii Revised Statutes, to expand the scope of section 235-17, Hawaii Revised Statutes, if the rule conflicts with the legislative intent of that section.

SECTION 5. The department of business, economic development, and tourism shall submit an annual report on the activities and expenditures of the motion picture, digital media, and film production income tax credit to the legislature no later than twenty days prior to each regular session until the tax credit expires.

SECTION 6. No later than January 1, 2018, and each January 1 thereafter, each film production that has production expenditures of \$1,000,000 or more and is claiming a tax credit pursuant to section 235-17, Hawaii Revised Statutes, shall obtain an independent third party certification of qualified production costs eligible for the motion picture, digital media, and film production income tax credit in the form of a tax opinion, as required under section 235-17(h), Hawaii Revised Statutes, submitted to the department of business, economic development, and tourism.

SECTION 7. Beginning January 1, 2018, the department of business, economic development, and tourism, in collaboration with the department of taxation, shall submit to the governor and the legislature an annual report on the number of jobs created in the State by, and the fiscal impact to the State of, those film productions receiving the motion picture, digital media, and film production income tax credit in the State.

SECTION 8. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 9. This Act shall take effect on December 31, 2018; provided that section 2 shall apply to taxable years beginning after December 31, 2018.

(Approved July 10, 2017.)

A Bill for an Act Relating to Unclaimed Property of the Hawaii Employer-Union Health Benefits Trust Fund.

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

SECTION 1. The legislature finds that the Hawaii employer-union health benefits trust fund (EUTF) currently does not have a means to void claims for insignificant amounts of unclaimed property after a sufficient time period has passed. As a covered entity under the federal Health Insurance Portability and Accountability Act of 1996, the EUTF is precluded from submitting unclaimed property to the department of budget and finance unclaimed property program. Under section 523A-19(c), Hawaii Revised Statutes, the state unclaimed property program voids claims for unclaimed property if the claim is for less than \$100 and filed more than ten years after the date that the full amount of the claim was deposited in the unclaimed property trust fund.

The purpose of this Act is to provide a means for the EUTF to void claims for reimbursement of medicare part B premiums or any other debt payable that totals less than \$500 and is older than ten years.

SECTION 2. Section 87A-31, Hawaii Revised Statutes, is amended to read as follows:

“§87A-31 Trust fund; purpose. (a) The fund shall be used to provide employee-beneficiaries and dependent-beneficiaries with health and other benefit plans, and to pay administrative and other expenses of the fund. All assets of the fund are and shall be dedicated to providing health and other benefits plans to the employee-beneficiaries and dependent-beneficiaries in accordance with the terms of those plans and to pay administrative and other expenses of the fund, and shall be used for no other purposes except for those set forth in this section.

(b) The fund, including any earnings on investments, and rate credits or reimbursements from any carrier or self-insured plan and any earning or interest derived therefrom, may be used to stabilize health and other benefit plan rates; provided that the approval of the governor and the legislature shall be necessary to fund administrative and other expenses necessary to effectuate these purposes.

(c) The fund may be used to provide group life insurance benefits to employees to the extent that contributions are provided for group life insurance benefits in sections 87A-32 and 87A-37.

(d) The fund may assist the State and the counties to implement and administer cafeteria plans authorized under Title 26 United States Code section 125, the Internal Revenue Code of 1986, as amended, and section 78-30.

(e) At the discretion of the board, some or all of the fund may be used as a reserve against or to pay the fund's future costs of providing health and other benefits plans established under sections 87A-23 and 87A-37 and any other benefits plans the board establishes for retired employees and their beneficiaries. The board may create separate funds within the fund for this purpose. Each separate fund shall be subject to all of the provisions of this chapter.

(f) If after commencing the reimbursement of medicare part B premiums in section 87A-23, or any other debt payable under this chapter, the fund cannot locate the employee-beneficiary or other person or entity entitled to payment, further payment shall be forfeited to the fund if the total amount is less than \$500 and shall not escheat under the laws of any state; provided that the forfeited payment shall be restored if the employee-beneficiary, or other person or entity entitled to the forfeited payment makes a proper application to the

fund for restoration of the benefit no later than ten years following the last valid reimbursement or payment. All applications for restoration of a forfeited benefit or payment shall be in a form satisfactory to the fund. For forfeited benefits or payments in existence on June 30, 2017, the ten-year time limitation on claiming the benefits or payments shall commence on July 1, 2017.”

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

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S.B. NO. 935

A Bill for an Act Relating to Staff of the Hawaii Employer-Union Health Benefits Trust Fund.

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

SECTION 1. The legislature finds that the Hawaii employer-union health benefits trust fund (EUTF) would operationally benefit from employing certain EUTF staff through the civil service system. The purpose of this Act is to permit the EUTF to employ certain EUTF staff through the civil service system.

SECTION 2. Section 87A-24, Hawaii Revised Statutes, is amended to read as follows:

“§87A-24 Other powers. In addition to the power to administer the fund, the board may:

- (1) Collect, receive, deposit, and withdraw money on behalf of the fund;
- (2) Invest moneys in the same manner specified in section 88-119;
- (3) Hold, purchase, sell, assign, transfer, or dispose of any securities or other investments of the fund, as well as the proceeds of those investments and any money belonging to the fund;
- (4) Appoint, and at pleasure dismiss, an administrator and other fund staff. The administrator [and staff] shall be exempt from chapter 76 [and]. Other fund staff may be exempt from chapter 76 as determined by the board. The administrator and staff who are exempt from chapter 76 shall serve under and at the pleasure of the board; provided that civil service exempt positions under this section that are created after July 1, 2014, shall be exempt from section 76-16(b)(17)(A);
- (5) Make payments of periodic charges and pay for reasonable expenses incurred in carrying out the purposes of the fund;
- (6) Contract for the performance of financial audits of the fund and claims audits of its insurance carriers;
- (7) Retain auditors, actuaries, investment firms and managers, benefit plan consultants, or other professional advisors to carry out the purposes of this chapter, including the retaining of an actuary to determine the annual required public employer contribution for the separate trust fund established under section 87A-42;

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- (8) Establish health benefits plan and long-term care benefits plan rates that include administrative and other expenses necessary to effectuate the purposes of the fund; and
- (9) Require any department, agency, or employee of the State or counties to furnish information to the board to carry out the purposes of this chapter.”

SECTION 3. There is appropriated out of the Hawaii employer-union health benefits trust fund the sum of \$86,837 or so much thereof as may be necessary for fiscal year 2017-2018 and the sum of \$104,616 or so much thereof as may be necessary for fiscal year 2018-2019 for the Hawaii employer-union health benefits trust fund to employ certain Hawaii employer-union health benefits trust fund staff through the civil service system.

The sums appropriated shall be expended by the Hawaii employer-union health benefits trust fund for the purposes of this Act.

SECTION 4. The Hawaii employer-union health benefits trust fund shall submit a report of its findings and recommendations, including any proposed legislation, regarding changes to its personnel and operations as a result of this Act, to the legislature no later than twenty days prior to the convening of the regular sessions of 2018 and 2019.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

ACT 146

S.B. NO. 941

A Bill for an Act Relating to Electronic Funds Transfers.

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

SECTION 1. The purpose of this Act is to update and clarify the statute relating to electronic funds transfers in the state treasury bank accounts.

SECTION 2. Section 40-51.5, Hawaii Revised Statutes, is amended to read as follows:

“§40-51.5 Checks or electronic funds transfers in lieu of warrants. With reference to warrants addressed under this part, the comptroller may, with the approval of the director of finance, issue checks drawn from, or make electronic funds transfers from, depositories of state treasury moneys in lieu of warrants drawn from the state treasury. Electronic funds transfers include Automated Clearing House transactions that debit the State’s bank account under certain situations as may be authorized by the director of finance.”

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

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S.B. NO. 946

A Bill for an Act Relating to the Authority to Adjust Professional and Vocational Licensing Fees.

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

SECTION 1. Section 92-28, Hawaii Revised Statutes, is amended to read as follows:

“§92-28 State service fees; increase or decrease of. Any law to the contrary notwithstanding, the fees or other nontax revenues assessed or charged by any board, commission, or other governmental agency may be increased or decreased by the body in an amount not to exceed fifty per cent of the statutorily assessed fee or nontax revenue, to maintain a reasonable relation between the revenues derived from such fee or nontax revenue and the cost or value of services rendered, comparability among fees imposed by the State, or any other purpose which it may deem necessary and reasonable; provided that:

- (1) The authority to increase or decrease fees or nontax revenues shall be subject to the approval of the governor and extend only to the following: chapters 36, 92, 94, 142, 144, 145, 147, 150, 171, 188, 189, 231, 269, 271, 321, 338, 373, 412, 414, 414D, 415A, 417E, 419, 421, 421C, 421H, 421I, 425, 425E, 428, 431, 436E, 436H, 437, 437B, 438, 439, 440, 440E, 441, 442, 443B, 444, 447, 448, 448E, 448F, 448H, 451A, 451J, 452, 453, 453D, [454,] 455, 456, 457, 457A, 457B, 457G, 458, 459, 460J, 461, 461J, 462A, 463, 463E, 464, 465, 465D, 466, 466D, 466K, 467, 467E, 468E, 468L, 468M, 469, 471, 472, 481E, 482, 482E, 484, 485A, 501, 502, 505, 514A, 514B, 514E, 572, 574, and 846 (part II); and any board, commission, program, or entity created pursuant to title 25 and assigned to the department of commerce and consumer affairs or placed within the department for administrative purposes:
- (2) The authority to increase or decrease fees or nontax revenues under the chapters listed in paragraph (1) that are established by the department of commerce and consumer affairs shall apply to fees or nontax revenues established by statute or rule;
- (3) The authority to increase or decrease fees or nontax revenues established by the University of Hawaii under chapter 304A shall be subject to the approval of the board of regents; provided that the board's approval of any increase or decrease in tuition for regular credit courses shall be preceded by an open public meeting held during or prior to the semester preceding the semester to which the tuition applies;
- (4) This section shall not apply to judicial fees as may be set by any chapter cited in this section;
- (5) The authority to increase or decrease fees or nontax revenues pursuant to this section shall be exempt from the public notice and public hearing requirements of chapter 91; and
- (6) Fees for copies of proposed and final rules and public notices of proposed rulemaking actions under chapter 91 shall not exceed 10 cents a page, as required by section 91-2.5.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 10, 2017.)

ACT 148

S.B. NO. 947

A Bill for an Act Relating to Citations for Beauty Culture Violations.

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

SECTION 1. Chapter 439, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§439- Citation for licensee or permittee violations; fines. (a) In addition to any other remedy available under this chapter, the department may issue a citation to any person who holds a beauty operator, beauty instructor, beauty shop, or beauty school license, or a temporary or beauty apprentice permit, for any of the following violations of this chapter or the rules adopted pursuant to this chapter and chapter 91:

- (1) Failure of a beauty operator, beauty instructor, beauty shop, beauty school, beauty apprentice, or temporary permittee engaged in the practice of cosmetology to display a license or permit in a conspicuous place in the office, place of business or employment, or school, during all hours of operation;
 - (2) Failure of a beauty shop owner or beauty school to ensure that only individuals who hold a current and appropriate license or permit engage in the practice of cosmetology in the beauty shop or beauty school;
 - (3) Failure of a beauty shop engaged in the practice of cosmetology to conspicuously display, in all reception and work rooms, a sign that shall read “PRICE LIST AVAILABLE UPON REQUEST” in capital letters at least three-fourths inch in size;
 - (4) Failure of a beauty school to identify each instructor-trainee at the beauty school with a name tag, stating that person’s full name and the words “Instructor-trainee”, to be worn during all hours of instruction;
 - (5) Failure of a beauty school to identify each instructor at the beauty school with a name tag, stating that person’s full name, the word “Instructor”, and identifying the instructor’s appropriate beauty operator category, to be worn during all hours of instruction;
 - (6) Failure of a beauty school, during all hours of instruction, to operate the beauty school with an instructor-student ratio of one instructor for every twenty-five students, or with a minimum of two licensed instructors; or
 - (7) Failure of a beauty school performing work upon or for members of the public to display, in a conspicuous place in each reception and work room, a sign not less than eighteen inches by twenty-four inches in size that shall state “School of Beauty Culture - Work done by students under supervision” in letters not less than one-half inch high.
- (b) Each citation:
- (1) Shall be in writing and describe the basis of the citation, including the specific statute or rule violated;

- (2) May contain an order of abatement and the assessment of a fine in the amount of \$100 for each violation;
- (3) Shall be served on the licensee or permittee by personal service; and
- (4) Shall inform the licensee or permittee that the licensee or permittee may submit a written request to the board or its designee for a hearing to contest the citation, within twenty calendar days from the service of the citation.
- (c) If the licensee or permittee timely submits a written request to the board or its designee for a hearing, the board may designate a hearings officer to conduct the hearing in accordance with chapter 91.
- (d) If the licensee or permittee does not timely submit a written request to the board or its designee for a hearing, the citation shall be deemed a final order of the board.
- (e) Failure of a licensee or permittee to pay any assessed fine within thirty calendar days, unless the licensee or permittee contests the citation, may result in further disciplinary action taken by the board."

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. New statutory material is underscored.¹

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 149

S.B. NO. 948

A Bill for an Act Relating to Governmental Retention of Attorneys.

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

SECTION 1. Section 28-8.3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) No department of the State other than the attorney general may employ or retain any attorney, by contract or otherwise, for the purpose of representing the State or the department in any litigation, rendering legal counsel to the department, or drafting legal documents for the department; provided that the foregoing provision shall not apply to the employment or retention of attorneys:

- (1) By the public utilities commission, the labor and industrial relations appeals board, and the Hawaii labor relations board;
- (2) By any court or judicial or legislative office of the State; provided that if the attorney general is requested to provide representation to a court or judicial office by the chief justice or the chief justice's designee, or to a legislative office by the speaker of the house of representatives and the president of the senate jointly, and the attorney general declines to provide such representation on the grounds of conflict of interest, the attorney general shall retain an attorney for

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- the court, judicial, or legislative office, subject to approval by the court, judicial, or legislative office;
- (3) By the legislative reference bureau;
 - (4) By any compilation commission that may be constituted from time to time;
 - (5) By the real estate commission for any action involving the real estate recovery fund;
 - (6) By the contractors license board for any action involving the contractors recovery fund;
 - (7) By the office of Hawaiian affairs;
 - (8) By the department of commerce and consumer affairs for the enforcement of violations of chapters 480 and 485A;
 - (9) As grand jury counsel;
 - (10) By the Hawaii health systems corporation, or its regional system boards, or any of their facilities;
 - (11) By the auditor;
 - (12) By the office of ombudsman;
 - (13) By the insurance division;
 - (14) By the University of Hawaii;
 - (15) By the Kahoolawe island reserve commission;
 - (16) By the division of consumer advocacy;
 - (17) By the office of elections;
 - (18) By the campaign spending commission;
 - (19) By the Hawaii tourism authority, as provided in section 201B-2.5;
 - (20) By the division of financial institutions [~~for any action involving the mortgage loan recovery fund~~];
 - (21) By the office of information practices; or
 - (22) By a department, if the attorney general, for reasons deemed by the attorney general to be good and sufficient, declines to employ or retain an attorney for a department; provided that the governor waives the provision of this section.”

SECTION 2. Statutory material to be repealed is bracketed and stricken.

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

(Approved July 10, 2017.)

ACT 150

S.B. NO. 951

A Bill for an Act Relating to Mortgage Loan Origination.

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

SECTION 1. Section 454F-1, Hawaii Revised Statutes, is amended as follows:

1. By adding a new definition to be appropriately inserted and to read:
“Executive officer” means a president, chairperson of an executive committee, senior officer responsible for a subject entity or organization’s business, chief financial officer, or any other person who performs similar functions related to the subject entity or organization.”

2. By amending the definition of “qualified individual” to read:
“Qualified individual” means an individual who is responsible for the oversight of mortgage loan originators that are employed by or contracted to

perform work for a mortgage loan originator company[.] or an exempt sponsoring mortgage loan originator company.”

SECTION 2. Section 454F-1.6, Hawaii Revised Statutes, is amended to read as follows:

“§454F-1.6 Presumption of control. An individual is presumed to control a mortgage loan originator company if that individual is [a]:

- (1) An executive officer; or
- (2) A director, general partner, or managing member[, or executive officer] who directly or indirectly has the right to vote ten per cent or more of a class of voting securities or has the power to sell or direct the sale of ten per cent or more of a class of voting securities of that licensee or applicant.”

SECTION 3. Section 454F-1.7, Hawaii Revised Statutes, is amended as follows:

1. By amending its title and subsection (a) to read:

“§454F-1.7 Duties of a [mortgage loan originator company’s] qualified individual and branch manager. (a) Every mortgage loan originator company licensed under this chapter and every exempt sponsoring mortgage loan originator company registered with NMLS under this chapter shall designate a qualified individual to fulfill the duties and responsibilities set forth in this chapter. A qualified individual shall have the duty to manage and supervise the mortgage loan origination activities of [a] the principal office of the licensed mortgage loan originator [e] company’s principal office] company or exempt sponsoring mortgage loan originator company, and the licensed mortgage loan originators located at or working out of the principal office and all company branch offices. A qualified individual for a mortgage loan originator company shall hold a license as a mortgage loan originator issued pursuant to this chapter.”

2. By amending subsection (c) to read:

“(c) A qualified individual for a mortgage loan originator company or exempt sponsoring mortgage loan originator company shall be responsible for:

- (1) Supervising the maintenance and accounting of client trust accounts and disbursements from those accounts;
- (2) Supervising the maintenance of all records, contracts, and documents of the mortgage loan originator company[.] or exempt sponsoring mortgage loan originator company;
- (3) Supervising all mortgage loan originator agreements and mortgage loan documents and the handling of these documents by the licensed mortgage loan originators who are employed by or are independent contractors of the mortgage loan originator company[.] or exempt sponsoring mortgage loan originator company;
- (4) Supervising all licensed mortgage loan originators who are employed by or are independent contractors of the mortgage loan originator company[.] or exempt sponsoring mortgage loan originator company;
- (5) Developing and enforcing policies and procedures relating to the handling of residential mortgage loan transactions and the professional conduct of the licensed mortgage loan originators and other staff;
- (6) Developing and monitoring compliance with a policy on continuing education requirements for all licensed mortgage loan originators

- who are employed by or are independent contractors of the mortgage loan originator company or exempt sponsoring mortgage loan originator company pursuant to the requirements of this chapter and the rules of the commissioner;
- (7) Ensuring that the licenses of all mortgage loan originators who are employed by or are independent contractors of the mortgage loan originator company[,] or exempt sponsoring mortgage loan originator company, and the license of the mortgage loan originator company are current and active, that the exempt sponsoring mortgage loan originator company is registered with NMLS, and that all required fees are timely paid to the mortgage loan recovery fund;
 - (8) Establishing and conducting a training program for all licensed mortgage loan originators who are employed by or are independent contractors of the mortgage loan originator company[,] or exempt sponsoring mortgage loan originator company;
 - (9) Ensuring that all licensed mortgage loan originators who are employed by or are independent contractors of the mortgage loan originator company or exempt sponsoring mortgage loan originator company are provided adequate information and training on the latest amendments to licensing laws and rules and any other applicable laws and rules;
 - (10) Notifying the commissioner of the termination of the employment or independent contractor relationship of licensed mortgage loan originators who were employed by or were independent contractors of the mortgage loan originator company or exempt sponsoring mortgage loan originator company upon the termination of employment or the independent contractor relationship; and
 - (11) Ensuring that the records, loan documents, and agreements including mortgage loan originator agreements are retained for seven years on paper or in electronic format by the mortgage loan originator company[.] or exempt sponsoring mortgage loan originator company.”

SECTION 4. Section 454F-4, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) In connection with an application for a license under this chapter, the applicant, at a minimum, shall furnish to NMLS information concerning the applicant’s identity, including:

- (1) Fingerprints of the applicant or, if an applicant is not an individual, each of the applicant’s control persons, executive officers, directors, general partners, and managing members for submission to the Federal Bureau of Investigation and any governmental agency or entity authorized to receive the fingerprints for a state, national, and international criminal history background check[,], accompanied by the applicable fee charged by the entities conducting the criminal history background check; and
- (2) Personal history and experience of the applicant or, if an applicant is not an individual, each of the applicant’s control persons, executive officers, directors, general partners, and managing members in a form prescribed by NMLS including the submission of authorization for NMLS and the commissioner to obtain:
 - (A) An independent credit report obtained from a consumer reporting agency described in section 603(p) of the Fair Credit

Reporting Act, title 15 United States Code section 1681 et seq.; and

- (B) Information related to any administrative, civil, or criminal findings by any governmental jurisdiction;

provided that the commissioner may use any information obtained pursuant to this subsection or through NMLS to determine an applicant's demonstrated financial responsibility, character, and general fitness for licensure."

SECTION 5. Section 454F-5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The applicant, or in the case of an applicant that is not an individual, each of the applicant's control persons, executive officers, directors, general partners, and [managers;] managing members, shall submit authorization to the commissioner for the commissioner to conduct background checks to determine or verify the information in subsection (a) in each state where the person has conducted mortgage loan origination activities. Authorization pursuant to this subsection shall include consent to provide additional fingerprints, if necessary, to law enforcement or regulatory bodies in other states."

SECTION 6. Section 454F-10.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Every mortgage loan originator company licensed under this chapter and every exempt sponsoring mortgage loan originator company shall have and maintain a principal place of business in the State and shall designate a qualified individual to fulfill the duties and responsibilities of a qualified individual set forth in section 454F-1.7."

SECTION 7. Section 454F-10.7, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The commissioner shall approve a request for change of control under subsection (a) if, after investigation, the commissioner determines that the person or group of persons who will obtain control [are licensed pursuant to] will be in compliance with this chapter[;] upon approval of the application for a proposed change of control of the licensee and will have the competence, experience, character, and general fitness to control the licensee or person in control of the licensee in a lawful and proper manner[;], and that the interests of the public will not be jeopardized by the change of control."

SECTION 8. Section 454F-18, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) In addition to any other powers provided by law, the commissioner shall have the authority to:

- (1) Administer and enforce the provisions and requirements of this chapter;
- (2) Adopt, amend, or repeal rules and issue declaratory rulings or informal nonbinding interpretations;
- (3) Develop requirements for licensure through rules, including establishing the content of the written tests required under section 454F-7;
- (4) Investigate and conduct hearings regarding any violation of this chapter or any rule or order of, or agreement with, the commissioner;
- (5) Create fact-finding committees that may make recommendations to the commissioner for the commissioner's deliberations;

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- (6) Require an applicant or any of its control persons, executive officers, directors, [employees,] general partners, and managing members[, managers, and agents] to disclose their relevant criminal history and request a criminal history record check in accordance with chapter 846;
- (7) Contract with or employ qualified persons, including investigators, examiners, or auditors who may be exempt from chapter 76 and who shall assist the commissioner in exercising the commissioner's powers and duties;
- (8) Require that all fees, fines, and charges collected by the commissioner under this chapter, except for fees designated for deposit into the mortgage loan recovery fund pursuant to section 454F-41, be deposited into the compliance resolution fund established pursuant to section 26-9(o);
- (9) Process and investigate complaints, subpoena witnesses and documents, administer oaths, and receive affidavits and oral testimony, including telephonic communications, and do any and all things necessary or incidental to the exercise of the commissioner's power and duties, including the authority to conduct contested case proceedings under chapter 91; and
- (10) Require a licensee to comply with any rule, guidance, guideline, statement, supervisory policy or any similar proclamation issued or adopted by the Federal Deposit Insurance Corporation to the same extent and in the same manner as a bank chartered by the State or in the alternative, any policy position of the Conference of State Bank Supervisors."

SECTION 9. Section 454F-22, Hawaii Revised Statutes, is amended by amending subsections (a) to (c) to read as follows:

"(a) Except as provided in subsection (b), a mortgage loan originator shall pay the following fees to obtain and maintain a valid mortgage loan originator license:

- (1) Initial application fee of \$600;
- (2) Annual license renewal fee of \$350;
- (3) Reinstatement fee of \$100;
- (4) Late fee of \$25 per day; and
- (5) Criminal background check fee [~~of \$35, or of an amount determined by the commissioner by rule pursuant to chapter 91.] pursuant to section 454F-4(d)(1).~~

(b) A sole proprietorship mortgage loan originator shall pay the following fees to obtain and maintain a valid sole proprietor mortgage loan originator license:

- (1) Initial application fee of \$35;
- (2) Annual license renewal fee of \$35;
- (3) Reinstatement fee of \$100;
- (4) Late fee of \$25 per day; and
- (5) Criminal background check fee [~~of \$35, or of an amount determined by the commissioner by rule pursuant to chapter 91.] pursuant to section 454F-4(d)(1).~~

(c) A mortgage loan originator company shall pay the following fees to maintain a valid mortgage loan originator company license or branch license:

- (1) Fees payable for a principal office of a mortgage loan originator company:
 - (A) Initial application fee of \$900;

- (B) Processing fee of \$35 for each control person;
 - (C) Annual license renewal fee of \$600;
 - (D) Reinstatement fee of \$100;
 - (E) Late fee of \$25 per day; and
 - (F) Criminal background check fee [of \$35, or of an amount determined by the commissioner by rule pursuant to chapter 91, for each control person, executive officer, director, general partner, and manager, and] pursuant to section 454F-4(d)(1).
- (2) Fees payable for each branch office of a mortgage loan originator company:
- (A) Initial application fee of \$250;
 - (B) Annual license renewal fee of \$100;
 - (C) Reinstatement fee of \$100; and
 - (D) Late fee of \$25 per day.”

SECTION 10. Section 454F-25, Hawaii Revised Statutes, is amended to read as follows:

“§454F-25 Nonprofit organizations; mortgage loan originators. (a) An employee who performs mortgage loan originator activities for a nonprofit organization is exempt from registration and licensure as a mortgage loan originator; provided that:

- (1) The employee's actions are part of the employee's duties as an employee of the nonprofit organization;
 - (2) The employee only provides mortgage loan originator services with respect to residential mortgage loans with terms favorable to the borrower; and
 - (3) The nonprofit organization [registers with] maintains a valid registration as a nonprofit organization in NMLS and a unique identifier through NMLS.
- (b) The commissioner shall periodically examine the books and activities of nonprofit organizations as defined in section 454F-1 and shall revoke an organization's registration as a nonprofit organization with NMLS if the nonprofit organization fails to meet the requirements to be a nonprofit organization.
- (c) In determining whether a residential mortgage loan has terms favorable to the borrower, the commissioner shall examine:
- (1) The interest rate that the home loan would carry;
 - (2) The charges that are imposed on the borrower for origination, application, closing, and other costs;
 - (3) Whether the mortgage includes any predatory characteristics;
 - (4) The borrower's ability to repay the loan; and
 - (5) The term of the mortgage.
- (d) A nonprofit organization shall designate an employee who shall have the duty to directly manage and supervise the mortgage loan origination activity of the nonprofit organization, including:
- (1) The maintenance of all records, contracts, and documents of the nonprofit organization relating to mortgage loan origination activity;
 - (2) All mortgage loan originator agreements and mortgage loan documents and the handling of these documents by the nonprofit organization's employees, or by independent contractors located at or working out of the nonprofit organization; and
 - (3) All employees of the nonprofit organization, and all independent contractors of the nonprofit organization located at or working

out of the nonprofit organization, who are working on or handling mortgage loan origination activity of the nonprofit organization.”

SECTION 11. Section 846-2.7, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

- “(b) Criminal history record checks may be conducted by:
- (1) The department of health or its designee on operators of adult foster homes for individuals with developmental disabilities or developmental disabilities domiciliary homes and their employees, as provided by section 321-15.2;
 - (2) The department of health or its designee on prospective employees, persons seeking to serve as providers, or subcontractors in positions that place them in direct contact with clients when providing non-witnessed direct mental health or health care services as provided by section 321-171.5;
 - (3) The department of health or its designee on all applicants for licensure or certification for, operators for, prospective employees, adult volunteers, and all adults, except adults in care, at healthcare facilities as defined in section 321-15.2;
 - (4) The department of education on employees, prospective employees, and teacher trainees in any public school in positions that necessitate close proximity to children as provided by section 302A-601.5;
 - (5) The counties on employees and prospective employees who may be in positions that place them in close proximity to children in recreation or child care programs and services;
 - (6) The county liquor commissions on applicants for liquor licenses as provided by section 281-53.5;
 - (7) The county liquor commissions on employees and prospective employees involved in liquor administration, law enforcement, and liquor control investigations;
 - (8) The department of human services on operators and employees of child caring institutions, child placing organizations, and foster boarding homes as provided by section 346-17;
 - (9) The department of human services on prospective adoptive parents as established under section 346-19.7;
 - (10) The department of human services or its designee on applicants to operate child care facilities, household members of the applicant, prospective employees of the applicant, and new employees and household members of the provider after registration or licensure as provided by section 346-154, and persons subject to section 346-152.5;
 - (11) The department of human services on persons exempt pursuant to section 346-152 to be eligible to provide child care and receive child care subsidies as provided by section 346-152.5;
 - (12) The department of health on operators and employees of home and community-based case management agencies and operators and other adults, except for adults in care, residing in community care foster family homes as provided by section 321-15.2;
 - (13) The department of human services on staff members of the Hawaii youth correctional facility as provided by section 352-5.5;
 - (14) The department of human services on employees, prospective employees, and volunteers of contracted providers and subcontractors in positions that place them in close proximity to youth when pro-

- viding services on behalf of the office or the Hawaii youth correctional facility as provided by section 352D-4.3;
- (15) The judiciary on employees and applicants at detention and shelter facilities as provided by section 571-34;
- (16) The department of public safety on employees and prospective employees who are directly involved with the treatment and care of persons committed to a correctional facility or who possess police powers including the power of arrest as provided by section 353C-5;
- (17) The board of private detectives and guards on applicants for private detective or private guard licensure as provided by section 463-9;
- (18) Private schools and designated organizations on employees and prospective employees who may be in positions that necessitate close proximity to children; provided that private schools and designated organizations receive only indications of the states from which the national criminal history record information was provided pursuant to section 302C-1;
- (19) The public library system on employees and prospective employees whose positions place them in close proximity to children as provided by section 302A-601.5;
- (20) The State or any of its branches, political subdivisions, or agencies on applicants and employees holding a position that has the same type of contact with children, vulnerable adults, or persons committed to a correctional facility as other public employees who hold positions that are authorized by law to require criminal history record checks as a condition of employment as provided by section 78-2.7;
- (21) The department of health on licensed adult day care center operators, employees, new employees, subcontracted service providers and their employees, and adult volunteers as provided by section 321-15.2;
- (22) The department of human services on purchase of service contracted and subcontracted service providers and their employees serving clients of the adult protective and community services branch, as provided by section 346-97;
- (23) The department of human services on foster grandparent program, senior companion program, and respite companion program participants as provided by section 346-97;
- (24) The department of human services on contracted and subcontracted service providers and their current and prospective employees that provide home and community-based services under section 1915(c) of the Social Security Act, title 42 United States Code section 1396n(c), or under any other applicable section or sections of the Social Security Act for the purposes of providing home and community-based services, as provided by section 346-97;
- (25) The department of commerce and consumer affairs on proposed directors and executive officers of a bank, savings bank, savings and loan association, trust company, and depository financial services loan company as provided by section 412:3-201;
- (26) The department of commerce and consumer affairs on proposed directors and executive officers of a nondepository financial services loan company as provided by section 412:3-301;
- (27) The department of commerce and consumer affairs on the original chartering applicants and proposed executive officers of a credit union as provided by section 412:10-103;
- (28) The department of commerce and consumer affairs on:

- (A) Each principal of every non-corporate applicant for a money transmitter license;
 - (B) The executive officers, key shareholders, and managers in charge of a money transmitter's activities of every corporate applicant for a money transmitter license; and
 - (C) The persons who are to assume control of a money transmitter licensee in connection with an application requesting approval of a proposed change in control of licensee, as provided by sections 489D-9 and 489D-15;
- (29) The department of commerce and consumer affairs on applicants for licensure and persons licensed under title 24;
- (30) The Hawaii health systems corporation on:
- (A) Employees;
 - (B) Applicants seeking employment;
 - (C) Current or prospective members of the corporation board or regional system board; or
 - (D) Current or prospective volunteers, providers, or contractors, in any of the corporation's health facilities as provided by section 323F-5.5;
- (31) The department of commerce and consumer affairs on:
- (A) An applicant for a mortgage loan originator license[; and], or license renewal; and
 - (B) Each control person, executive officer, director, general partner, and [manager] managing member of an applicant for a mortgage loan originator company license[,] or license renewal, as provided by chapter 454F;
- (32) The state public charter school commission or public charter schools on employees, teacher trainees, prospective employees, and prospective teacher trainees in any public charter school for any position that places them in close proximity to children, as provided in section 302D-33;
- (33) The counties on prospective employees who work with children, vulnerable adults, or senior citizens in community-based programs;
- (34) The counties on prospective employees for fire department positions which involve contact with children or vulnerable adults;
- (35) The counties on prospective employees for emergency medical services positions which involve contact with children or vulnerable adults;
- (36) The counties on prospective employees for emergency management positions and community volunteers whose responsibilities involve planning and executing homeland security measures including viewing, handling, and engaging in law enforcement or classified meetings and assisting vulnerable citizens during emergencies or crises;
- (37) The State and counties on employees, prospective employees, volunteers, and contractors whose position responsibilities require unescorted access to secured areas and equipment related to a traffic management center;
- (38) The State and counties on employees and prospective employees whose positions involve the handling or use of firearms for other than law enforcement purposes;
- (39) The State and counties on current and prospective systems analysts and others involved in an agency's information technology operation whose position responsibilities provide them with access to proprietary, confidential, or sensitive information;

- (40) The department of commerce and consumer affairs on applicants for real estate appraiser licensure or certification as provided by chapter 466K;
- (41) The department of health or its designee on all license applicants, licensees, employees, contractors, and prospective employees of medical marijuana dispensaries, and individuals permitted to enter and remain in medical marijuana dispensary facilities as provided under sections 329D-15(a)(4) and 329D-16(a)(3);
- (42) The department of commerce and consumer affairs on applicants for nurse licensure or license renewal, reactivation, or restoration as provided by sections 457-7, 457-8, 457-8.5, and 457-9;
- [§(43)] The county police departments on applicants for permits to acquire firearms pursuant to section 134-2 and on individuals registering their firearms pursuant to section 134-3;
- [§(44)] The department of commerce and consumer affairs on:
 - (A) Each of the controlling persons of the applicant for licensure as an escrow depository, and each of the officers, directors, and principals who will be in charge of the escrow depository's activities upon licensure; and
 - (B) Each of the controlling persons of an applicant for proposed change in control of an escrow depository licensee, and each of the officers, directors, and principals who will be in charge of the licensee's activities upon approval of such application, as provided by chapter 449; and
- [§(45)] Any other organization, entity, or the State, its branches, political subdivisions, or agencies as may be authorized by state law."

SECTION 12. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 13. This Act shall take effect on September 1, 2017.

(Approved July 10, 2017.)

ACT 151

S.B. NO. 952

A Bill for an Act Relating to Insurance.

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

SECTION 1. The purpose of this Act is to provide the insurance commissioner with express prior approval authority over long-term care insurance rates.

SECTION 2. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to part II of article 10H to be appropriately designated and to read as follows:

“§431:10H- Disapproval of filings. If the commissioner finds that a filing does not meet the requirements of this chapter in whole or in part and disapproves the filing, a written request for a hearing may be filed pursuant to section 431:14G-112. The insurer shall bear the burden of proving that the filing meets the requirements of this article.”

SECTION 3. Section 431:10H-104, Hawaii Revised Statutes, is amended by amending the definition of "incidental" to read as follows:

"Incidental", as used in section [431:10H-207.5(i),] 431:10H-207.5(1), means that the value of the long-term care benefits provided is less than ten per cent of the total value of the benefits provided over the life of the policy. These values shall be measured as of the date of issue."

SECTION 4. Section 431:10H-207.5, Hawaii Revised Statutes, is amended to read as follows:

[§431:10H-207.5] **Premium rate schedule increases.** (a) This section shall apply as follows:

(1) Except as provided in paragraph (2), this section applies to any long-term care policy or certificate issued in this State after December 31, 2007; and

(2) For certificates issued after June 30, 2007, under a group long-term care insurance policy, as defined in paragraph (1) of the definition of "group long-term care insurance" in section 431:10H-104, which policy was in force on July 1, 2007, this section shall apply on the policy anniversary following July 1, 2007.

(b) An insurer shall [provide notice of a pending] request approval from the commissioner of a premium rate schedule increase, including an exceptional increase, [to the commissioner] at least [thirty] sixty days prior to the notice to the policyholders and shall include:

(1) Information required by section 431:10H-221;
(2) A certification by a qualified actuary that:

(A) If the requested premium rate schedule increase is implemented and the underlying assumptions[, which] that reflect moderately adverse conditions[] are realized, no further premium rate schedule increases are anticipated; and

(B) The premium rate filing [is in compliance] complies with this section;

(3) An actuarial memorandum justifying the rate schedule change request that includes:

(A) Lifetime projections of earned premiums and incurred claims based on the filed premium rate schedule increase and the method and assumptions used [in determining] to determine the projected values, including reflection of any assumptions that deviate from those used for pricing other forms currently available for sale; provided that:

(i) Annual values for the five years preceding and the three years following the valuation date shall be provided separately;

(ii) The projections shall include the development of the lifetime loss ratio, unless the rate increase is an exceptional increase;

(iii) The projections shall demonstrate compliance with subsection (c); and

(iv) For exceptional increases, the projected experience should be limited to the increases in claims expenses attributable to the approved reasons for the exceptional increase. If the commissioner determines, as provided in paragraph (4) of the definition of "exceptional increase" in section

- 431:10H-104, that offsets may exist, the insurer shall use appropriate net projected experience;
- (B) Disclosure of how reserves have been incorporated in this rate increase whenever the rate increase will trigger a contingent benefit upon lapse;
 - (C) Disclosure of the analysis performed to determine why a rate adjustment is necessary, which pricing assumptions were not realized and why, and what other actions taken by the company have been relied on by the actuary;
 - (D) A statement that policy design, underwriting, and claims adjudication practices have been taken into consideration; and
 - (E) ~~If it is necessary to maintain consistent premium rates for new certificates and certificates receiving a rate increase, the insurer shall file composite~~ Composite rates reflecting projections of new certificates~~s~~, if it is necessary to maintain consistent premium rates for new certificates and certificates receiving a rate increase;
- (4) A statement that renewal premium rate schedules are not greater than new business premium rate schedules except for differences attributable to benefits, unless sufficient justification is provided to the commissioner; and
- (5) Sufficient information for ~~the review~~ approval by the commissioner of the premium rate schedule increase ~~[by the commissioner]~~.
- (c) All premium rate schedule increases shall be determined in accordance with the following requirements:
- (1) Exceptional increases shall provide that seventy per cent of the present value of projected additional premiums from the exceptional increase shall be returned to policyholders in benefits;
 - (2) Premium rate schedule increases shall be calculated so that the sum of the accumulated value of incurred claims, without the inclusion of active life reserves, and the present value of future projected incurred claims, without the inclusion of active life reserves, will not be less than the sum of the following:
 - (A) The accumulated value of the initial earned premium times fifty-eight per cent;
 - (B) Eighty-five per cent of the accumulated value of prior premium rate schedule increases on an earned basis;
 - (C) The present value of future projected initial earned premiums times fifty-eight per cent; and
 - (D) Eighty-five per cent of the present value of future projected premiums not in subparagraph (C) on an earned basis;
 - (3) If a policy form has both exceptional and other increases, the values in paragraph (2)(B) and (D) shall also include seventy per cent for exceptional rate increase amounts; and
 - (4) All present and accumulated values used to determine rate increases shall use the maximum valuation interest rate for contract reserves, as applicable, as specified in sections 431:5-303 and 431:5-307. The actuary shall disclose as part of the actuarial memorandum the use of any appropriate averages.
- (d) For each rate increase that is implemented, the insurer shall file for review by the commissioner updated projections, as provided in subsection (b)(3)(A), annually for the next three years, and include a comparison of actual results to projected values. The commissioner may extend the period to greater than three years if actual results are not consistent with projected values from prior projec-

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tions. For group insurance policies that meet the conditions in subsection [(k)], (m), the projections required by this subsection shall be provided to the policyholder in lieu of filing with the commissioner.

(e) If any premium rate in the revised premium rate schedule is greater than two hundred per cent of the comparable rate in the initial premium schedule, lifetime projections, as provided in subsection (b)(3)(A), shall be filed for review by the commissioner every five years following the end of the required period in subsection (d). For group insurance policies that meet the conditions in subsection [(k)], (m), the projections required by this subsection shall be provided to the policyholder in lieu of filing with the commissioner.

(f) If the commissioner has determined that the actual experience following a rate increase does not adequately match the projected experience and that the current projections under moderately adverse conditions demonstrate that incurred claims will not exceed proportions of premiums specified in subsection (c), the commissioner may require the insurer to implement any of the following:

- (1) Premium rate schedule adjustments; or
- (2) Other measures to reduce the difference between the projected and actual experience.

In determining whether the actual experience adequately matches the projected experience, consideration should be given to subsection (b)(3)(E), if applicable.

(g) If the majority of the policies or certificates to which the increase is applicable are eligible for the contingent benefit upon lapse, the insurer shall file:

- (1) A plan, subject to the commissioner's approval, for improved administration or claims processing designed to eliminate the potential for further deterioration of the policy form requiring further premium rate schedule increases, or both, or to demonstrate that appropriate administration and claims processing have been implemented or are in effect; otherwise the commissioner may impose the condition in subsection (h); and
- (2) The original anticipated lifetime loss ratio and the premium rate schedule increase that would have been calculated according to subsection (c), had the greater of the original anticipated lifetime loss ratio or fifty-eight per cent been used in the calculations described in subsection (c)(2)(A) and (C).

(h) For a rate increase filing that meets the following criteria, the commissioner shall review, for all policies included in the filing, the projected lapse rates and past lapse rates during the twelve months following each increase to determine if significant adverse lapsing has occurred or is anticipated:

- (1) The rate increase is not the first rate increase requested for the specific policy form or forms;
- (2) The rate increase is not an exceptional increase; and
- (3) The majority of the policies or certificates to which the increase is applicable are eligible for the contingent benefit upon lapse.

If significant adverse lapsing has occurred, is anticipated in the filing, or is evidenced in the actual results as presented in the updated projections provided by the insurer following the requested rate increase, the commissioner may determine that a rate spiral exists. Following the determination that a rate spiral exists, the commissioner may require the insurer to offer, without underwriting, to all in force insureds, subject to the rate increase, the option to replace existing coverage with one or more reasonably comparable products being offered by the insurer or its affiliates; provided that the offer shall be subject to the approval of the commissioner, be based on actuarially sound principles but not on attained

age, and provide that maximum benefits under any new policy accepted by an insured shall be reduced by comparable benefits already paid under the existing policy.

The insurer shall maintain the experience of all the replacement insureds separate from the experience of insureds originally issued the policy forms. In the event of a request for a rate increase on the policy form, the rate increase shall be limited to the lesser of the maximum rate increase determined based on the combined experience or the maximum rate increase determined based only on the experience of the insureds originally issued the form plus ten per cent.

(i) When a filing is not accompanied by supporting information or the commissioner does not have sufficient information to determine whether the filing meets the requirements of this article, the commissioner shall require the insurer to furnish additional information, and the waiting period shall commence as of the date the information is furnished. Until the requested information is provided, the filing shall not be deemed complete or filed, and the filing shall not be used by the insurer. If the requested information is not provided within a reasonable time period, the filing may be returned to the insurer as not filed and not available for use.

(j) Except as provided in this subsection, each filing shall be on file for a waiting period of sixty days before the filing becomes effective. The waiting period may be extended by the commissioner for not more than fifteen days if the commissioner gives written notice within the waiting period to the insurer that made the filing that the commissioner needs additional time to consider the filing. Upon written application by the insurer, the commissioner may authorize a filing that the commissioner has reviewed to become effective before the expiration of the waiting period or any extension thereof. A filing shall be deemed to meet the requirements of this article unless disapproved by the commissioner, as provided in section 431:10H-, within the waiting period or any extension thereof. The rates shall be deemed to meet the requirements of this article until the time the commissioner reviews the filing and so long as the filing remains in effect.

[+] (k) If the commissioner determines that the insurer has exhibited a persistent practice of filing inadequate initial premium rates for long-term care insurance, the commissioner, in addition to subsection (h), may prohibit the insurer from either of the following:

- (1) Filing and marketing comparable coverage for a period of up to five years; or
- (2) Offering all other similar coverages and limiting marketing of new applications to the products subject to recent premium rate schedule increases.

[+] (l) Subsections (a) to [+] (k) shall not apply to policies for which the long-term care benefits provided by the policy are incidental, as defined in section 431:10H-104, if the policy complies with all of the following [provisions]:

- (1) The interest credited internally to determine cash value accumulations, including long-term care, if any, are guaranteed not to be less than the minimum guaranteed interest rate for cash value accumulations without long-term care set forth in the policy;
- (2) The portion of the policy that provides insurance benefits, other than long-term care coverage, meets the nonforfeiture requirements as applicable in any of the following:
 - (A) Section 431:10D-104; and
 - (B) Section 431:10D-107;
- (3) The policy meets the disclosure requirements of sections 431:10H-113 and 431:10H-114;

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- (4) The portion of the policy that provides insurance benefits, other than long-term care coverage, meets the requirements as applicable in the following:
 - (A) Policy illustrations as required by part IV of article 10D; and
 - (B) Disclosure requirements, as applicable, in article [§10D]; and
 - (5) An actuarial memorandum is filed with the commissioner that includes:
 - (A) A description of the basis on which the long-term care rates were determined;
 - (B) A description of the basis for the reserves;
 - (C) A summary of the type of policy, benefits, renewability, general marketing method, and limits on ages of issuance;
 - (D) A description and a table of each actuarial assumption used. For expenses, an insurer shall include per cent of premium dollars per policy and dollars per unit of benefits, if any;
 - (E) A description and a table of the anticipated policy reserves and additional reserves to be held in each future year for active lives;
 - (F) The estimated average annual premium per policy and the average issue age;
 - (G) A statement as to whether underwriting is performed at the time of application. The statement shall indicate whether underwriting is used and, if used, the statement shall include a description of the type or types of underwriting used, such as medical underwriting or functional assessment underwriting. Concerning a group policy, the statement shall indicate whether the enrollee or any dependent will be underwritten and when that underwriting occurs; and
 - (H) A description of the effect of the long-term care policy provision on the required premiums, nonforfeiture values, and reserves on the underlying insurance policy, both for active lives and those in long-term care claim status.
- [¶] (m) Subsections (f) and (h) shall not apply to group insurance policies as defined in paragraph (1) of the definition of "group long-term care insurance" in section 431:10H-104 where:
- (1) The policies insure two hundred fifty or more persons and the policyholder has five thousand or more eligible employees of a single employer; or
 - (2) The policyholder, and not the certificate holders, pays a material portion of the premium[,-which] that shall not be less than twenty per cent of the total premium for the group in the calendar year prior to the year a rate increase is filed.
- [¶] (n) "Exceptional increase", for purposes of this section, shall be as defined in section 431:10H-104."

SECTION 5. Section 431:10H-226, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Benefits under long-term care insurance policies shall be deemed reasonable in relation to premiums; provided that the expected loss ratio is at least sixty per cent[,] and calculated in a manner that provides for adequate reserving of the long-term care insurance risk. [In evaluating] Prior to any approval, the commissioner shall evaluate the expected loss ratio, and due consideration shall be given to all relevant factors, including:

- (1) Statistical credibility of incurred claims experience and earned premiums;
- (2) The period for which rates are computed to provide coverage;
- (3) Experienced and projected trends;
- (4) Concentration of experience within early policy duration;
- (5) Expected claim fluctuation;
- (6) Experience refunds, adjustments, or dividends;
- (7) Renewability features;
- (8) All appropriate expense factors;
- (9) Interest;
- (10) Experimental nature of the coverage;
- (11) Policy reserves;
- (12) Mix of business by risk classification, if applicable; and
- (13) Product features such as long elimination periods, high deductibles, and high maximum limits.”

SECTION 6. Section 431:10H-226.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) An insurer shall provide the information listed in this subsection to the commissioner [thirty] for approval sixty days prior to making a long-term care insurance form available for sale as follows:

- (1) A copy of the disclosure documents required in section 431:10H-217.5; and
- (2) An actuarial certification consisting of at least the following:
 - (A) A statement that the initial premium rate schedule is sufficient to cover anticipated costs under moderately adverse experience and that the premium rate schedule is reasonably expected to be sustainable over the life of the form with no future premium increases anticipated;
 - (B) A statement that the policy design and coverage provided have been reviewed and taken into consideration;
 - (C) A statement that the underwriting and claims adjudication processes have been reviewed and taken into consideration;
 - (D) A complete description of the basis for contract reserves that are anticipated to be held under the form[, to include:] and that includes:
 - (i) Sufficient detail or sample calculations [provided so as] to have a complete depiction of the reserve amounts to be held;
 - (ii) A statement that the assumptions used for reserves contain reasonable margins for adverse experience;
 - (iii) A statement that the net valuation premium for renewal years does not increase, [except for attained-age rating where permitted]]; and
 - (iv) A statement that the difference between the gross premium and the net valuation premium for renewal years is sufficient to cover expected renewal expenses; or if that statement cannot be made, a complete description of the situations where this does not occur; provided that an aggregate distribution of anticipated issues may be used as long as the underlying gross premiums maintain a reasonably consistent relationship; provided further that if the gross premiums for certain age groups are inconsistent with this requirement, the commissioner may request a

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- demonstration under subsection (c) based on a standard age distribution; and
- (E) With respect to premium rate schedules:
- (i) A statement that the premium rate schedule is not less than the premium rate schedule for existing similar policy forms also available from the insurer, except for reasonable differences attributable to benefits; or
 - (ii) A comparison of the premium schedules for similar policy forms that are currently available from the insurer, with an explanation of the differences."

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 8. This Act shall take effect on January 1, 2018.

(Approved July 10, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

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S.B. NO. 953

A Bill for an Act Relating to Insurance.

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

SECTION 1. Chapter 431, Hawaii Revised Statutes, is amended by adding a new section to part I of article 10C to be appropriately designated and to read as follows:

"§431:10C- Payment of general excise tax and certificate of ownership fee on third party claims. (a) When a motor vehicle insurer settles a total loss motor vehicle damage liability claim with a third-party claimant, the insurer shall pay the applicable general excise tax and certificate of ownership fee, subject to section 663-31; provided that if the third-party claimant cannot substantiate the purchase and the payment of the general excise tax and certificate of ownership fee by submitting to the insurer appropriate documentation within thirty-three days after the receipt of settlement, the insurer shall not be required to reimburse the third-party claimant for the tax or fee.

(b) In lieu of the procedure in subsection (a), the insurer may directly pay the required general excise tax and certificate of ownership fee to the third-party claimant at the time of settlement.

(c) An insurer's obligation to reimburse a third-party claimant for the applicable general excise tax and certificate of ownership fee as set forth in this section shall be subject to the property damage liability limit of the policy."

SECTION 2. Section 431:2-403, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Violation of subsection (a) is a criminal offense and shall constitute:

- (1) A class B felony if the value of the benefits, recovery, or compensation obtained or attempted to be obtained [~~is more than~~] exceeds \$20,000;

- (2) A class C felony if the value of the benefits, recovery, or compensation obtained or attempted to be obtained [is more than \$300;] exceeds \$750; or
- (3) A misdemeanor if the value of the benefits, recovery, or compensation obtained or attempted to be obtained is [\$300 or less.] not in excess of \$750."

SECTION 3. Section 431:3-212, Hawaii Revised Statutes, is amended to read as follows:

"§431:3-212 Application for authority. To apply for an original certificate of authority, an insurer shall[:] file with the commissioner a Uniform Certificate of Authority Application from the National Association of Insurance Commissioners that shall set forth or be accompanied by all of the following:

- (1) [File with the commissioner its] The insurer's request showing:
 - (A) Its name, in compliance with sections 431:3-202(b) and 431:4-104(d)(1), home office location, type of insurer, organization date, [and] state or country of its domicile, and name and location of the principal office of its attorney-in-fact, if a reciprocal insurer;
 - (B) The classes of insurance it proposes to transact; and
 - (C) Additional information as the commissioner may reasonably require[;].
- (2) [File with the commissioner:] Documents including the following:
 - (A) A copy of its charter as amended or [such copy] certified by the proper public officer of the state or country of domicile, if a foreign or alien insurer;
 - (B) A copy of its bylaws as amended, certified by its proper officer;
 - (C) A copy of its annual statement as of December 31 last preceding;
 - (D) An appointment of the commissioner as its attorney to receive service of legal process, if a foreign or alien insurer[;] or a domestic reciprocal insurer;
 - (E) The name and business address of its authorized resident agent upon whom process may be served in all cases, if a foreign or alien insurer;
 - (F) A copy of the appointment and authority of its United States manager, certified by its proper officer, if an alien insurer;
 - (G) A certificate from the proper public official of its state or country of domicile showing that it is duly organized and [is] authorized to transact the classes of insurance proposed to be transacted, if a foreign or alien insurer;
 - (H) The declaration required by section 431:4-409, if a domestic reciprocal insurer;
 - (I) [Certificate] A certificate of the proper public official as to any deposit made or held in compliance with this code;
 - (J) [Copy] A copy of the report of the last examination made of the insurer certified by the insurance supervisory official of its state of domicile or entry into the United States, if a foreign or alien insurer; and
 - (K) Other documents or stipulations as the commissioner may reasonably require to evidence compliance with this code[; and].
- (3) [Deposit] A deposit with the commissioner of the appropriate fees required by this code."

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SECTION 4. Section 431:3-212.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) Each transferring insurer shall file new policy forms on or before the effective date of the transfer, if such forms are required to be approved by the commissioner. The insurer may use existing policy forms with appropriate endorsements if permitted by[, and under such conditions as approved by,] the commissioner. Every [such] transferring insurer shall notify the commissioner of the details of the proposed transfer and shall file promptly a Uniform Certificate of Authority Application for any resulting amendments to corporate documents filed or required to be filed with the commissioner."

SECTION 5. Section 431:7-101, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

(a)	The commissioner shall collect, in advance, the following fees:	
(1)	Certificate of authority:	
(A)	Application for [a] certificate of authority	\$900
(B)	Issuance of certificate of authority	\$600
(C)	<u>Application for motor vehicle self-insurance</u>	\$300
(2)	Organization of domestic insurers and affiliated corporations:	
(A)	Application for [a] solicitation permit.....	\$1,500
(B)	Issuance of solicitation permit.....	\$150
(3)	Producer's license:	
(A)	Issuance[.] of regular license	\$50
(B)	Issuance[.] of temporary license.....	\$50
(4)	Nonresident producer's license: Issuance	\$75
(5)	Independent adjuster's license: Issuance	\$75
(6)	Public adjuster's license: Issuance	\$75
(7)	Claims adjuster's limited license: Issuance	\$75
(8)	Independent bill reviewer's license: Issuance	\$80
(9)	Limited producer's license: Issuance	\$60
(10)	Managing general agent's license: Issuance	\$75
(11)	Reinsurance intermediary's license: Issuance	\$75
(12)	Surplus lines broker's license: Issuance	\$150
(13)	Service contract provider's registration: Issuance	\$75
(14)	Approved course provider certificate: Issuance	\$100
(15)	Approved continuing education course certificate: Issuance	\$30
(16)	Vehicle protection product warrantor's registration: Issuance	\$75
(17)	Criminal history record check; fingerprinting: For each criminal history record check and fingerprinting check, a fee to be established by the commissioner.	
(18)	Limited line motor vehicle rental company producer's license: Issuance	\$1,000
(19)	Legal service plan certificate of authority: Issuance before July 1, 2014	\$1,000
	Issuance on or after July 1, 2014	\$500
(20)	Life settlement provider's license: Issuance before July 1, 2014	\$150
	Issuance on or after July 1, 2014	\$75

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|------|--|-------|
| (21) | Life settlement broker's license: | |
| | Issuance before July 1, 2014..... | \$150 |
| | Issuance on or after July 1, 2014..... | \$75 |
| (22) | Examination for license: For each examination, a fee to be established by the commissioner." | |

SECTION 6. Section 431:9-201, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

~~"(b) Notwithstanding subsection (a), following a [catastrophe in this State,] declaration by the commissioner authorizing assistance of nonresident adjusters, a Hawaii license shall not be required of a nonresident adjuster for the adjustment of losses; provided that:~~

- (1) The common losses suffered that are to be adjusted are a direct result of ~~[the catastrophe]~~ an event and ~~[shall be]~~ are so severe that licensed adjusters and licensed independent adjusters who are residents of this State will be unable to adjust the losses within a reasonable time as determined by the commissioner;
- (2) The nonresident adjuster provides ~~[to]~~ the commissioner a certified copy of the adjuster's current license in another state. The other state shall have substantially similar licensing requirements to section 431:9-222; and
- (3) Within three working days of the commencement of work by the nonresident adjuster, the insurance company, independent adjusting company, or producer that is using the adjuster shall provide on its letterhead to the commissioner:
 - (A) The name of the nonresident adjuster;
 - (B) The nonresident adjuster's Hawaii mailing and business addresses and phone numbers; and
 - (C) The nonresident adjuster's permanent home and business addresses and phone numbers.

Upon satisfaction of all of these requirements, the nonresident adjuster may be registered with the commissioner and adjust ~~[catastrophe]~~ the event's losses in this State for up to one hundred twenty days from the date of registration or for a period of time determined by the commissioner, whichever is less.

As used in this subsection, ~~"[catastrophe]"~~ "event" means insured property losses in Hawaii that result from a sudden, specific, and natural or manmade disaster or phenomenon, as determined by the commissioner."

SECTION 7. Section 431:9A-102, Hawaii Revised Statutes, is amended by amending the definition of "terminate" to read as follows:

~~"Termination"~~ means:

- (1) To cancel the relationship between an insurance producer and an insurer; or
- ~~(2) To cancel the relationship between an appointing producer and another producer; or~~
- ~~(3)~~ (2) To terminate a producer's authority to transact insurance."

SECTION 8. Section 431:9A-114, Hawaii Revised Statutes, is amended to read as follows:

"§431:9A-114 Appointments. (a) An insurance producer shall not act as an agent of an insurer unless the ~~[insurance]~~ producer becomes an appointed agent of that insurer ~~[or is contracted with and appointed by an insurance producer so appointed]~~.

(b) To appoint a producer as its agent, the [appointing] insurer [~~or producer~~] shall file, in a format approved by the commissioner, a notice of appointment within fifteen days from the date the agency or business entity contract is executed or the first insurance application is submitted to the insurer [~~or producer~~]. If the appointment form is not received by the commissioner within the fifteen-day period, the appointment shall become effective on the date on which the commissioner receives the appointment form. A producer shall disclose to a client if the conditions of subsection (a) have not been met. An insurer [~~or producer~~] may also elect to appoint a producer to all or some insurers within the insurer's [~~or producer's~~] holding company system or group by filing with the commissioner a single appointment notice.

(c) Upon receipt of the notice of appointment and within a reasonable time not to exceed thirty days, the commissioner shall verify that the [insurance] producer is eligible for appointment. If the [insurance] producer is determined to be ineligible for appointment, the commissioner shall notify the appointing insurer [~~or producer~~] within five days of its determination.

(d) An appointing insurer [~~or producer~~] shall pay an appointment fee, in the amount and method of payment set forth in article 7, for each [insurance] producer appointed by the appointing insurer [~~or producer~~].

(e) An appointing insurer [~~or producer~~] shall remit, in a manner prescribed by the commissioner, a renewal appointment fee in the amount set forth in article 7."

SECTION 9. Section 431:9A-115, Hawaii Revised Statutes, is amended to read as follows:

"§431:9A-115 Notification to commissioner of termination. (a) An insurer[s] or its authorized representative [~~of the insurer, or a producer~~] that terminates the appointment, employment, contract, or other insurance business relationship with a producer shall notify the commissioner within thirty days following the effective date of the termination, using the applicable format prescribed by the commissioner. An insurer[~~s~~] or its authorized representative [~~of the insurer, or a producer who~~] that terminates a producer for one of the reasons set forth in section 431:9A-112, or [~~who~~] that has knowledge the producer was found by a court, governmental body, or self-regulatory organization to have engaged in any of the activities in section 431:9A-112, shall use the particular format for that situation as prescribed by the commissioner. Upon the written request of the commissioner, [~~the~~] an insurer or its authorized representative that terminates a producer shall provide additional information, documents, records, or other data pertaining to the termination or activity of the producer.

(b) [~~The~~] An insurer[~~s~~] or its authorized representative [~~of the insurer, or~~] that terminates a producer shall promptly notify the commissioner in a format acceptable to the commissioner if, upon further review or investigation, the insurer[~~s~~] or its authorized representative [~~of the insurer, or a producer~~] discovers additional information that would have been reportable to the commissioner in accordance with subsection (a), had the insurer[s] or its authorized representative [~~of the insurer, or producer then~~] known of its existence.

(c) [~~The~~] An insurer[s] and its authorized representative [~~of the insurer, and the~~] that terminate a producer are subject to the following:

- (1) Within fifteen days after making the notification required by subsections (a) and (b), the insurer[s] or its authorized representative [~~of the insurer, or the producer~~] shall mail a copy of the notification to the producer at the producer's last known address. If the producer is terminated for any of the causes listed in section 431:9A-112, the

insurer[,] or its authorized representative [of the insurer, or the producer] shall provide a copy of the notification to the producer at the producer's last known address by certified mail, return receipt requested, postage prepaid or by overnight delivery using a nationally recognized carrier.

- (2) Within thirty days after the producer has received the original or additional notification, the producer may file written comments concerning the substance of the notification with the commissioner. The producer, by the same means, shall simultaneously send a copy of the comments to the reporting insurer[,] or its authorized representative [of the insurer, or the producer], and the comments shall become [a] part of the commissioner's file and shall accompany every copy of a report distributed or disclosed for any reason about the producer as permitted under subsection (e).
- (d) Immunity from civil liability for notification applies as follows:
 - (1) In the absence of actual malice, an insurer, the insurer's authorized representative, a producer, the commissioner, or an organization of which the commissioner is a member and that compiles the information and makes it available to other commissioners or regulatory or law enforcement agencies shall not be subject to civil liability[, and a]. A civil cause of action of any nature shall not arise against these entities or their respective agents or employees[+] as a result of [any]:
 - (A) Any statement or information required by or provided pursuant to this section [or any];
 - (B) Any information relating to any statement that may be requested in writing by the commissioner[+] from an insurer or producer; or [a]
 - (C) A statement by a terminating insurer or producer to an insurer or producer limited solely [and exclusively] to whether a termination under subsection (a) was reported to the commissioner, provided that the propriety of any termination under subsection (a) is certified in writing by an officer or authorized representative of the insurer or producer terminating the relationship.
 - (2) In any action brought against a person that may have immunity under paragraph (1) for making any statement required by this section or for providing any information relating to any statement that may be requested by the commissioner, the party bringing the action shall plead specifically in any allegation that paragraph (1) does not apply because the person making the statement or providing the information did so with actual malice.
 - (3) [Paragraphs] Paragraph (1) or (2) shall not abrogate or modify any existing statutory or common law privileges or immunities.
- (e) Confidentiality and privilege from disclosure [is] are established as follows:
 - (1) Any documents, materials, or other information in the control or possession of the commissioner or [any] the commissioner's agent [of the commissioner that is] and furnished by an insurer, a producer, or an employee or agent [thereof who is] acting on behalf of the insurer or producer, or [is] obtained by the commissioner, [any] the commissioner's agent [of the commissioner], the insurance division, or any employee of the insurance division, in an investigation pursuant to this section shall be confidential and privileged, shall not be subject to chapter 92F, [shall not be subject to] subpoena,

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- [shall not be subject to] or discovery, and shall not be admissible in evidence in any civil action; provided that the commissioner or the commissioner's designee is authorized to use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's duties.
- (2) Neither the commissioner nor any person who received documents, materials, or other information while acting under the authority of the commissioner shall be required to testify in any civil action concerning any confidential documents, materials, or information subject to paragraph (1).
 - (3) Any provision to the contrary notwithstanding, the commissioner may:
 - (A) Share documents, materials, or other information, including the confidential and privileged documents, materials, or information subject to paragraph (1), with other state, federal, and international regulatory and law enforcement agencies and authorities, the National Association of Insurance Commissioners, and their affiliates or subsidiaries; provided that the recipient agrees to maintain the confidentiality and privileged status of the document, material, or other information;
 - (B) Receive documents, materials, or information, including otherwise confidential and privileged documents, materials, or information, from the National Association of Insurance Commissioners, its affiliates or subsidiaries, and [from] state, federal, and international regulatory and law enforcement agencies and authorities and shall maintain as confidential or privileged any document, material, or information received with the notice or [the] understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information; and
 - (C) Enter into agreements governing sharing and use of information consistent with this subsection.
 - (4) No waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information shall occur as a result of disclosure to the commissioner under this section or [as a result of] sharing, receiving, or using the information as authorized in paragraph (3).
 - (5) Nothing in this article shall prohibit the commissioner from releasing final adjudicated actions, including terminations that are open to public inspection pursuant to section 431:2-209 to a database or other clearinghouse service maintained by the National Association of Insurance Commissioners or its affiliates or subsidiaries.
 - (f) An insurer, [the] its authorized representative [of the insurer], or a producer who fails to report as required [under the provisions of] by this section or who is found to have reported with actual malice by a court of competent jurisdiction may, after notice and hearing, have its license or certificate of authority suspended or revoked and may be fined in accordance with article 2."

SECTION 10. Section 431:15-201, Hawaii Revised Statutes, is amended to read as follows:

"§431:15-201 Commissioner's summary orders and supervision proceedings.

- (a) If, upon examination or at any other time, the commissioner finds that any domestic insurer requires supervision because it is in [such] a condition [as to]

that would render the continuance of its business hazardous to the public or to holders of its policies or certificates of insurance, or if the domestic insurer gives its consent, then the commissioner shall issue a supervision order and shall:

- (1) Notify the insurer of the commissioner's order; and
- (2) Furnish to the insurer a written list of the commissioner's requirements to abate the commissioner's order. The commissioner shall also proceed, if necessary, against the insurer pursuant to section 431:2-203.

(b) During the period of supervision, the commissioner may appoint a supervisor to supervise the insurer[.] and may employ counsel, clerks, and assistants as necessary. The supervisor shall have all the powers and responsibilities granted under this section. Any person appointed under this section shall serve at the pleasure of the commissioner.

(c) The compensation of the supervisor, counsel, clerks, and assistants and all expenses of the supervision shall be approved by the commissioner and paid out of the funds or assets of the insurer upon presentation of a detailed account of the expenses filed by the supervisor or other persons employed or appointed by the commissioner. The commissioner may in whole or in part defer payment of expenses due from the insurer pursuant to this section upon a showing that payment would adversely impact the financial condition of the insurer and jeopardize its recovery during supervision. Deferred payments shall be made by the insurer when payment no longer adversely impacts its financial condition.

(d) The order appointing a supervisor shall direct the supervisor to enforce orders issued under subsection (a) and [also] may [require that] prohibit the insurer [shall not do] from doing any of the following [things] during the period of supervision without [the] prior written approval of the commissioner or [the] supervisor:

- (1) Dispose of, convey, or encumber any of its assets or [its] business in force;
- (2) Withdraw from any of its bank accounts;
- (3) Lend any of its funds;
- (4) Invest any of its funds;
- (5) Transfer any of its property;
- (6) Incur any debt, obligation, or liability;
- (7) Merge or consolidate with another company;
- (8) Enter into any new reinsurance contract or treaty; or
- (9) Write any new or renewal business.

[e)] (e) Any insurer subject to an order under this section shall comply with the requirements of the commissioner within sixty days from the date the supervision order is served. If the insurer fails to comply within the time specified, the commissioner may institute proceedings under section 431:15-301 or section 431:15-306 to have a rehabilitator or liquidator appointed[.] or seek to enforce the order pursuant to section 431:2-203.

[f)] (f) Any insurer subject to an order under this section may request a hearing to review the order. The hearing shall be held as provided in chapter 91, but the request for a hearing shall not stay the effect of the order. The insurer, at any time, may waive said hearing and apply for immediate judicial relief by means of any remedy afforded by law without first exhausting administrative remedies.

[g)] (g) During the period of supervision, the insurer may request that the commissioner [to] review an action taken or proposed to be taken by the supervisor[, specifying where the action complained of is believed not to be] that the insurer believes is not in the best interest of the insurer.

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[~~(f)~~] **(h)** If any person has violated any supervision order issued under this section [~~which as to the person was then still in effect~~], the person shall pay a penalty imposed by the circuit court of the first judicial circuit of this State, which shall not [tō] exceed \$10,000 for each violation.

[~~(g)~~] **(i)** The commissioner may apply for, and the court may grant, [~~such~~] restraining orders, preliminary [~~and~~] or permanent injunctions, [~~and~~] or other orders [~~as may be deemed necessary and proper~~] to enforce a supervision order.

[~~(h)~~] **(j)** If any person:

(1) With authority over or in charge of any segment of the insurer's affairs; or

(2) Who exercises control directly or indirectly over activities of the insurer through any holding company or other affiliate of the insurer; knowingly violates any valid order of the commissioner issued under this section and, as a result of the violation, the net worth of the insurer is reduced or the insurer suffers loss it would not otherwise have suffered, the person shall become personally liable to the insurer for the amount of the reduction or loss. The commissioner or supervisor may bring an action on behalf of the insurer in the circuit court of the first judicial circuit of this State to recover the amount of the reduction or loss together with any costs."

SECTION 11. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 12. This Act shall take effect on July 1, 2017; provided that sections 7, 8, and 9 shall take effect on January 1, 2019.

(Approved July 10, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 153

S.B. NO. 984

A Bill for an Act Relating to Workers' Compensation Physician.

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

SECTION 1. Section 386-1, Hawaii Revised Statutes, is amended by amending the definition of "physician" to read as follows:

"Physician" includes a doctor of medicine, a dentist, a chiropractor, an osteopath, a naturopathic physician, a psychologist, an optometrist, an advanced practice registered nurse, and a podiatrist."

SECTION 2. New statutory material is underscored.

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

(Approved July 10, 2017.)

ACT 154

S.B. NO. 992

A Bill for an Act Relating to Vessels Aground.

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

SECTION 1. Section 200-47.5, Hawaii Revised Statutes, is amended to read as follows:

"§200-47.5 Vessels' aground [on state property]. (a) All vessels grounded on state submerged lands, shorelines, or coral reefs shall be removed immediately by the owner or operator at the owner's or operator's expense. [Vessels grounded on a sand beach, sandbar, or mudflat and not in imminent danger of breaking up shall be removed within seventy two hours, unless otherwise agreed to by the department.] Damage to state or private property caused by a grounded vessel shall be the sole responsibility of the vessel's owner or operator.

(b) Solely for the purposes of removal and with no liability to the department, the department may assume control of any vessel that[:

(1) Is] is grounded on state submerged land, a shoreline, or a coral reef or in imminent danger of breaking up[;] and

(2) Cannot be immediately removed by the owner within twenty-four hours of actual notification to the vessel owner or the owner's representative by the department and in a manner that is reasonably safe, as determined by the department. If the department has made good faith efforts to provide actual notice to the owner or the owner's representative but such actual notice is futile, the department may assume control of the grounded vessel within twenty-four hours from the time it has been determined actual notice is futile. If the owner's representative has received actual notice from the department and has commenced effective salvage operations, this section shall not apply.

The owner of the vessel may continue as the primary agent in salvaging the vessel after twenty-four hours upon providing proof of a marine insurance policy listing the State as an additional insured in the amount of at least \$1,000,000 and proof that the owner is actively and effectively initiating a salvage effort with reasonable evidence, as determined by the department, that the vessel may be saved within seventy two hours of grounding; provided that the department may allow an extension beyond the seventy two hour limit if it determines that no additional environmental damage exists.] cannot be removed by the owner within twenty-four hours from the time the vessel is grounded; provided that this subsection shall not apply if the owner or owner's representative has received notice from the department and has commenced effective salvage operations.

(c) Vessels grounded on a sand beach, sandbar, or mudflat and not in imminent danger of breaking up shall be removed by the owner or operator within seventy-two hours, unless otherwise agreed to by the department.

(d) Solely for the purposes of removal and with no liability to the department, the department may immediately assume control of any vessel grounded on a sand beach, sandbar, or mudflat and not in imminent danger of breaking up that is not removed by the owner in a manner that is reasonably safe, as determined by the department, within seventy-two hours of notification to the vessel owner or the owner's representative; provided that this subsection shall not apply if the owner or owner's representative has received notice from the department and has commenced effective salvage operations.

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(e) Once the department assumes control over the vessel, the vessel shall be removed by conventional salvage methods if possible, and if not possible by any means necessary, to minimize damage to the natural resources and not become a hazard to navigation. [All costs and expenses of removing the vessel and damage to state or private property shall be the sole responsibility of the vessel's owner or operator. This section shall apply whether the vessel is attended or deemed derelict under section 200-48.]

(e) [f] All costs and expenses of removing the vessel and damage to state or private property shall be the sole responsibility of the vessel's owner or operator. The department may take legal action to collect any costs or expenses incurred by the department for any removal under this section. All moneys collected shall be deposited in the boating special fund.

[~~(d)~~] (g) Any person who renders assistance to the department when it acts pursuant to subsection (b) or (c) and any person who, in good faith and without remuneration or expectation of remuneration, renders assistance at the scene of a vessel [grounded]:

- (1) Grounded on state submerged land, a shoreline, or a coral reef [or in];
- (2) In imminent danger of breaking up; or
- (3) Grounded on a sand beach, sandbar, or mudflat and not in imminent danger of breaking up.

shall not be liable for any civil damages resulting from the person's acts or omissions in providing or arranging towage or other assistance, except for damages caused by the person's gross negligence or wanton acts or omissions.

(h) This section shall apply whether a vessel is attended or deemed derelict under section 200-48.”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on September 1, 2017.

(Approved July 10, 2017.)

Notes

1. Prior to amendment “vessel” appeared here.
2. So in original.

ACT 155

S.B. NO. 997

A Bill for an Act Relating to the Uniform Controlled Substances Act.

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

SECTION 1. Section 329-14, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (b) to read:

“(b) Any of the following opiates, including their isomers, esters, ethers, salts, and salts of isomers, esters, and ethers, unless specifically excepted, when-

ever the existence of these isomers, esters, ethers, and salts is possible within the specific chemical designation:

- (1) Acetyl-alpha-methylfentanyl (N-[1-(1-methyl-2-phenethyl)-4-piperidinyl]-N-phenylacetamide);
- (2) Acetylmethadol;
- (3) Allylprodine;
- (4) Alphacetylmethadol (except levo-alphacetylmethadol, levomethadyl acetate, or LAAM);
- (5) Alphameprodine;
- (6) Alphamethadol;
- (7) Alpha-methylfentanyl (N-[1-(alpha-methyl-beta-phenyl)ethyl-4-piperidyl] propionanilide; 1-(1-methyl-2-phenylethyl)-4-(N-propanilido) piperidine);
- (8) Alpha-methylthiofentanyl (N-[1-methyl-2-(2-thienyl)ethyl-4-piperidinyl]-N-phenylpropanamide);
- (9) Benzethidine;
- (10) Betacetylmethadol;
- (11) Beta-hydroxyfentanyl (N-[1-(2-hydroxy-2-phenethyl)-4-piperidinyl]-N-phenylpropanamide);
- (12) Beta-hydroxy-3-methylfentanyl (N-[1-(2-hydroxy-2-phenethyl)-3-methyl-4-piperidinyl]-N-phenylpropanamide);
- (13) Betameprodine;
- (14) Betamethadol;
- (15) Betaprodine;
- (16) Clonitazene;
- (17) Dextromoramide;
- (18) Diampropamide;
- (19) Diethylthiambutene;
- (20) Difenoxin;
- (21) Dimenoxadol;
- (22) Dimepheptanol;
- (23) Dimethylthiambutene;
- (24) Dioxaphetyl butyrate;
- (25) Dipipanone;
- (26) Ethylmethylthiambutene;
- (27) Etonitazene;
- (28) Etoxeridine;
- (29) Furethidine;
- (30) Hydroxypethidine;
- (31) Ketobemidone;
- (32) Levomoramide;
- (33) Levophenacylmorphan;
- (34) 3-Methylfentanyl (N-[3-methyl-1-(2-phenylethyl)-4-piperidyl]-N-phenylpropanamide);
- (35) 3-methylthiofentanyl (N-[3-methyl-1-(2-thienyl)ethyl-4-piperidinyl]-N-phenylpropanamide);
- (36) Morpheridine;
- (37) MPPP (1-methyl-4-phenyl-4-propionoxypiperidine);
- (38) Noracymethadol;
- (39) Norlevorphanol;
- (40) Normethadone;
- (41) Norpipanone;
- (42) Para-fluorofentanyl (N-(4-fluorophenyl)-N-[1-(2-phenethyl)-4-piperidinyl] propanamide);

- (43) PEPAP (1-(2-phenethyl)-4-phenyl-4-acetoxypiperidine;
- (44) Phenadoxone;
- (45) Phenampromide;
- (46) Phenomorphan;
- (47) Phenoperidine;
- (48) Piritramide;
- (49) Proheptazine;
- (50) Properidine;
- (51) Propiram;
- (52) Racemoramide;
- (53) Thiofentanyl (N-phenyl-N-[1-(2-thienyl)ethyl-4-piperidinyl]-propanamide);
- (54) Tilidine;
- (55) Trimeperidine;
- (56) N-[1-benzyl-4-piperidyl]-N-phenylpropanamide (benzylfentanyl), its optical isomers, salts, and salts of isomers;
- (57) N-[1-(2-thienyl)methyl-4-piperidyl]-N-phenylpropanamide (thienylfentanyl), its optical isomers, salts, and salts of isomers; [and]
- (58) N-(1-phenethylpiperidin-4-yl)-N-phenylacetamide, (acetyl fentanyl), its optical, positional, and geometric isomers, salts, and salts of isomers[-];
- (59) AH-7921 (3,4-dichloro-N-[(1-dimethylamino)cyclohexylmethyl]benzamide, its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers;
- (60) N-(1-phenethylpiperidin-4-yl)-N-phenylbutyramide, its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers (Other names: Butyryl fentanyl);
- (61) N-[1-[2-hydroxy-2-(thiophen-2-yl)ethyl]piperidin-4-yl]-N-phenylpropionamide, its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers (Other names: beta-hydroxythiofentanyl);
- (62) N-(1-phenethylpiperidin-4-yl)-N-phenylfuran-2-carboxamide, its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers (other names: Furanyl fentanyl); and
- (63) 3,4-dichloro-N-[2-(dimethylamino)cyclohexyl]-N-methylbenzamide, its isomers, esters, ethers, salts, and salts of isomers, esters, and ethers (Other names: U-47700)."

2. By amending subsection (g) to read:

"(g) Any of the following cannabinoids, their salts, isomers, and salts of isomers, unless specifically excepted, whenever the existence of these salts, isomers, and salts of isomers is possible within the specific chemical designation:

- (1) Tetrahydrocannabinols; meaning tetrahydrocannabinols naturally contained in a plant of the genus Cannabis (cannabis plant), as well as synthetic equivalents of the substances contained in the plant, or in the resinous extractives of Cannabis, sp. or synthetic substances, derivatives, and their isomers with similar chemical structure and pharmacological activity to those substances contained in the plant, such as the following: Delta 1 cis or trans tetrahydrocannabinol, and their optical isomers; Delta 6 cis or trans tetrahydrocannabinol, and their optical isomers; and Delta 3,4 cis or trans-tetrahydrocannabinol, and its optical isomers (since nomenclature of these substances is not internationally standardized, compounds

- of these structures, regardless of numerical designation of atomic positions, are covered);
- (2) Naphthoylindoles; meaning any compound containing a 3-(1-naphthoyl)indole structure with substitution at the nitrogen atom of the indole ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent;
 - (3) Naphthylmethylindoles; meaning any compound containing a 1H-indol-3-yl-(1-naphthyl) methane structure with substitution at the nitrogen atom of the indole ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent and whether or not substituted in the naphthyl ring to any extent;
 - (4) Naphthoylpyrroles; meaning any compound containing a 3-(1-naphthoyl)pyrrole structure with substitution at the nitrogen atom of the pyrrole ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the pyrrole ring to any extent, whether or not substituted in the naphthyl ring to any extent;
 - (5) Naphthylmethylenes; meaning any compound containing a naphthylideneindene structure with substitution at the 3-position of the indene ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indene ring to any extent, whether or not substituted in the naphthyl ring to any extent;
 - (6) Phenylacetylindoles; meaning any compound containing a 3-phenylacetylindole structure with substitution at the nitrogen atom of the indole ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent, whether or not substituted in the phenyl ring to any extent;
 - (7) Cyclohexylphenols; meaning any compound containing a 2-(3-hydroxycyclohexyl) phenol structure with substitution at the 5-position of the phenolic ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl or 2-(4-morpholinyl)ethyl group whether or not substituted in the cyclohexyl ring to any extent;
 - (8) Benzoylindoles; meaning any compound containing a 3-(benzoyl)indole structure with substitution at the nitrogen atom of the indole ring by a alkyl, haloalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl,² or 2-(4-morpholinyl)ethyl group whether or not further substituted in the indole ring to any extent and whether or not substituted in the phenyl ring to any extent;
 - (9) 2,3-Dihydro-5-methyl-3-(4-morpholinylmethyl) pyrrolo[1,2,3-de]-1,4-benzoxazin-6-yl]-1-naphthalenylmethanone (another trade name is WIN 55,212-2);

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- (10) (6a,10a)-9-(hydroxymethyl)-6, 6-dimethyl-3-(2-methyloctan-2-yl)-6a,7,10,10a-tetrahydrobenzo[c]chromen-1-ol (other trade names are: HU-210/³HU-211);
- (11) Tetramethylcyclopropanoylindoles; meaning any compound containing a 3-tetramethylcyclopropanoylindole structure with substitution at the nitrogen atom of the indole ring by an alkyl, haloalkyl, cyanoalkyl, alkenyl, cycloalkylmethyl, cycloalkylethyl, 1-(N-methyl-2-piperidinyl)methyl, 2-(4-morpholinyl)ethyl, 1-(N-methyl-2-pyrrolidinyl)methyl, 1-(N-methyl-3-morpholinyl)methyl, or tetrahydropyranylmethyl group, whether or not further substituted in the indole ring to any extent and whether or not substituted in the tetramethylcyclopropyl ring to any extent;
- (12) N-(1-adamantyl)-1-pentyl-1H-indazole-3-carboxamide, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: APINACA, AKB48);
- (13) Quinolin-8-yl 1-pentyl-1H-indole-3-carboxylate, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: PB-22; QUPIC);
- (14) Quinolin-8-yl 1-(5fluoropentyl)-1H-indole-3-carboxylate, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: 5-fluoro-PB-22; 5F-PB-22);
- (15) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(4-fluorobenzyl)-1H-indazole-3-carboxamide, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: AB-FUBINACA);
- (16) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-pentyl-1H-indazole-3-carboxamide, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: ADB-PINACA);
- (17) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-(cyclohexylmethyl)-1H-indazole-3-carboxamide, its optical, positional, and geometric isomers, salts, and salts of isomers (Other names: AB-CHMINACA);
- (18) N-(1-amino-3-methyl-1-oxobutan-2-yl)-1-pentyl-1H-indazole-3-carboxamide, and geometric isomers, salts, and salts of isomers (Other names: AB-PINACA);
- (19) [1-(5-fluoropentyl)-1H-indazol-3-yl](naphthalen-1-yl)methanone, and geometric isomers, salts, and salts of isomers (Other names: THJ-2201);
- (20) Methyl (1-(4-fluorobenzyl)-1 H-indazole-3-carbonyl)-L-valinate, and geometric isomers, salts, and salts of isomers (Other names: FUB-AMB);
- (21) (S)-methyl 2-(1-(5-fluoropentyl)-1H-indazole-3-carboxamido)-3-methylbutanoate, and geometric isomers, salts, and salts of isomers (Other names: 5-fluoro-AMB, 5-fluoro-AMP);
- (22) N-((3s,5s,7s)-adamantan-1-yl)-1-(5-fluoropentyl)-1H-indazole-3-carboxamide, and geometric isomers, salts, and salts of isomers (Other names: AKB48 N-(5-fluoropentyl) analog, 5F-AKB48, APINACA 5-fluoropentyl analog, 5F-APINACA);
- (23) N-adamantyl-1-fluoropentylindole-3-Carboxamide, and geometric isomers, salts, and salts of isomers (Other names: STS-135, 5F-APICA; 5-fluoro-APICA);
- (24) Naphthalen-1-yl 1-(5-fluoropentyl)-1H-indole-3-carboxylate, Naphthalen-1-yl 1-(5-fluoropentyl)-1H-indole-3-carboxylate,

- and geometric isomers, salts, and salts of isomers (Other names: NM2201); [and]
- (25) N-(1-amino-3,3-dimethyl-1-oxobutan-2-yl)-1-(cyclohexylmethyl)-1H-indazole-3-carboxamide, and geometric isomers, salts, and salts of isomers (Other names: MAB-CHMINACA and ADB-CHMINACA)[-]; and
- (26) Methyl 2-[1-(5-fluoropentyl)-1H-indazole-3-carboxamido]-3,3-dimethylbutanoate (other names: 5F-ADB, 5-flouro-ADB, and 5F-MDMB-PINACA), its optical, positional, and geometric isomers, salts, and salts of isomers.

SECTION 2. Section 329-16, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) Any of the following opiates, including their isomers, esters, ethers, salts, and salts of isomers, whenever the existence of these isomers, esters, ethers, and salts is possible within the specific chemical designation:

- (1) Alfentanil;
- (2) Alphaprodine;
- (3) Anileridine;
- (4) Bezitramide;
- (5) Bulk Dextropropoxyphene (nondosage form);
- (6) Carfentanil;
- (7) Dihydrocodeine;
- (8) Diphenoxylate;
- (9) Fentanyl;
- (10) Isomethadone;
- (11) Levo-alphacetylmethadol (LAAM);
- (12) Levomethorphan;
- (13) Levorphanol;
- (14) Metazocine;
- (15) Methadone;
- (16) Methadone-Intermediate, 4-cyano-2-dimethylamino-4, 4-diphenyl butane;
- (17) Moramide-Intermediate, 2-methyl-3-morpholino-1, 1-diphenyl-propane-carboxylic acid;
- (18) Pethidine (Meperidine);
- (19) Pethidine-Intermediate-A, 4-cyano-1-methyl-4-phenylpiperidine;
- (20) Pethidine-Intermediate-B, ethyl-4-phenylpiperidine-4-carboxylate;
- (21) Pethidine-Intermediate-C, 1-methyl-4-phenylpiperidine-4-carboxylic acid;
- (22) Phenazocine;
- (23) Piminodine;
- (24) Racemethorphan;
- (25) Racemorphan;
- (26) Remifentanil;
- (27) Sufentanil; [and]
- (28) Tapentadol[-]; and
- (29) Thiafentanil.

SECTION 3. Section 329-22, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) Depressants. Unless specifically exempted or excluded or unless listed in another schedule, any material, compound, mixture, or preparation that

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contains any quantity of the following substances having a depressant effect on the central nervous system, including its salts, isomers, and salts of isomers:

- (1) Lacosamide [(R)-2-acetoamido-N-benzyl-3-methoxy-propionamide], (Vimpat); [~~and~~]
- (2) Pregabalin [(S)-3-(aminomethyl)-5-methylhexanoic acid][~~-~~]; and
- (3) Brivaracetam ((2S)-2-[(4R)-2-oxo-4-propylpyrrolidin-1-yl]butanamide)
(Other names: BRV; UCB-34714; Briviant and its salts.)

SECTION 4. Statutory material to be repealed is bracketed and stricken.
New statutory material is underscored.

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

(Approved July 10, 2017.)

Notes

1. So in original.
2. Comma should be underscored.
3. Prior to amendment “and” appeared here.

ACT 156

S.B. NO. 1006

A Bill for an Act Relating to the Estate and Generation-Skipping Transfer Taxes.

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

SECTION 1. Section 236E-8, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) A state estate tax return shall be filed in the case of every decedent whose estate is required by the laws of the United States to file a federal estate tax return. This section shall apply to a decedent who, at the time of death was:

- (1) A resident of the State; or
- (2) A nonresident of the State whose gross estate includes any real property situated in the State or tangible personal property having a situs in the State. Where the decedent is the sole owner of a single member limited liability company that has not elected to be taxed as a corporation, the single member limited liability company shall be disregarded for purposes of this chapter and this chapter shall be applied as if the sole member is the owner of the property.”

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval and shall apply to decedents dying or taxable transfers occurring after December 31, 2016.

(Approved July 10, 2017.)

ACT 157

S.B. NO. 1171

A Bill for an Act Relating to the Health Care Privacy Harmonization Act.

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

SECTION 1. The purpose of this Act is to identify the circumstances in which the State has a compelling interest in the use and disclosure of de-identified

protected health information under the Health Care Privacy Harmonization Act. It is not the intent of the legislature to foreclose other circumstances in which the State may similarly have a compelling interest in the use or disclosure of this information.

SECTION 2. Chapter 323B, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§323B- Disclosure, use, and production of de-identified protected health information. (a) Provided that individually identifiable protected health information has been de-identified pursuant to title 45 Code of Federal Regulations part 164, as may be amended, the State shall have a compelling interest in the public and private disclosure, use, and production of the de-identified protected health information for the purposes of medical or economic research, protecting patient or public safety, ensuring proper operation of facilities providing medical care, and health care operations as defined in title 45 Code of Federal Regulations part 164, as may be amended.

(b) Public and private uses of de-identified protected health information in which the State shall have a compelling interest include but are not limited to:

- (1) De-identified protected health information from state agencies, hospitals, medical and health care facilities, health care providers, and providers of health insurance relating to:
 - (A) Medical or economic research; and
 - (B) Public safety;
- (2) De-identified protected health information from state agencies, pharmacies, hospitals, medical and health care facilities, health care providers, and providers of health insurance relating to patient protection and public safety involving unfair or deceptive acts or practices, restraints of trade, and price-fixing in violation of chapter 480; and
- (3) De-identified protected health information from state agencies, hospitals, medical and health care facilities, and health care providers relating to the proper operation of medical and health care facilities that includes:
 - (A) Quality assessment and improvement activities;
 - (B) Patient protection and safety activities;
 - (C) Population based activities relating to improving health or reducing health care costs;
 - (D) Fraud and abuse detection and compliance; and
 - (E) Employment actions.”

SECTION 3. Section 323B-2, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

“De-identified protected health information” has the same meaning as in title 45 Code of Federal Regulations section 164.514(a), as may be amended.”

SECTION 4. New statutory material is underscored.¹

SECTION 5. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 158

ACT 158

S.B. NO. 1227

A Bill for an Act Relating to Foreclosures.

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

SECTION 1. Act 182, Session Laws of Hawaii 2012, is amended by amending section 69 to read as follows:

“SECTION 69. This Act shall take effect upon its approval; provided that:

- [+] On July 1, 2017:
 - (A) ~~Section 667-O in section 3 of this Act shall be repealed; and~~
 - (B) ~~Section 667-P in section 3 of this Act shall take effect;~~
- [2] (1) Section 4 of this Act, amending section 454M-5, Hawaii Revised Statutes, shall take effect on July 1, 2012;
- [3] (2) The website maintained by the department of commerce and consumer affairs for purposes of publishing the electronic public notices of public sale pursuant to section 667-27(d), as amended in section 20 of this Act, shall be operative no later than August 30, 2012;
- [4] (3) Section 26 of this Act, amending section 667-41, Hawaii Revised Statutes, shall take effect on September 1, 2012; and
- [5] (4) Part VI of this Act, amending sections 667-F, 667-R, and 667-27, Hawaii Revised Statutes, shall take effect two years after the effective date of this Act.”

SECTION 2. Section 667-18, Hawaii Revised Statutes, is repealed.

SECTION 3. Statutory material to be repealed is bracketed and stricken.¹ New statutory material is underscored.

SECTION 4. This Act shall take effect on June 30, 2017.

(Approved July 10, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 159

S.B. NO. 1244

A Bill for an Act Relating to Affordable Housing.

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

PART I

SECTION 1. The legislature finds that the shortage of safe, decent, and sanitary housing has been a persistent problem in Hawaii for decades. Almost 50 years ago, in 1970, the Hawaii state legislature recognized the need to address the severe shortfall of affordable housing and passed H.B. No. 397, as amended, which was enacted into law as Act 105, Session Laws of Hawaii 1970, and codified as chapter 359A, Hawaii Revised Statutes. This enabling legislation

expanded the powers of the then Hawaii Housing Authority to provide for-sale affordable housing units to the general public, in addition to providing affordable rental housing units. This legislation was the predecessor to what is today known as the Hawaii housing finance and development corporation.

In Act 105, the legislature noted “a critical shortage of housing units for lower and middle income residents” and emphasized the importance of affordable housing to the fabric of society. Act 105 also cited studies indicating that the high cost of housing is the result of multiple factors, including “the cost and availability of land, the cost of development, the cost and availability of financing, the cost added by government regulation, the cost and availability of labor and materials, the inflationary state of the economy”, and “conflicting priorities in our pluralistic society”.

The legislature further finds that, almost a half century after Act 105, the shortage of affordable housing still exists and has grown to crisis proportions. With the limited amount of developable land and the lack of needed infrastructure, we find median prices for single family homes on Oahu hovering at around \$750,000. Recent studies show a need for 60,000 housing units by the year 2020. It is necessary, therefore, for the legislature to take steps to preserve existing affordable housing units for as long as possible. This has not been the case in recent years relative to government-assisted or mandated affordable housing units. Because of the lack of financial or other resources, government agencies have often opted to waive their right of first refusal to repurchase housing units that are sold within the designated restriction period.

The intent of this Act is to create a pool of affordable housing units that will remain permanently affordable through the purchase and management of the units by the housing trust.

The purpose of this Act is to:

- (1) Authorize the Hawaii community development authority to waive a right to repurchase a reserved or workforce unit and transfer the right of repurchase to a qualified nonprofit housing trust;
- (2) Authorize the counties to waive their right of first refusal to repurchase certain privately-developed affordable housing units and transfer that right of repurchase to a qualified nonprofit housing trust;
- (3) Authorize the Hawaii housing finance and development corporation to waive its first option to repurchase certain real property and transfer the right of repurchase to a qualified nonprofit housing trust; and
- (4) Amend the means of calculating the maximum price for the Hawaii housing finance and development corporation's first option to purchase real property.

PART II

SECTION 2. Chapter 206E, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§206E- Reserved and workforce housing units; transfer to qualified nonprofit housing trust. (a) Notwithstanding any law to the contrary, the authority may authorize a designated qualified nonprofit housing trust to administer the covenants and rules related to the reserved housing and workforce housing programs. Additionally, the authority may waive its right to repurchase a reserved or workforce housing unit during the restriction period and may transfer that right of repurchase to a qualified nonprofit housing trust for the purpose

of maintaining the reserved or workforce housing unit as an affordable housing unit. If the repurchase rights are transferred to a qualified nonprofit housing trust, the restrictions prescribed in this chapter or in rules adopted by the authority shall be automatically extinguished and shall not attach in subsequent transfers of title; provided further that the qualified nonprofit housing trust shall establish new buyback restrictions for the purpose of maintaining the unit as affordable for as long as practicable, or as otherwise required by the authority.

(b) A qualified nonprofit housing trust shall report the status and use of its housing units to the authority by November 30 of each calendar year."

SECTION 3. Section 46-15.1, Hawaii Revised Statutes, is amended to read as follows:

"§46-15.1 Housing; county powers. (a) [Any] Notwithstanding any law to the contrary [~~notwithstanding~~], any county shall have and may exercise the same powers, subject to applicable limitations, as those granted the Hawaii housing finance and development corporation pursuant to chapter 201H insofar as those powers may be reasonably construed to be exercisable by a county for the purpose of developing, constructing, and providing low- and moderate-income housing; provided that no county shall be empowered to cause the State to issue general obligation bonds to finance a project pursuant to this section; provided further that county projects shall be granted an exemption from general excise or receipts taxes in the same manner as projects of the Hawaii housing finance and development corporation pursuant to section 201H-36; and provided further that section 201H-16 shall not apply to this section unless federal guidelines specifically provide local governments with that authorization and the authorization does not conflict with any state laws. The powers shall include the power, subject to applicable limitations, to:

- (1) Develop and construct dwelling units, alone or in partnership with developers;
- (2) Acquire necessary land by lease, purchase, exchange, or eminent domain;
- (3) Provide assistance and aid to a public agency or other person in developing and constructing new housing and rehabilitating existing housing for elders of low- and moderate-income, other persons of low- and moderate-income, and persons displaced by any governmental action, by making long-term mortgage or interim construction loans available;
- (4) Contract with any eligible bidders to provide for construction of urgently needed housing for persons of low- and moderate-income;
- (5) Guarantee the top twenty-five per cent of the principal balance of real property mortgage loans, plus interest thereon, made to qualified borrowers by qualified lenders;
- (6) Enter into mortgage guarantee agreements with appropriate officials of any agency or instrumentality of the United States to induce those officials to commit to insure or to insure mortgages under the National Housing Act, as amended;
- (7) Make a direct loan to any qualified buyer for the downpayment required by a private lender to be made by the borrower as a condition of obtaining a loan from the private lender in the purchase of residential property;
- (8) Provide funds for a share, not to exceed fifty per cent, of the principal amount of a loan made to a qualified borrower by a private

lender who is unable otherwise to lend the borrower sufficient funds at reasonable rates in the purchase of residential property; and

- (9) Sell or lease completed dwelling units.

For purposes of this section, a limitation is applicable to the extent that it may reasonably be construed to apply to a county.

(b) Each county shall recognize housing units developed by the department of Hawaiian home lands and issue affordable housing credits to the department of Hawaiian home lands. The credits shall be transferable and shall be issued on a one-credit for one-unit basis, unless the housing unit is eligible for additional credits as provided by adopted county ordinances, rules, or any memoranda of agreement between a county and the department of Hawaiian home lands. In the event that credits are transferred by the department of Hawaiian home lands, twenty-five per cent of any monetary proceeds from the transfer shall be used by the department of Hawaiian home lands to develop units for rental properties. Credits shall be issued for each single-family residence, multi-family unit, other residential unit, whether for purposes of sale or rental, or if allowed under the county's affordable housing programs, vacant lot, developed by the department of Hawaiian home lands. The credits may be applied county-wide within the same county in which the credits were earned to satisfy affordable housing obligations imposed by the county on market-priced residential and non-residential developments. County-wide or project-specific requirements for housing class, use, or type; or construction time for affordable housing units shall not impair, restrict, or condition the county's obligation to apply the credits in full satisfaction of all county requirements, whether by rule, ordinance, or particular zoning conditions of a project. Notwithstanding any provisions herein to the contrary, the department may enter into a memorandum of agreement with the county of Kauai to establish, modify, or clarify the conditions for the issuance, transfer, and redemption of the affordable housing credits in accordance with county affordable housing ordinances or rules. Notwithstanding any provisions herein to the contrary, the department may enter into a memorandum of agreement with the city and county of Honolulu to establish, modify, or clarify the conditions for the issuance, transfer, and redemption of the affordable housing credits in accordance with county affordable housing ordinances or rules. At least half of the affordable housing credits issued by the city and county of Honolulu shall be subject to a memorandum of agreement pursuant to this subsection.

For purposes of this section, "affordable housing obligation" means the requirement imposed by a county, regardless of the date of its imposition, to develop vacant lots, single-family residences, multi-family residences, or any other type of residence for sale or rent to individuals within a specified income range.

(c) [Any] Notwithstanding any law to the contrary [~~notwithstanding~~], any county may:

- (1) Authorize and issue bonds under chapter 47 and chapter 49 to provide moneys to carry out the purposes of this section or section 46-15.2, including the satisfaction of any guarantees made by the county pursuant to this section;
- (2) Appropriate moneys of the county to carry out the purposes of this section;
- (3) Obtain insurance and guarantees from the State or the United States, or grants from either;
- (4) Designate, after holding a public hearing on the matter and with the approval of the respective council, any lands owned by it for the purposes of this section;

- (5) Provide interim construction loans to partnerships of which it is a partner and to developers whose projects qualify for federally assisted project mortgage insurance, or other similar programs of federal assistance for persons of low and moderate income; and
- (6) Adopt rules pursuant to chapter 91 as are necessary to carry out the purposes of this section.

(d) Notwithstanding any law to the contrary, a county may waive its right to repurchase a privately-developed affordable housing unit built pursuant to a unilateral agreement or similar instrument, and may transfer that right of repurchase to a qualified nonprofit housing trust for the purpose of maintaining the unit as affordable for as long as required by the county program.

For the purposes of this subsection, "qualified nonprofit housing trust" means a corporation, association, or other duly chartered organization that is registered and in good standing with the State; that is recognized by the Internal Revenue Service as a charitable or otherwise tax-exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and that has the capacity, resources, and mission to carry out the purposes of this section as determined by the county in which the housing unit is located.

(e) A qualified nonprofit housing trust shall report the status and use of its housing units to its respective county by November 30 of each calendar year.

[¶] (f) The provisions of this section shall be construed liberally so as to effectuate the purpose of this section in facilitating the development, construction, and provision of low- and moderate-income housing by the various counties.

[¶] (g) For purposes of this section, "low and moderate income housing" means any housing project that meets the definition of "low- and moderate-income housing project" in section 39A-281."

SECTION 4. Section 201H-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"Qualified nonprofit housing trust" means a corporation, association, or other duly chartered organization that is registered and in good standing with the State; is recognized by the Internal Revenue Service as a charitable or otherwise tax-exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and has the capacity, resources, and mission to carry out the purposes of this chapter as determined by the corporation."

SECTION 5. Section 201H-47, Hawaii Revised Statutes, is amended to read as follows:

“§201H-47 Real property; restrictions on transfer; waiver of restrictions.

(a) The following restrictions shall apply to the transfer of real property developed and sold under this chapter, whether in fee simple or leasehold:

- (1) For a period of ten years after the purchase, whether by lease, assignment of lease, deed, or agreement of sale, if the purchaser wishes to transfer title to the real property, the corporation shall have the first option to purchase the real property at a price that shall not exceed the sum of:
 - (A) The original cost to the purchaser, as defined in rules adopted by the corporation;
 - (B) The cost of any improvements added by the purchaser, as defined in rules adopted by the corporation; [and]
 - (C) Simple interest on the original cost and capital improvements to the purchaser at the rate of one per cent a year; and

- (D) The corporation's share of net appreciation in the real property, as determined under rules adopted pursuant to chapter 91, when applicable;
- (2) The corporation may purchase the real property either:
- By conveyance free and clear of all mortgages and liens; or
 - By conveyance subject to existing mortgages and liens.
- If the real property is conveyed in the manner provided in subparagraph (A), it shall be conveyed to the corporation only after all mortgages and liens are released. If the real property is conveyed in the manner provided in subparagraph (B), the corporation shall acquire the property subject to any first mortgage created for the purpose of securing the payment of a loan of funds expended solely for the purchase of the real property by the seller; and any mortgage or lien created for any other purpose provided that the corporation has previously consented to it in writing.
- The corporation's interest created by this section shall constitute a statutory lien on the real property and shall be superior to any other mortgage or lien except for:
- Any first mortgage created for the purpose of securing the payment of a loan of funds expended solely for the purchase of the real property by the seller;
 - Any mortgage insured or held by a federal housing agency; and
 - Any mortgage or lien created for any other purpose; provided that the corporation has previously consented to it in writing.
- The amount paid by the corporation to the seller shall be the difference, if any, between the purchase price determined by paragraph (1)(A) to (C), and the total of the outstanding principal balances of the mortgages and liens assumed by the corporation;
- (3) A purchaser may refinance real property developed and sold under this chapter; provided that the purchaser shall not refinance the real property within ten years from the date of purchase for an amount in excess of the purchase price as determined by paragraph (1)(A) to (C); provided further that the purchaser shall obtain the corporation's written consent if any restriction on the transfer of the real property remains applicable;
- (4) After the end of the tenth year from the date of initial purchase or execution of an agreement of sale, the purchaser may sell the real property and sell or assign the property free from any price restrictions; provided that the purchaser shall be required to pay to the corporation the sum of:
- The balance of any mortgage note, agreement of sale, or other amount owing to the corporation;
 - Any subsidy or deferred sales price made by the corporation in the acquisition, development, construction, and sale of the real property, and any other amount expended by the corporation not counted as costs under section 201H-45 but charged to the real property by good accounting practice as determined by the corporation whose books shall be prima facie evidence of the correctness of the costs;
 - Interest on the subsidy or deferred sales price, if applicable, and any other amount expended at the rate of seven per cent a year computed as to the subsidy or deferred sales price, if ap-

plicable, from the date of purchase or execution of the agreement of sale, and as to any amount expended, from the date of expenditure; provided that the computed interest shall not extend beyond thirty years from the date of purchase or execution of the agreement of sale of the real property. If any proposed sale or transfer will not generate an amount sufficient to pay the corporation the sum as computed under this paragraph, the corporation shall have the first option to purchase the real property at a price that shall not exceed the sum as computed under paragraphs (1) and (2); and

- (D) The corporation's share of appreciation in the real property as determined under rules adopted pursuant to chapter 91, when applicable;

- (5) Notwithstanding any provision in this section to the contrary, pursuant to rules adopted by the corporation, the subsidy or deferred sales price described in paragraph (4)(B) and any interest accrued pursuant to paragraph (4)(C) may be paid, in part or in full, at any time; and

- (6) Notwithstanding any provision in this section to the contrary, the corporation's share of appreciation in the real property described in paragraph (4)(D):

- (A) Shall apply when the sales price of the real property that is developed and sold under this chapter is less than the then-current, unencumbered, fair market value of the real property as determined by a real property appraisal obtained prior to the closing of the sale;

- (B) Shall be a restriction that runs with the land until it is paid in full and released by the corporation, or extinguished pursuant to subsection [(e)] (f); and

- (C) May be paid, in part or in full, at any time after recordation of the sale.

(b) If the corporation waives its first option to repurchase the real property provided in subsection (a), a qualified nonprofit housing trust shall have the option to purchase the real property at the price and in the manner set forth in subsection (a).

[(b)] (c) For a period of ten years after the purchase, whether by lease, assignment of lease, deed, or agreement of sale, if the purchaser wishes to transfer title to the real property, and if the corporation or the qualified nonprofit housing trust selected by the corporation does not exercise the option to purchase the real property as provided in subsection (a)[; or (b)], then the corporation shall require the purchaser to sell the real property to a "qualified resident" as defined in section 201H-32, and upon the terms that preserve the intent of this section and sections 201H-49 and 201H-50, and in accordance with rules adopted by the corporation.

[(e)] (d) The corporation may waive the restrictions prescribed in [subsection] subsections (a) [or (b)] through (c) if:

- (1) The purchaser wishes to transfer title to the real property by devise or through the laws of descent to a family member who would otherwise qualify under rules established by the corporation;

- (2) The sale or transfer of the real property would be at a price and upon terms that preserve the intent of this section without the necessity of the State repurchasing the real property; provided that, in this case, the purchaser shall sell the real property and sell or assign the real property to a person who is a "qualified resident" as defined

in section 201H-32; and provided further that the purchaser shall pay to the corporation its share of appreciation in the real property as determined in rules adopted pursuant to chapter 91, when applicable; or

- (3) The sale or transfer is of real property subject to a sustainable affordable lease as defined in section 516-1.

[~~(d)~~] (e) The corporation may release the restrictions prescribed in [subsection] subsections (a) [~~or (b)~~] through (c) if the real property is financed under a federally subsidized mortgage program and the restrictions would jeopardize the federal government's ability to recapture any interest credit subsidies provided to the homeowner.

[~~(e)~~] (f) The restrictions prescribed in this section and sections 201H-49 to 201H-51 shall be automatically extinguished and shall not attach in subsequent transfers of title when a qualified nonprofit housing trust becomes the owner of the real property pursuant to subsection (b); or a mortgage holder or other party becomes the owner of the real property pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a foreclosure action is commenced; provided that the mortgage is the initial purchase money mortgage, or that the corporation consented to and agreed to subordinate the restrictions to the mortgage when originated, if the mortgage is not the initial purchase money mortgage; or when a mortgage is assigned to a federal housing agency. Any law to the contrary notwithstanding, a mortgagee under a mortgage covering real property or leasehold interest encumbered by the first option to purchase in favor of the corporation, prior to commencing mortgage foreclosure proceedings, shall notify the corporation in writing of:

- (1) Any default of the mortgagor under the mortgage within ninety days after the occurrence of the default; and
- (2) Any intention of the mortgagee to foreclose the mortgage under chapter 667 forty-five days prior to commencing mortgage foreclosure proceedings;

provided that the mortgagee's failure to provide written notice to the corporation shall not affect the mortgage holder's rights under the mortgage. The corporation shall be a party to any foreclosure action, and shall be entitled to its share of appreciation in the real property as determined under this chapter in lien priority when the payment is applicable, and if foreclosure occurs within the ten-year period after the purchase, the corporation shall also be entitled to all proceeds remaining in excess of all customary and actual costs and expenses of transfer pursuant to default, including liens and encumbrances of record; provided that the person in default shall be entitled to an amount that shall not exceed the sum of amounts determined pursuant to subsection (a)(1)(B) and (C).

[~~(f)~~] (g) The provisions of this section shall be incorporated in any deed, lease, agreement of sale, or any other instrument of conveyance issued by the corporation. In any sale by the corporation of real property for which a subsidy or deferred sales price was made by the corporation, the amount of the subsidy or deferred sales price described in subsection (a)(4)(B), a description of the cost items that constitute the subsidy or deferred sales price, and the conditions of the subsidy or deferred sales price shall be clearly stated at the beginning of the contract document issued by the corporation. In any sale in which the corporation's share of appreciation in real property is a restriction, the terms of the shared appreciation equity program shall be clearly stated and included as an exhibit in any deed, lease, agreement of sale, or any other instrument of conveyance.

[~~(g)~~] (h) This section need not apply to market-priced units in an economically integrated housing project, except as otherwise determined by the de-

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veloper of the units; provided that preference shall be given to qualified residents in the initial sale of market-priced units.

[~~(h)~~] (i) The corporation is authorized to waive any of the restrictions set forth in this section in order to comply with or conform to requirements set forth in federal law or regulations governing mortgage insurance or guarantee programs or requirements set forth by federally chartered secondary mortgage market participants.

(j) Notwithstanding any law to the contrary, if real property is purchased by a qualified nonprofit housing trust pursuant to subsection (b), the housing trust shall establish new buyback restrictions for the purpose of maintaining the unit as affordable for as long as practicable, or as otherwise required by the corporation.

(k) A qualified nonprofit housing trust shall report the status and use of its housing units to the corporation by November 30 of each calendar year.”

SECTION 6. Section 206E-2, Hawaii Revised Statutes, is amended by adding three new definitions to be appropriately inserted and to read as follows:

“Qualified nonprofit housing trust” means a corporation, association, or other duly chartered organization that is registered and in good standing with the State; is recognized by the Internal Revenue Service as a charitable or otherwise tax-exempt organization under section 501(c)(3) of the Internal Revenue Code of 1986, as amended; and has the capacity and resources as determined by the authority to carry out the requirements of the reserved housing and workforce housing programs.

“Reserved housing” means housing designated for residents in the low-income or moderate-income ranges who meet such eligibility requirements as the authority may adopt by rule.

“Workforce housing” means new residential projects where at least seventy-five per cent of the residential units are set aside for purchase or rent for residents in the low-income or moderate-income ranges who meet such eligibility requirements as the authority may adopt by rules and that do not require financial assistance for design and construction from federal, state, or county government agencies.”

PART III

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 8. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 9. This Act shall take effect on July 1, 2017; provided that the amendments made to section 46-15.1, Hawaii Revised Statutes, by section 3 of this Act shall not be repealed when that section is reenacted on July 1, 2019, pursuant to section 3 of Act 102, Session Laws of Hawaii 2015, and section 4 of Act 102, Session Laws of Hawaii 2015, as amended by section 50 of Act 55, Session Laws of Hawaii 2016.

(Approved July 10, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 160

S.B. NO. 1264

A Bill for an Act Relating to Security Guards.

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

SECTION 1. Section 463-10, Hawaii Revised Statutes, is amended to read as follows:

"§463-10 Licenses; fees; [biennial] renewal of licenses; inactive license."

(a) The license shall state the name and address of the principal office or place of business of the licensee, the name under which the licensed business is to be conducted, and the name of the principal detective or principal guard, if the licensee is a detective agency or guard agency.

(b) [The biennial] Except as provided in section 463-10.5, the renewal fee and compliance resolution fund fees, or the inactive license fee, shall be paid to the board on or before June 30 of each even-numbered year. These fees shall be as provided in rules adopted by the director pursuant to chapter 91. The failure, neglect, or refusal of any licensee to pay these fees and to submit all documents required by the board on or before June 30 of each even-numbered year shall result in the automatic forfeiture of the licensee's license.

(c) A forfeited license may be restored upon written application within one year of the date of expiration and upon submittal of all required documents, fees, delinquent fees, and a penalty fee.

(d) Upon written request by a licensee, the board may place that licensee's active license on an inactive status. The licensee, upon payment of the inactive license fee, may continue on inactive status for the [biennial] applicable renewal period. A licensee may renew an inactive license upon notification to the board. The failure, neglect, or refusal of any licensee on inactive status to pay the inactive license fee shall result in the automatic forfeiture of the licensee's license. While on inactive status, a licensee shall not be engaged in the practice of a private detective, guard, or agency. Any person who violates this prohibition shall be subject to discipline under this chapter and the board's rules. The license may be reactivated at any time by filing an application for reactivation with the board and:

- (1) Fulfilling all requirements established by the board, including the payment of the appropriate fees the licensee would have paid had the licensee continued to maintain the license on an active status; and
- (2) Providing any information regarding any arrest or conviction of any crime that reflects unfavorably on the fitness of the licensee to engage in the profession, and information that the licensee, while on inactive status, has suffered a psychiatric or psychological disorder that is directly related and detrimental to the licensee's performance in the profession.

The board may deny an application for reactivation as provided in its rules.

(e) For the purposes of this chapter, the dishonoring of any check upon first deposit shall constitute a failure to meet the fee requirements."

SECTION 2. Section 463-10.5, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) [Effective July 1, 2013, all] All guards, and all agents, operatives, and assistants employed by a guard agency, private business entity, or government

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agency who act in a guard capacity shall apply to register with the board, and meet the following registration, instruction, and training requirements prior to acting as a guard:

- (1) Be not less than eighteen years of age;
- (2) Possess a high school education or its equivalent; provided that the applicant may satisfy the requirements of this paragraph by attesting that the applicant possesses a high school education or its equivalent;
- (3) Not be presently suffering from any psychiatric or psychological disorder which is directly related and detrimental to a person's performance in the profession; and
- (4) Not have been convicted in any jurisdiction of a crime which reflects unfavorably on the fitness of the individual to act as a guard, unless the conviction has been annulled or expunged by court order; provided that the individual shall submit to a national criminal history record check as authorized by federal law, including but not limited to the Private Security Officer Employment Authorization Act of 2004, and specified in the rules of the board[.], and a criminal history record check from the Hawaii criminal justice data center under chapter 846.

The board shall determine whether an individual qualifies for registration pursuant to this subsection."

2. By amending subsection (c) to read:

"(c) Guards and individuals acting in a guard capacity shall successfully complete the classroom instruction specified by this section, pass a written test, and undergo four hours of on-the-job training supervised by an individual who has successfully completed all of the requirements of this section or who has otherwise been approved by the board for on-the-job training. Guards and individuals acting in a guard capacity shall successfully complete:

- (1) Eight hours of classroom instruction before the first day of service; and
- (2) Four hours of classroom instruction [biennially thereafter;] during the triennial registration renewal period; provided that in addition to relevant guard industry material, the required classroom instruction shall include a refresher component on professional image and aloha training[.] as approved by the board.

For purposes of this section, "classroom instruction" may include two-way teleconferencing and other interactive educational formats approved by the board."

3. By amending subsection (g) to read:

"(g) Effective June 30, 2018, registrations issued under this section shall be valid for the three-year triennial period, and may be renewed upon payment of the triennial renewal fee and compliance resolution fund fee to the board on or before June 30 of each triennial renewal term. Prior to the June 30, [2016,] 2021, triennial renewal of the guard registration and every registration renewal thereafter, the applicant shall pay all required fees, and have had at least four hours of continuing education as specified in this section and in the rules of the board. A guard who has registered with the board within one year prior to the applicable renewal date shall not be required to take the four hours of classroom instruction to renew the guard registration.

The board may conduct a random audit, pursuant to rules adopted pursuant to chapter 91, of registrants applying for renewal of a registration to determine whether the continuing education requirements of this subsection have been met.

The failure, neglect, or refusal of any registered guard to pay the renewal fee or meet the continuing education requirements shall constitute a forfeiture of the guard's registration. A forfeited registration may be restored upon written application within one year from the date of forfeiture, payment of the required renewal fee plus penalty fees, and meeting the continuing education requirements in effect at the time of restoration."

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 10, 2017.)

ACT 161

H.B. NO. 674

A Bill for an Act Relating to Child Care Providers.

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

SECTION 1. This Act shall be known and may be cited as the "Wiley Kaikou Muir Act".

SECTION 2. Section 346-157, Hawaii Revised Statutes, is amended to read as follows:

"[§§346-157] Liability insurance coverage; [no] requirement. (a) For the purpose of this section, "liability insurance coverage" means a general casualty insurance policy issued to a provider insuring against legal liability for injury resulting from negligence to a child during the time the child is under the care of the child care provider.

(b) The department shall [not] require [a provider] all providers to obtain [or] and maintain liability insurance coverage in an amount determined by the department as a condition of licensure, temporary permission, or registration to operate a child care facility.

(c) The department, as a condition of continued licensure, temporary permission, or registration, shall require [a provider who does not have liability insurance coverage] all providers to disclose in writing [that the provider does not have coverage] to each parent or guardian:

(1) Applying to have a child cared for at the provider's facility, [if the provider has no] summary information including the insurer's name and contact information, coverage amounts, and effective dates for the provider's liability insurance coverage at the time of application; or

(2) Within seven working days of any change, cancellation, or termination of liability insurance coverage [if, that the coverage [is] has been changed, canceled, or terminated while the parent's or guardian's child is cared for at the provider's facility.

(d) The department may suspend or revoke a license, temporary permit, or certificate of registration of a provider in accordance with section 346-164 or 346-175, if [the]:

(1) The provider or any employee of the provider knowingly makes a false statement to any person concerning the provider's liability insurance coverage[.]; or

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- (2) The provider does not comply with the insurance coverage and disclosure requirements of this section and rules adopted by the department pursuant to this section.
- (e) Proof of liability insurance coverage as required by this section shall be verified by the department on an annual basis.”

SECTION 3. The department of human services shall submit a report to the legislature, no later than twenty days prior to the convening of the regular session of 2018, on the following issues related to the liability insurance requirements established by section 2 of this Act:

- (1) The amount of liability insurance coverage required to be obtained by child care providers;
- (2) The costs incurred by child care providers to obtain liability insurance and the projected impact these costs may have on the rates charged to consumers; and
- (3) Outreach efforts conducted by the department, to ensure compliance with the requirements of this Act.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2017; provided that enforcement of the liability insurance requirements under section 2 of this Act shall take effect on January 1, 2019.

(Approved July 11, 2017.)

ACT 162

S.B. NO. 976

A Bill for an Act Relating to Tier II Filing Fees for Reporting of Hazardous Substances.

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

SECTION 1. The purpose of this Act is to increase the Hawaii Emergency Planning and Community Right-to-Know (HEPCRA) Act, Tier II filing fee from \$100 to \$200. In fiscal year 2014-2015, 889 total facilities (civilian and military) paid \$68,300 in filing fees. These moneys are collected pursuant to section 128E-9, Hawaii Revised Statutes, and are deposited into the environmental response revolving fund.

The Tier II filings fees are used by the county local emergency planning committees to conduct joint emergency planning response training, to purchase specialized equipment, and for hazardous materials emergency preparedness activities. As HEPCRA operational and equipment costs have risen over the years it is necessary to increase the fee to maintain the emergency preparedness and response capabilities of the county first responders that respond to hazardous materials incidents statewide.

SECTION 2. Section 128E-9, Hawaii Revised Statutes, is amended to read as follows:

“§128E-9 Filing fees. Facilities that are required to report according to section 128E-6(a)(2), shall remit [~~\$100~~] \$200 with each submission of chemical inventory forms or Tier II forms to the commission by March 1 of each year. All

moneys collected by the department pursuant to this section shall be deposited in the state treasury and accrue to the credit of the environmental response revolving fund established in section 128D-2.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

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H.B. NO. 1325

A Bill for an Act Relating to Biosecurity.

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

SECTION 1. This Act shall be known and may be cited as the “Clift Tsuji Act”.

SECTION 2. The unchecked spread of invasive species is one of the greatest threats to Hawaii’s economy and natural environment as well as to the health and lifestyle of Hawaii’s people. Invasive pests can cause millions of dollars in crop losses, the extinction of native species, the destruction of native forests, the spread of disease, and the quarantine of exported agricultural crops.

Island ecosystems are particularly vulnerable to the destructive power of invasive pests. On Guam, the accidental introduction of the brown tree snake has resulted in widespread devastation. Without natural predators or competition for food, brown tree snake populations have grown exponentially, causing the mass extinction of endemic birds. Where there were once bird songs, the forests of Guam are now silent and home to as many as fifteen thousand snakes per square mile. The introduction of just one new pest like the brown tree snake could change the ecological character of the Hawaiian islands forever.

Despite the State’s ongoing efforts to detect and eradicate invasive species, Hawaii’s fragile island ecosystem is constantly at risk from insects, disease-bearing organisms, snakes, weeds, and other invasive pests. The coconut rhinoceros beetle, little fire ant, coffee berry borer, coqui frog, and other introduced invasive species are disrupting the delicate balance of island ecosystems, crowding out native species, and reducing the biodiversity of Hawaii.

The department of agriculture has created a biosecurity program to fight invasive species on several fronts by:

- (1) Administering pre-entry measures to minimize the risk of invasive pests entering the State;
- (2) Conducting port-of-entry inspections to detect and quarantine or destroy pests upon arrival; and
- (3) Administering post-entry measures to mitigate the establishment of pests in the State.

The department of agriculture has also supported the growth of Hawaii’s agriculture industry by attempting to reduce the State’s dependency on imported agricultural products that may contain pests. The department of agriculture’s biosecurity program is vital to the public’s health and welfare, and the department must fully execute its comprehensive strategy to control and prevent increasing invasive species threats from entering into and spreading throughout the State. Although inspections are critical, building local capacity to increase the State’s

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ability to stop the entry of high-risk products would enhance Hawaii's efforts to mitigate and manage invasive species. This ability is vitally important not only to protect Hawaii's fragile environment but also to grow the State's local agricultural industry and to increase levels of self-sufficiency and sustainability.

The lack of adequate resources has seriously undermined the plant quarantine branch's functionality and has resulted in the compromise of the effectiveness and efficiency of the quarantine and biosecurity programs.

The purpose of this Act is to:

- (1) Reaffirm the legislature's finding that the implementation of the department of agriculture's biosecurity program is vital to the State;
- (2) Require the department of agriculture to establish parameters and construction requirements for biosecurity facilities; and
- (3) Appropriate moneys to enable the department of agriculture to complete the implementation of the biosecurity program to include import replacement and pest management programs.

SECTION 3. Section 150A-53, Hawaii Revised Statutes, is amended to read as follows:

"[§150A-53] General actions to achieve objectives. (a) To achieve the objectives of the biosecurity program, the department shall plan for and, within available legislative appropriations[,] or through funding from other sources, implement the following:

- (1) Work with government agencies and agricultural commodity exporters of other states and countries to establish pre-entry inspection programs under which inbound cargo into the State is inspected at the ports of departure or other points outside the State;
- (2) Establish, operate, or participate in operating port-of-entry facilities where multiple government agencies may inspect, quarantine, fumigate, disinfect, destroy, or exclude as appropriate, articles that may harbor pests or exclude articles that are prohibited or restricted without a permit, with the goals of:
 - (A) Performing inspections in an efficient, effective, and expeditious manner for the government agencies involved and for cargo owners, carriers, and importers; and
 - (B) Providing for the proper and safe storage and handling of cargo, especially agricultural and food commodities, awaiting inspection;
- (3) Develop, implement, and coordinate post-entry measures to eradicate, control, reduce, and suppress pests and, as appropriate, eradicate or seize and dispose of prohibited or restricted organisms without a permit that have entered the State;
- (4) Collaborate with relevant government agencies, agricultural commodity importers, and other persons to examine and develop joint integrated systems to better implement the biosecurity program;
- (5) Improve cargo inspection capabilities and methods, including enhancement of the content and submission requirements for cargo manifests and agricultural commodity ownership and movement certificates;
- (6) Promote the production of agricultural commodities in the State to reduce cargo shipments of imported commodities into the State; and

- (7) Provide public education on the negative effects of pests and prohibited or restricted organisms without a permit, to the environment and economy of the State.
- (b) The department shall establish parameters and construction requirements for biosecurity facilities that provide for and ensure the safety of agricultural and food commodities consumed by Hawaii residents, including cold storage facilities established by private-public partnerships to preserve the quality and ensure the safety of the commodities arriving at the State's airports and harbors.”

SECTION 4. The department of agriculture shall submit a report on its progress with respect to the biosecurity program to the legislature no later than thirty days prior to the convening of the regular session of 2018.

SECTION 5. There is appropriated out of the agricultural development and food security special fund the sum of \$1,200,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 for the biosecurity program of the department of agriculture; provided that the sums appropriated shall be used for the following projects:

- (1) \$200,000 for import replacement of high-risk crops and \$500,000 for the development of systems management to enhance pest management practices in agricultural production areas in coordination with agricultural commodity organizations;
- (2) \$100,000 for the development of quarantine treatment options;
- (3) \$100,000 for the development and implementation of diagnostics to quickly and reliably identify new and evolving pests and diseases;
- (4) \$200,000 for the improvement of productivity of inspection capacity within the plant quarantine branch; and
- (5) \$100,000 for public and agriculture industry education activities in coordination with agricultural commodity organizations.

The sums appropriated shall be expended by the department of agriculture for the purposes of this Act.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

ACT 164

S.B. NO. 1286

A Bill for an Act Relating to Private Trade, Vocational, and Technical Schools.

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

SECTION 1. The legislature finds that private trade, vocational, and technical schools provide specialized training for a number of professions in the State, including massage therapy, health care, tax preparation, and maritime activities.

Currently, section 302A-425, Hawaii Revised Statutes, prohibits such schools and other private organizations or corporations from operating for the purpose of teaching any trade, occupation, or vocation prior to being licensed

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by the department of education. The department of education has had this responsibility since 1939, when the focus of regulation was to ensure the quality of education and instruction at schools providing post-secondary training below the college level.

The legislature finds that Act 57, Session Laws of Hawaii 1998, amended section 302A-425, Hawaii Revised Statutes, to declare that the purpose of such regulation is to protect consumers from false, deceptive, misleading, and unfair practices, and to ensure adequate educational quality. The legislature also finds that Auditor's Report No. 02-08, *A Study on the Licensing of Private Trade, Vocational, and Technical Schools*, acknowledged that the declaration of purpose added to section 302A-425, Hawaii Revised Statutes, brought into question the appropriateness of the program's administrative placement within the department of education.

In 2015, the legislature passed S.C.R. No. 46, S.D. 2, regular session of 2015, which requested the department of commerce and consumer affairs and department of education to convene a working group to evaluate and review the current licensing program for private trade, vocational, and technical schools. The working group jointly recommended that the licensure program be narrowed in scope, but were unable to come to any other joint recommendations.

The department of education's primary mission is kindergarten to twelfth grade education, and does not include the provision of post-secondary education or the regulation of post-secondary institutions. The legislature finds that the department of education does not currently have the capacity or expertise in the specialized curricula of the various private trade, vocational, and technical schools currently under its licensing jurisdiction to effectively administer the requirements of section 302A-425, Hawaii Revised Statutes.

Accordingly, the purpose of this Act is to clarify the scope of the private trade, vocational, and technical school licensure program; clarify the types of schools the department of education is required to license; and establish a licensing fee to ensure the program's sustainability.

SECTION 2. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§302A- Private trade, vocational, and technical school licensure special fund. There is created in the state treasury a special fund to be designated as the private trade, vocational, and technical school licensure special fund into which shall be deposited:

- (1) All revenues and fees collected by the department pursuant to section 302A-425; and
- (2) Appropriations from the general fund of the State.

Moneys in the private trade, vocational, and technical school licensure special fund shall be used to fund activities related to the licensure requirements established under section 302A-425, including funding for permanent staff positions and administrative and operational costs.”

SECTION 3. Section 302A-101, Hawaii Revised Statutes, is amended as follows:

1. By amending the definition of “license” to read:

““License” means the recognition granted by the Hawaii teacher standards board to an individual to practice the profession of teaching. This definition shall not apply to the term “license” as it is used in sections 302A-425 [~~to 302A-427.] and 302A-426.~~”

2. By amending the definition of "private trade, vocational, or technical school" to read:

"Private trade, vocational, or technical school" means [any plan or method used by any person or persons, firm, or any other] an organization or corporation [for giving] that provides instruction in any form or manner in any trade, occupation, or vocation for a consideration, reward, or promise of whatever nature, [including correspondence schools located within the State,] except [as follows]:

- (1) Schools maintained, or classes conducted, by employers for their own employees where no fee or tuition is charged;
- (2) Courses of instruction given by any fraternal society, benevolent order, or professional organization to its members, which courses are not operated for profit;
- [{3}] Flying schools qualified under the Federal Aviation Administration;
- [{4}] Classes conducted for less than five students at one and the same time;
- [{5}] Classes or courses of instruction that are conducted for twenty or fewer class sessions during any twelve-month period;
- [{6}] Avocational, hobby, recreation, or health classes or courses;
- [{7}] Courses of instruction on religious subjects given under the auspices of a religious organization; and
- [{8}] Schools registered or authorized by the department of commerce and consumer affairs or by boards and commissions placed in the department of commerce and consumer affairs for administrative purposes."

SECTION 4. Section 302A-425, Hawaii Revised Statutes, is amended to read as follows:

§302A-425 [License required for] Licensure of private trade, vocational, or technical school. [No private trade, vocational, or technical school shall be operated by any person or persons, firm, or any other private organization or corporation for the purpose of teaching any trade, occupation, or vocation unless there is first secured from the department a license issued in accordance with sections 302A-424 to 302A-428 and in such form as the department may direct.]

(a) The department shall license private trade, vocational, and technical schools as necessary for:

- (1) Compliance with federal regulations or accreditation requirements;
- (2) Qualifying the private trade, vocational, or technical school for federal, state, or private funding; or
- (3) Qualifying graduates of the private trade, vocational, or technical school for professional licensure.

The purpose of the licensing and regulation is to protect consumers against practices by private trade, vocational, or technical schools that are false, deceptive, misleading, or unfair[, and to help ensure adequate educational quality at private trade, vocational, or technical schools]. The department shall not be responsible for review of curriculum or assurance of program quality for those private trade, vocational, and technical schools whose curriculum or program falls outside of the department's mission.

(b) A private trade, vocational, or technical school that requires licensure under subsection (a) shall submit the following to the department in such form as the department may direct:

- (1) Proof that the school is accredited by an accrediting commission of career schools and colleges, accrediting council for continuing

education and training, or an accrediting bureau of health education schools; provided that in lieu of such accreditation, the school may provide a letter from the relevant state, federal, or other licensing authority demonstrating that the private trade, vocational, or technical school's curriculum is sufficient to prepare a graduate to qualify for professional licensure:

- (2) Proof of current business registration demonstrating good standing;
 - (3) A copy of the school's current general excise tax license, including a current tax clearance; and
 - (4) Proof that the school has secured a surety bond in the sum of \$50,000, payable in a form satisfactory to the department, to provide indemnification to any student suffering a financial loss as a result of the school not fulfilling its obligations under the terms of its license; provided that the bonding requirement may be reduced at the discretion of the department.
- (c) A private trade, vocational, or technical school applying for initial licensure after December 31, 2017, shall pay an initial license fee of \$2,000 to the department upon application for licensure under this section.
- (d) Every two years following the date of initial licensure, a private trade, vocational, or technical school shall apply for a renewal license by:
- (1) Submitting all documents required under subsection (b), with updated information as appropriate;
 - (2) Submitting a list of complaints officially filed within the past two years with any state or federal government agency or directly with the school; and
 - (3) For any application for license renewal submitted after December 31, 2017, paying a renewal licensure fee of \$2,000.
- (e) Complaints alleging unfair or deceptive acts or practices by a private trade, vocational, or technical school shall be filed with the appropriate branch of the department of commerce and consumer affairs for review, investigation, and appropriate recommendation for action, including appeals from action taken.
- (f) Fees collected pursuant to this section shall be deposited into the private trade, vocational, and technical school licensure special fund.
- (g) The department may adopt reasonable rules relating to the implementation of this section and section 302A-426.”

SECTION 5. Section 302A-426, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The department, after notice and opportunity for a hearing, may suspend or revoke a license at any time when, in the judgment of the department, the licensee is not complying with [sections 302A-424 to 302A-428] section 302A-425 or the rules that may be adopted by the board. The notice of hearing shall be served personally or sent to the licensee by registered or certified mail with return receipt at the licensee's last known address.”

SECTION 6. Section 302A-424, Hawaii Revised Statutes, is repealed.

SECTION 7. Section 302A-427, Hawaii Revised Statutes, is repealed.

SECTION 8. Section 302A-428, Hawaii Revised Statutes, is repealed.

SECTION 9. All rules, policies, procedures, guidelines, and other material adopted or developed by the department of education to implement sections

302A-424 to 302A-428, Hawaii Revised Statutes, except those rules, policies, procedures, guidelines, and other material adopted or developed that affect the initial licensure fee and renewal licensure fee, shall remain in full force and effect until amended or repealed pursuant to chapter 91, Hawaii Revised Statutes. All licenses current as of the effective date of this Act shall remain valid until the expiration of the licensure term, at which point the private trade, vocational, or technical school shall be required to apply for initial licensure under section 302A-425, Hawaii Revised Statutes.

SECTION 10. 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 for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 to be deposited into the private trade, vocational, and technical school licensure special fund.

SECTION 11. There is appropriated out of the private trade, vocational, and technical school licensure special fund the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 for administrative costs associated with licensure of private trade, vocational, or technical schools, including establishing one permanent full-time equivalent (1.0 FTE) position within the department of education.

The sums appropriated shall be expended by the department of education for the purposes of this Act.

SECTION 12. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 13. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

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S.B. NO. 572

A Bill for an Act Relating to Information Practices.

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

SECTION 1. Section 92F-11, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

“(e) [Each agency] The office of information practices may adopt rules, pursuant to chapter 91, to protect [its] agency records from theft, loss, defacement, alteration, or deterioration and to prevent manifestly excessive interference with the discharge of [its] agencies’ other lawful responsibilities and functions.”

SECTION 2. Section 92F-26, Hawaii Revised Statutes, is amended to read as follows:

“§92F-26 Rules. The office of information practices shall adopt rules, [under] pursuant to chapter 91, establishing procedures necessary to implement

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or administer this part, which the agencies shall [adopt, insofar as practicable,]
follow, in order to ensure uniformity among state and county agencies."

SECTION 3. Statutory material to be repealed is bracketed and stricken.
New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

ACT 166

S.B. NO. 584

A Bill for an Act Relating to Mortgages.

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

SECTION 1. The legislature finds that the Hawaii housing finance and development corporation is tasked with developing and financing low- and moderate-income housing projects and administering homeownership programs. One function of the Hawaii housing finance and development corporation is providing mortgages for affordable housing units to qualifying residents.

The legislature further finds that affordable units priced between \$350,000 and \$600,000 might still be unaffordable to first-time buyers without the financial assistance of family and friends. The legislature additionally finds that the "family" of Hawaii's residents frequently extends to cousins, uncles, aunties, step-parents, and hanai family members who may not be considered family under the definition used by the Hawaii housing finance and development corporation, but who have the financial capacity and the willingness to assist buyers with the down payment or the qualification for a mortgage.

The purpose of this Act is to allow an extended or hanai family member to act as a co-mortgagor in assisting a qualified resident in securing a mortgage to purchase a dwelling unit from the Hawaii housing finance and development corporation.

SECTION 2. Section 201H-46, Hawaii Revised Statutes, is amended to read as follows:

"[§201H-46] Co-mortgagor. For purposes of qualifying for a mortgage loan to finance the purchase of a dwelling unit under this part, a [“]qualified resident[”] as defined in section 201H-32 may be assisted by a co-mortgagor who is a family member as defined by the corporation, and who may include extended or hanai family members, who may own other lands in fee simple or leasehold suitable for dwelling purposes, whose interest in the dwelling unit to be purchased is limited to no more than one per cent, and who certifies that the co-mortgagor does not intend to reside in the dwelling unit. The income and assets of the co-mortgagor shall not be counted in determining the eligibility of the [“]qualified resident[”] under this chapter.

SECTION 3. Statutory material to be repealed is bracketed and stricken.
New statutory material is underscored."

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

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S.B. NO. 609

A Bill for an Act Relating to Attestation Engagements.

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

SECTION 1. Section 466-36, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The procedures required by this section shall be performed in accordance with [AT section 201 of] the Statements on Standards for Attestation Engagements adopted by the American Institute of Certified Public Accountants.”

SECTION 2. Statutory material to be repealed is bracketed and stricken.

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

(Approved July 11, 2017.)

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S.B. NO. 655

A Bill for an Act Relating to Media Access.

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

SECTION 1. Section 127A-12, Hawaii Revised Statutes, is amended to read as follows:

“[§127A-12] **Emergency management powers, in general.** (a) The governor or mayor, as applicable, may exercise the following powers pertaining to emergency management:

- (1) Prepare comprehensive plans and programs for the protection of the State or county against all hazards, which shall be integrated into and coordinated with the emergency management plans of the State, counties, the federal government, other states, and private-sector and nonprofit organizations;
- (2) Identify emergency workers required to report for duty as directed by the department head regardless of the availability of any type of leave;
- (3) Institute training, preparedness, and public-information programs in coordination with the State, counties, the federal government, other states, and private-sector and nonprofit organizations;
- (4) Provide or authorize suitable insignia of authority for all authorized emergency management personnel; and
- (5) Direct or control as may be necessary for emergency management:
 - (A) Alerts, warnings, notifications, activations, exercises, drills, and tests;
 - (B) Warnings and signals for alerts or exercises, and any type of warning device, system, or method to be used in connection therewith;
 - (C) Partial or full mobilization of personnel for exercises or training, in advance of, or in response to, an actual emergency or disaster; and

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- (D) The conduct of civilians and the movement and cessation of movement of pedestrians and vehicular traffic during, before, and after alerts, exercises, training, emergencies, or disasters.
- (b) The governor may exercise the following powers pertaining to emergency management:
- (1) Support requests from a mayor for assistance in preparing for, responding to, and recovering from any emergency or disaster or threat thereof;
 - (2) Lease, lend, or otherwise furnish, on such terms and conditions as the governor may consider necessary to promote the public welfare and protect the interest of the State, any real or personal property of the state government, to the President of the United States, the armed forces, or to the emergency management agency of the United States;
 - (3) Enter into, participate in, or carry out mutual aid agreements or compacts for emergency management or emergency management functions with the federal government and with other states;
 - (4) Sponsor and develop mutual aid plans and agreements for emergency management between the State, one or more counties, and other governmental, private-sector, and nonprofit organizations, for the furnishing or exchange of food, clothing, medicine, and other materials; engineering services; emergency housing; police services; health, medical, and related services; firefighting, rescue, transportation, and construction services and facilities; personnel necessary to provide or conduct these services; and such other materials, facilities, personnel, and services as may be needed. The mutual aid plans and agreements may be made with or without provisions for reimbursement of costs and expenses, and on such terms and conditions as are deemed necessary;
 - (5) Take possession of, use, manage, control, and reallocate any public property of the State, real or personal, required by the governor for the purposes of this chapter, including airports, parks, playgrounds, and schools, and other public buildings. Whenever the property is so taken, the governor may make such provision for the temporary accommodation of the government service affected thereby as the governor may deem advisable;
 - (6) Utilize all services, materials, and facilities of nongovernmental agencies, relief organizations, community associations, and other private-sector and nonprofit organizations that may be made available;
 - (7) Receive, expend, or use contributions or grants, which shall be deemed to be trust funds, in money, property, or services, or loans of property, or special contributions or grants in money, property, or services, or loans of property, for special purposes provided for by this chapter; establish funds in the state treasury for the deposit and expenditure of the moneys; procure federal aid as the same may be available; and apply the provisions of chapter 29 in cases of federal aid, even though not in the form of money. The contributions or grants are appropriated for the purposes of this chapter, or for the special purposes;
 - (8) Purchase, make, produce, construct, rent, lease, or procure by condemnation or otherwise, transport, store, install, maintain, and insure, repair, renovate, restore, replace or reconstruct, and distribute, furnish or otherwise dispose of, with or without charges, materials

- and facilities for emergency management; and to procure federal aid therefor whenever feasible. Chapter 103D and sections 103-50, 103-53, 103-55, 105-1 to 105-10, and 464-4 shall not apply to any emergency management functions of the governor to the extent that the governor finds that the provisions, in whole or in part, impede or tend to impede the expeditious discharge of those functions, or that compliance therewith is impracticable due to existing conditions;
- (9) Provide for the appointment, employment, training, equipping, and maintaining with compensation, or on a volunteer basis without compensation and without regard to chapters 76, 78, and 88, of such agencies, officers, and other persons as the governor deems necessary to carry out the purposes of this chapter; to determine to what extent any law prohibiting the holding of more than one office or employment applies to the agencies, officers, and other persons; and subject to provisions of this chapter, to provide for the interchange of personnel, by detail, transfer, or otherwise, between agencies or departments of the State;
 - (10) Make charges in such cases and in [such] amounts as the governor deems advisable, for any property sold, work performed, services rendered, or accommodations or facilities furnished by the State under this chapter;
 - (11) Make or authorize [such] contracts as may be necessary to carry out this chapter;
 - (12) Establish special accounting forms and practices whenever necessary;
 - (13) Require each public utility, or any person owning, controlling, or operating a critical infrastructure facility as identified by the governor, to protect and safeguard its or the person's property, or to provide for the protection and safeguarding thereof; and provide for the protection and safeguarding of all critical infrastructure and key resources; provided that without prejudice to the generality of the foregoing two clauses, the protecting and safeguarding may include the regulation or prohibition of public entry thereon, or the permission of the entry upon [such] terms and conditions as the governor may prescribe;
 - (14) Restrict the congregation of the public in stricken or dangerous areas or under dangerous conditions;
 - (15) Direct and control the non-compulsory evacuation of the civilian population;
 - (16) Order and direct government agencies, officials, officers, and employees of the State, to take [such] action and employ [such] measures for law enforcement, medical, health, firefighting, traffic control, warnings and signals, engineering, rescue, construction, emergency housing, other welfare, hospitalization, transportation, water supply, public information, training, and other emergency functions as may be necessary, and utilize the services, materials, and facilities of the agencies and officers. All [such] agencies and officers shall cooperate with and extend their services, materials, and facilities to the governor as the governor may request;
 - (17) Provide for the repair and maintenance of public property, whenever adequate provision therefor is not otherwise made; insure the property against any emergency or disaster; provide for the restoration, renovation, replacement, or reconstruction of insured property in the event of damage or loss; and make temporary restoration

- of public utilities and other critical infrastructure facilities in the event of an emergency or disaster;
- (18) Fix or revise the hours of government business; and
- (19) Take any and all steps necessary or appropriate to carry out the purposes of this chapter notwithstanding that those powers in section 127A-13(a) may only be exercised during an emergency period.
- (c) The mayor may exercise the following powers pertaining to emergency management:
- (1) Lease, lend, or otherwise furnish, on [such] terms and conditions as the mayor may consider necessary to promote the public welfare and protect the interest of the county, any real or personal property of the county government, to the governor of the State, to the mayors of the other counties of the State, or to the agency;
- (2) Sponsor and develop mutual aid plans and agreements for emergency management between one or more counties, and other governmental, private-sector, or nonprofit organizations, for the furnishing or exchange of food, clothing, medicine, and other materials; engineering services; emergency housing; police services; health, medical, and related services; firefighting, rescue, transportation, and construction services and facilities; personnel necessary to provide or conduct these services; and [such] other materials, facilities, personnel, and services as may be needed. The mutual aid plans and agreements may be made with or without provisions for reimbursement of costs and expenses, and on [such] terms and conditions as are deemed necessary;
- (3) Take possession of, use, manage, control, and reallocate any public property of the county, real or personal, required by the mayor for the purposes of this chapter, including parks, playgrounds, and other public buildings. Whenever the property is so taken, the mayor may make such provision for the temporary accommodation of the government service affected as the mayor may deem advisable;
- (4) Utilize all services, materials, and facilities of nongovernmental agencies, relief organizations, community associations, and other private-sector and nonprofit organizations that may be made available;
- (5) Receive, expend, or use contributions or grants, which shall be deemed to be trust funds, in money, property, or services, or loans of property, or special contributions or grants in money, property, or services, or loans of property, for special purposes provided for by this chapter; establish funds in the treasury for the deposit and expenditure of the moneys; and procure federal aid as [the same] may be available. The contributions or grants are appropriated for the purposes of this chapter, or for the special purposes;
- (6) Purchase, make, produce, construct, rent, lease, or procure by condemnation or otherwise, transport, store, install, maintain, and insure, repair, renovate, restore, replace or reconstruct, and distribute, furnish or otherwise dispose of, with or without charges, materials and facilities for emergency management; and to procure federal aid therefor whenever feasible. Chapter 103D and sections 103-50, 103-53, 103-55, 105-1 to 105-10, and 464-4 shall not apply to any emergency management functions of and to the extent that the mayor finds that the provisions, in whole or in part, impede or tend to impede the expeditious discharge of the functions, or that compliance therewith is impracticable due to existing conditions;

- (7) Provide for the appointment, employment, training, equipping, and maintaining, with compensation, or on a volunteer basis without compensation and without regard to chapters 76, 78, and 88, of such agencies, officers, and other persons as the mayor deems necessary to carry out this chapter; to determine to what extent any law prohibiting the holding of more than one office or position of employment applies to the agencies, officers, and other persons; and subject to provisions of this chapter, to provide for the interchange of personnel, by detail, transfer, or otherwise, between agencies or departments of the county;
- (8) Make charges in such cases and in [such] amounts as the mayor deems advisable, for any property sold, work performed, services rendered, or accommodations or facilities furnished by the county under this chapter;
- (9) Make or authorize such contracts as may be necessary to carry out this chapter;
- (10) Establish special accounting forms and practices whenever necessary;
- (11) Require each public utility, or any person owning, controlling, or operating a critical infrastructure facility as identified by the mayor, to protect and safeguard [its] the public utility's or the person's property, or to provide for such protection and safeguarding; and provide for the protection and safeguarding of all critical infrastructure and key resources; provided that [without prejudice to the generality of the foregoing two clauses,] the protection and safeguarding may include the regulation or prohibition of public entry thereon, or the permission of the entry upon [such] terms and conditions as the mayor may prescribe;
- (12) Restrict the congregation of the public in stricken or dangerous areas or under dangerous conditions;
- (13) Direct and control the non-compulsory evacuation of the civilian population of the county;
- (14) Order and direct government agencies, officials, officers, and employees of the county, to take [such] action and employ [such] measures for law enforcement, medical, health, firefighting, traffic control, warnings and signals, engineering, rescue, construction, emergency housing, and other welfare, hospitalization, transportation, water supply, public information, training, and other emergency functions as may be necessary, and utilize the services, materials, and facilities of the agencies and officers. All [such] agencies and officers shall cooperate with and extend their services, materials, and facilities to the mayor as the mayor may request;
- (15) Provide for the repair and maintenance of public property, whenever adequate provision therefor is not otherwise made; insure the property against any emergency or disaster; provide for the restoration, renovation, replacement, or reconstruction of insured property in the event of damage or loss; and make temporary restoration of public utilities and other critical infrastructure facilities in the event of an emergency or disaster;
- (16) Fix or revise the hours of county government business; and
- (17) Take any and all steps necessary or appropriate to carry out the purposes of this chapter notwithstanding that those powers in section 127A-13(b) may only be exercised during an emergency period.

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(d) Media access shall be permitted in emergency areas closed pursuant to this section; provided that the designated emergency management authority for the affected area has determined that media access is reasonable and safe and does not hinder ongoing response and recovery activities. Media access shall be limited to duly authorized representatives of any news service, newspaper, radio station, television station, or online news distribution network. The State and counties shall not be held liable for any injury or damage to persons or property arising from media representatives entering a closed emergency area. When full access cannot be reasonably granted to all media representatives, one pool writer, one pool photographer, and one pool videographer shall be designated by the media representatives from among themselves to gather and disseminate information. Any decision regarding media access shall be at the sole discretion of the designated emergency management authority for the affected emergency area. Media representatives who are granted access to the closed emergency area shall do so at their own risk and acknowledge that the State or county may seek reimbursement pursuant to chapter 137 for search and rescue expenses incurred on their behalf. The State, counties, and any designated emergency management authority shall not be responsible for providing copies, equipment, telephone or internet access, or any other logistical support, including sharing or distribution of content, associated with media access in closed emergency areas.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 11, 2017.)

ACT 169

S.B. NO. 712

A Bill for an Act Relating to the Variance Report.

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

SECTION 1. The legislature finds that the variance report submitted annually by the governor to the legislature generally includes only a summary of budgeted appropriations and actual expenditures. The legislature also finds that consideration should be given to whether including additional information in the variance report would help the legislature better monitor the actual budgetary performances of the departments.

The legislature, however, recognizes that state resources would need to be committed to collecting, preparing, and reporting the additional information. The legislature finds that consideration should be given to whether the benefit gained by the additional budgetary information outweighs the possible negative impacts of diverting state resources from other duties.

The purpose of this Act is to require the governor to submit to the legislature before the regular session of 2019:

- (1) Summarized comparisons by executive department of the following:
 - (A) Total budgeted and actual expenditures for fiscal year 2017-2018 and total budgeted and estimated expenditures for fiscal year 2018-2019;
 - (B) The position ceiling and positions filled for fiscal year 2017-2018 and position ceiling and positions estimated to be filled for fiscal year 2018-2019; and

- (2) A recommendation on whether similar information should be included in future variance reports.

SECTION 2. For the purpose of this Act:

“Cost elements”, “means of financing”, “operating costs”, “permanent position”, “position ceiling”, and “temporary position” have the same meanings as in section 37-62, Hawaii Revised Statutes.

“Variance report” means the variance report required by section 37-75, Hawaii Revised Statutes.

SECTION 3. (a) The governor shall submit to the legislature the information specified under section 4 with the variance report submitted to the legislature before the regular session of 2019. The governor may include the information in the variance report or a document separate from the variance report.

(b) The governor, after consultation with the director of finance, shall submit to the legislature a recommendation on whether information similar to that required by this Act should be included in future variance reports. The recommendation shall be submitted in the same document in which the information under subsection (a) is submitted.

SECTION 4. The information required to be submitted by the governor shall be the following for each executive department:

- (1) A summary comparing by the operating cost category:
- (A) The total budgeted expenditure and total actual expenditure for fiscal year 2017-2018 and total budgeted expenditure and total estimated expenditure for fiscal year 2018-2019; provided that the expenditure amounts shall be shown to the nearest thousand dollars. The comparison shall include breakdowns by cost elements and means of financing for the cost elements; and
 - (B) The position ceiling and actual number of permanent and temporary positions filled in fiscal year 2017-2018 and the position ceiling and estimated number of permanent and temporary positions to be filled in fiscal year 2018-2019. The comparison shall include breakdowns by means of financing for the positions.

SECTION 5. This Act shall take effect on July 1, 2018.

(Approved July 11, 2017.)

ACT 170

S.B. NO. 786

A Bill for an Act Relating to Medical Marijuana.

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

SECTION 1. The legislature finds that the term “marijuana” originated as a slang term to describe the genus of plants that is scientifically known as cannabis. “Marijuana” has no scientific basis but carries prejudicial implications rooted in racial stereotypes from the early twentieth century era when cannabis use was first criminalized in the United States. The term “cannabis” carries no such negative connotations and is a more accurate and appropriate term to de-

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scribe a plant that has been legalized for medicinal use in Hawaii, twenty-seven other states, the District of Columbia, and the United States territories of Guam and Puerto Rico.

The legislature further finds that all references to "medical marijuana" and "medical use of marijuana" contained in the Hawaii Revised Statutes and Hawaii Administrative Rules should be amended to instead refer to "medical cannabis."

SECTION 2. All references to "medical marijuana," "medical use of marijuana," "manufactured marijuana products" and like terms, as the case may be, in chapter 329D, part IX of chapter 329, and sections 46-4, 201-13.9, 209E-2, 235-2.4, 237-24.3, 304A-1865, 321-30.1, 329-43.5, 421J-16, 453-1.3, 514A-88.5, 514B-113, 521-39, and 846-2.7, Hawaii Revised Statutes, shall be amended to "medical cannabis," "medical use of cannabis," "manufactured cannabis products" or like terms, as the case may be, as the context requires.

SECTION 3. By operation of law, title 11 of the Hawaii Administrative Rules shall be construed as having been amended in conformance with section 2 of this Act; provided that if and when the department of health amends chapter 11-160 or chapter 11-850, Hawaii Administrative Rules, it shall conform the wording in those chapters to section 2 of this Act at the time of the amendment.

SECTION 4. The department of health shall revise all documents, letterhead, websites, and other necessary items to conform with section 2 of this Act as the documents, letterhead, websites, and other necessary items otherwise require revision, replacement, or reprinting; provided that all conforming revisions shall be completed by December 31, 2019.

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

(Approved July 11, 2017.)

ACT 171

S.B. NO. 808

A Bill for an Act Relating to the Hawaii Association of Conservation Districts.

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

SECTION 1. The legislature finds that the Hawaii association of conservation districts, through coordination, facilitation, and partnerships, assists government agencies in identifying and implementing culturally-sensitive projects and practices to ensure the protection of Hawaii's environment. Chapter 180, Hawaii Revised Statutes, authorizes the soil and water conservation districts to operate as government subdivisions to educate the public and construct and maintain conservation projects and programs in Hawaii. The Hawaii association of conservation districts comprises sixteen districts representing every community on all major islands of Hawaii. Each of the sixteen districts is governed by five volunteer directors and is supported by staff. The department of land and natural resources provides administration and maintains oversight authority of the soil and water conservation districts.

Soil and water conservation districts have worked to improve Hawaii's environment and economy through major projects over the past sixty years; collaborative efforts with partners and government agencies have brought millions of dollars to Hawaii to improve farm practices, reduce erosion, improve ocean and

drinking water quality, fight invasive species, improve public safety, protect property, conserve water, and strengthen the economy. The soil and water conservation districts also provide educational and community support for conservation awareness. The districts participate in resource conservation and development projects and statewide high school programs. The districts also introduce conservation principles in elementary schools.

Additionally, soil and water conservation districts assist with reviewing each county's grading permits and conservation plans. County grading permit reviews and conservation plans are critical to preserve the environment, stimulate the economy, and maintain individual livelihoods. The demand and accompanying workload of the conservation districts have increased dramatically with population growth and land use changes. The districts receive hundreds of requests for conservation plans and county grading permit reviews each year. As a result, districts are currently struggling to keep pace with the demand, and adequate funding for the work of the Hawaii association of conservation districts is in serious jeopardy at a time of critical demand for its services. Soil and water conservation districts are authorized to accept contributions in money, services, materials or otherwise from any source, and use or expend them in carrying out its operation.

The legislature also finds that the lack of funding for the Hawaii association of conservation districts results in many negative impacts on agriculture, despite efforts to build the agricultural industry in Hawaii. Due to funding shortages, services provided by the Hawaii association of conservation districts are limited to entities within priority watershed areas that have approved watershed plans, although many of Hawaii's farming areas are not within priority watersheds. Additionally, many farmers in Maui county who require a grubbing and grading permit and are referred by the county to a soil and water conservation district will go unassisted due to funding shortages. The service of farm plan preparation will no longer be available to landowners who are requested by Maui county to obtain a farm plan. Furthermore, new farmers, many of whom are immigrants and often unfamiliar with United States laws, will not be educated by soil and water conservation district staff on conservation measures or advised to pursue environmental stewardship as a core value while seeking economic viability.

The purpose of this Act is to make an appropriation for the operational expenses and staffing costs of the Hawaii association of conservation districts.

SECTION 2. There is appropriated out of the special land and development fund the sum of \$450,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the operational expenses and staffing costs of the Hawaii association of conservation districts.

The sum appropriated shall be expended by the department of land and natural resources for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

ACT 172

S.B. NO. 859

A Bill for an Act Relating to Workers' Compensation.

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

SECTION 1. Section 386-79, Hawaii Revised Statutes, is amended to read as follows:

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“§386-79 Medical examination by employer’s physician. (a) After an injury and during the period of disability, the employee, whenever ordered by the director of labor and industrial relations, shall submit to examination, at reasonable times and places, by a duly qualified physician or surgeon designated and paid by the employer. The employee shall have the right to have a physician [or], surgeon, or chaperone designated and paid by the employee present at the examination, which right, however, shall not be construed to deny to the employer’s physician the right to visit the injured employee at all reasonable times and under all reasonable conditions during total disability. The employee shall also have the right to record such examination by a recording device designated and paid for by the employee; provided that the examining physician or surgeon approves of the recording.

If an employee refuses to submit to, or the employee or the employee’s designated chaperone in any way obstructs such examination, the employee’s right to claim compensation for the work injury shall be suspended until the refusal or obstruction ceases and no compensation shall be payable for the period during which the refusal or obstruction continues.

(b) In cases where the employer is dissatisfied with the progress of the case or where major and elective surgery, or either, is contemplated, the employer may appoint a physician or surgeon of the employer’s choice who shall examine the injured employee and make a report to the employer. If the employer remains dissatisfied, this report may be forwarded to the director.

Employer requested examinations under this section shall not exceed more than one per case unless good and valid reasons exist with regard to the medical progress of the employee’s treatment. The cost of conducting the ordered medical examination shall be limited to the complex consultation charges governed by the medical fee schedule established pursuant to section 386-21(c).”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval; provided that on June 30, 2019, this Act shall be repealed and section 386-79, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the effective date of this Act.

(Approved July 11, 2017.)

ACT 173

S.B. NO. 865

A Bill for an Act Relating to Contractors.

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

SECTION 1. The legislature finds that electrical and plumbing work may pose hazards related to public and worker safety. Accordingly, the purpose of this Act is to protect the public and promote worker safety by ensuring that persons entering into contracts to perform electrical or plumbing work are appropriately licensed to perform such work.

SECTION 2. Section 444-9.5, Hawaii Revised Statutes, is amended to read as follows:

"§444-9.5 [Licensing] Performance of electrical and plumbing work; licensing of electrical [or] and plumbing workers. (a) A person licensed as an electrical or plumbing contractor under this chapter may enter into contracts to perform electrical or plumbing work, respectively; provided that:

- (1) If the contractor's responsible managing employee, which includes a sole proprietor, is not licensed in accordance with chapter 448E, the contractor shall employ individuals licensed in accordance with chapter 448E to actually perform the electrical or plumbing work, respectively, subject to this section; and
 - (2) Employees of a community antennae television company and employees of a public utility within the State that is franchised or chartered by the State and regulated by the public utilities commission shall be exempt from this section while so employed and acting within the scope of their employment.
- (b) At least half of all individuals performing electrical or plumbing work employed on a construction job site by an electrical or plumbing contractor shall be licensed in accordance with chapter 448E. The board may waive this requirement in any county when there are insufficient licensed electrical or plumbing workers in that county to comply with this section.

[(b)] (c) All individuals employed on a construction job site by an electrical or plumbing contractor who are licensed in accordance with chapter 448E shall visibly display their license on their person while on the construction job site. Only individuals displaying their license at the time of a site inspection shall be counted as a licensee to determine compliance with this section."

SECTION 3. Nothing in this Act shall be construed to prohibit a general contractor from performing customary duct or conduit work as part of site preparation.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

ACT 174

S.B. NO. 908

A Bill for an Act Relating to the Small Business Regulatory Flexibility Act.

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

SECTION 1. The purpose of this Act is to increase the clarity and effectiveness of the Small Business Regulatory Flexibility Act by:

- (1) Adopting a more explicit definition of "small business";
- (2) Clarifying the powers of the small business regulatory review board when reviewing administrative rules that impact small business;
- (3) Increasing the number of board members from nine to eleven; and
- (4) Clarifying when agencies are required to report to the small business regulatory review board and when the board is required to report to the legislature.

SECTION 2. Section 201M-1, Hawaii Revised Statutes, is amended by amending the definition of "small business" to read as follows:

"Small business" means a for-profit [enterprise consisting of] corporation, limited liability company, partnership, limited partnership, sole proprietorship, or other legal entity that:

- (1) Is domiciled and authorized to do business in Hawaii;
- (2) Is independently owned and operated; and
- (3) Employs fewer than one hundred full-time or part-time employees[-] in Hawaii."

SECTION 3. Section 201M-5, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) There shall be established within the department of business, economic development, and tourism, for administrative purposes, a small business regulatory review board to review any proposed new or amended rule [or to]. If the board determines that a proposed rule will not have a significant economic impact on a substantial number of small businesses, the board shall submit a statement to that effect to the agency that sets forth the reason for the board's decision. If the board determines that the proposed rule will have a significant economic impact on a substantial number of small businesses, the board may submit to the agency suggested changes in the proposed rule to minimize the economic impact of the proposed rule, or may recommend the withdrawal of the proposed rule. The board may also consider any request from small business owners for review of any rule adopted by a state agency and to make recommendations to the agency or the legislature regarding the need for a rule change or legislation. For requests regarding county ordinances, the board may make recommendations to the county council or the mayor for appropriate action.

(b) The board shall consist of [nine] eleven members, who shall be appointed by the governor pursuant to section 26-34, provided that:

- (1) Three members shall be appointed from a list of nominees submitted to¹ the president of the senate;
- (2) Three members shall be appointed from a list of nominees submitted by the speaker of the house of representatives;
- (3) Two members shall be appointed from a list of nominees submitted by the board;
- [4] (4) Two members shall be appointed by the governor;
- [5] (5) The director of business, economic development, and tourism, or the director's designated representative, shall serve as an ex officio[[],] voting member of the board;
- [6] (6) The appointments shall reflect representation of a variety of businesses in the State;
- [7] (7) No more than two members shall be representatives from the same type of business; and
- [8] (8) There shall be at least one representative from each county.

For the purposes of paragraphs (1) and (2), nominations shall be solicited from small business organizations, state and county chambers of commerce, and other interested business organizations."

SECTION 4. Section 201M-7, Hawaii Revised Statutes, is amended to read as follows:

"§201M-7 Periodic review; evaluation report. (a) Each agency having rules that affect small business shall submit to the board by June 30 of each odd-numbered year, a list of those rules [to the small business regulatory review

~~board;] and a report describing the specific public purpose or interest for adopting the respective rules that affect small business and any other reasons to justify continued implementation of the rules;~~ provided that, by June 30 of each year, each agency shall submit to the [small business regulatory review] board a list of any rules to be amended or repealed, based upon any new, amended, or repealed statute[. The agency shall also submit a report describing the specific public purpose or interest for adopting the respective rules that affect small business and any other reasons to justify their continued implementation.] that impacts small business.

(b) The [small business regulatory review] board shall provide to the head of each agency a list of any rules adopted by the agency that affect small business and have generated complaints or concerns, including any rules that the board determines may duplicate, overlap, or conflict with other rules, or exceed statutory authority. Within forty-five days after being notified by the board of the list, the agency shall submit a written report to the board in response to the complaints or concerns. The agency shall also state whether the agency has considered the continued need for the rules and the degree to which technology, economic conditions, and other relevant factors may have diminished or eliminated the need for maintaining the rules.

(c) The board may solicit testimony from the public regarding any report submitted by the agency under this section at a public meeting held pursuant to chapter 92. Upon consideration of any report submitted by an agency under this section and any public testimony, the board shall submit an evaluation report to the [next regular session of the] legislature[.] each even-numbered year. The evaluation report shall include an assessment as to whether the public interest significantly outweighs a rule's effect on small business and any legislative proposal to eliminate or reduce the effect on small business. The legislature may take any action in response to the report as it finds appropriate."

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

Note

1. Prior to amendment "by" appeared here.

ACT 175

S.B. NO. 911

A Bill for an Act Relating to the Housing Loan and Mortgage Program.

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

SECTION 1. The legislature finds that the affordable housing crisis continues to be one of the State's most significant and challenging social problems and is a critical issue for many Hawaii residents. As the cost of housing increases, the State must continue to assist residents in obtaining affordable rental housing.

The purpose of this Act is to provide that assistance by increasing the Hula Mae multifamily revenue bond authorization from \$1,000,000,000 to \$1,500,000,000.

SECTION 2. Act 291, Session Laws of Hawaii 1980, as amended by Act 304, Session Laws of Hawaii 1996; Act 185, Session Laws of Hawaii 2004; Acts 231 and 249, Session Laws of Hawaii 2007; Act 121, Session Laws of Hawaii 2008; Act 138, Session Laws of Hawaii 2012; and Act 162, Session Laws of Hawaii 2014, is amended by amending section 11 to read as follows:

"SECTION 11. Issuance of revenue bond; amount authorized. Revenue bonds may be issued by the Hawaii housing finance and development corporation pursuant to part III, chapter 39 and subpart A of part III of chapter 201H, Hawaii Revised Statutes, in an aggregate principal amount not to exceed ~~[\$1,000,000,000]~~ \$1,500,000,000 at such times and in such amounts as the Hawaii housing finance and development corporation deems advisable for the purpose of undertaking and maintaining any of the housing loan programs under subpart A of part III of chapter 201H, Hawaii Revised Statutes, relating to the funding or purchasing of eligible project loans."

SECTION 3. Section 201H-95, Hawaii Revised Statutes, is amended to read as follows:

"[§201H-95] Eligible project loans. (a) The corporation shall establish requirements for rental housing projects to be financed by an eligible project loan, and may consider the location, age, condition, and other characteristics of the project.

(b) The corporation shall establish restrictions on the terms, maturities, interest rates, and other requirements for eligible project loans.

(c) The corporation shall establish restrictions on the prepayment of eligible project loans and on the transfer of ownership of the projects securing eligible project loans.

(d) The corporation shall require that any sums deferred on land leased at nominal rates by the corporation to the owner of a rental housing project shall be recovered by the corporation at the time an eligible project loan is prepaid, whether as a result of refinancing of the eligible project loan or otherwise, to the extent that funds are available from the refinancing or other method by which the eligible project loan is paid in full prior to its due date.

(e) The corporation shall enter into an agreement with the owner of a rental housing project to be financed with an eligible project loan which shall provide that in the event that the eligible project loan is at any time prepaid for the purpose of converting the rental units of such project to ownership units, all tenants at the time of the proposed conversion shall have the first option to purchase their units.

(f) All eligible project loans shall comply with applicable state and federal laws.

(g) The corporation shall submit an annual report to the legislature no later than twenty days prior to the convening of each regular session describing the multifamily revenue bond activity under this section. The following information shall be reported:

- (1) The amount of multifamily revenue bond authority utilized and remaining balance;
- (2) A description of multifamily project activity including dates, project names and descriptions, and bond amounts for the following activities:
 - (A) Application;
 - (B) Approval of inducement resolution;
 - (C) Approval to issue bonds; and

- (D) Issuance of bonds; and
 (3) A summary of the activity of the fund by quarter.”

SECTION 4. Statutory material to be repealed is bracketed and stricken.
 New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

ACT 176

S.B. NO. 99

A Bill for an Act Relating to the Housing Choice Voucher Program.

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

SECTION 1. Chapter 46, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§46- Housing choice voucher program. No county shall disqualify a legal nonconforming dwelling unit from the housing choice voucher program if the unit meets zoning and building code requirements and other program standards such as health and safety standards.”

SECTION 2. If any part of this Act is found to be in conflict with federal requirements that are a prescribed condition for the allocation of federal funds to the State, the conflicting part of this Act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this Act.

SECTION 3. New statutory material is underscored.¹

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

(Approved July 11, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 177

S.B. NO. 100

A Bill for an Act Relating to Taxation.

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

SECTION 1. The legislature finds that, pursuant to Act 245, Session Laws of Hawaii 2016, beginning in 2019, the auditor is required to review certain credits, exclusions, and deductions under the income tax and financial institutions tax. Pursuant to Act 261, Session Laws of Hawaii 2016, beginning in 2018, the auditor is also required to review certain exemptions, exclusions, and credits under the general excise and use taxes, public service company tax, and insurance premium tax.

The legislature has chosen to delay the review schedules because relevant tax impact data may not be readily available in 2018. The department of taxation is undertaking a tax system modernization project that will be capable of efficiently collecting and reporting data on the tax expenditures from exemptions, exclusions, credits, and deductions. Thus, the legislature finds it prudent to delay the review schedules until after the tax system modernization project reaches a higher level of production.

The legislature also finds that the organic foods production tax credit should be added to the review schedule. The tax credit was established by Act 258, Session Laws of Hawaii 2016, and the schedule of income tax credit reviews was established by Act 245, Session Laws of Hawaii 2016. Because of the near simultaneous passage during the Regular Session of 2016 of the bills that became Acts 245 and 258, the organic foods production tax credit was not included in the review schedule of Act 245.

The legislature notes that the auditor has raised concerns regarding the criteria to be used to determine whether tax measures are achieving their legislative purpose. The auditor has indicated that the available legislative history is not helpful in identifying the purposes of some tax exemptions, exclusions, credits, and deductions, particularly the older ones. It is the legislature's intent to provide the auditor with more discretion in identifying the purpose of the exemptions, exclusions, credits, and deductions.

The purpose of this Act is to amend the provisions of the auditor's review of exemptions, exclusions, credits, and deductions established under Acts 245 and 261, Session Laws of Hawaii 2016, by:

- (1) Requiring the department of taxation to provide the auditor with any tax records that are necessary to conduct the reviews;
- (2) Clarifying the review criteria regarding the achievement of the legislative purpose of the exemption, exclusion, credit, or deduction;
- (3) Delaying the review schedules established under Act 245 and Act 261; and
- (4) Adding the organic foods production tax credit that was enacted by Act 258, Session Laws of Hawaii 2016, to the review schedule.

SECTION 2. Chapter 231, Hawaii Revised Statutes, is amended by adding a new section to the part entitled "General Provisions" to be appropriately designated and to read as follows:

"§231- Auditor access to tax records or other information for reviews of exemptions, exclusions, credits, and deductions. (a) Notwithstanding any other law to the contrary, the department shall provide to the auditor any tax records and other information maintained by the department that are requested by the auditor for the reviews of:

- (1) Exemptions, exclusions, and credits under the general excise and use taxes, public service company tax, and insurance premium tax, as provided by chapter 23, part VI; and
- (2) Credits, exclusions, and deductions under the income tax and financial institutions tax, as provided by chapter 23, part VII.

Any information provided to the auditor under this section marked confidential by the department shall be kept confidential by the auditor, except as provided in subsection (b).

(b) Notwithstanding any other law to the contrary, the auditor may include in a report of a review that is submitted to the legislature data that:

- (1) The auditor deems necessary and relevant for the purpose of legislative review, including information received from the department of taxation pursuant to subsection (a); and
 - (2) Does not explicitly identify any specific taxpayer or beneficiary of a tax exemption, exclusion, credit, or deduction;
- provided that any information marked confidential by the department shall be kept confidential by the legislature."

SECTION 3. Section 23-71, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

- "(b) In the review of an exemption, exclusion, or credit, the auditor shall:
- (1) Determine the amount of tax expenditure for the exemption, exclusion, or credit for each of the previous three [fiscal] calendar years;
 - (2) Estimate the amount of tax expenditure for the exemption, exclusion, or credit for the current [fiscal] calendar year and the next two [fiscal] calendar years;
 - (3) Determine, to the extent possible, whether the exemption, exclusion, or credit has achieved and continues to achieve the purpose for which it was enacted by the legislature[;], as reasonably identified by the auditor;
 - (4) Determine whether the exemption, exclusion, or credit is necessary to promote or preserve tax equity or efficiency;
 - (5) If the exemption, exclusion, or credit was enacted because of its purported economic or employment benefit to the State:
 - (A) Determine whether a benefit has resulted, and if so, quantify to the extent possible the estimated benefit directly attributable to the exemption, exclusion, or credit; and
 - (B) Comment on whether the benefit, if any, outweighs the cost of the exemption, exclusion, or credit; and
 - (6) Estimate the annual cost of the exemption, exclusion, or credit per low-income resident of the State. For purposes of this paragraph, a "low-income resident of the State" means an individual who is a resident of the State and:
 - (A) Is the only member of a family of one and has an income of not more than eighty per cent of the area median income for a family of one; or
 - (B) Is part of a family with an income of not more than eighty per cent of the area median income for a family of the same size.

The cost shall be estimated by dividing the annual tax expenditure for the exemption, exclusion, or credit for each [fiscal] calendar year under review by the number of low-income residents of the State in the [fiscal] calendar year. The estimate determined pursuant to this paragraph is intended to display the effect on low-income residents of the State if they directly receive, either through tax reduction or negative tax, the dollars saved by elimination of the exemption, exclusion, or credit."

SECTION 4. Section 23-72, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

"[§23-72] Review for [2018] 2019 and every tenth year thereafter. (a) The exemptions and exclusions under the general excise and use taxes listed in subsection (c) shall be reviewed in [2018] 2019 and every tenth year thereafter."

SECTION 5. Section 23-73, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

“[§23-73] Review for [2019] 2020 and every tenth year thereafter. (a) The exemptions, exclusions, and credits under the general excise tax listed in subsection (c) shall be reviewed in [2019] 2020 and every tenth year thereafter.”

SECTION 6. Section 23-74, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

“[§23-74] Review for [2020] 2021 and every tenth year thereafter. (a) The exemptions and exclusions under the general excise tax, public service company tax, or insurance premium tax listed in subsection (c) shall be reviewed in [2020] 2021 and every tenth year thereafter.”

SECTION 7. Section 23-75, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

“[§23-75] Review for [2021] 2022 and every tenth year thereafter. (a) The exemptions or exclusions under the general excise and use taxes listed in subsection (c) shall be reviewed in [2021] 2022 and every tenth year thereafter.”

SECTION 8. Section 23-76, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

“[§23-76] Review for [2022] 2023 and every tenth year thereafter. (a) The exemptions or exclusions under the general excise tax listed in subsection (c) shall be reviewed in [2022] 2023 and every tenth year thereafter.”

SECTION 9. Section 23-77, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

“[§23-77] Review for [2023] 2024 and every tenth year thereafter. (a) The exemptions or exclusions under the general excise and use taxes listed in subsection (c) shall be reviewed in [2023] 2024 and every tenth year thereafter.”

SECTION 10. Section 23-78, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

“[§23-78] Review for [2024] 2025 and every tenth year thereafter. (a) The exemptions or exclusions under the general excise tax listed in subsection (c) shall be reviewed in [2024] 2025 and every tenth year thereafter.”

SECTION 11. Section 23-79, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

“[§23-79] Review for [2025] 2026 and every tenth year thereafter. (a) The exemptions, exclusions, or credits under the general excise and use taxes and insurance premium tax listed in subsection (c) shall be reviewed in [2025] 2026 and every tenth year thereafter.”

SECTION 12. Section 23-80, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

[§23-80] **Review for [2026] 2027 and every tenth year thereafter.** (a) The exemptions or exclusions under the general excise and use taxes listed in subsection (c) shall be reviewed in [2026] 2027 and every tenth year thereafter."

SECTION 13. Section 23-81, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

[§23-81] **Review for [2027] 2028 and every tenth year thereafter.** (a) The exemptions or exclusions under the general excise tax listed in subsection (c) shall be reviewed in [2027] 2028 and every tenth year thereafter."

SECTION 14. Section 23-91, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) In the review of a credit, exclusion, or deduction, the auditor shall:

- (1) Determine the amount of tax expenditure for the credit, exclusion, or deduction for each of the previous three [fiscal] calendar years;
- (2) Estimate the amount of tax expenditure for the credit, exclusion, or deduction for the current [fiscal] calendar year and the next two [fiscal] calendar years;
- (3) Determine, to the extent possible, whether the credit, exclusion, or deduction has achieved and continues to achieve the purpose for which it was enacted by the legislature[;], as reasonably identified by the auditor;
- (4) Determine whether the credit, exclusion, or deduction is necessary to promote or preserve tax equity or efficiency;
- (5) If the credit, exclusion, or deduction was enacted because of its purported economic or employment benefit to the State:
 - (A) Determine whether a benefit has resulted, and if so, quantify to the extent possible the estimated benefit directly attributable to the credit, exclusion, or deduction; and
 - (B) Comment on whether the benefit, if any, outweighs the cost of the credit, exclusion, or deduction; and
- (6) Estimate the annual cost of the credit, exclusion, or deduction per low-income resident of the State. For purposes of this paragraph, a "low-income resident of the State" means an individual who is a resident of the State and:
 - (A) Is the only member of a family of one and has an income of not more than eighty per cent of the area median income for a family of one; or
 - (B) Is part of a family with an income of not more than eighty per cent of the area median income for a family of the same size.

The cost shall be estimated by dividing the annual tax expenditure for the credit, exclusion, or deduction for each [fiscal] calendar year under review by the number of low-income residents of the State in the [fiscal] calendar year. The estimate determined pursuant to this paragraph is intended to display the effect on low-income residents of the State if they directly receive, either through tax reduction or negative tax, the dollars saved by elimination of the credit, exclusion, or deduction."

SECTION 15. Section 23-92, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

[§23-92] **Review for [2019] 2020 and every fifth year thereafter.** (a) The credits under the income tax and financial institutions tax listed in subsection (c) shall be reviewed in [2019] 2020 and every fifth year thereafter.”

SECTION 16. Section 23-93, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

[§23-93] **Review for [2020] 2021 and every fifth year thereafter.** (a) The credits, exclusions, and deductions under the income tax and financial institutions tax listed in subsection (c) shall be reviewed in [2020] 2021 and every fifth year thereafter.”

SECTION 17. Section 23-94, Hawaii Revised Statutes, is amended as follows:

1. By amending its title and subsection (a) to read:

[§23-94] **Review for [2021] 2022 and every fifth year thereafter.** (a) The credits and exclusions under the income tax listed in subsection (c) shall be reviewed in [2021] 2022 and every fifth year thereafter.”

2. By amending subsection (c) to read:

“(c) This section shall apply to the following:

- (1) Section 235-4.5(a)—Exclusion of intangible income earned by a trust sited in this State;
- (2) Section 235-4.5(b)—Exclusion of intangible income of a foreign corporation owned by a trust sited in this State;
- (3) Section 235-4.5(c)—Credit to a resident beneficiary of a trust for income taxes paid by the trust to another state;
- (4) Sections 235-55 and 235-129—Credit for income taxes paid by a resident taxpayer to another jurisdiction;
- (5) Section 235-71(c)—Credit for a regulated investment company shareholder for the capital gains tax paid by the company;
- (6) Section 235-110.6—Credit for fuel taxes paid by a commercial fisher;
- (7) Section 235-110.93—Credit for important agricultural land qualified agricultural cost;
- (8) Section 235-110.94 Credit for organically produced agricultural products.
- [8] (9) Section 235-129(b)—Credit to a shareholder of an S corporation [shareholder] for the shareholder’s pro rata share of the tax credit earned by the S corporation in this State; and
- [9] (10) Section 209E-10—Credit for a qualified business in an enterprise zone; provided that the review of this credit pursuant to this part shall be limited in scope to income tax credits.”

SECTION 18. Section 23-95, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

[§23-95] **Review for [2022] 2023 and every fifth year thereafter.** (a) The credits and deductions under the income tax and financial institutions tax listed in subsection (c) shall be reviewed in [2022] 2023 and every fifth year thereafter.”

SECTION 19. Section 23-96, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

[§23-96] Review for **[2023] 2024** and every fifth year thereafter. (a) The credits under the income tax listed in subsection (c) shall be reviewed in **[2023] 2024** and every fifth year thereafter."

SECTION 20. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 21. This Act shall take effect upon its approval.

(Approved July 11, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 178

S.B. NO. 102

A Bill for an Act Relating to the Federal Funding Policy Study.

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

SECTION 1. The purpose of this Act is to address the federal funding policy study mandated by Act 225, Session Laws of Hawaii 2016.

Specifically, this Act amends Act 225 to change the state agency charged with conducting the federal funding policy study required by that Act, specify the fiscal period to be covered by the study, and extend the deadline for the study.

The legislature finds that the department of budget and finance is more appropriate than the office of the governor to conduct the federal funding policy study. Specifically, the office of federal awards management within the department of budget and finance currently monitors federal funds received by the State and bears the major responsibility for budgetary policies. Most importantly, the department of budget and finance must work towards assuring that the resources of the State are sufficient to fund necessary expenditures in the short- and long-term. This responsibility gives the department a practical appreciation of the need for sustainable revenues.

SECTION 2. Act 225, Session Laws of Hawaii 2016, is amended by amending sections 1 through 3 to read as follows:

"SECTION 1. The purpose of this Act is to address federal funds for state government.

More specifically, this Act requires the [office of the governor] department of budget and finance to conduct a federal funding policy study[-] and report findings and recommendations to the governor.

The legislature finds that the preparation of a study of federal funding is necessary for state public policymakers to better understand the possible consequences of major reductions in federal funding of state government programs and projects. The legislature intends for the study to result in a policy from the governor that reduces the dependence of state government on federal funds.

SECTION 2. (a) The [office of the governor] department of budget and finance shall prepare a federal funding policy study for the State.

(b) [The] As part of the federal funding policy study, the office of federal awards management of the department of budget and finance shall:

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- (1) Identify the federal fund awards that state executive departments regularly receive to pay for programs and projects; and
- (2) Estimate the amount of federal funds to be expended by the state government annually in the [next two] fiscal bienniums[;] 2017-2019 and 2019-2021.
- (c) The department of budget and finance shall utilize the data compiled under subsection (b) and, with the assistance of the office of federal awards management, shall:
 - [3] (1) Analyze the extent of the dependence of state executive departments on federal funds to pay for major programs and projects;
 - [4] (2) Address the likelihood of a reduction of federal funds for state programs and projects in the [next two] fiscal bienniums[;] 2017-2019 and 2019-2021; and
 - [5] (3) Discuss generally the impact on state government and Hawaii residents if federal funding levels are reduced.
- [e] (d) Based upon the findings from [subsection] subsections (b)[;] and (c), the [federal funding policy study] department of budget and finance shall recommend a policy with respect to the use of federal funds for state programs and projects. The policy shall include:
 - (1) Parameters regarding the application for and acceptance of federal funds available on a formula or competitive basis;
 - (2) Principles guiding the extent of dependence of state executive departments on federal funds;
 - (3) Conditions for using federal funds as the means of financing the salaries of state employees;
 - (4) Circumstances under which the state government should continue programs or projects with state funds after federal funds are no longer available for those programs and projects; and
 - (5) Measures and recommendations to protect the state government and residents of the State from the adverse effects of a slowed or reduced rate of federal funding for state programs and projects.
- [d] (e) The [office of the governor] department of budget and finance shall submit[;] to the governor and legislature:
 - (1) An interim report on the actions taken pursuant to this Act from its effective date until December 31, [2016, to the legislature] 2017, and estimated data and preliminary findings for fiscal year 2017-2018. The interim report shall be submitted no later than [twenty days prior to the convening of the regular session of 2017;] February 1, 2018; and
 - (2) The final federal funding policy study and any proposed legislation [to the legislature] no later than [twenty days prior to the convening of the regular session of] October 1, 2018.
- (f) After receipt of the final federal funding policy study, the governor shall review the findings and recommendations and submit a report to the legislature with the governor's decisions on whether to accept, reject, or modify the recommendations of the study. The report shall be submitted by January 1, 2019.

SECTION 3. [There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2016-2017 for the preparation of the federal funding policy study.

The sum appropriated shall be expended by the office of the governor for the purposes of this Act.] There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary

for fiscal year 2017-2018 for the preparation of the federal funding policy study; provided that this appropriation shall not lapse at the end of fiscal year 2017-2018; provided further that all moneys that are unencumbered as of December 31, 2018, shall lapse as of that date.

The sum appropriated shall be expended by the department of budget and finance for the purposes of this Act.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

ACT 179

S.B. NO. 119

A Bill for an Act Relating to Payment of Rent.

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

SECTION 1. Section 521-21, Hawaii Revised Statutes, is amended to read as follows:

“§521-21 Rent. (a) The landlord and tenant may agree to any consideration, not otherwise prohibited by law, as rent. In the absence of such agreement, and subject to section 521-71(e) in the case of holdover tenants, the tenant shall pay to the landlord the fair rental value for the dwelling unit.

(b) Rents shall be payable at the time and place agreed to by the parties. Unless otherwise agreed, the entire rent shall be payable at the beginning of any term for one month or less, and for longer terms in equal monthly installments payable at the beginning of each month. When a rental agreement with a public assistance recipient requires that the rent be paid on or before the third day after the day on which the public assistance check is usually received, the tenant shall have the option of establishing a new due date by making a one-time payment to cover the period between the original due date and the newly established date. The new date shall not exceed by more than three days, excluding Saturdays, Sundays, and holidays, the date on which checks are mailed. The one-time payment shall be established by dividing the monthly rental by thirty and multiplying the result by the number of days between the original and the new due dates.

(c) Except as otherwise provided in subsection (b), rent shall be uniformly apportionable from day to day.

(d) When the tenancy is from month to month, the amount of rent for such tenancy shall not be increased by the landlord without written notice given forty-five consecutive days prior to the effective date of the increase.

(e) When the tenancy is less than month to month, the amount of rent for such tenancy shall not be increased by the landlord without written notice given fifteen consecutive days prior to the effective date of the increase.

(f) Where the rental agreement provides for a late charge payable to the landlord for rent not paid when due, the late charge shall not exceed eight percent of the amount of rent due.”

SECTION 2. New statutory material is underscored.

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SECTION 3. This Act shall take effect on November 1, 2017; provided that section 1 of this Act shall apply to all rental agreements entered into on or after the effective date of this Act and all rental agreement renewals entered into on or after the effective date of this Act.

(Approved July 11, 2017.)

ACT 180

S.B. NO. 288

A Bill for an Act Relating to Self-Service Storage Facilities.

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

SECTION 1. The legislature finds that Hawaii adopted its self-service storage facilities laws in 1984 and that the laws have remained virtually unchanged during the intervening thirty-three years. Consequently, the State's self-service storage facilities laws do not adequately reflect or support current self-service storage facilities businesses, including the facility owners and storage unit occupants.

The legislature also finds that since the enactment of the self-service storage facility laws, technological advances such as electronic mail and internet websites have changed the ways that self-service storage facilities owners and occupants can, and in many instances prefer, to communicate with one another and exchange necessary information. The inability of owners and occupants under current law to communicate through these modern forms of communication reduces efficiency and is burdensome on all parties. Therefore, it is necessary to update these laws to allow owners and occupants to effectively make use of modern communications.

The legislature also finds that self-service storage facilities owners are ill-equipped under the law to deal efficiently with delinquent occupants who leave motor vehicles or boats stored at the facilities. Motor vehicle and boat liens, which involve titled property, are more complicated than the usual self-storage lien circumstances that facilities owners typically encounter, which can lead to unnecessary delays and confusion. Therefore, the legislature further finds that allowing self-service storage facilities owners, after providing appropriate notice, to tow motor vehicles and boats belonging to delinquent occupants would provide a workable solution for facilities owners.

Accordingly, the purpose of this Act is to modernize the self-service storage facilities laws to:

- (1) Allow self-service storage facility owners to tow motor vehicles and boats after sixty or more days of delinquency; provided that owners provide delinquent occupants with appropriate notice;
- (2) Reflect the modern needs of the industry by allowing self-service storage facility owners to publish notices of sales and send other notices to occupants by electronic mail and other commercially reasonable methods;
- (3) Require any limitations on value provisions to be provided for in the contract; and
- (4) Require self-service storage facility owners to notify occupants of the changes enacted by this Act.

SECTION 2. Chapter 507, Hawaii Revised Statutes, is amended by adding a new section to part III to be appropriately designated and to read as follows:

“§507- Occupant in default; motor vehicle or boat removal. If an occupant is in default for sixty or more days and the personal property stored in the leased space is a motor vehicle or boat, the motor vehicle or boat shall be deemed to be left unattended on private property without authorization of the owner of the property and may be towed away, at the expense of the owner of the motor vehicle or boat; provided that for purposes of this section, a vehicle may be towed pursuant to section 290-11; provided further that a towing company engaged pursuant to this section shall be a towing company registered in Hawaii. At least fifteen days prior to having the motor vehicle or boat towed, the owner shall provide notice to the occupant, stating the name, address, and contact information of the towing company, by certified mail at the occupant's last known postal address and by electronic mail at the occupant's last known electronic mail address.

For purposes of applying section 290-11 to this section, the term “vehicle” shall be deemed to correspond to the terms “motor vehicle” and “boat.”

SECTION 3. Section 507-61, Hawaii Revised Statutes, is amended by adding one new definition to be appropriately inserted and to read as follows:

“Electronic mail” means the transmission of information or a communication by the use of a computer or other electronic means sent to a person identified by a unique address and that is received by that person.”

SECTION 4. Section 507-61, Hawaii Revised Statutes, is amended by amending the definition of “last known address” to read as follows:

“Last known address”, “last known postal address”, or “last known electronic mail address” means the postal or electronic mail address provided by the occupant in the latest rental agreement, or the postal or electronic mail address provided by the occupant in a subsequent written notice of a change of address.”

SECTION 5. Section 507-63, Hawaii Revised Statutes, is amended to read as follows:

[§507-63] **Rent due; notice of default and lien.** When any part of the rent or other charges due from an occupant remain unpaid for fifteen consecutive days, an owner may deny the right of access to the occupant to the storage space at a self-service storage facility; provided that [notice is sent to the occupant's or last known address, postage prepaid, containing all of the following:] the owner shall provide notice at the occupant's last known electronic mail address and last known postal address, postage prepaid. The notice shall contain:

- (1) A statement of the owner's claim showing the sums due at the time of the notice and the date when the sums became due[.];
- (2) A statement that the occupant is in default of the rental agreement[.];
- (3) A statement that the occupant's right to use the storage space will be denied unless and until all sums due are paid by the occupant[.];
- (4) A notice that the occupant has been denied access to the storage space and that an owner's lien, as provided for in section 507-62, may be imposed if all sums due are not paid within fifteen days of the notice[.]; and
- (5) The name, street address, [and] telephone number, and electronic mail address of the owner, or a designated agent, whom the occupant may contact to respond to the notice[.] via electronic mail.”

SECTION 6. Section 507-64, Hawaii Revised Statutes, is amended to read as follows:

“[§§507-64] Notice of lien. If a notice has been sent, as required by section 507-63, and the total sum due has not been paid as specified in the notice, the owner may deny an occupant access to the space, enter the space, and remove any property found in the space to a place of safekeeping; provided that the owner shall send a notice of lien to the [occupant, addressed to the] occupant's [last known address, postage prepaid, a notice of lien] last known electronic mail address and last known postal address, postage prepaid, which shall state [all of the following]:

- (1) That the occupant's right to use the storage space has terminated and that the occupant no longer has access to the stored property[-];
- (2) That the stored property is subject to a lien, and the amount of the lien[-]; and
- (3) That the owner will seize and take possession of the property to satisfy the lien after a specified date which is not less than fifteen days from the date of mailing the notice unless the amount of the lien is paid.”

SECTION 7. Section 507-65, Hawaii Revised Statutes, is amended to read as follows:

“§507-65 Final demand and notice of sale. If both notices have been sent, as required by sections 507-63 and 507-64, and the total sum due has not been paid as specified in the two prior notices, the owner may prepare for the sale of the occupant's property. The owner shall [then] send to the [occupant, addressed to the] occupant's last known electronic mail address and last known address, by certified mail, postage prepaid:

- (1) A notice of final demand and sale which shall state [all of the following]:
 - (A) That the sums due for rent and charges demanded have not been paid[-];
 - (B) That the occupant's right to use the designated storage space has been terminated[-];
 - (C) That the occupant no longer has access to the stored property[-];
 - (D) That the stored property is subject to a lien and the amount of the lien[-];
 - (E) That the property will be sold to satisfy the lien after a specified date which is not less than thirty days from the date of mailing the notice unless prior to the specified date, the lien is paid in full[-];
 - (F) That any excess proceeds of the sale over the lien amount of costs of sale will be retained by the owner and may be reclaimed by the occupant, or claimed by another person, at any time for a period of one year from the sale and that thereafter the proceeds will go to the State under chapter 523A[-]; and
 - (G) That if the proceeds of sale do not fully cover the amount of lien and costs, the occupant will be held liable for any deficiency[-]; and
- (2) An itemized statement of the owner's claim showing all sums due at the time of the notice and the date when sums became due.”

SECTION 8. Section 507-66, Hawaii Revised Statutes, is amended to read as follows:

"§507-66 Method of sale. (a) [Fifteen] No sooner than fifteen days after sending the final demand and notice of sale, pursuant to section 507-65(1), the owner shall cause an advertisement of the sale [shall] to be [published]:

- (1) Published once a week for two weeks consecutively in a newspaper of general circulation published in the judicial district where the sale is to be held[-]; or
- (2) Disseminated in any other commercially reasonable manner; provided that at least three independent bidders participate in the sale.

The advertisement shall include a general description of the goods, the name of the person on whose account they are being stored, the total sums due, and the name and location of the storage facility.

(b) The sale shall be conducted in a commercially reasonable manner[; and, after], which shall include a sale conducted on an online website that customarily conducts self-storage lien sales. After deducting the amount of the lien and costs, the owner shall retain any excess proceeds of the sale on the occupant's behalf. The occupant, or any other person having a court order or other judicial process against the property, may claim the excess proceeds, or a portion thereof sufficient to satisfy the particular claim, at any time within one year of the date of sale. Thereafter, the owner shall pay any remaining excess proceeds to the State as provided in chapter 523A."

SECTION 9. Section 507-70, Hawaii Revised Statutes, is amended to read as follows:

"[§507-70] Self-storage contracts. (a) Each contract for the rental or lease of individual storage space in a self-service storage facility shall be in writing and shall contain, in addition to the provisions otherwise required or permitted by law to be included, a statement that the occupant's property will be subject to a claim of lien and may be sold to satisfy the lien if the rent or other charges due remain unpaid for fifteen consecutive days and that such actions are authorized by this part.

(b) This part shall not apply, and the lien authorized by this part shall not attach, unless the rental agreement or supporting documentation requests, and provides space for, the occupant to give the name [and], address, and telephone number of another person to whom notices required to be given under this part may be sent. If [both] an address [and], an alternative address, and an alternative telephone number are provided by the occupant, notices pursuant to sections 507-63 or 507-64 shall be sent to both addresses[-] and by contact at the alternative telephone number. If both addresses and an alternative telephone number are provided by the occupant, the owner shall send the final demand and notice of sale, pursuant to section 507-65, to both addresses by certified mail, postage prepaid[-], and contact the occupant at the alternative telephone number. Failure of an occupant to provide an alternative address shall not affect an owner's remedies under this part or under any other provision of law.

(c) If the contract entered into between the owner and the occupant contains a provision placing a limit on the value of property that may be stored in the occupant's space, this limit shall be the maximum value of the stored property; provided that the provision is printed in bold type or underlined in the contract. The limit on the value of property shall not be less than \$1,000. The contract may provide that the occupant may increase the limit on the value of property with the written permission of the owner."

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SECTION 10. An owner of a self-service storage facility shall notify each occupant of the self-service storage facility regarding the changes to the self-service storage facility law pursuant to sections 2 through 9 of this Act. Each owner shall update the rental agreements modified pursuant to this Act and obtain the initials of the occupants under each rental agreement.

SECTION 11. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 12. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 13. This Act shall take effect upon its approval.

(Approved July 11, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 181

S.B. NO. 292

A Bill for an Act Relating to Condominiums.

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

PART I

SECTION 1. The legislature finds that two condominium chapters are currently maintained: chapter 514A, Hawaii Revised Statutes (“chapter 514A”), and chapter 514B, Hawaii Revised Statutes (“chapter 514B”). Chapter 514A is relevant only to condominium property regimes that were created before July 1, 2006, but not yet brought to market for sale. Chapter 514B alone has applied to all condominiums created within the State since July 1, 2006.

The legislature further finds that virtually all provisions of chapter 514B that affect the management of condominiums have applied automatically to condominiums in existence before July 1, 2006, the effective date of chapter 514B, subject to two provisos:

- (1) The specified provisions automatically apply only to events and circumstances occurring on or after July 1, 2006; and
- (2) Such automatic application shall not invalidate existing provisions of a condominium’s governing documents if to do so would invalidate a developer’s reserved rights or be an unreasonable impairment of contract, i.e., the United States Constitution’s Contracts Clause standard.

Furthermore, the applicability provisions of chapter 514B, which are based on sections 1-201, 1-204, and 1-206 of the Uniform Common Interest Ownership Act (1994), seek to balance the benefits of having the improved condominium law apply to all condominiums against reasonable contractual expectations of condominiums in existence before July 1, 2006.

However, the legislature also finds that maintaining two condominium chapters within the Hawaii Revised Statutes has caused confusion for some condominium owners, boards, realtors, and attorneys. Additionally, although there

are still some condominium projects that were created before July 1, 2006, but have never been built and sold to anyone in the general public, the legislature notes that the developers of such projects have had more than a decade to bring their condominium projects created under chapter 514A to market. Chapter 514B has superior consumer protection provisions, and since it has been over ten years since chapter 514B was enacted, the legislature finds that it is appropriate to end any confusion, repeal the outdated chapter 514A, and have the documents of any remaining projects created under chapter 514A conform to chapter 514B.

Accordingly, the purpose of this Act is to end confusion and have only one condominium chapter in the Hawaii Revised Statutes by:

- (1) Repealing chapter 514A;
- (2) Making it clear that chapter 514B applies to all condominiums in the State, provided that such application shall not invalidate existing provisions of a condominium's governing documents, if to do so would invalidate a developer's reserved rights; and
- (3) Removing associated references to the repealed chapter 514A.

PART II

SECTION 2. Chapter 514A, Hawaii Revised Statutes, is repealed.

PART III

SECTION 3. Section 514B-21, Hawaii Revised Statutes, is amended to read as follows:

“[§§514B-21] **Applicability [to new condominiums].** (a) This chapter applies to all condominiums created within this State [after July 1, 2006. The provisions of chapter 514A do not apply to condominiums created after July 1, 2006.]; provided that such application shall not invalidate existing provisions of the declaration, bylaws, condominium map, or other constituent documents of those condominiums if to do so would invalidate the reserved rights of a developer. Amendments to this chapter apply to all condominiums [created after July 1, 2006 or subjected to this chapter], regardless of when the amendment is adopted.

(b) For purposes of interpreting this chapter, the terms "condominium property regime" and "horizontal property regime" shall be deemed to correspond to the term "condominium"; the term "apartment" shall be deemed to correspond to the term "unit"; the term "apartment owner" shall be deemed to correspond to the term "unit owner"; and the term "association of apartment owners" shall be deemed to correspond to the term "association".

SECTION 4. Section 514B-22, Hawaii Revised Statutes, is repealed.

PART IV

SECTION 5. Section 26-9, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) The board of acupuncture, board of public accountancy, board of barbering and cosmetology, boxing commission, board of chiropractic examiners, contractors license board, board of dental examiners, board of electricians and plumbers, elevator mechanics licensing board, board of professional engineers, architects, surveyors, and landscape architects, board of massage therapy, Hawaii medical board, motor vehicle industry licensing board, motor vehicle

repair industry board, board of naturopathic medicine, board of nursing, board of examiners in optometry, pest control board, board of pharmacy, board of physical therapy, board of psychology, board of private detectives and guards, real estate commission, board of veterinary examiners, board of speech pathology and audiology, and any board, commission, program, or entity created pursuant to or specified by statute in furtherance of the purpose of this section including but not limited to section 26H-4, or chapters 484, [514A,] 514B, and 514E shall be placed within the department of commerce and consumer affairs for administrative purposes.

The public utilities commission shall be placed, for administrative purposes only, within the department of commerce and consumer affairs. Notwithstanding section 26-9(e), (f), (g), (h), (j), (k), (l), (m), (n), (p), (q), (r), and (s), and except as permitted by sections 269-2 and 269-3, the department of commerce and consumer affairs shall not direct or exert authority over the day-to-day operations or functions of the commission."

SECTION 6. Section 92-28, Hawaii Revised Statutes, is amended to read as follows:

"§92-28 State service fees; increase or decrease of. Any law to the contrary notwithstanding, the fees or other nontax revenues assessed or charged by any board, commission, or other governmental agency may be increased or decreased by the body in an amount not to exceed fifty per cent of the statutorily assessed fee or nontax revenue, to maintain a reasonable relation between the revenues derived from such fee or nontax revenue and the cost or value of services rendered, comparability among fees imposed by the State, or any other purpose which it may deem necessary and reasonable; provided that:

- (1) The authority to increase or decrease fees or nontax revenues shall be subject to the approval of the governor and extend only to the following: chapters 36, 92, 94, 142, 144, 145, 147, 150, 171, 188, 189, 231, 269, 271, 321, 338, 373, 412, 414, 414D, 415A, 417E, 419, 421, 421C, 421H, 421I, 425, 425E, 428, 431, 436E, 437, 437B, 438, 439, 440, 441, 442, 443B, 444, 447, 448, 448E, 448F, 448H, 451A, 451J, 452, 453, 453D, 454, 455, 456, 457, 457A, 457B, 457G, 458, 459, 460J, 461, 461J, 462A, 463, 463E, 464, 465, 466, 466K, 467, 467E, 468E, 468L, 468M, 469, 471, 482, 482E, 484, 485A, 501, 502, 505, [514A,] 514B, 514E, 572, 574, and 846 (part II);
- (2) The authority to increase or decrease fees or nontax revenues under the chapters listed in paragraph (1) that are established by the department of commerce and consumer affairs shall apply to fees or nontax revenues established by statute or rule;
- (3) The authority to increase or decrease fees or nontax revenues established by the University of Hawaii under chapter 304A shall be subject to the approval of the board of regents; provided that the board's approval of any increase or decrease in tuition for regular credit courses shall be preceded by an open public meeting held during or prior to the semester preceding the semester to which the tuition applies;
- (4) This section shall not apply to judicial fees as may be set by any chapter cited in this section;
- (5) The authority to increase or decrease fees or nontax revenues pursuant to this section shall be exempt from the public notice and public hearing requirements of chapter 91; and

- (6) Fees for copies of proposed and final rules and public notices of proposed rulemaking actions under chapter 91 shall not exceed 10 cents a page, as required by section 91-2.5."

SECTION 7. Section 205-4.6, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Agricultural uses and activities as defined in sections 205-2(d) and 205-4.5(a) on lands classified as agricultural shall not be restricted by any private agreement contained in any:

- (1) Deed, agreement of sale, or other conveyance of land recorded in the bureau of conveyances after July 8, 2003, that subject such agricultural lands to any servitude, including but not limited to covenants, easements, or equitable and reciprocal negative servitudes; and
- (2) Condominium declaration, map, bylaws, and other documents executed and submitted in accordance with chapter [514A-~~or~~] 514B[.] or any predecessor thereto.

Any such private restriction limiting or prohibiting agricultural use or activity shall be voidable, subject to special restrictions enacted by the county ordinance pursuant to section 46-4; except that restrictions taken to protect environmental or cultural resources, agricultural leases, utility easements, and access easements shall not be subject to this section."

SECTION 8. Section 235-7, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) There shall be excluded from gross income, adjusted gross income, and taxable income:

- (1) Income not subject to taxation by the State under the Constitution and laws of the United States;
- (2) Rights, benefits, and other income exempted from taxation by section 88-91, having to do with the state retirement system, and the rights, benefits, and other income, comparable to the rights, benefits, and other income exempted by section 88-91, under any other public retirement system;
- (3) Any compensation received in the form of a pension for past services;
- (4) Compensation paid to a patient affected with Hansen's disease employed by the State or the United States in any hospital, settlement, or place for the treatment of Hansen's disease;
- (5) Except as otherwise expressly provided, payments made by the United States or this State, under an act of Congress or a law of this State, which by express provision or administrative regulation or interpretation are exempt from both the normal and surtaxes of the United States, even though not so exempted by the Internal Revenue Code itself;
- (6) Any income expressly exempted or excluded from the measure of the tax imposed by this chapter by any other law of the State, it being the intent of this chapter not to repeal or supersede any express exemption or exclusion;
- (7) Income received by each member of the reserve components of the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States of America, and the Hawaii National Guard as compensation for performance of duty, equivalent to pay received for

forty-eight drills (equivalent of twelve weekends) and fifteen days of annual duty, at an:

- (A) E-1 pay grade after eight years of service; provided that this subparagraph shall apply to taxable years beginning after December 31, 2004;
 - (B) E-2 pay grade after eight years of service; provided that this subparagraph shall apply to taxable years beginning after December 31, 2005;
 - (C) E-3 pay grade after eight years of service; provided that this subparagraph shall apply to taxable years beginning after December 31, 2006;
 - (D) E-4 pay grade after eight years of service; provided that this subparagraph shall apply to taxable years beginning after December 31, 2007; and
 - (E) E-5 pay grade after eight years of service; provided that this subparagraph shall apply to taxable years beginning after December 31, 2008;
- (8) Income derived from the operation of ships or aircraft if the income is exempt under the Internal Revenue Code pursuant to the provisions of an income tax treaty or agreement entered into by and between the United States and a foreign country; provided that the tax laws of the local governments of that country reciprocally exempt from the application of all of their net income taxes, the income derived from the operation of ships or aircraft that are documented or registered under the laws of the United States;
 - (9) The value of legal services provided by a legal service plan to a taxpayer, the taxpayer's spouse, and the taxpayer's dependents;
 - (10) Amounts paid, directly or indirectly, by a legal service plan to a taxpayer as payment or reimbursement for the provision of legal services to the taxpayer, the taxpayer's spouse, and the taxpayer's dependents;
 - (11) Contributions by an employer to a legal service plan for compensation (through insurance or otherwise) to the employer's employees for the costs of legal services incurred by the employer's employees, their spouses, and their dependents;
 - (12) Amounts received in the form of a monthly surcharge by a utility acting on behalf of an affected utility under section 269-16.3; provided that amounts retained by the acting utility for collection or other costs shall not be included in this exemption;
 - (13) Amounts received in the form of a cable surcharge by an electric utility company acting on behalf of a certified cable company under section 269-134; provided that any amounts retained by that electric utility company for collection or other costs shall not be included in this exemption; and
 - (14) One hundred per cent of the gain realized by a fee simple owner from the sale of a leased fee interest in units within a condominium project, cooperative project, or planned unit development to the association [of owners] under chapter [514A or] 514B, or the residential cooperative corporation of the leasehold units.

For purposes of this paragraph:

"Fee simple owner" shall have the same meaning as provided under section 516-1; provided that it shall include legal and equitable owners;

"Legal and equitable owner", and "leased fee interest" shall have the same meanings as provided under section 516-1; and
 "Condominium project" and "cooperative project" shall have the same meanings as provided under section 514C-1."

SECTION 9. Section 237-16.5, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

"(e) As used in this section:

"Lease" means the rental of real property under an instrument in writing by which one conveys real property for a specified term and for a specified consideration, and includes the written extension or renegotiation of a lease, and any holdover tenancy.

"Lessee" means one who holds real property under lease, and includes a sublessee.

"Lessor" means one who conveys real property by lease, and includes a sublessor.

"Real property or space" means the area actually rented and used by the lessee, and includes common elements as defined in section [514A-3-~~or~~] 514B-3.

"Sublease" includes the rental of real property which is held under a lease and is made in a written document by which one conveys real property for a specified term and for a specified consideration. A sublease includes the written extension or renegotiation of a sublease and any holdover tenancy under the written sublease.

"Sublessee" means one who holds real property under a sublease.

"Sublessor" means one who conveys real property by sublease."

SECTION 10. Section 237-24.3, Hawaii Revised Statutes, is amended to read as follows:

§237-24.3 Additional amounts not taxable. In addition to the amounts not taxable under section 237-24, this chapter shall not apply to:

- (1) Amounts received from the loading, transportation, and unloading of agricultural commodities shipped for a producer or produce dealer on one island of this State to a person, firm, or organization on another island of this State. The terms "agricultural commodity", "producer", and "produce dealer" shall be defined in the same manner as they are defined in section 147-1; provided that agricultural commodities need not have been produced in the State;
- (2) Amounts received by the manager, submanager, or board of directors of:
 - (A) An association [of owners] of a condominium property regime established in accordance with chapter [514A-~~or~~] 514B[;] or any predecessor thereto; or
 - (B) A nonprofit homeowners or community association incorporated in accordance with chapter 414D or any predecessor thereto and existing pursuant to covenants running with the land,
 in reimbursement of sums paid for common expenses;
- (3) Amounts received or accrued from:
 - (A) The loading or unloading of cargo from ships, barges, vessels, or aircraft, whether or not the ships, barges, vessels, or aircraft travel between the State and other states or countries or between the islands of the State;

- (B) Tugboat services including pilotage fees performed within the State, and the towage of ships, barges, or vessels in and out of state harbors, or from one pier to another; and
- (C) The transportation of pilots or governmental officials to ships, barges, or vessels offshore; rigging gear; checking freight and similar services; standby charges; and use of moorings and running mooring lines;
- (4) Amounts received by an employee benefit plan by way of contributions, dividends, interest, and other income; and amounts received by a nonprofit organization or office, as payments for costs and expenses incurred for the administration of an employee benefit plan; provided that this exemption shall not apply to any gross rental income or gross rental proceeds received after June 30, 1994, as income from investments in real property in this State; and provided further that gross rental income or gross rental proceeds from investments in real property received by an employee benefit plan after June 30, 1994, under written contracts executed prior to July 1, 1994, shall not be taxed until the contracts are renegotiated, renewed, or extended, or until after December 31, 1998, whichever is earlier. For the purposes of this paragraph, "employee benefit plan" means any plan as defined in [section 1002(3) of] title 29 [of the] United States Code[.], section 1002(3), as amended;
- (5) Amounts received for purchases made with United States Department of Agriculture food coupons under the federal food stamp program, and amounts received for purchases made with United States Department of Agriculture food vouchers under the Special Supplemental Foods Program for Women, Infants and Children;
- (6) Amounts received by a hospital, infirmary, medical clinic, health care facility, pharmacy, or a practitioner licensed to administer the drug to an individual for selling prescription drugs or prosthetic devices to an individual; provided that this paragraph shall not apply to any amounts received for services provided in selling prescription drugs or prosthetic devices. As used in this paragraph:
 - "Prescription drugs" are those drugs defined under section 328-1 and dispensed by filling or refilling a written or oral prescription by a practitioner licensed under law to administer the drug and sold by a licensed pharmacist under section 328-16 or practitioners licensed to administer drugs; provided that "prescription drugs" shall not include marijuana or manufactured marijuana products authorized pursuant to chapters 329 and 329D[.]; and[.]
 - "Prosthetic device" means any artificial device or appliance, instrument, apparatus, or contrivance, including their components, parts, accessories, and replacements thereof, used to replace a missing or surgically removed part of the human body, which is prescribed by a licensed practitioner of medicine, osteopathy, or podiatry and that is sold by the practitioner or that is dispensed and sold by a dealer of prosthetic devices; provided that "prosthetic device" shall not mean any auditory, ophthalmic, dental, or ocular device or appliance, instrument, apparatus, or contrivance;
- (7) Taxes on transient accommodations imposed by chapter 237D and passed on and collected by operators holding certificates of registration under that chapter;
- (8) Amounts received as dues by an unincorporated merchants association from its membership for advertising media, promotional, and

- advertising costs for the promotion of the association for the benefit of its members as a whole and not for the benefit of an individual member or group of members less than the entire membership;
- (9) Amounts received by a labor organization for real property leased to:
- (A) A labor organization; or
 - (B) A trust fund established by a labor organization for the benefit of its members, families, and dependents for medical or hospital care, pensions on retirement or death of employees, apprenticeship and training, and other membership service programs.
- As used in this paragraph, "labor organization" means a labor organization exempt from federal income tax under section 501(c)(5) of the Internal Revenue Code, as amended;
- (10) Amounts received from foreign diplomats and consular officials who are holding cards issued or authorized by the United States Department of State granting them an exemption from state taxes; and
- (11) Amounts received as rent for the rental or leasing of aircraft or aircraft engines used by the lessees or renters for interstate air transportation of passengers and goods. For purposes of this paragraph, payments made pursuant to a lease shall be considered rent regardless of whether the lease is an operating lease or a financing lease. The definition of "interstate air transportation" is the same as in 49 U.S.C. section 40102."

SECTION 11. Section 237D-1, Hawaii Revised Statutes, is amended as follows:

1. By amending the definition of "lease", "let", or "rental" to read:

"Lease", "let", or "rental" means the leasing or renting of living quarters or sleeping or housekeeping accommodations in hotels, apartment hotels, motels, [condominium property regimes or apartments defined in chapter 514A] condominiums or units defined in chapter 514B, cooperative apartments, rooming houses, or other places in which lodgings are regularly furnished to transients for a consideration, without transfer of the title of such property."

2. By amending the definition of "transient accommodations" to read:

"Transient accommodations" means the furnishing of a room, apartment, suite, single family dwelling, or the like to a transient for less than one hundred eighty consecutive days for each letting in a hotel, apartment hotel, motel, [condominium property regime or apartment as defined in chapter 514A] condominium or unit as defined in chapter 514B, cooperative apartment, dwelling unit, or rooming house that provides living quarters, sleeping, or housekeeping accommodations, or other place in which lodgings are regularly furnished to transients."

SECTION 12. Section 281-1, Hawaii Revised Statutes, is amended as follows:

1. By amending the definition of "condominium hotel" to read:

"Condominium hotel" means an establishment consisting of one or more buildings that includes:

- (1) Guest rooms that are [apartments, as defined in section 514A-3, or] units, as defined in section 514B-3, which are used to provide transient lodging for periods of less than thirty days under a written contract with the owner of the apartment or unit in the condominium hotel operation; and

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- (2) Guest rooms that are units, owned or managed by the condominium hotel operator providing transient lodging for periods of less than thirty days, which are offered for adequate pay to transient guests.

A “condominium hotel” does not include a hotel that may be part of a condominium [property regime established under] subject to chapter [514A or] 514B[.] or that does not have guest rooms that are separate [apartments, as defined in section 514A-3, or] units, as defined in section 514B-3.”

2. By amending the definition of “premises” or “licensed premises” to read:

“Premises” or “licensed premises” means the building and property that houses the establishment for which a license has been or is proposed to be issued; provided that in the case of class 12 hotel license, “premises” includes the hotel premises; provided further that in the case of a class 15 condominium hotel license, “premises” includes [apartments, as defined in section 514A-3, or] units, as defined in section 514B-3, that are used to provide transient lodging for periods of less than thirty days under a written contract with the owner or owners of each unit in, and common elements for access purposes as established by the declaration of condominium property regime of, the condominium hotel; and provided further that if an establishment is in a retail shopping complex the businesses of which have formed a merchants association, “premises” means the establishment. As used in this definition, “establishment” means a single physical location where the selling of liquor takes place.”

SECTION 13. Section 302A-1312, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The department of education shall prepare a six-year program and financial plan for school repair and maintenance that shall be:

- (1) Based on:
 - (A) Estimated preventive and scheduled maintenance costs;
 - (B) Budgeted recurring maintenance;
 - (C) Health and safety requirements; and
 - (D) Legal mandates;
- (2) Insofar as is practical, prepared in accordance with the principles and procedures contained in section [514A-83.6 or] 514B-148; and
- (3) Submitted initially to the legislature not less than thirty days prior to the convening of the 2002 regular session, with annual funding requirements for the physical plant operations and maintenance account submitted not less than thirty days prior to the convening of the 2002 regular session and each regular session thereafter;

provided that the governor may incorporate the six-year program and financial plan required by this subsection into the six-year program and financial plan required by section 37-69, if the plan required by this subsection is incorporated without reductions or restrictions.”

SECTION 14. Section 378-2.5, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) Notwithstanding subsections (b) and (c), the requirement that inquiry into and consideration of a prospective employee’s conviction record may take place only after the individual has received a conditional job offer, and the limitation to the most recent ten-year period, excluding the period of incarceration, shall not apply to employers who are expressly permitted to inquire into an individual’s criminal history for employment purposes pursuant to any federal or state law other than subsection (a), including:

- (1) The State or any of its branches, political subdivisions, or agencies pursuant to sections 78-2.7 and 831-3.1;
- (2) The department of education pursuant to section 302A-601.5;
- (3) The department of health with respect to employees, providers, or subcontractors in positions that place them in direct contact with clients when providing non-witnessed direct mental health services pursuant to section 321-171.5;
- (4) The judiciary pursuant to section 571-34;
- (5) The counties pursuant to section 846-2.7(b)(5), (33), (34), (35), (36), and (38);
- (6) Armed security services pursuant to section 261-17(b);
- (7) Providers of a developmental disabilities domiciliary home pursuant to section 321-15.2;
- (8) Private schools pursuant to sections 302C-1 and 378-3(8);
- (9) Financial institutions in which deposits are insured by a federal agency having jurisdiction over the financial institution pursuant to section 378-3(9);
- (10) Detective agencies and security guard agencies pursuant to sections 463-6(b) and 463-8(b);
- (11) Employers in the business of insurance pursuant to section 431:2-201.3;
- (12) Employers of individuals or supervisors of individuals responsible for screening passengers or property under title 49 United States Code section 44901 or individuals with unescorted access to an aircraft of an air carrier or foreign carrier or in a secured area of an airport in the United States pursuant to title 49 United States Code section 44936(a);
- (13) The department of human services pursuant to sections 346-97 and 352-5.5;
- (14) The public library system pursuant to section 302A-601.5;
- (15) The department of public safety pursuant to section 353C-5;
- (16) The board of directors of a cooperative housing corporation or the manager of a cooperative housing project pursuant to section 421I-12;
- (17) The board of directors of an association [of owners] under chapter [514A or] 514B, or the [manager] managing agent or resident manager of a condominium [project] pursuant to section [514A-82.1 or] 514B-133; and
- (18) The department of health pursuant to section 321-15.2.”

SECTION 15. Section 414D-311, Hawaii Revised Statutes, is amended to read as follows:

“§414D-311 Superseding chapters. In the event of any conflict between the provisions of this chapter and the provisions of chapter 421J, [514A,] 514B, or 514E, the provisions of chapter 421J, [514A,] 514B, or 514E shall supersede and control the provisions of this chapter.”

SECTION 16. Section 421I-9, Hawaii Revised Statutes, is amended to read as follows:

“§421I-9 Mediation and arbitration of disputes. At the request of any party, any dispute concerning or involving one or more shareholders and a corporation, its board of directors, managing agent, resident manager, or one or

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more other shareholders relating to the interpretation, application, or enforcement of this chapter or the corporation's articles of incorporation, bylaws, or rules adopted in accordance with its bylaws shall be submitted first to mediation. When all reasonable efforts for mediation have been made and the dispute is not settled either in conference between the parties or through mediation, the dispute shall be submitted to arbitration in the same manner and subject to the same requirements, to the extent practicable, which now apply to [condominium property regimes] condominiums under [part VII of chapter 514A or] section 514B-162."

SECTION 17. Section 467-1, Hawaii Revised Statutes, is amended by amending the definition of "hotel" to read as follows:

"Hotel" includes a structure or structures used primarily for the business of providing transient lodging for periods of less than thirty days and which furnishes customary hotel services including but not limited to front desk, restaurant, daily maid and linen service, bell service, or telephone switchboard; provided that for the purposes of this chapter, [apartments or] units in a project as defined by section [514A-3 or] 514B-3 that provide customary hotel services shall be excluded from the definition of hotel. The definition of [F]"hotel"] as set forth in this section shall be in addition to and supplement the definition of "hotel" as set forth in the various county ordinances."

SECTION 18. Section 467-14, Hawaii Revised Statutes, is amended to read as follows:

"§467-14 Revocation, suspension, and fine. In addition to any other actions authorized by law, the commission may revoke any license issued under this chapter, suspend the right of the licensee to use the license, fine any person holding a license, registration, or certificate issued under this chapter, or terminate any registration or certificate issued under this chapter, for any cause authorized by law, including but not limited to the following:

- (1) Making any misrepresentation concerning any real estate transaction;
- (2) Making any false promises concerning any real estate transaction of a character likely to mislead another;
- (3) Pursuing a continued and flagrant course of misrepresentation, or making of false promises through advertising or otherwise;
- (4) Without first having obtained the written consent to do so of both parties involved in any real estate transaction, acting for both the parties in connection with the transaction, or collecting or attempting to collect commissions or other compensation for the licensee's services from both of the parties;
- (5) When the licensee, being a real estate salesperson, accepts any commission or other compensation for the performance of any of the acts enumerated in the definition set forth in section 467-1 of real estate salesperson from any person other than the real estate salesperson's employer or the real estate broker with whom the real estate salesperson associates or, being a real estate broker or salesperson, compensates one not licensed under this chapter to perform any such act;
- (6) When the licensee, being a real estate salesperson, acts or attempts to act as a real estate broker or represents, or attempts to represent, any real estate broker other than the real estate salesperson's em-

- ployer or the real estate broker with whom the real estate salesperson is associated;
- (7) Failing, within a reasonable time, to account for any moneys belonging to others that may be in the possession or under the control of the licensee;
 - (8) Any other conduct constituting fraudulent or dishonest dealings;
 - (9) When the licensee, being a partnership, permits any member of the partnership who does not hold a real estate broker's license to actively participate in the real estate brokerage business thereof or permits any employee thereof who does not hold a real estate salesperson's license to act as a real estate salesperson therefor;
 - (10) When the licensee, being a corporation, permits any officer or employee of the corporation who does not hold a real estate broker's license to have the direct management of the real estate brokerage business thereof or permits any officer or employee thereof who does not hold a real estate salesperson's license to act as a real estate salesperson therefor;
 - (11) When the licensee, being a real estate salesperson, fails to file with the commission a written statement setting forth the name of the real estate broker by whom the licensee is employed or with whom the licensee is associated;
 - (12) When the licensee fails to obtain on the contract between the parties to the real estate transaction confirmation of who the real estate broker represents;
 - (13) Violating this chapter; chapter 484, [§14A,] 514B, 514E, or 515; section 516-71; or the rules adopted pursuant thereto;
 - (14) Splitting fees with or otherwise compensating others not licensed hereunder for referring business; provided that notwithstanding paragraph (5), a real estate broker may pay a commission to:
 - (A) A licensed real estate broker of another state, territory, or possession of the United States if that real estate broker does not conduct in this State any of the negotiations for which a commission is paid;
 - (B) A real estate broker lawfully engaged in real estate brokerage activity under the laws of a foreign country if that real estate broker does not conduct in this State any of the negotiations for which a commission is paid; or
 - (C) A travel agency that in the course of business as a travel agency or sales representative, arranges for compensation the rental of a transient vacation rental; provided that for purposes of this paragraph, "travel agency" means any person that, for compensation or other consideration, acts or attempts to act as an intermediary between a person seeking to purchase travel services and any person seeking to sell travel services, including an air or ocean carrier;
 - (15) Commingling the money or other property of the licensee's principal with the licensee's own;
 - (16) Converting other people's moneys to the licensee's own use;
 - (17) The licensee is adjudicated insane or incompetent;
 - (18) Failing to ascertain and disclose all material facts concerning every property for which the licensee accepts the agency, so that the licensee may fulfill the licensee's obligation to avoid error, misrepresentation, or concealment of material facts; provided that for the purposes of this paragraph, the fact that an occupant has AIDS or

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AIDS Related Complex (ARC) or has been tested for HIV (human immunodeficiency virus) infection shall not be considered a material fact;

- (19) When the licensee obtains or causes to be obtained, directly or indirectly, any licensing examination or licensing examination question for the purpose of disseminating the information to future takers of the examination for the benefit or gain of the licensee;
- (20) Failure to maintain a reputation for or record of competency, honesty, truthfulness, financial integrity, and fair dealing;
- (21) Acquiring an ownership interest, directly or indirectly, or by means of a subsidiary or affiliate, in any distressed property that is listed with the licensee or within three hundred sixty-five days after the licensee's listing agreement for the distressed property has expired or is terminated; or
- (22) When the licensee, being a real estate broker or a real estate salesperson, acting on behalf of a seller or purchaser of real estate, acts in a manner that prohibits a prospective purchaser or prospective seller of real estate from being able to retain the services of a real estate broker or real estate salesperson.

For the purposes of paragraphs (1) and (18), the real estate commission shall consider whether the licensee relied in good faith on information provided by other persons or third parties.

As used in this section, "distressed property" has the same meaning as set forth in section 480E-2.

Disciplinary action may be taken by the commission whether the licensee is acting as a real estate broker, or real estate salesperson, or on the licensee's own behalf."

SECTION 19. Section 467-30, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) As used in this section, "condominium hotel" includes those [apartments or] units in a project as defined in section [514A-3 or] 514B-3 and subject to chapter [514A or] 514B, which are used to provide transient lodging for periods of less than thirty days."

SECTION 20. Section 484-3, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Unless the method of disposition is adopted for the purpose of evasion of this chapter, or unless the subdivider files in writing with the director that this chapter shall apply to the subdivider's subdivision, this chapter shall not apply to offers or dispositions of an interest in land:

- (1) By a purchaser of subdivided lands for the purchaser's own account in a single or isolated transaction;
- (2) If fewer than twenty separate lots, parcels, units, or interests in subdivided lands are offered by a person in a period of twelve months;
- (3) Where the division of lands is a leasehold agricultural lot within state agricultural districts on which no dwelling structures are constructed as provided in section 205-4.5(f);
- (4) On which there is a residential, commercial, or industrial building, or as to which there is a legal obligation on the part of the seller to construct a building on the land within two years from the date of disposition; provided that the obligation to construct shall not be, directly or indirectly, transferred to or otherwise imposed upon the purchaser;

- (5) To persons who are engaged in, and are duly licensed to engage in, the business of construction of buildings for resale, or to persons who acquire an interest in subdivided lands for the purpose of engaging, and do engage in, and are duly licensed to engage in, the business of construction of buildings for resale;
- (6) Pursuant to court order;
- (7) By any government or government agency;
- (8) As cemetery lots or interests;
- (9) Registered as a condominium property regime pursuant to chapter [514A or] 514B[-] or any predecessor thereto; or
- (10) Registered as a time share plan pursuant to chapter 514E."

SECTION 21. Section 485A-202, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The following transactions are exempt from the requirements of sections 485A-301 to 485A-305 and 485A-504:

- (1) An isolated nonissuer transaction, whether or not effected by or through a broker-dealer;
- (2) A nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter, and a resale transaction by a sponsor of a unit investment trust registered under the Investment Company Act of 1940, in a security of a class that has been outstanding in the hands of the public for at least ninety days, if, at the date of the transaction:
 - (A) The issuer of the security is engaged in business, the issuer is not in the organizational stage or in bankruptcy or receivership, and the issuer is not a blank check, blind pool, or shell company that has no specific business plan or purpose or has indicated that its primary business plan is to engage in a merger or combination of the business with, or an acquisition of, an unidentified person;
 - (B) The security is sold at a price reasonably related to its current market price;
 - (C) The security does not constitute the whole or part of an unsold allotment to, or a subscription or participation by, the broker-dealer as an underwriter of the security or a redistribution;
 - (D) A nationally recognized securities manual or its electronic equivalent designated by rule adopted or order issued under this chapter or a record filed with the Securities and Exchange Commission that is publicly available and contains:
 - (i) A description of the business and operations of the issuer;
 - (ii) The names of the issuer's executive officers and the names of the issuer's directors, if any;
 - (iii) An audited balance sheet of the issuer as of a date within eighteen months before the date of the transaction or, in the case of a reorganization or merger when the parties to the reorganization or merger each had an audited balance sheet, a pro forma balance sheet for the combined organization; and
 - (iv) An audited income statement for each of the issuer's two immediate previous fiscal years or for the period of existence of the issuer, whichever is shorter, or, in the case of a reorganization or merger when each party to the reor-

- ganization or merger had audited income statements, a pro forma income statement; and
- (E) Any one of the following requirements is met:
- (i) The issuer of the security has a class of equity securities listed on a national securities exchange registered under section 6 of the Securities Exchange Act of 1934 or designated for trading on the National Association of Securities Dealers' Automated Quotation System;
 - (ii) The issuer of the security is a unit investment trust registered under the Investment Company Act of 1940;
 - (iii) The issuer of the security, including its predecessors, has been engaged in continuous business for at least three years; or
 - (iv) The issuer of the security has total assets of at least \$2,000,000 based on an audited balance sheet as of a date within eighteen months before the date of the transaction or, in the case of a reorganization or merger when the parties to the reorganization or merger each had such an audited balance sheet, a pro forma balance sheet for the combined organization;
- (3) A nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter in a security of a foreign issuer that is a margin security defined in regulations or rules adopted by the Board of Governors of the Federal Reserve System;
- (4) A nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter in an outstanding security if the guarantor of the security files reports with the Securities and Exchange Commission under the reporting requirements of section 13 or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d));
- (5) A nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter in a security that:
- (A) Is rated at the time of the transaction by a nationally recognized statistical rating organization in one of its four highest rating categories; or
 - (B) Has a fixed maturity or a fixed interest or dividend, if:
 - (i) A default has not occurred during the current fiscal year or within the three previous fiscal years or during the existence of the issuer and any predecessor if less than three fiscal years, in the payment of principal, interest, or dividends on the security; and
 - (ii) The issuer is engaged in business, is not in the organizational stage or in bankruptcy or receivership, and is not and has not been within the previous twelve months a blank check, blind pool, or shell company that has no specific business plan or purpose or has indicated that its primary business plan is to engage in a merger or combination of the business with, or an acquisition of, an unidentified person;
- (6) A nonissuer transaction by or through a broker-dealer registered or exempt from registration under this chapter effecting an unsolicited order or offer to purchase;
- (7) A nonissuer transaction executed by a bona fide pledgee without the purpose of evading this chapter;

- (8) A nonissuer transaction by a federal covered investment adviser with investments under management in excess of \$100,000,000, acting in the exercise of discretionary authority in a signed record for the account of others;
- (9) A transaction between the issuer or other person on whose behalf the offering is made and an underwriter, or among underwriters;
- (10) A transaction in a note, bond, debenture, or other evidence of indebtedness secured by a mortgage or other security agreement if:
 - (A) The note, bond, debenture, or other evidence of indebtedness is offered and sold with the mortgage or other security agreement as a unit;
 - (B) A general solicitation or general advertisement of the transaction is not made; and
 - (C) A commission or other remuneration is not paid or given, directly or indirectly, to a person not registered under this chapter as a broker-dealer or as an agent;
- (11) A transaction by an executor, administrator of an estate, personal representative, sheriff, marshal, receiver, trustee in bankruptcy, guardian, or conservator;
- (12) A sale or offer to sell to:
 - (A) An institutional investor;
 - (B) A federal covered investment adviser; or
 - (C) Any other person exempted by rule adopted or order issued under this chapter;
- (13) Any transaction pursuant to a sale or an offer to sell securities of an issuer, if the transaction is part of an issue in which:
 - (A) There are no more than twenty-five purchasers (other than those designated in paragraph (12)), wherever located, during any twelve consecutive months;
 - (B) The issuer reasonably believes that all purchasers (other than those designated in paragraph (12)), wherever located, are purchasing for investment purposes and not with the view to, or for sales in connection with, a distribution of the security. The purchase shall be presumed to be made with a view to distribute and not to invest if any resale of a security sold in reliance on this exemption is within twelve months of sale, except a resale pursuant to a registration statement effective under section 485A-301, or to an accredited investor pursuant to an exemption available under this chapter;
 - (C) No commission, discount, or other remuneration is paid or given, directly or indirectly, to a person, other than a broker-dealer or agent registered under this chapter, for soliciting a prospective purchaser in this State; and
 - (D) The securities of the issuer are not offered or sold by general solicitation or any general advertisement or other advertising medium;
- (14) A transaction under an offer to existing security holders of the issuer, including persons who at the date of the transaction are holders of convertible securities, options, or warrants, if a commission or other remuneration, other than a standby commission, is not paid or given, directly or indirectly, for soliciting a security holder in this State;

- (15) (A) A transaction involving the offer or sale of a security by an issuer to an accredited investor that meets the following requirements:
- (i) The issuer reasonably believes that the sale is to persons who are accredited investors;
 - (ii) The issuer is not in the development stage, without specific business plan or purpose;
 - (iii) The issuer has not indicated that the issuer's business plan is to engage in a merger or acquisition with an unidentified company or companies, or other entity or person; and
 - (iv) The issuer reasonably believes that all purchasers are purchasing for investment purposes and not with the view to, or for sales in connection with, a distribution of the security. The purchase shall be presumed to be made with a view to distribute and not to invest if any resale of a security sold in reliance on this exemption is within twelve months of sale, except a resale pursuant to a registration statement effective under section 485A-301, or to an accredited investor pursuant to an exemption available under this chapter;
- (B) The exemption under this paragraph shall not apply to an issuer if the issuer; any affiliated issuer; any beneficial owner of ten per cent or more of any class of the issuer's equity securities; any issuer's predecessor, director, officer, general partner, or promoter presently connected in any capacity with the issuer; and any underwriter or partner, director, or officer of the underwriter of the securities to be offered:
- (i) Within the last five years has filed a registration statement that is the subject of a currently effective registration stop order entered by any state securities administrator or the Securities and Exchange Commission;
 - (ii) Within the last five years has been convicted of any criminal offense in connection with the offer, purchase, or sale of any security, or involving fraud or deceit;
 - (iii) Is currently subject to any state or federal administrative enforcement order or judgment entered within the last five years, finding fraud or deceit in connection with the purchase or sale of any security; or
 - (iv) Is currently subject to any order, judgment, or decree of any court of competent jurisdiction, entered within the last five years, temporarily, preliminarily, or permanently restraining or enjoining such party from engaging in or continuing to engage in any conduct or practice involving fraud or deceit in connection with the purchase or sale of any security;
- (C) Subparagraph (B) shall not apply if:
- (i) The party subject to the disqualification is licensed or registered to conduct securities-related business in the state in which the order, judgment, or decree creating the disqualification was entered against such party;
 - (ii) Before the first offer under this exemption, the commissioner, or the court or regulatory authority that entered

- the order, judgment, or decree waives the disqualifications; or
- (iii) The issuer establishes that the issuer did not know and in the exercise of reasonable care, based on a factual inquiry, could not have known that a disqualification existed under this paragraph; and
- (D) An issuer claiming the exemption under this paragraph, no later than fifteen days after the first sale in this State, shall file with the commissioner a notice of transaction, a consent to service of process, a copy of the offering circular or similar document provided to the accredited investor and a \$200 filing fee.
- For the purposes of this paragraph, "accredited investor" shall have the same meaning as provided in rule 501(a) adopted under the Securities Act of 1933 (17 C.F.R. 230.501(a));
- (16) An offer to sell, but not a sale, of a security not exempt from registration under the Securities Act of 1933 if:
- (A) A registration or offering statement or similar record as required under the Securities Act of 1933 has been filed, but is not effective, or the offer is made in compliance with Rule 165 adopted under the Securities Act of 1933 (17 C.F.R. 230.165); and
- (B) A stop order of which the offeror is aware has not been issued against the offeror by the commissioner or the Securities and Exchange Commission, and an audit, inspection, or proceeding that is public and that may culminate in a stop order is not known by the offeror to be pending;
- (17) An offer to sell, but not a sale, of a security exempt from registration under the Securities Act of 1933 if:
- (A) A registration statement has been filed under this chapter, but is not effective;
- (B) A solicitation of interest is provided in a record to offerees in compliance with a rule adopted by the commissioner under this chapter; and
- (C) A stop order of which the offeror is aware has not been issued by the commissioner under this chapter and an audit, inspection, or proceeding that may culminate in a stop order is not known by the offeror to be pending;
- (18) A transaction involving the distribution of the securities of an issuer to the security holders of another person in connection with a merger, consolidation, exchange of securities, sale of assets, or other reorganization to which the issuer, or its parent or subsidiary and the other person, or its parent or subsidiary, are parties;
- (19) A rescission offer, sale, or purchase under section 485A-510;
- (20) An offer or sale of a security to a person not a resident of this State and not present in this State if the offer or sale does not constitute a violation of the laws of the state or foreign jurisdiction in which the offeree or purchaser is present and is not part of an unlawful plan or scheme to evade this chapter;
- (21) Employees' stock purchase, savings, option, profit-sharing, pension, or similar employees' benefit plan, including any securities, plan interests, and guarantees issued under a compensatory benefit plan or compensation contract, contained in a record, established by the issuer, its parents, its majority-owned subsidiaries, or the majority-

owned subsidiaries of the issuer's parent for the participation of their employees, including offers or sales of such securities to:

- (A) Directors; general partners; trustees, if the issuer is a business trust; officers; consultants; and advisors;
 - (B) Family members who acquire the securities from those persons through gifts or domestic relations orders;
 - (C) Former employees, directors, general partners, trustees, officers, consultants, and advisors if those individuals were employed by or providing services to the issuer when the securities were offered; and
 - (D) Insurance agents who are exclusive insurance agents of the issuer, or the issuer's subsidiaries or parents, or who derive more than fifty per cent of their annual income from those organizations;
- (22) A transaction involving:
- (A) A stock dividend or equivalent equity distribution, whether or not the corporation or other business organization distributing the dividend or equivalent equity distribution is the issuer, if nothing of value is given by stockholders or other equity holders for the dividend or equivalent equity distribution other than the surrender of a right to a cash or property dividend if each stockholder or other equity holder may elect to take the dividend or equivalent equity distribution in cash, property, or stock;
 - (B) An act incident to a judicially approved reorganization in which a security is issued in exchange for one or more outstanding securities, claims, or property interests, or partly in such exchange and partly for cash; or
 - (C) The solicitation of tenders of securities by an offeror in a tender offer in compliance with Rule 162 adopted under the Securities Act of 1933 (17 C.F.R. 230.162);
- (23) A nonissuer transaction in an outstanding security by or through a broker-dealer registered or exempt from registration under this chapter, if the issuer is a reporting issuer in a foreign jurisdiction designated by this paragraph or by rule adopted or order issued under this chapter; has been subject to continuous reporting requirements in the foreign jurisdiction for not less than one hundred eighty days before the transaction; and the security is listed on the foreign jurisdiction's securities exchange that has been designated by this paragraph or by rule adopted or order issued under this chapter, or is a security of the same issuer that is of senior or substantially equal rank to the listed security or is a warrant or right to purchase or subscribe to any of the foregoing. For purposes of this paragraph, Canada, together with its provinces and territories, is a designated foreign jurisdiction and the Toronto Stock Exchange, Inc., is a designated securities exchange. After an administrative hearing in accordance with chapter 91, the commissioner, by rule adopted or order issued under this chapter, may revoke the designation of a securities exchange under this paragraph, if the commissioner finds that revocation is necessary or appropriate in the public interest and for the protection of investors;
- (24) Any offer or sale by or through a real estate broker or real estate salesperson licensed under the laws of this State, of a security issued on or after July 1, 1961, by a corporation organized under the laws

of this State, the holder of which is entitled solely by reason of the holder's ownership thereof, to occupy for dwelling purposes a house, or an apartment in a building, owned or leased by such corporation; provided that the issuer of the security shall apply for the exemption to the commissioner on such form and containing such information as the commissioner may prescribe. If the commissioner finds that the business applicant's proposed plan and the proposed issuance of securities are fair, just, and equitable, that the applicant intends to transact its business fairly and honestly, and that the securities that the applicant proposes to issue and the method to be used by the applicant in issuing or disposing of the securities will not, in the opinion of the commissioner, work a fraud upon the purchaser thereof, the commissioner shall issue to the applicant a permit authorizing the applicant to issue and dispose of the securities in this State in the manner provided herein and in such amounts and for such consideration as the commissioner may provide in the permit. Otherwise, the commissioner shall deny the application and refuse the permit and notify the applicant of the decision in writing, subject to appeal as provided in section 485A-609. In any permit issued under this paragraph, the commissioner may require the deposit in escrow or impoundment of any or all securities, the proceeds from the sale thereof, approval of advertising material, and any of the conditions as set forth in section 485A-304(f). The commissioner may act as escrow holder for securities required to be deposited in escrow by the commissioner's order or as a necessary signatory on any account in which impounded proceeds from the sale of escrowed securities are deposited;

- (25) Any offer or sale by or through a real estate broker or real estate salesperson licensed under the laws of this State of [an apartment or] a unit in a condominium project, and a rental management contract relating to the [apartment or] unit, including an interest in a partnership formed for the purpose of managing the rental of [apartments or] units if the rental management contract or the interest in the partnership is offered at the same time as the [apartment or] unit is offered.

For the purposes of this paragraph, the terms ["apartment"], "unit", "condominium", and "project" shall have the meanings prescribed in section [514A-3 or] 514B-3; and

- (26) Any transaction not involving a public offering within the meaning of section 4(2) of the Securities Act of 1933 (15 U.S.C. 77d), but not including any transaction specified in the rules and regulations thereunder."

SECTION 22. Section 501-20, Hawaii Revised Statutes, is amended by amending the definition of "apartment lease" to read as follows:

"Apartment lease" means [an apartment or] a unit lease, a condominium conveyance document, [an apartment or] a unit deed and ground lease, or other instrument which has been registered pursuant to section 501-121 and which leases or subleases a condominium [apartment or] unit or its appurtenant undivided interest in the land of a condominium project established or existing under chapter [514A or] 514B or at common law."

SECTION 23. Section 501-106, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

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"(a) No new certificate of title shall be entered, and no memorandum shall be made upon any certificate of title by the registrar or assistant registrar, except:

- (1) In pursuance of any deed or other voluntary instrument;
- (2) Upon the recording of a certificate of merger that merges two or more condominium projects as provided by section [514A-19-~~or~~] 514B-46;
- (3) Upon the recording of an amendment to a declaration of condominium property regime which alters the percentage interest of the respective apartment or unit owners in the common elements;
- (4) In cases expressly provided for in this chapter; or
- (5) Upon the order of the court, for cause shown."

SECTION 24. Section 501-232, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) This section shall not apply to the following fees or charges required by a deed restriction or other covenant running with the land in connection with the transfer of real property:

- (1) Any interest, charge, fee, or other amount payable by a borrower to a lender pursuant to a loan secured by real property, including any fee payable to the lender for consenting to an assumption of the loan or transfer of the real property, for providing an estoppel letter or certificate, or for any shared appreciation interest or profit participation or other consideration payable to the lender in connection with the loan;
- (2) Any fee, charge, assessment, or fine payable to [an association of apartment owners as defined in section 514A-3,] an association as defined in section 514B-3, a cooperative housing corporation as described in section 421I-1, a limited-equity housing cooperative as defined in section 421H-1, or a planned community association as defined in section 607-14 and described in chapter 421J, pursuant to a declaration, covenant, or law applicable to such association or corporation, including a fee or charge to change the association or corporation's records as to the owner of the real property or to provide an estoppel letter or certificate;
- (3) Any fee or charge payable to a lessor under a lease of real property, including a fee or charge payable to the lessor for consenting to an assignment of the lease, for providing an estoppel letter or certificate, or to change the lessor's records as to the holder of the lessee's interest in the lease;
- (4) Any consideration payable to the holder of an option to purchase an interest in real property or the holder of a right of first refusal or first offer to purchase an interest in real property for waiving, releasing, or not exercising the option or right upon transfer of the real property to another person;
- (5) Any fee, charge, shared appreciation interest, profit participation, or other consideration, payable by:
 - (A) A person engaged in the business of the development of real property for resale to others and not for the person's own use or the use of the person's parent, affiliates, subsidiaries, or relatives;
 - (B) A person who acquires the real property for the purpose of engaging in the business of the development of real property for resale to others or for the purpose of reselling the real property

- to a person engaged in the business of the development of real property for resale to others; or
- (C) A person who purchases real property initially transferred at a price below the then prevailing market value of the real property pursuant to an affordable housing program established by the seller; provided that such fee, charge, shared appreciation interest, profit participation, or other consideration becomes payable, if ever, within ten years of the recording of the deed restriction or other covenant running with the land imposing the fee or charge on the real property;
- (6) Any fee or charge payable to a government entity;
- (7) Any fee, charge, assessment, or other amount payable pursuant to a deed restriction or other covenant running with the land, regardless of when filed or recorded, that was required by a litigation settlement that was approved by a court of competent jurisdiction before [June 22, 2010]; or
- (8) Any reasonable fee payable to a qualified organization for:
- (A) The qualified organization's management, stewardship, or enforcement of a qualified real property interest in the real property, granted exclusively for a conservation purpose; or
- (B) Educating new owners of the real property on the restrictions imposed by the qualified real property interest granted exclusively for a conservation purpose.
- As used in this paragraph, "qualified real property interest", "qualified organization", and "conservation purpose" have the same meaning as in section 170(h)(2), (3), and (4), respectively, of the Internal Revenue Code."

SECTION 25. Section 501-241, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (b) to read:

"(b) Without limiting the generality of subsection (a), the following instruments need not be registered pursuant to this chapter to be effective and shall be recorded in the bureau of conveyances pursuant to chapter 502:

- (1) An assignment or other instrument transferring a leasehold time share interest;
- (2) A mortgage or other instrument granting a lien on a leasehold time share interest;
- (3) An agreement of sale for the sale of a leasehold time share interest. Any such agreement of sale shall be subject to section 502-85 and shall not be subject to section 501-101.5;
- (4) A lien or notice of lien pertaining to a leasehold time share interest in favor of a time share owners association, an association [of owners] under chapter [§14A or] 514B, or a similar homeowner's association;
- (5) A judgment, decree, order of court, attachment, writ, or other process against a leasehold time share interest;
- (6) A mechanic's or materialman's lien or other lien upon a leasehold time share interest;
- (7) A lis pendens or notice of pendency of action, notice, affidavit, demand, certificate, execution, copy of execution, officer's return, or other instrument relating to a leasehold time share interest and otherwise required or permitted to be recorded or registered in connec-

tion with the enforcement or foreclosure of any lien, whether by way of power of sale pursuant to chapter 667 or otherwise;

- (8) A power of attorney given by the owner of a leasehold time share interest or the vendor or vendee under an agreement of sale for the sale of a leasehold time share interest, a mortgagee or other lienor having a mortgage or lien upon a leasehold time share interest, or another party holding a claim or encumbrance against or an interest in a leasehold time share interest; or
- (9) An instrument assigning, extending, continuing, dissolving, discharging, releasing in whole or in part, reducing, canceling, extinguishing, or otherwise modifying or amending any of the foregoing instruments."

2. By amending subsection (e) to read:

"(e) Notwithstanding subsections (a), (b), and (c), the following instruments shall be registered by recording the instrument with the assistant registrar and by a brief memorandum thereof made by the assistant registrar upon the certificate of title, and signed by the assistant registrar:

- (1) The apartment [or unit] lease, and any amendments thereto, and any cancellation or extinguishment thereof;
- (2) Any deed or other instrument conveying the fee interest in registered land and any other instrument encumbering or otherwise dealing with the fee interest in registered land including but not limited to a mortgage of the fee interest, an assignment of the lessor's interest in a lease, or the designation, grant, conveyance, transfer, cancellation, relocation, realignment, or amendment of any easement encumbering the fee interest;
- (3) If the apartment [or unit] lease is a sublease, any assignment or other conveyance of the sublessor's estate or any other leasehold estate which is superior to the apartment [or unit] lease, and any other instrument mortgaging, encumbering, or otherwise dealing with the sublessor's estate or any other estate which is prior and superior to the leasehold time share interest;
- (4) Any other instrument assigning, modifying, canceling, or otherwise dealing with an interest in registered land which is:
 - (A) Less than an estate in fee simple; and
 - (B) Prior or superior to the lessee's interest in a leasehold time share interest;
- (5) The declaration of condominium property regime or similar declaration by whatever name denominated, the bylaws of the association [of owners] under chapter [514A or] 514B, the condominium map, any declaration of annexation or deannexation, any declaration of merger and any instrument effecting a merger, and any amendments to any of the foregoing and any cancellation or extinguishment thereof;
- (6) Any declaration of covenants, conditions, and restrictions, or similar instrument, by whatever name denominated, encumbering the fee, the bylaws of any homeowners association, any declaration of annexation or deannexation, any amendments and supplements thereto, and any cancellation or extinguishment thereof;
- (7) Any declaration of covenants, conditions, restrictions, or similar instrument, by whatever name denominated, establishing the time share plan, the bylaws of the time share owners association, any declaration of annexation or deannexation, any amendments and

supplements thereto, and any cancellation or extinguishment thereof; and

- (8) Any notice of time share plan, any declaration of annexation or deannexation, any amendments thereto, and any cancellation or extinguishment thereof."

SECTION 26. Section 502-112, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) This section shall not apply to the following fees or charges required by a deed restriction or other covenant running with the land in connection with the transfer of real property:

- (1) Any interest, charge, fee, or other amount payable by a borrower to a lender pursuant to a loan secured by real property, including any fee payable to the lender for consenting to an assumption of the loan or transfer of the real property, for providing an estoppel letter or certificate, or for any shared appreciation interest or profit participation or other consideration payable to the lender in connection with the loan;
- (2) Any fee, charge, assessment, or fine payable to [an association of apartment owners as defined in section 514A-3,] an association as defined in section 514B-3, a cooperative housing corporation as described in section 421I-1, a limited-equity housing cooperative as defined in section 421H-1, or a planned community association as defined in section 607-14 and described in chapter 421J, pursuant to a declaration, covenant, or law applicable to such association or corporation, including a fee or charge to change the association or corporation's records as to the owner of the real property or to provide an estoppel letter or certificate;
- (3) Any fee or charge payable to a lessor under a lease of real property, including a fee or charge payable to the lessor for consenting to an assignment of the lease, for providing an estoppel letter or certificate, or to change the lessor's records as to the holder of the lessee's interest in the lease;
- (4) Any consideration payable to the holder of an option to purchase an interest in real property or the holder of a right of first refusal or first offer to purchase an interest in real property for waiving, releasing, or not exercising the option or right upon transfer of the real property to another person;
- (5) Any fee, charge, shared appreciation interest, profit participation, or other consideration, payable by:
 - (A) A person engaged in the business of the development of real property for resale to others and not for the person's own use or the use of the person's parent, affiliates, subsidiaries, or relatives;
 - (B) A person who acquires the real property for the purpose of engaging in the business of the development of real property for resale to others or for the purpose of reselling the real property to a person engaged in the business of the development of real property for resale to others; or
 - (C) A person who purchases real property initially transferred at a price below the then prevailing market value of the real property pursuant to an affordable housing program established by the seller; provided that such fee, charge, shared appreciation interest, profit participation, or other consideration becomes

payable, if ever, within ten years of the recording of the deed restriction or other covenant running with the land imposing the fee or charge on the real property;

- (6) Any fee or charge payable to a government entity;
- (7) Any fee, charge, assessment, or other amount payable pursuant to a deed restriction or other covenant running with the land, regardless of when recorded or filed, that was required by a litigation settlement that was approved by a court of competent jurisdiction before [June 22, 2010]; or
- (8) Any reasonable fee payable to a qualified organization for:
 - (A) The qualified organization's management, stewardship, or enforcement of a qualified real property interest in the real property, granted exclusively for a conservation purpose; or
 - (B) Educating new owners of the real property on the restrictions imposed by the qualified real property interest granted exclusively for a conservation purpose.

As used in this paragraph, "qualified real property interest", "qualified organization", and "conservation purpose" have the same meaning as in section 170(h)(2), (3), and (4), respectively, of the Internal Revenue Code."

SECTION 27. Section 502C-1, Hawaii Revised Statutes, is amended as follows:

1. By amending the definition of "common elements" or "common area" to read:

"Common elements" or "common area" means:

- (1) The same as "common elements" as defined in section [514A-3 or] 514B-3; and
- (2) Real property within a planned community that is owned or leased by the association or is otherwise available for the use of its members or designated as common area in or pursuant to the declaration."

2. By amending the definition of "declaration" to read:

"Declaration" means:

- (1) The instrument by which property is submitted to chapter [514A or] 514B[,] or any predecessor thereto, as provided in [those chapters, that chapter, and such declaration as from time to time amended; and]
- (2) Any recorded instrument, however denominated, that imposes on an association maintenance or operational responsibilities for the common area and creates the authority in the association to impose on units, or on the owners or occupants of the units, any mandatory payment of money as a regular annual assessment or otherwise in connection with the provisions, maintenance, or services for the benefit of some or all of the units, the owners, or occupants of the units or the common areas, including any amendment or supplement to the instrument."

3. By amending the definition of "townhouse" to read:

"Townhouse" means a series of individual apartments or units having architectural unity and common elements, with each apartment or unit extending from ground to roof or from the first or second floor to roof, and where apartments or units may share a common wall or be freestanding structures, including townhouse projects that are [created pursuant to] governed by chapters [514A,] 514B[,] and 421J, as well as projects that are not [created pursuant to] governed by those chapters but are governed by an association; provided that

"townhouse" shall not include any apartments or units located in a building of more than three stories."

SECTION 28. Section 514B-72, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) Each project or association with more than five units[~~, including any project or association with more than five units subject to chapter 514A,~~] shall pay to the department of commerce and consumer affairs:

(1) A condominium education trust fund fee within one year after the recordation of the purchase of the first unit or within thirty days of the association's first meeting, and thereafter, on or before June 30 of every odd-numbered year, as prescribed by rules adopted pursuant to chapter 91; and

(2) Beginning with the July 1, 2015, biennium registration, an additional annual condominium education trust fund fee in an amount equal to the product of \$1.50 times the number of condominium units included in the registered project or association to be dedicated to supporting mediation of condominium related disputes. The additional condominium education trust fund fee shall total \$3 per unit until the commission adopts rules pursuant to chapter 91. On June 30 of every odd-numbered year, any unexpended additional amounts paid into the condominium education trust fund and initially dedicated to supporting mediation of condominium related disputes, as required by this paragraph, shall be used for educational purposes as provided in section 514B-71(a)(1), (2), and (3)."

2. By amending subsection (d) to read:

"(d) The department of commerce and consumer affairs shall allocate the fees collected under this section[~~, section 514A-40, and section 514A-95.1~~] to the condominium education trust fund established pursuant to section 514B-71. The fees collected pursuant to this section shall be administratively and fiscally managed together as one condominium education trust fund established by section 514B-71."

SECTION 29. Section 514B-73, Hawaii Revised Statutes, is amended by amending subsections (a) through (c) to read as follows:

"(a) The sums received by the commission for deposit in the condominium education trust fund pursuant to [~~sections 514A-40, 514A-95.1, and~~] section 514B-72 shall be held by the commission in trust for carrying out the purpose of the fund.

(b) The commission and the director of commerce and consumer affairs may use moneys in the condominium education trust fund collected pursuant to [~~sections 514A-40, 514A-95.1, and~~] section 514B-72, and the rules of the commission to employ necessary personnel not subject to chapter 76 for additional staff support, to provide office space, and to purchase equipment, furniture, and supplies required by the commission to carry out its responsibilities under this part.

(c) The moneys in the condominium education trust fund collected pursuant to [~~sections 514A-40, 514A-95.1, and~~] section 514B-72, and the rules of the commission may be invested and reinvested together with the real estate education fund established under section 467-19 in the same manner as are the funds of the employees' retirement system of the State. The interest and earnings from these investments shall be deposited to the credit of the condominium education trust fund."

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SECTION 30. Section 514B-154.5, Hawaii Revised Statutes, is amended by amending subsection (g) to read as follows:

“(g) This section shall apply to all condominiums organized under this chapter [514A or 514B.] or any predecessor thereto.”

SECTION 31. Section 514C-6, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) The association [~~of owners~~] under chapter [514A or] 514B[.] or co-operative housing corporation may purchase the leased fee interest in the land; provided that at least sixty-seven per cent of the condominium unit lessees or cooperative unit lessees approve of the purchase. If the seller is also a condominium unit lessee or cooperative unit lessee, the seller's interest shall be disregarded in the computation to achieve the sixty-seven per cent requirement. As used herein:

- (1) Sixty-seven per cent of the condominium unit lessees means the lessees of units to which sixty-seven per cent of the common interests are appurtenant; and
- (2) Sixty-seven per cent of the cooperative unit lessees means shareholders having at least sixty-seven per cent of the shares in the co-operative housing corporation.”

SECTION 32. Section 514C-22, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) The association [~~of owners~~] under chapter [514A or] 514B may purchase the lessor's interest in the condominium project; provided that the declaration of condominium property regime shall either contain or be amended to include a provision authorizing the board of directors to effectuate such a purchase. If the lessor is also a condominium unit lessee, the lessor's lessee interest shall be disregarded in the computation of the percentage of condominium unit lessees needed to achieve the vote or written consent required to amend the declaration of condominium property regime.”

2. By amending subsection (f) to read:

“(f) For purposes of this section:

“Remaining lessees” means the lessees of condominium units in a condominium project who have not purchased the leased fee interest in their condominium units as of the effective date of the amendment referred to in subsection (d)(1).

“Condominium unit” has the same meaning as the term “[“apartment” or “unit” as defined in section [514A-3 or] 514B-3.]”

SECTION 33. Section 514E-1, Hawaii Revised Statutes, is amended by amending the definition of “blanket lien” to read as follows:

““Blanket lien” means any mortgage, deed of trust, option to purchase, master lease, vendor's lien or interest under a contract or agreement of sale, or any other lien or encumbrance that (i) affects more than one time share interest either directly or by reason of affecting an entire time share unit or the property upon which the time share unit to be used by the purchasers is located, and (ii) secures or evidences the obligation to pay money or to sell or convey the property and that authorizes, permits, or requires the foreclosure and sale or other defeasance of the property affected; provided that for the purpose of this chapter, the following shall not be considered blanket liens:

- (1) The lien of current real property taxes;

- (2) Taxes and assessments levied by public authority and that are not yet due and payable;
- (3) A lien for common expenses under chapter [§14A-~~or~~] 514B or a lien on an individual time share unit for similar expenses in favor of a homeowners or community association;
- (4) An apartment lease or condominium conveyance document conveying or demising a single condominium [apartment or] unit or a lease of a single cooperative apartment; and
- (5) Any lien for costs or trustee's fees charged by a trustee holding title to time share units pursuant to a trust created under section 514E-19; provided that the costs or trustee's fees are not yet due and payable."

SECTION 34. Section 514E-29, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) Notice of any delinquent lien created pursuant to subsection (c) shall be recorded in the bureau of conveyances and upon recordation shall be prior to all other liens, except:

- (1) Liens for taxes and assessments lawfully imposed by governmental authority against the time share interest;
- (2) All sums unpaid on any mortgage of record encumbering the time share interest which was recorded prior to the recordation of a notice of a lien by the association; and
- (3) For a time share interest subject to a condominium property regime, the lien of the association [of owners] under chapter [§14A-~~or~~] 514B, created pursuant to section [§14A-90-~~or~~] 514B-146."

SECTION 35. Section 516D-1, Hawaii Revised Statutes, is amended to read as follows:

"§516D-1 Applicability. This chapter applies to all lands on which are situated either residential condominium property regimes created under chapter [§14A-~~or~~] 514B[~~s~~] or any predecessor thereto, or cooperative housing corporations, which are owned or held privately or by the State or by the counties, except Hawaiian home lands subject to article XII of the state constitution and lands owned or held by the federal government."

SECTION 36. Section 521-3, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) An association [of owners] under chapter [§14A-~~or~~] 514B shall have standing to initiate and prosecute a summary proceeding for possession against a tenant residing in the condominium project who repeatedly violates the association's governing documents or the rights of other occupants to quiet enjoyment and whose landlord refuses to act; provided that in such cases, the landlord shall be named as an additional party defendant."

SECTION 37. Section 521-38, Hawaii Revised Statutes, is amended to read as follows:

"§521-38 Tenants subject to rental agreement; notice of conversions. When a period of tenancy is pursuant to any rental agreement and where a landlord contemplates conversion to a condominium property regime under chapter [§14A-~~or~~] 514B, the landlord shall provide notice to the tenant at least one hundred twenty days in advance of the termination of the rental agreement."

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SECTION 38. Section 521-52, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

“(d) If the dwelling unit is [an apartment or] a unit in a condominium [property regime], the tenant shall comply with the bylaws of the association [of owners] under chapter [514A or] 514B, and if the dwelling unit is an apartment in a cooperative housing corporation, the tenant shall comply with the bylaws of the corporation.”

SECTION 39. Section 521-71, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) Before a landlord terminates a month-to-month tenancy where the landlord contemplates voluntary demolition of the dwelling units, conversion to a condominium property regime under chapter [514A or] 514B, or changing the use of the building to transient vacation rentals, the landlord shall provide notice to the tenant at least one hundred twenty days in advance of the anticipated demolition or anticipated termination. If notice is revoked or amended and reissued, the notice period shall begin from the date it was reissued or amended. Any notice provided, revoked, or amended and reissued shall be in writing. When the landlord provides notification of termination pursuant to this subsection, the tenant may vacate at any time within the one-hundred-twenty-day period between the notification and the termination date, but the tenant shall notify the landlord of the date the tenant will vacate the dwelling unit and shall pay a prorated rent for that period of occupation.”

SECTION 40. Section 634-21.5, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) Each board of directors of an association [of apartment owners] governed by chapter [514A or] 514B, cooperative housing corporation governed by chapter 421I, and planned community association governed by chapter 421J shall establish, if entry to the property is inaccessible to the general public, a policy to provide reasonable access as specified in subsection (b) to the building or community to persons authorized to serve civil process for the purpose of serving any summons, subpoena, notice, or order on a person who is identified by the document being served as residing or present in the condominium, cooperative housing project, or planned community.”

2. By amending subsection (c) to read:

“(c) An association [of apartment owners] governed by chapter [514A or] 514B, a cooperative housing corporation governed by chapter 421I, or a planned community association governed by chapter 421J shall not be liable to:

- (1) Any person if, after access is allowed to the building or community in accordance with this chapter, service of civil process is not actually effected for whatever reason; and
- (2) A person upon whom service of process is actually effected in accordance with this chapter.”

SECTION 41. Section 667-19, Hawaii Revised Statutes, is amended to read as follows:

“[§667-19] Association foreclosures; cure of default; payment plan.

If a foreclosure by action is initiated by an association pursuant to section 421J-10.5[514A-90] or 514B-146:

- (1) At the time of the commencement of the foreclosure by action, the association shall serve the unit owner with written contact infor-

- mation for approved housing counselors and approved budget and credit counselors;
- (2) A unit owner may cure the default within sixty days after service of the association's complaint for foreclosure by action by paying the association the full amount of the default, including the foreclosing association's attorneys' fees and costs, and all other fees and costs related to the default, along with any additional amounts estimated to be incurred by the foreclosing association;
 - (3) A unit owner may submit a payment plan within thirty days after service of the association's complaint for foreclosure by action. The unit owner shall submit the payment plan to the association or its attorney by certified mail return receipt requested or by hand delivery. The association shall not reject a reasonable payment plan. A unit owner's failure to strictly perform any agreed-upon payment plan shall entitle the association to pursue its remedies without further delay. For purposes of this paragraph, "reasonable payment plan" means a plan that provides for:
 - (A) Timely payment of all assessments that become due after the date that the payment plan is proposed; and
 - (B) Additional monthly payments of an amount sufficient to cure the default, within a reasonable period under the circumstances as determined by the board of directors in its discretion; provided that a period of up to twelve months shall be deemed reasonable; and provided further that the board of directors shall have the discretion to agree to a payment plan in excess of twelve months;
 - (4) From and after the date that the unit owner gives written notice to the association of the unit owner's intent to cure the default pursuant to paragraph (2) or timely submits a payment plan pursuant to paragraph (3), any foreclosure by action shall be stayed during the sixty-day period to cure the default or during the term of the payment plan or a longer period that is agreed upon by the parties;
 - (5) If the default is cured pursuant to paragraph (2), the association shall dismiss the foreclosure by action. If the parties have agreed on a payment plan pursuant to paragraph (3), the association shall stay the foreclosure by action. Within fourteen days of the date of the cure or an agreement on a payment plan, the association shall notify any person who was served as a result of the foreclosure by action that the action has been dismissed or stayed, as the case may be. If a notice of pendency of action for the foreclosure by action was recorded, a release of the notice of pendency of action shall be recorded if the action is dismissed; and
 - (6) If the default is not cured pursuant to paragraph (2), or the parties have not agreed on a payment plan pursuant to paragraph (3), the association may continue to foreclose the association's lien under foreclosure by action."

SECTION 42. Section 667-53, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) This section shall not apply to foreclosures of association liens that arise under a declaration filed pursuant to chapter 421J[–514A,] or 514B[.] or any predecessor to chapter 514B."

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SECTION 43. Section 667-71, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) This part shall not apply to actions by an association to foreclose on a lien for amounts owed to the association that arise under a declaration filed pursuant to chapter 421J[~~, 514A,~~] or 514B[~~,~~] or any predecessor to chapter 514B or to a mortgagor who has previously participated in dispute resolution under this part for the same property on the same mortgage loan.”

SECTION 44. Section 672E-4, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) Within thirty days following any proposal for inspection under subsection (b)(2), the claimant shall provide access to:

- (1) Inspect the premises;
- (2) Document any alleged construction defects; and
- (3) Perform any testing required to evaluate the nature, extent, and cause of the asserted construction defect, and the nature and extent of any repair or replacement that may be necessary to remedy the asserted construction defect;

provided that if the claimant is an association [~~of owners~~] under chapter [514A ~~or~~] 514B, the claimant shall have forty-five days to provide such access. If access to an individual condominium [apartment ~~or~~] unit is necessary, and the association is unable to obtain such access, then the association shall have a reasonable time to provide access. If destructive testing is required, the contractor shall give advance notice of tests and return the premises to its pre-testing condition. If inspection or testing reveals a condition that requires additional testing to fully and completely evaluate the nature, cause, and extent of the construction defect, the contractor shall provide notice to the claimant of the need for additional testing. The claimant shall provide additional access to the premises. If a claim is asserted on behalf of owners of multiple dwellings, or multiple owners of units within a multi-family complex, the contractor shall be entitled to inspect each of the dwellings or units.”

PART V

SECTION 45. Condominium property regimes created prior to July 1, 2006, that were issued an effective date pursuant to section 514A-40 and 514A-41, Hawaii Revised Statutes, may be sold on or after January 1, 2019, without revising any of the governing documents; provided that the developer's public report was active on January 1, 2019, and is accurate and not misleading. On January 1, 2019, all active, non-expired chapter 514A, Hawaii Revised Statutes, developer's public reports pursuant to sections 514A-40 and 514A-41, Hawaii Revised Statutes, along with their most recent disclosure abstract, if any, will be treated as non-expiring developer's public reports under part IV of chapter 514B, Hawaii Revised Statutes. Should any pertinent or material changes, or both, occur to the condominium project, the developer shall file an amended developer's public report superseding all prior reports pursuant to chapter 514B, Hawaii Revised Statutes; provided that such projects and their subsequent reports filed under chapter 514B, Hawaii Revised Statutes, shall be exempt from the conversion requirements under section 514B-84(a)(1) and (2), Hawaii Revised Statutes. Condominium property regimes created prior to July 1, 2006, that were not issued an effective date pursuant to sections 514A-40 and 514A-41, Hawaii Revised Statutes, and did not file a notice of intent pursuant to section 514A-1.5(2)(B), Hawaii Revised Statutes, shall revise their governing documents

and register under chapter 514B, Hawaii Revised Statutes, for a developer to offer for sale or to sell condominiums.

Nothing contained in this Act or in the condominium property act shall be deemed to invalidate any condominium property regime that was validly created under chapter 514A, Hawaii Revised Statutes, prior to July 1, 2006.

PART VI

SECTION 46. Statutory material to be repealed is bracketed and stricken.¹ New statutory material is underscored.

SECTION 47. This Act shall take effect on January 1, 2019.

(Approved July 11, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 182

H.B. NO. 606

A Bill for an Act Relating to County Access to Private Property.

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

SECTION 1. Chapter 46, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

“§46- Authority to enter private property; pests or invasive species. Each county of this State, through its employees or authorized agents, may enter private property within the respective county to control or eradicate pests and invasive species pursuant to sections 141-3.6 and 194-5.”

SECTION 2. Section 141-3.6, Hawaii Revised Statutes, is amended to read as follows:

“§141-3.6 Entry of private property to control or eradicate any pests. (a) The department of agriculture or applicable county shall give at least five days notice to the landowner and the occupier of any private property of its intention to enter the property for the control or eradication of a pest. Written notice sent to the landowner's last known address by certified mail, postage prepaid, return receipt requested, shall be deemed sufficient notice. [In the event that] If certified mail is impractical because the department[,] or county, despite diligent efforts, cannot determine land ownership or because of urgent need to initiate control or eradication measures, notice given once in a daily or weekly publication of general circulation, in the county where any action or proposed action will be taken, or notice made as otherwise provided by law, shall be deemed sufficient notice. The notice shall set forth all pertinent information on the pest control program and the procedures and methods to be used for control or eradication.

(b) After notice as required by subsection (a), any member of the department, employee of the county, or any agent authorized by the department or county may enter at reasonable times any private property other than dwelling places to maintain a pest control or eradication program, being liable only for damage caused by acts beyond the scope of the person's authority, or the per-

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son's negligence, gross negligence, or intentional misconduct. If entry is refused, the department member, county employee, or any authorized agent may apply to the district court in the circuit in which the property is located for a warrant to enter on the premises to effectuate the purposes of this chapter. The district court may issue a warrant directing a police officer of the circuit to assist the department member, county employee, or any authorized agent in gaining entry onto the premises during regular working hours or at other reasonable times."

SECTION 3. Section 194-5, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

"(a) Whenever any invasive species identified by the council for control or eradication is found on private property, a department or applicable county, or its employees or authorized agents may enter [such] the premises to control or eradicate the invasive species after reasonable notice is given to the owner of the property and, if entry is refused, pursuant to the court order in subsection (d)."

2. By amending subsections (c) to (f) to read:

"(c) The department or applicable county, or its employees or authorized agents may instead cause notice to be given, and order the owner to control or eradicate the invasive species, if [such] the species was intentionally and knowingly established by the owner on the owner's property and not naturally dispersed from neighboring properties, at the owner's expense within [such] a reasonable time as the department or county may deem proper, pursuant to the notice requirements of this section.

(d) If the owner thus notified fails to comply with the order of the department, the applicable county, or its employee or authorized agent, within the time specified by the department[, or county, or if entry is refused after notice is given pursuant to subsection (a) and, if applicable subsection (b), the department, the applicable county, or its employee or authorized agent may apply to the district court of the circuit in which the property is situated for a warrant, directed to any police officer of the circuit, commanding the police officer to take sufficient aid and to assist the department member, county employee, or [its] agent in gaining entry onto the premises, and executing measures to control or eradicate the invasive species.

(e) The department or applicable county may recover by appropriate proceedings the expenses incurred by its order from any owner who, after proper notice, has failed to comply with the department's or county's order.

(f) In no case shall the department, the county, or any officer, employee, or authorized agent thereof be liable for costs in any action or proceeding that may be commenced pursuant to this [chapter]."

SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 6. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 183

H.B. NO. 453

A Bill for an Act Relating to Agriculture.

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

SECTION 1. Chapter 141, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

“§141- Grant program; food safety certification costs; special fund. (a) There is established in the department of agriculture a grant program to assist farmers and ranchers in meeting the costs, including audit costs and other expenses, of complying with the federal Food Safety Modernization Act, United States Food and Drug Administration regulations, and state food safety laws.

(b) The program shall provide grants to qualified applicants with the following terms and conditions:

- (1) No grants shall be given unless money has been spent by the applicant toward complying with the federal Food Safety Modernization Act, United States Food and Drug Administration regulations, or state food safety laws;
- (2) The total amount of a grant to any one applicant shall not exceed \$5,000; and
- (3) No grant shall be given for costs that were incurred more than five years prior to the time the application for the grant is received by the department.

(c) There is established in the state treasury the food safety certification costs grant program special fund to be administered by the department to provide the grants required by this section. The revenues of the fund shall consist of legislative appropriations and the interest thereon.

(d) The department shall adopt rules to carry out the purposes of the grant program. The grant applications shall be reviewed and approved by an administrative staff member of the department.”

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$500,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the food safety certification costs grant program of the department of agriculture.

The sum appropriated shall be expended by the department of agriculture for the purposes of this Act.

SECTION 3. New statutory material is underscored.¹

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 184

H.B. NO. 1465

A Bill for an Act Relating to Liquor.

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

SECTION 1. The purpose of this Act is to:

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- (1) Clarify ambiguous statutory language enacted by Act 12, Session Laws of Hawaii 2016;
- (2) Modernize chapter 281, Hawaii Revised Statutes; and
- (3) Enable the various county liquor commissions to execute their duties in a more efficient and effective manner.

SECTION 2. Section 281-41, Hawaii Revised Statutes, is amended to read as follows:

"§281-41 Transfer of licenses; notice of change in officers, directors, and stockholders of corporate licenses, partners of a partnership license, and members or managers of a limited liability company license; penalty. (a) No license issued under this chapter to an original applicant or to any transferee shall be transferable or be transferred within one year of the issuance or transfer, except for good cause shown to the satisfaction of the liquor commission. A transfer of license shall be for the same class, kind, and category of license. No license issued under this chapter shall be transferable or be transferred except upon written application to the commission by the proposed transferee, and after prior inspection of the premises, reference to, and report by an inspector, and a public hearing held by the commission not less than fourteen days after one publication of notice thereof, but without sending notice of the hearing by mail to persons being the owners or lessees of real estate situated within the vicinity of the premises and without the right to the owners or lessees to protest the transfer of a license. Exceptions are class 5 and 11 licensees who must comply with the requirements as set forth in sections 281-57 to 281-60.

(b) A county may increase the requirements for transfers of class 5, category (1)(B) and (D), and class 11 licenses by ordinance designating one or more areas within the county as special liquor districts and specifying the requirements applicable to transfers of any of these licenses within each district.

(c) For the purpose of this section, "special liquor district" means an area designated by a county for restoration, reservation, historic preservation, redevelopment, rejuvenation, or residential protection, in which development is guided to protect or enhance the physical and visual aspects of the area for the benefit of the community as a whole.

(d) Where a license is held by a partnership, the commission may, notwithstanding any other provision of this section, approve the transfer of the partnership interest~~[upon the death or withdrawal of a member of the partnership to any remaining partner or partners without publication of notice at a public hearing.]~~ without publication of notice at a public hearing, to any remaining partner or partners, upon the death or withdrawal of a partner of the partnership, or to a trust of which the partner is the trustee.

(e) Where a license is held by a partnership, limited partnership, limited liability partnership, or a limited liability company, the admission or withdrawal of a partner, limited partner, partner of a limited liability partnership, [or a member of the] member of a member managed limited liability company, or manager of a manager managed limited liability company shall not be deemed a transfer of the license [held by the partnership or limited liability company, but]; provided that the licensee shall, [prior to such] within thirty days from the date of the admission or withdrawal, so notify the commission in writing, stating the name of the partner, [partners, member, or members who have withdrawn, if such be the case, and the name, age, and place of residence of the partner, partners, member, or members who have been admitted, if that be the case. If the commission finds a partner or a member to be an unfit or improper person to hold a license in the partner's or member's own right pursuant to section 281-45,

~~it may revoke the license or suspend the license of the partnership or the limited liability company until the unfit or improper partner or member is removed or replaced.] member, or manager, who has been admitted or withdrawn, and any other information as may be required by the commission.~~

(f) Except as otherwise provided in this section, the same procedure shall be followed in regard to the transfer of a license as is prescribed by this chapter for obtaining a license. Sections 281-51 to 281-60, except where inconsistent with [any provision hereof,] this section, are [hereby made] applicable to [such] the transfers. The word "applicant", as used in [such] sections[,] 281-51 to 281-60, shall include each [such] proposed transferee, and the words, "application for a license or for the renewal of a license", as used in [such] those sections, shall include an application for the transfer of a license.

(g) Upon the hearing, the commission shall consider the application and any objections to the granting thereof and hear the parties in interest. It shall inquire into the propriety of each transfer and determine whether the proposed transferee is a fit person to hold the license. It may approve a transfer or refuse to approve a transfer and the refusal by the commission to approve a transfer shall be final and conclusive, unless an appeal is taken as provided in chapter 91.

(h) If any licensee without [such] prior approval transfers to any other person the licensee's business for which the licensee's license was issued, either openly or under any undisclosed arrangement, whereby any person, other than the licensee, comes into exclusive possession or control of the business or takes in any partner or associate[,] who would be unfit or improper to hold a license pursuant to section 281-45, the commission may in its discretion suspend or cancel the license.

(i) If the licensee is a corporation, a change in ownership of any outstanding capital stock shall not be deemed a transfer of a license; provided that in the case of a change in ownership of twenty-five per cent or more of the voting capital stock or in the case of change in ownership of any number of shares of the stock that results in the transferee thereof becoming the owner of twenty-five per cent or more of the outstanding voting capital stock, the corporate licensee shall, [prior to] within thirty days of the date of the transfer, apply for [and secure] the approval of the transfer from the commission in writing. If the commission finds that the [proposed] transferee is an unfit or improper person to hold a license in the [proposed] transferee's own right pursuant to section 281-45, it shall not approve the [proposed] transfer. If any transfer is made without the [prior] approval of the commission, the commission may in its discretion revoke or suspend the license until it determines that the transferee is a fit and proper person, and if the commission finds that the transferee is not a fit and proper person, until a retransfer or new transfer of the capital stock is made to a fit and proper person pursuant to section 281-45. In addition, the corporate licensee, if not a publicly-traded company, or an entity ultimately solely owned by a publicly-traded company, shall, within thirty days from the date of election of any officer or director, notify the commission in writing of the name, age, and place of residence of the officer or director[; provided that if the licensee is a]. A publicly-traded company, or an entity ultimately solely owned by a publicly-traded company, [the licensee] shall, within thirty days from the date of election of any replacement of an officer designated as a primary [decisionmaker] decision-maker regarding the purchase and sale of liquor, notify the commission in writing of the name, age, and place of residence of the [officers.] officer. If the commission finds that the transferee, officer, or director, for whom notification is required to be given as specified in this subsection, is an unfit or improper person to hold a license in the transferee's, officer's, or director's own right pursuant to

section 281-45, it may in its discretion revoke the license or suspend the license until a retransfer or new transfer of the capital stock is effected to a fit or proper person pursuant to section 281-45 or until the unfit or improper transferee, officer, or director is removed or replaced by a fit and proper person pursuant to section 281-45.

(j) If a licensee closes out the business for which the license is held, during the term for which the license was issued, the licensee shall, within five days from the date of closing the same, give the commission written notice thereof and surrender the licensee's license for cancellation[], unless the licensee obtains prior approval from the commission to place its license with the commission for safekeeping. For the purposes of this subsection, "safekeeping" means the holding of a liquor license at the commission office while the licensee is not operating.

(k) The conversion of an entity into any other form of entity or the merger of any entity with any other entity shall not be deemed a transfer of the license; provided that the licensee, prior to the date of the conversion or merger, shall apply for and secure the approval of the commission without any requirement for publication of notice. The foregoing shall not preclude compliance with subsection (e)¹ upon a change in any of the partners or members, or with subsection (i) upon change of any shareholders, officers, or directors of any entity occurring concurrently with a conversion or merger.

As used in this subsection, "entity" means a corporation, partnership, limited partnership, limited liability partnership, or limited liability company.

(l) Any officer or director not designated as a primary decision-maker shall be prohibited from coercing, pressuring, or otherwise unduly influencing the decision of a designated primary decision-maker to engage in any unlawful activity relating to the purchase and sale of liquor. If the commission finds that coercion, pressure, or other undue influence has been placed on a primary decision-maker by any officer or director who is not a designated primary decision-maker, the commission may in its discretion suspend or cancel the license."

SECTION 3. Section 281-45, Hawaii Revised Statutes, is amended to read as follows:

"§281-45 No license issued, when. No license shall be issued under this chapter:

- (1) To any minor or to any person who has been convicted of a felony and not pardoned, or to any other person not deemed by the commission to be a fit and proper person to have a license; provided that the commission may grant a license under this chapter to a corporation that has been convicted of a felony where the commission finds that the corporation's officers and shareholders of twenty-five per cent or more of outstanding stock are fit and proper persons to have a license;
- (2) To a corporation the officers and directors of which, or any of them, would be disqualified under paragraph (1) from obtaining the license individually, or a stockholder of which, owning or controlling twenty-five per cent or more of the outstanding capital stock, or to a general partnership, limited partnership, limited liability partnership, or limited liability company whose partner or member holding twenty-five per cent or more interest of which, or any of them would be disqualified under paragraph (1) from obtaining the license individually; provided that for publicly-traded companies or entities ultimately solely owned by a publicly-traded company, only the of-

- ficers and directors designated as primary decision-makers shall be considered to determine disqualification under paragraph (1);
- (3) Unless the applicant for a license or a renewal of a license, or in the case of a transfer of a license, both the transferor and the transferee, present to the issuing agency a tax clearance certificate from the department of taxation and from the Internal Revenue Service showing that the applicant or the transferor and transferee do not owe the state or federal governments any delinquent taxes, penalties, or interest; or that the applicant, or in the case of a transfer of a license, the transferor or transferee, has entered into an installment plan agreement with the department of taxation and the Internal Revenue Service for the payment of delinquent taxes in installments and that the applicant is or the transferor or transferee is, in the case of a transfer of a license, complying with the installment plan agreement; provided that when the applicant or the transferor or transferee, in the case of a transfer of a license, is validly challenging a tax assessment, penalty, or other proceeding that prevents the issuance of a signed certificate from the appropriate federal or state tax agency, the commission shall issue a license that is valid for the period of time necessary to resolve the challenge;
- (4) To an applicant for a class 2, class 4 except for convenience minimarts, class 5, class 6, class 11, class 12, class 13, class 14, class 15, class 17, or class 18 license unless the applicant for issuance of a license or renewal of a license, or in the case of a transfer of a license, both the transferor and the transferee, present to the issuing agency proof of liquor liability insurance coverage in an amount of \$1,000,000; or
- (5) To any applicant who has had any liquor license revoked less than two years previous to the date of the application for any like or other license under this chapter.”

SECTION 4. Section 281-53, Hawaii Revised Statutes, is amended to read as follows:

“§281-53 Application; penalty for false statements. Every application for a license or for the renewal of a license or for the transfer of a license shall be in writing, signed and, except for the renewal of a license, verified by the oath of the applicant, or in the case of a corporation or unincorporated association by the proper officer or officers thereof, or if a partnership by a general partner thereof, or if a limited liability partnership by a partner thereof, or if a member managed limited liability company by a member thereof, or if a manager managed limited liability company by a manager thereof, made before any official authorized by law to administer oaths, and shall be addressed to the liquor commission, and set forth:

- (1) The full name, age, and place of residence of the applicant; if a copartnership, the names, ages, and respective places of residence of all the partners; if a limited liability company, its full name and the names of all its members; if a corporation or joint-stock company, its full name and the names of its officers and directors, and the names of all stockholders owning twenty-five per cent or more of the outstanding capital stock; if a publicly-traded company, or an entity ultimately solely owned by a publicly-traded company, the names of the officers designated as the primary [decisionmakers] decision-makers regarding the purchase and sale of liquor; and if

any other association of individuals, the names, ages, and respective places of residence of its officers and the number of its members;

- (2) A particular description of the place or premises where the proposed license is to be exercised, so that the exact location and extent thereof may be clearly and definitely determined therefrom;
- (3) The class and kind of license applied for; and
- (4) Any other matter or information pertinent to the subject matter which may be required by the rules of the commission.

If any false statement is knowingly made in any application which is verified by oath, the applicant, and in the case of the application being made by a corporation, limited liability company, association, or club, the persons signing the application, shall be guilty of perjury, and shall be subject to the penalties prescribed by law for such offense. If any false statement is knowingly made in any application which is not verified by oath, the person or persons signing the application shall be guilty of a misdemeanor and upon conviction thereof shall be punished as in section 281-102 provided."

SECTION 5. Section 281-53.5, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The respective county liquor commissions may request a criminal history record check of an applicant for a liquor license in accordance with section 846-2.7[.]; provided that neither a criminal history record check nor compliance with this section shall be required for the officers and directors of publicly-traded companies or entities ultimately solely owned by a publicly-traded company, who are not designated as primary decision-makers regarding the sale or purchase of liquor. The criminal history record check, at a minimum, shall require the applicant to disclose whether:

- (1) The applicant has been convicted in any jurisdiction of a crime that would tend to indicate the applicant may be unsuited for obtaining a liquor license; and
- (2) The judgment of conviction has not been vacated.

For the purpose of this section, the criminal history disclosure made by the applicant may be verified by the liquor commission by means of information obtained through the Hawaii criminal justice data center. The applicant shall provide the Hawaii criminal justice data center with personal identifying information which shall include but not be limited to the applicant's name, social security number, date of birth, and gender. This information shall be secured only for the purpose of conducting the criminal history record check authorized by this section."

SECTION 6. Section 281-96, Hawaii Revised Statutes, is amended to read as follows:

“§281-96 Cancellation. If the use of the premises covered by any license becomes lost to the licensee by reason of being sold under foreclosure proceedings, or a civil execution, or other legal process, or for any other cause, which shall force a cessation of the business of the licensee thereon under the license (other than by a revocation or suspension of the licensee's license), the liquor commission may cancel or suspend the license[.] unless the liquor commission has approved the safekeeping of the license pursuant to section 281-41(j)."

SECTION 7. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 8. This Act shall take effect upon its approval.

(Approved July 11, 2017.)

Note

1. Prior to amendment "(d)" appeared here.

ACT 185

H.B. NO. 427

A Bill for an Act Relating to Dark Night Skies Protection.

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

SECTION 1. The legislature finds that dark night skies hold important cultural, scientific, astronomical, natural, landscape, and tourism related value. Light pollution caused by the excessive, misdirected, or obtrusive use of artificial light has become a worldwide problem, and is now posing significant challenges for the State. The inappropriate use of lighting at night includes over-illumination, with the excessive use of artificial light, use of fixtures that direct light upward that causes glare and sky glow, and use of fixtures that have excessive amounts of blue light.

Light pollution is a statewide issue because light travels far distances. For example, the western part of Molokai has a much brighter night sky than the eastern part because of the sky glow from Oahu; and the sky glow from Oahu is easily visible from Haleakala and interferes with astronomical observations in the western part of the sky.

Light at night interferes with various species of animals, including threatened and endangered birds and turtles. The historical use of poorly designed light fixtures has required very costly retrofits to reduce the impact on these species. Light at night, particularly blue light, also interferes with circadian rhythms, including those in humans. The World Health Organization has listed "shift work" that involves circadian disruption as a probable carcinogen. Research suggests that light intrusion, even if dim, is likely to have measurable effects on sleep disruption and melatonin suppression. Even if these effects may be relatively small from night to night, continuous chronic circadian sleep and hormonal disruption may have longer-term health risks.

Another consideration concerning night light is the cost involved. Night-time illumination of state highways, harbors, airports, and other facilities is costly and consumes large amounts of energy. Application of new lighting technologies may produce substantial energy and cost savings.

The legislature further finds that the preservation of the State's dark night skies is essential to the State's well-being and that the State needs a statewide co-ordinated strategy to address this issue.

The purpose of this Act is to preserve dark night skies in Hawaii by establishing a dark night skies protection advisory committee.

SECTION 2. (a) There is established the dark night skies protection advisory committee to assist the University of Hawaii in developing a statewide dark night skies protection strategy. The advisory committee shall be placed within the University of Hawaii for administrative purposes.

(b) The members of the advisory committee shall consist of the following thirteen persons or their designees:

- (1) The president of the University of Hawaii;

- (2) The comptroller;
- (3) The director of business, economic development, and tourism;
- (4) The director of health;
- (5) The director of transportation;
- (6) The chairperson of the board of land and natural resources;
- (7) The mayor of each county;
- (8) The administrator of the Office of Hawaiian Affairs;
- (9) The director of the University of Hawaii institute for astronomy; and

(10) A representative of the University of Hawaii at Hilo.

The president of the University of Hawaii shall designate a chairperson from among the members of the advisory committee.

(c) The chairperson of the advisory committee may invite interested parties to advise the advisory committee, including:

- (1) A representative from the United States Fish and Wildlife Service;
- (2) A representative from the United States military, to be appointed by the Commander of the United States Pacific Command;
- (3) A representative from the Federal Aviation Administration;
- (4) A representative from the United States Coast Guard;
- (5) A representative from the Federal Highway Administration;
- (6) A representative from the Occupational Safety and Health Administration;
- (7) A member of the Hawaiian Astronomical Society; and
- (8) A lighting engineer.

(d) In developing the dark night skies protection strategy, the advisory committee shall consider and evaluate issues that include:

- (1) Reduction of light pollution in the State;
- (2) Methods to conserve energy;
- (3) Cultural, scientific, astronomical, natural, tourism, and landscape related values associated with dark night skies;
- (4) Protection of threatened and endangered species that are affected by artificial light;
- (5) Impacts of light pollution on astronomical observations from Mauna Kea, Mauna Loa, and Haleakala;
- (6) Educational uses of the dark night sky by K-12 and higher education students;
- (7) Establishment of dark night sky parks, which are designated locations that have special protections for the night sky and are locations where residents and visitors can view the night sky with minimal interference from artificial light;
- (8) Statewide monitoring of light pollution to monitor light pollution levels and long-term trends;
- (9) Public safety issues related to the reduction in artificial light; and
- (10) Any additional considerations that the advisory committee believes will help to protect dark night skies in the State.

(e) In conjunction with developing the statewide dark night skies protection strategy, the advisory committee shall consult with the United States Fish and Wildlife Service.

(f) Members of the advisory committee shall not be compensated but shall be reimbursed by their respective organization for necessary expenses incurred, including travel expenses, in carrying out their duties. The University of Hawaii shall provide all necessary administrative, professional, technical, and clerical support required by the advisory committee.

(g) As used in this Act, "advisory committee" means the dark night skies protection advisory committee.

(h) The advisory committee shall be dissolved on June 30, 2027.

SECTION 3. The University of Hawaii shall report its initial findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2018. The advisory committee shall report its updated findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of each regular session of 2019, 2020, and 2021.

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

(Approved July 11, 2017.)

ACT 186

H.B. NO. 794

A Bill for an Act Relating to Energy at the University of Hawaii.

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

SECTION 1. Act 99, Session Laws of Hawaii 2015, established a long-term goal for the University of Hawaii to reduce energy consumption and energy bills to net-zero, and encouraged "the use of innovative means of energy-savings financing to reduce taxpayer costs for . . . energy efficiency projects."

Green revolving funds are an innovative and proven mechanism for universities and other large institutions to reduce operating costs and environmental impact while promoting education and engaging stakeholders. A green revolving fund is an internal fund that provides a direct source of capital to implement energy efficiency, renewable energy, and other sustainability projects that generate cost savings. These savings are tracked and used to replenish the fund for the next round of green investments, thus establishing a sustainable funding cycle while reducing operating costs and environmental impact.

The legislature finds that the University of Hawaii needs a mechanism to track savings realized from energy efficiency and renewable energy projects and reinvest them into additional cost-saving measures that reduce energy consumption to support this long term goal.

The purpose of this Act is to address a statewide concern by:

- (1) Creating a green special fund to collect and expend revenues that will harness savings realized from energy efficiency investments and other sources of revenue to reinvest into further measures to reduce energy consumption and operating costs towards achieving the University of Hawaii's net-zero energy goal; and
- (2) Requiring the University of Hawaii to submit an annual report to the legislature on the money in the green special fund.

SECTION 2. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§304A- University of Hawaii green special fund. (a) There is established the University of Hawaii green special fund, into which may be deposited:

- (1) Savings realized by the university from energy conservation measures;

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- (2) Investment earnings, gifts, donations, or other income received by the University of Hawaii;
 - (3) Any rebates, grants, or incentives associated with energy conservation measures;
 - (4) Capital appropriations for energy conservation measures;
 - (5) Until June 30, 2020, funds from any special or revolving fund established to fund energy conservation measures projects at the University of Hawaii; and
 - (6) Proceeds from University of Hawaii revenue bonds.
- (b) Moneys in the University of Hawaii green special fund shall be used to support energy efficiency, renewable energy, and sustainability projects and services including personnel, equipment costs, project costs, and other expenses, as well as planning, design, and implementation of sustainability projects for the benefit of the university; provided that any expenditure equal to or greater than \$167,000 shall require the approval of the legislature.
- (c) The chief financial officer of the University of Hawaii shall manage the University of Hawaii green special fund and shall have the authority to garner monetary savings realized from campus energy conservation measures projects.
- (d) The University of Hawaii may also transfer other funds into the University of Hawaii green special fund to offset the costs and expenses associated with sustainability initiatives at the University of Hawaii.
- (e) The University of Hawaii shall submit a report to the legislature on the moneys deposited into the University of Hawaii green special fund, including:
- (1) An explanation of how savings were calculated;
 - (2) A review of all the revenues deposited;
 - (3) A review of the rebates, grants, or incentives received; and
 - (4) A review of any other funds that may have been transferred, no later than twenty days prior to the convening of each regular session.”

SECTION 3. New statutory material is underscored.¹

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 187

S.B. NO. 314

A Bill for an Act Relating to Arbitration.

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

SECTION 1. Section 658A-12, Hawaii Revised Statutes, is amended to read as follows:

“[§658A-12] Disclosure by arbitrator. (a) Before accepting appointment, an individual who is requested to serve as an arbitrator, after making a reasonable inquiry, shall disclose to all parties to the agreement to arbitrate and arbitration proceeding and to any other arbitrators any known facts that a rea-

sonable person would consider likely to affect the impartiality of the arbitrator in the arbitration proceeding, including:

- (1) A direct and material financial or personal interest in the outcome of the arbitration proceeding; and
- (2) An existing or past substantial relationship with any of the parties to the agreement to arbitrate or the arbitration proceeding, their counsel or representatives, a witness, or another arbitrator.

(b) An arbitrator has a continuing obligation to disclose to all parties to the agreement to arbitrate and arbitration proceeding and to any other arbitrators any facts that the arbitrator learns after accepting appointment [which] that a reasonable person would consider likely to affect the impartiality of the arbitrator.

(c) If an arbitrator discloses a fact required by subsection (a) or (b) to be disclosed and a party timely objects to the appointment or continued service of the arbitrator based upon the fact disclosed, the objection may be a ground under section 658A-23(a)(2) for vacating an award made by the arbitrator.

~~[d] If the arbitrator did not disclose a fact as required by subsection (a) or (b), upon timely objection by a party, the court under section 658A-23(a)(2) may vacate an award.~~

~~(e) An arbitrator appointed as a neutral arbitrator who does not disclose a known, direct, and material interest in the outcome of the arbitration proceeding or a known, existing, and substantial relationship with a party is presumed to act with evident partiality under section 658A-23(a)(2).~~

~~(d) If the court, upon timely objection by a party, determines that the arbitrator did not disclose a fact required by subsection (a) or (b) to be disclosed, the court may determine that such failure to disclose constituted evident partiality and vacate an award made by the arbitrator pursuant to section 658A-23(a)(2).~~

~~[f] (e) If the parties to an arbitration proceeding agree to the procedures of an arbitration organization or any other procedures for challenges to arbitrators before an award is made, substantial compliance with those procedures is a condition precedent to a motion to vacate an award on that ground under section 658A-23(a)(2)."~~

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 11, 2017.)

ACT 188

S.B. NO. 322

A Bill for an Act Relating to Court Jurisdiction.

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

SECTION 1. Section 603-21.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The several circuit courts shall have concurrent jurisdiction with the family court over:

- (1) Any felony under section 571-14, violation of an order issued pursuant to chapter 586, or a violation of section 709-906 when multiple

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- offenses are charged through complaint or indictment and at least one other offense is a criminal offense under subsection (a)(1);
- (2) Any felony under section 571-14 when multiple offenses are charged through complaint or indictment and at least one other offense is a violation of an order issued pursuant to chapter 586, a violation of section 709-903.5, 709-904, 709-905, or 709-906, or a misdemeanor under the jurisdiction of section 604-8;
- (3) Any violation of section 711-1106.4; and
- (4) Guardianships and related proceedings concerning incapacitated adults pursuant to article V of chapter 560.”

SECTION 2. Section 604-8, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) The district court shall have concurrent jurisdiction with the family court of any violation of an order issued pursuant to chapter 586 or any violation of section 709-904, 709-905, or 709-906 when multiple offenses are charged and at least one other offense is a criminal offense within the jurisdiction of the district courts.”

SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 4. New statutory material is underscored.

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

(Approved July 11, 2017.)

ACT 189

S.B. NO. 339

A Bill for an Act Relating to Information Charging.

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

SECTION 1. Section 806-83, Hawaii Revised Statutes, is amended as follows:

1. By amending subsections (a) and (b) to read:

“(a) Criminal charges may be instituted by written information for a felony when the charge is a class C felony, except under:

- [(1) Section 19-3.5 (voter fraud);
(2) Section 128D-10 (knowing releases);
(3) Section 132D-14(a)(1), (2)(A), and (3) (relating to penalties for failure to comply with requirements of sections 132D-7, 132D-10, and 132D-16);
(4) Section 134-7(a) and (b) (ownership or possession prohibited);
(5) Section 134-8 (ownership, etc., of automatic firearms, silencers, etc., prohibited; penalties);
(6) Section 134-9 (licenses to carry);
(7) Section 134-17(a) (relating to false information or evidence concerning psychiatric or criminal history);
(8) Section 134-24 (place to keep unloaded firearms other than pistols and revolvers);
(9) Section 134-51 (deadly weapons);

- (10) Section 134-52 (switchblade knives);
- (11) Section 134-53 (butterfly knives);
- (12) Section 188-23 (possession or use of explosives, electrofishing devices, and poisonous substances in state waters prohibited);
- (13) Section 231-34 (attempt to evade or defeat tax);
- (14) Section 231-36 (false and fraudulent statements);
- (15) Section 245-37 (sale or purchase of packages of cigarettes without stamps);
- (16) Section 245-38 (vending unstamped cigarettes);
- (17) Section 245-51 (export and foreign cigarettes prohibited);
- (18) Section 245-52 (alteration of packaging prohibited);
- (19) Section 291C-12.5 (accidents involving substantial bodily injury);
- (20) Section 291E-61.5 (habitually operating a vehicle under the influence of an intoxicant);
- (21) Section 329-41 (prohibited acts B—penalties);
- (22) Section 329-42 (prohibited acts C—penalties);
- (23) Section 329-43.5 (prohibited acts related to drug paraphernalia);
- (24) Section 329C-2 (manufacture, distribution, or possession with intent to distribute an imitation controlled substance to a person under eighteen years of age);
- (25) Section 346-34(d)(2) and (e) (relating to fraud involving food stamps or coupons);
- (26) Section 346-43.5 (medical assistance [fraud]; penalties);
- (27) Section 383-141 (falsely obtaining benefits, etc.);
- (28) Section 431:2-403(b)(2) (insurance fraud);
- (29) Section 482D-7 (violation of fineness standards and stamping requirements);
- (30) Section 485A-301 (securities registration requirement);
- (31) Section 485A-401 (broker-dealer registration requirement and exemptions);
- (32) Section 485A-402 (agent registration requirement and exemptions);
- (33) Section 485A-403 (investment adviser registration requirement and exemptions);
- (34) Section 485A-404 (investment adviser representative registration requirement and exemptions);
- (35) Section 485A-405 (federal covered investment adviser notice filing requirement);
- (36) Section 485A-501 (general fraud);
- (37) Section 485A-502 (prohibited conduct in providing investment advice);
- (38) Section 707-703 (negligent homicide in the second degree);
- (39) Section 707-705 (negligent injury in the first degree);
- (40) Section 707-711 (assault in the second degree);
- (41) Section 707-713 (reckless endangering in the first degree);
- (42) Section 707-721 (unlawful imprisonment in the first degree);
- (43) Section 707-726 (custodial interference in the first degree);
- (44) Section 707-757 (electronic enticement of a child in the second degree);
- (45) Section 707-766 (extortion in the second degree);
- (46) Section 708-811 (burglary in the second degree);
- (47) Section 708-812.6 (unauthorized entry in a dwelling in the second degree);
- (48) Section 708-821 (criminal property damage in the second degree);
- (49) Section 708-831 (theft in the second degree);

- (50) Section 708-833.5 (shoplifting);
- (51) Section 708-835.5 (theft of livestock);
- (52) Section 708-836 (unauthorized control of propelled vehicle);
- (53) Section 708-836.5 (unauthorized entry into motor vehicle in the first degree);
- (54) Section 708-839.5 (theft of utility services);
- (55) Section 708-839.55 (unauthorized possession of confidential personal information);
- (56) Section 708-839.8 (identity theft in the third degree);
- (57) Section 708-852 (forgery in the second degree);
- (58) Section 708-854 (criminal possession of a forgery device);
- (59) Section 708-858 (suppressing a testamentary or recordable instrument);
- (60) Section 708-875 (trademark counterfeiting);
- (61) Section 708-891.6 (computer fraud in the third degree);
- (62) Section 708-892.6 (computer damage in the third degree);
- (63) Section 708-895.7 (unauthorized computer access in the third degree);
- (64) Section 708-8100 (fraudulent use of a credit card);
- (65) Section 708-8102 (theft, forgery, etc., of credit cards);
- (66) Section 708-8103 (credit card fraud by a provider of goods or services);
- (67) Section 708-8104 (possession of unauthorized credit card machinery or incomplete cards);
- (68) Section 708-8200 (cable television service fraud in the first degree);
- (69) Section 708-8202 (telecommunication service fraud in the first degree);
- (70) Section 709-903.5 (endangering the welfare of a minor in the first degree);
- (71) Section 709-906 (abuse of family or household members);
- (72) Section 710-1016.3 (obtaining a government-issued identification document under false pretenses in the first degree);
- (73) Section 710-1016.6 (impersonating a law enforcement officer in the first degree);
- (74) Section 710-1017.5 (sale or manufacture of deceptive identification document);
- (75) Section 710-1018 (securing the proceeds of an offense);
- (76) Section 710-1021 (escape in the second degree);
- (77) Section 710-1023 (promoting prison contraband in the second degree);
- (78) Section 710-1024 (bail jumping in the first degree);
- (79) Section 710-1029 (hindering prosecution in the first degree);
- (80) Section 710-1060 (perjury);
- (81) Section 710-1072.5 (obstruction of justice);
- (82) Section 711-1103 (riot);
- (83) Section 711-1109.35 (cruelty to animals by fighting dogs in the second degree);
- (84) Section 711-1110.9 (violation of privacy in the first degree);
- (85) Section 711-1112 (interference with the operator of a public transit vehicle);
- (86) Section 712-1221 (promoting gambling in the first degree);
- (87) Section 712-1222.5 (promoting gambling aboard ships);
- (88) Section 712-1224 (possession of gambling records in the first degree);

- (89) Section 712-1243 (promoting a dangerous drug in the third degree);
 (90) Section 712-1246 (promoting a harmful drug in the third degree);
 (91) Section 712-1247 (promoting a detrimental drug in the first degree);
 (92) Section 712-1249.6(1)(a), (b), or (e) (promoting a controlled substance in, on, or near schools, school vehicles, public parks, or public housing projects or complexes);
 (93) Section 803-42 (interception, access, and disclosure of wire, oral, or electronic communications, use of pen register, trap and trace device, and mobile tracking device prohibited); or
 (94) Section 846E-9 (failure to comply with covered offender registration requirements);]
 (1) Section 159-28 (bribery related to the Hawaii Meat Inspection Act);
 (2) Section 161-28 (bribery related to the Hawaii Poultry Inspection Act);
 (3) Section 707-712.5 (assault against a law enforcement officer in the first degree);
 (4) Section 707-716 (terroristic threatening in the first degree);
 (5) Section 707-732 (sexual assault in the third degree);
 (6) Section 707-741 (incest);
 (7) Section 707-752 (promoting child abuse in the third degree);
 (8) Section 708-880 (commercial bribery);
 (9) Section 709-904.5 (compensation by an adult of juveniles for crimes);
 (10) Section 710-1026.9 (resisting an order to stop a motor vehicle in the first degree);
 (11) Section 710-1070 (bribery of or by a witness);
 (12) Section 710-1071 (intimidating a witness);
 (13) Section 710-1072.2 (retaliating against a witness);
 (14) Section 710-1073 (bribery of or by a juror);
 (15) Section 710-1075 (jury tampering);
 (16) Section 710-1075.5 (retaliating against a juror);
 (17) Section 711-1106.4 (aggravated harassment by stalking);
 (18) Section 711-1110.9 (violation of privacy in the first degree);
 (19) Section 712-1208 (promoting travel for prostitution);
 (20) Section 712-1209.1 (solicitation of a minor for prostitution);
 (21) Section 712-1209.5 (habitual solicitation of prostitution);
 (22) Section 712-1215 (promoting pornography for minors);
 (23) Section 712-1218 (failure to maintain age verification records of sexual performers);
 (24) Section 712-1218.5 (failure to maintain age verification records of sexually exploited individuals); and
 (25) Section 712-1219 (failure to affix information disclosing location of age verification records of sexual performers).
 (b) Criminal charges may be instituted by written information for a felony when the charge is a class B felony, except under:
 (1) Section 134-7(b) (ownership or possession prohibited, when; penalty);
 (2) Section 134-23 (place to keep loaded firearms other than pistols and revolvers; penalties);
 (3) Section 134-25 (place to keep pistol or revolver; penalty);
 (4) Section 134-26 (carrying or possessing a loaded firearm on a public highway; penalty);
 (5) Section 329-43.5 (prohibited acts related to drug paraphernalia);
 (6) Section 708-810 (burglary in the first degree);

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- (7) Section 708-830.5 (theft in the first degree);
- (8) Section 708-839.7 (identity theft in the second degree);
- (9) Section 708-851 (forgery in the first degree);
- (10) Section 708-891.5 (computer fraud in the second degree);
- (11) Section 708-892.5 (computer damage in the second degree);
- (12) Section 712-1242 (promoting a dangerous drug in the second degree);
- (13) Section 712-1245 (promoting a harmful drug in the second degree);
or
- (14) Section 712-1249.5 (commercial promotion of marijuana in the second degree).]

- (1) Section 707-720 (kidnapping);
- (2) Section 707-731 (sexual assault in the second degree);
- (3) Section 707-751 (promoting child abuse in the second degree);
- (4) Section 708-841 (robbery in the second degree);
- (5) Section 709-904.5 (compensation by an adult of juveniles for crimes; grade or class of offense increased);
- (6) Section 710-1031 (intimidating a correctional worker);
- (7) Section 710-1040 (bribery);
- (8) Section 710-1074 (intimidating a juror); and
- (9) Section 712-1203 (promoting prostitution).

2. By amending subsections (d) and (e) to read:

“(d) Criminal charges may be instituted by written information for a felony when the charge is [a charge] under section 329-46 (prohibited acts related to visits to more than one practitioner to obtain controlled substance prescriptions) and the comparable offense under part IV of chapter 712 [as] is a class B or class C felony offense not enumerated in subsection (a)[,] or (b)[, or (e)].”

(e) Criminal charges may be instituted by written information for a felony when [the charge is a charge that involves section]:

- (1) The charge involves:
 - (A) Section 702-221 (liability for conduct of another)[, section];
 - (B) Section 702-222 (liability for [the] conduct of another; complicity)[, section];
 - (C) Section 702-223 (liability for [the] conduct of another; complicity with respect to the result)[, section];
 - (D) Section 705-500 (criminal attempt)[, section];
 - (E) Section 705-510 (criminal solicitation)[,] or [section]
 - (F) Section 705-520 (criminal conspiracy)[,] and [the]
- (2) The underlying offense is [an] a class B or class C felony offense not listed [above] in subsection (a)[,] or (b), or an offense specified in subsection (c)[,] or (d).”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 11, 2017.)

ACT 190

S.B. NO. 369

A Bill for an Act Relating to Condominiums.

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

SECTION 1. Chapter 514B, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§514B- Retaliation prohibited. (a) An association, board, managing agent, resident manager, unit owner, or any person acting on behalf of an association or a unit owner shall not retaliate against a unit owner, board member, managing agent, resident manager, or association employee who, through a lawful action done in an effort to address, prevent, or stop a violation of this chapter or governing documents of the association:

- (1) Complains or otherwise reports an alleged violation;
- (2) Causes a complaint or report of an alleged violation to be filed with the association, the commission, or other appropriate entity;
- (3) Participates in or cooperates with an investigation of a complaint or report filed with the association, the commission, or other appropriate entity;
- (4) Otherwise acts in furtherance of a complaint, report, or investigation concerning an alleged violation; or
- (5) Exercises or attempts to exercise any right under this chapter or the governing documents of the association.

(b) A unit owner, board member, managing agent, resident manager, or association employee may bring a civil action in district court alleging a violation of this section. The court may issue an injunction or award damages, court costs, attorneys' fees, or any other relief the court deems appropriate.

- (c) As used in this section:

“Governing documents” means an association’s declaration, bylaws, or house rules; or any other document that sets forth the rights and responsibilities of the association, its board, its managing agent, or the unit owners.

“Retaliate” means to take any action that is not made in good faith and is unsupported by the association’s governing documents or applicable law and that is intended to, or has the effect of, being prejudicial in the exercise or enjoyment of any person’s substantial rights under this chapter or the association’s governing documents.”

SECTION 2. New statutory material is underscored.¹

SECTION 3. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 191

S.B. NO. 387

A Bill for an Act Relating to Health Insurance.

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

SECTION 1. Chapter 431, Hawaii Revised Statutes, is amended by adding a new article to be appropriately designated and to read as follows:

**"ARTICLE
HEALTH BENEFIT PLAN NETWORK ACCESS AND ADEQUACY**

§431: -A Definitions. As used in this article:

"Active course of treatment" means:

- (1) An ongoing course of treatment for a life-threatening condition;
- (2) An ongoing course of treatment for a serious acute condition;
- (3) The second or third trimester of pregnancy; or
- (4) An ongoing course of treatment for a health condition for which a treating physician or health care provider attests that discontinuing care by that physician or health care provider would worsen the condition or interfere with anticipated outcomes.

The term "active course of treatment" includes treatment of a covered person on a regular basis by a provider being removed from or leaving the network.

"Affordable Care Act" refers to the Patient Protection and Affordable Care Act (42 U.S.C. 18001, et seq.), as amended, and its related regulations.

"Authorized representative" means:

- (1) A person to whom a covered person has given express written consent to represent the covered person;
- (2) A person authorized by law to provide substituted consent for a covered person; or
- (3) The covered person's treating health care professional only when the covered person or persons authorized pursuant to paragraphs (1) and (2) of this definition are unable to provide consent.

"Commissioner" means the insurance commissioner of the State.

"Covered benefit" means those health care services to which a covered person is entitled under the terms of a health benefit plan.

"Covered person" means a policyholder, subscriber, enrollee, or other individual participating in a health benefit plan, offered or administered by a person or entity, including but not limited to an insurer governed by this chapter, a mutual benefit society governed by article 1 of chapter 432, and as a health maintenance organization governed by chapter 432D.

"Essential community provider" means a provider that:

- (1) Serves predominantly low-income, medically underserved individuals, including a health care provider that is a covered entity as defined in section 340B(a)(4) of the Public Health Service Act; or
- (2) Is described in section 1927(c)(1)(D)(i)(IV) of the Social Security Act, as set forth by section 221 of Public Law 111-8.

"Facility" means an institution providing health care services or a health care setting, including hospitals and other licensed inpatient centers, ambulatory surgical or treatment centers, skilled nursing centers, residential treatment centers, urgent care centers, diagnostic facilities, laboratories, and imaging centers, and rehabilitation and other therapeutic health settings licensed or certified by the department of health under chapter 321.

"Health benefit plan" means a policy, contract, certificate, or agreement entered into, offered by, or issued by a health carrier to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services pursuant to chapter 87A, 431, 432, or 432D.

"Health care professional" means a physician or other health care practitioner licensed, accredited, or certified to perform specified health care services consistent with the practitioner's scope of practice under state law.

"Health care provider" or "provider" means a health care professional, pharmacy, or facility.

“Health care services” means services for the diagnosis, prevention, treatment, cure, or relief of a physical, mental, or behavioral health condition, illness, injury, or disease, including mental health and substance use disorders.

“Health carrier” or “carrier” means an entity subject to the insurance laws and regulations of this State, or subject to the jurisdiction of the commissioner, that contracts or offers to contract, or enters into an agreement to provide, deliver, arrange for, pay for, or reimburse any of the costs of health care services, including a health insurance company, a health maintenance organization, a hospital and health service corporation, or any other entity providing a plan of health insurance, health benefits, or health care services.

“Health carrier” or “carrier” includes an accident and health or sickness insurer that issues health benefit plans under part I of article 10A of this chapter, a mutual benefit society under article 1 of chapter 432, and a health maintenance organization under chapter 432D.

“Integrated delivery system” means a health carrier that provides a majority of its members’ covered health care services through physicians and non-physician practitioners employed by the health carrier or through a single contracted medical group.

“Intermediary” means a person authorized to negotiate and execute provider contracts with health carriers on behalf of health care providers or on behalf of a network, if applicable.

“Limited scope dental plan” means a plan that provides coverage primarily for treatment of the mouth, including any organ or structure within the mouth, under a separate policy, certificate, or contract of insurance or is otherwise not an integral part of a health benefit plan.

“Limited scope vision plan” means a plan that provides coverage primarily for treatment of the eye through a separate policy, certificate, or contract of insurance or is otherwise not an integral part of a health benefit plan.

“Network” means the group or groups of participating providers providing services under a network plan.

“Network plan” means a health benefit plan that either requires a covered person to use, or creates incentives, including financial incentives, for a covered person to use, health care providers managed, owned, under contract with, or employed by the health carrier.

“Participating provider” means a provider who, under a contract with the health carrier or with the health carrier’s contractor or subcontractor, has agreed to provide health care services to covered persons with an expectation of receiving payment, other than coinsurance, copayments, or deductibles, directly or indirectly from the health carrier.

“Person” means an individual, a corporation, a partnership, an association, a joint venture, a joint stock company, a trust, an unincorporated organization, any similar entity, or any combination of the foregoing.

“Primary care” means health care services for a range of common conditions provided by a physician or non-physician primary care professional.

“Primary care professional” means a participating health care professional designated by the health carrier to supervise, coordinate, or provide initial care or continuing care to a covered person, and who may be required by the health carrier to initiate a referral for specialty care and maintain supervision of health care services rendered to the covered person.

“Serious acute condition” means a disease or condition for which the covered person is currently requiring complex ongoing care, such as chemotherapy, post-operative visits, or radiation therapy.

“Specialist” means a physician or non-physician health care professional who focuses on a specific area of health care services or on a group of patients

and who has successfully completed required training and is recognized by the state in which the physician or non-physician health care professional practices to provide specialty care.

“Specialist” includes a subspecialist who has additional training and recognition above and beyond the subspecialist’s specialty training.

“Specialty care” means advanced medically necessary care and treatment of specific health conditions or health conditions that may manifest themselves in particular ages or subpopulations that are provided by a specialist, preferably in coordination with a primary care professional or other health care professional.

“Telehealth” means health care services provided through telecommunications technology by a health care professional who is at a location other than where the covered person is located.

“Tier” means specific groups of providers and facilities identified by a network and to which different provider reimbursement, covered person cost-sharing, provider access requirements, or any combination thereof, apply for the same services.

§431: -B Applicability and scope. (a) Except as otherwise provided in this section, this article applies to all health carriers that offer fully insured network plans.

(b) The following shall not apply to health carriers that offer network plans that consist solely of limited scope dental plans or limited scope vision plans:

- (1) Section 431: -C(a)(2);
- (2) Section 431: -C(f)(7)(E) and (f)(8)(B);
- (3) Paragraphs (1) and (3) of the definition of “active course of treatment” under section 431: -A;
- (4) Section 431: -D(l)(6)(D);
- (5) Section 431: -E(a)(3)(B) and (C); and
- (6) Section 431: -E(a)(4)(A)(i) and (ii) and (a)(4)(B).

(c) This article shall not apply to limited benefit health insurance, as provided in section 431:10A-102.5, except as to limited scope dental plans or limited scope vision plans as specified in subsection (b).

(d) Notwithstanding any other provision in this article to the contrary, health benefit plans contracted with the department of human services medQUEST division to provide services for medicaid beneficiaries shall continue to be subject to the network provider adequacy standards and oversight of the federal medicaid program; provided that the department of human services and the commissioner may collaborate to align such standards wherever possible. Nothing in this article is intended to change, delegate, or diminish the sole responsibility to monitor and regulate the medicaid managed care plans from the single state medicaid agency.

§431: -C Network adequacy. (a) Network adequacy requirements shall be as follows:

- (1) A health carrier providing a network plan shall maintain a network that is sufficient in numbers and appropriate types of providers, including those that serve predominantly low-income, medically underserved individuals, to assure that all covered benefits will be accessible without unreasonable travel or delay; and
- (2) Covered persons shall have access to emergency services twenty-four hours per day, seven days per week.

(b) The commissioner shall determine sufficiency in accordance with the requirements of this section by considering any reasonable criteria, which may include but shall not be limited to:

- (1) Provider-to-covered person ratios by specialty;
 - (2) Primary care professional-to-covered person ratios;
 - (3) Geographic accessibility of providers;
 - (4) Geographic variation and population dispersion;
 - (5) Waiting times for an appointment with participating providers;
 - (6) Hours of operation;
 - (7) The ability of the network to meet the needs of covered persons, which may include low-income persons, children and adults with serious, chronic, or complex health conditions or physical or mental disabilities, or persons with limited English proficiency;
 - (8) Other health care service delivery system options, such as telehealth, mobile clinics, centers of excellence, integrated delivery systems, and other ways of delivering care; and
 - (9) The volume of technologically advanced and specialty care services available to serve the needs of covered persons requiring technologically advanced or specialty care services.
- (c) A health carrier shall have the following process requirements:
- (1) A health carrier shall have a process to ensure that a covered person obtains a covered benefit at an in-network level of benefits, including an in-network level of cost-sharing, from a non-participating provider, or shall make other arrangements acceptable to the commissioner when:
 - (A) The health carrier has a sufficient network but does not have a type of participating provider available to provide the covered benefit to the covered person or does not have a participating provider available to provide the covered benefit to the covered person without unreasonable travel or delay; or
 - (B) The health carrier has an insufficient number or type of participating provider available to provide the covered benefit to the covered person without unreasonable travel or delay;
 - (2) The health carrier shall specify and inform covered persons of the process a covered person may use to request access to obtain a covered benefit from a non-participating provider as provided in paragraph (1) when:
 - (A) The covered person is diagnosed with a condition or disease that requires specialty care; and
 - (B) The health carrier:
 - (i) Does not have a participating provider of the required specialty with the professional training and expertise to treat or provide health care services for the condition or disease; or
 - (ii) Cannot provide reasonable access to a participating provider with the required specialty and who possesses the professional training and expertise to treat or provide health care services for the condition or disease without unreasonable travel or delay;
 - (3) The health carrier shall treat the health care services the covered person receives from a non-participating provider pursuant to paragraph (2) as if the services were provided by a participating provider, including counting the covered person's cost-sharing for those ser-

- vices toward the maximum out-of-pocket limit applicable to services obtained from participating providers under the health benefit plan;
- (4) The process described in paragraphs (1) and (2) shall ensure that requests to obtain a covered benefit from a non-participating provider are addressed in a timely fashion appropriate to the covered person's condition;
 - (5) The health carrier shall establish and maintain a system that documents all requests to obtain a covered benefit from a non-participating provider pursuant to this subsection and shall provide this information to the commissioner upon request;
 - (6) The process established pursuant to this subsection is not intended to be used by health carriers as a substitute for establishing and maintaining a sufficient provider network in accordance with this article nor is it intended to be used by covered persons to circumvent the use of covered benefits available through a health carrier's network delivery system options; and
 - (7) This section does not prevent a covered person from exercising the rights and remedies available under applicable state or federal law relating to internal and external claims grievance and appeals processes.
- (d) The health carrier shall be subject to the following adequate arrangement requirements:
- (1) A health carrier shall establish and maintain adequate arrangements to ensure covered persons have reasonable access to participating providers located near their home or business address. In determining whether the health carrier has complied with this paragraph, the commissioner shall give due consideration to the relative availability of health care providers with the requisite expertise and training in the service area under consideration; and
 - (2) A health carrier shall monitor, on an ongoing basis, the ability, clinical capacity, and legal authority of its participating providers to furnish all contracted covered benefits to covered persons.
- (e)
- (1) Beginning on the effective date of this Act, a health carrier shall file with the commissioner for approval, prior to or at the time it files a newly offered network plan, in a manner and form defined by rule of the commissioner, an access plan that meets the requirements of this article;
 - (2) The health carrier may request the commissioner to deem sections of the access plan as proprietary, competitive, or trade secret information that shall not be made public. Information is proprietary, competitive, or a trade secret if disclosure of the information would cause the health carrier's competitors to obtain valuable business information. The health carrier shall make the access plans, absent proprietary, competitive, or trade secret information, available online, at the health carrier's business premises, and to any person upon request; and
 - (3) The health carrier shall prepare an access plan prior to offering a new network plan and shall notify the commissioner of any material change to any existing network plan within fifteen business days after the change occurs. The carrier shall include in the notice to the commissioner a reasonable timeframe within which the carrier will submit to the commissioner for approval or file with the commissioner, as appropriate, an update to an existing access plan.

- (f) In addition to the requirements of subsection (e), the access plan shall describe or contain at least the following:
- (1) The health carrier's network, including how telehealth or other technology may be used to meet network access standards, if applicable;
 - (2) The health carrier's procedures for making and authorizing referrals within and outside its network, if applicable;
 - (3) The health carrier's process for monitoring and assuring on an ongoing basis the sufficiency of the network to meet the health care needs of populations that enroll in network plans;
 - (4) The factors the health carrier uses to build its provider network, including a description of the network and the criteria used to select providers;
 - (5) The health carrier's efforts to address the needs of covered persons, including children and adults, those with limited English proficiency, illiteracy, diverse cultural or ethnic backgrounds, physical or mental disabilities, and serious, chronic, or complex medical conditions. Information required under this paragraph shall include the carrier's efforts, when appropriate, to include various types of essential community providers in the carrier's network. A health carrier that is subject to the Affordable Care Act alternative standard shall demonstrate to the commissioner that the health carrier meets that standard;
 - (6) The health carrier's methods for assessing the health care needs of covered persons and the covered persons' satisfaction with services;
 - (7) The health carrier's method of informing covered persons of the plan's covered services and features, including:
 - (A) The plan's grievance and appeals procedures;
 - (B) The plan's process for choosing and changing providers;
 - (C) The plan's process for updating its provider directories for each of its network plans;
 - (D) A statement of health care services offered, including those services offered through the preventive care benefit, if applicable; and
 - (E) The plan's procedures for covering and approving emergency, urgent, and specialty care, if applicable;
 - (8) The health carrier's system for ensuring the coordination and continuity of care:
 - (A) For covered persons referred to specialists; and
 - (B) For covered persons using ancillary services, including social services and other community resources, if applicable;
 - (9) The health carrier's process for enabling covered persons to change primary care professionals, if applicable;
 - (10) The health carrier's proposed plan for providing continuity of care if a contract termination occurs between the health carrier and any of its participating providers or in the event of the health carrier's insolvency or other inability to continue operations. The proposed plan for providing continuity of care shall explain how covered persons will be notified of the contract termination, or the health carrier's insolvency or other cessation of operations, and transitioned to other providers in a timely manner; and
 - (11) Any other information required by the commissioner to determine compliance with this article.

§431: -D Requirements for health carriers and participating providers.

(a) A health carrier shall establish a mechanism by which participating providers shall be notified on an ongoing basis of the specific covered health care services for which the providers will be responsible, including any limitations or conditions on services.

(b) Every contract between a health carrier and a participating provider shall contain the following hold harmless statement, specifying protection for covered persons, or a substantially similar statement:

"Provider agrees that in no event, including but not limited to nonpayment by the health carrier or intermediary, insolvency of the health carrier or intermediary, or breach of this agreement, shall the provider bill, charge, collect a deposit from, seek compensation, remuneration, or reimbursement from, or have any recourse against a covered person or a person other than the health carrier or intermediary, as applicable, acting on behalf of the covered person for services provided pursuant to this agreement. This agreement does not prohibit the provider from collecting coinsurance, deductibles, or copayments, as specifically provided in the evidence of coverage, or fees for uncovered services delivered on a fee-for-service basis to covered persons; provided that a provider shall not bill or collect from a covered person or a person acting on behalf of a covered person any charges for non-covered services or services that do not meet the criteria in section 432E-1.4, Hawaii Revised Statutes, unless an agreement of financial responsibility specific to the service is signed by the covered person or a person acting on behalf of the covered person and is obtained prior to the time services are rendered. This agreement does not prohibit a provider, except for a health care professional who is employed full-time on the staff of a health carrier and has agreed to provide services exclusively to that health carrier's covered persons and no others, and a covered person from agreeing to continue services solely at the expense of the covered person; provided that the provider has clearly informed the covered person that the health carrier may not cover or continue to cover a specific service or services. Except as provided herein, this agreement does not prohibit the provider from pursuing any available legal remedy."

(c) Every contract between a health carrier and a participating provider shall provide that in the event of a health carrier or intermediary insolvency or other cessation of operations, the provider's obligation to deliver covered services to covered persons without balance billing shall continue until the earlier of:

(1) The termination of the covered person's coverage under the network plan, including any extension of coverage provided under the contract terms or applicable state or federal law for covered persons who are in an active course of treatment or totally disabled; or

(2) The date the contract between the carrier and the provider, including any required extension for covered persons in an active course of treatment, would have terminated if the carrier or intermediary had remained in operation.

(d) Contract provisions required by subsections (b) and (c) shall be construed in favor of the covered person, shall survive the termination of the contract regardless of the reason for termination, including the insolvency of the health carrier, and shall supersede any oral or written contrary agreement between a provider and a covered person or the representative of a covered person if the contrary agreement is inconsistent with the hold harmless and continuation-of-covered services requirements under subsections (b) and (c).

- (e) In no event shall a participating provider collect or attempt to collect from a covered person any money owed to the provider by the health carrier.
 - (f) Selection standards shall be developed pursuant to the following:
 - (1) Health carrier selection standards for selecting and tiering, as applicable, participating providers shall be developed for providers and each health care professional specialty;
 - (2) The standards shall be used in determining the selection of participating providers by the health carrier and the intermediaries with which the health carrier contracts. The standards shall meet requirements relating to health care professional credentialing verification developed by the commissioner through rules adopted pursuant to chapter 91;
 - (3) Selection criteria shall not be established in a manner:
 - (A) That would allow a health carrier to discriminate against high risk populations by excluding providers because the providers are located in geographic areas that contain populations or providers presenting a risk of higher than average claims, losses, or health care services utilization;
 - (B) That would exclude providers because the providers treat or specialize in treating populations presenting a risk of higher than average claims, losses, or health care services utilization; or
 - (C) That would discriminate with respect to participation under the health benefit plan against any provider who is acting within the scope of the provider's license or certification under applicable state law or regulations; provided that this subparagraph shall not be construed to require a health carrier to contract with any provider who is willing to abide by the terms and conditions for participation established by the carrier;
 - (4) Notwithstanding paragraph (3), a carrier shall not be prohibited from declining to select a provider who fails to meet the other legitimate selection criteria of the carrier developed in compliance with this article; and
 - (5) This article does not require a health carrier, its intermediaries, or the provider networks with which the carrier and its intermediaries contract, to employ specific providers acting within the scope of the providers' license or certification under applicable state law that may meet the selection criteria of the carrier, or to contract with or retain more providers acting within the scope of the providers' license or certification under applicable state law than are necessary to maintain a sufficient provider network.
- (g) A health carrier shall make its standards for selecting participating providers available for review and approval by the commissioner. A description in plain language of the selection standards of the health carrier shall be made available to the public.
- (h) A health carrier shall notify participating providers of the providers' responsibilities with respect to the health carrier's applicable administrative policies and programs, including but not limited to:
- (1) Payment terms;
 - (2) Utilization review;
 - (3) Quality assessment and improvement programs;
 - (4) Credentialing procedures;
 - (5) Grievance and appeals procedures;

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- (6) Data reporting requirements including requirements for timely notice of changes in practice, such as discontinuance of accepting new patients;
- (7) Confidentiality requirements; and
- (8) Any applicable federal or state programs.
- (i) A health carrier shall not offer an inducement to a provider that would encourage or otherwise motivate the provider not to provide medically necessary services to a covered person.
- (j) A health carrier shall not prohibit a participating provider from discussing any specific or all treatment options with covered persons irrespective of the health carrier's position on the treatment options, or from advocating on behalf of covered persons within the utilization review or grievance or appeals processes established by the carrier or a person contracting with the carrier or in accordance with any rights or remedies available under applicable state or federal law.
- (k) Every contract between a health carrier and a participating provider shall require the provider to make health records available to appropriate state and federal authorities involved in assessing the quality of care or investigating the grievances or complaints of covered persons and to comply with the applicable state and federal laws related to the confidentiality of medical and health records and the covered person's right to see, obtain copies of, or amend the person's medical and health records.
- (l) The departure of a provider from a network shall be subject to the following requirements:
 - (1) A health carrier and participating provider shall provide at least sixty days' written notice to each other before the provider is removed or leaves the network without cause;
 - (2) The health carrier shall make a good faith effort to provide written notice of a provider's removal or leaving the network within thirty days of receipt or issuance of a notice provided in accordance with paragraph (1) to all covered persons who are patients seen on a regular basis by the provider who is being removed or leaving the network, irrespective of whether the removal or leaving the network is for cause or without cause;
 - (3) When the provider being removed or leaving the network is a primary care professional, all covered persons who are patients of that primary care professional shall also be notified. When the provider either gives or receives the notice in accordance with paragraph (1), the provider shall supply the health carrier with a list of those patients of the provider that are covered by a plan of the health carrier;
 - (4) When a provider leaves or is removed from the network, a health carrier shall establish reasonable procedures to transition all covered persons who are in an active course of treatment to a participating provider in a manner that provides for continuity of care;
 - (5) The health carrier shall provide the notice required under paragraph (1) and shall make available to all covered persons a list of available participating providers in the same geographic area who are of the same provider type and information about how the covered persons may request continuity of care as provided under paragraph (6);
 - (6) The continuity of care procedures shall provide that:
 - (A) Any request for continuity of care shall be made to the health carrier by the covered person or the covered person's authorized representative;

- (B) Requests for continuity of care shall be reviewed by the health carrier's medical director after consultation with the treating provider for patients who are under the care of a provider who has not been removed or left the network for cause and who meet the criteria specified under the definition of:
 - (i) Active course of treatment;
 - (ii) Life-threatening health condition; or
 - (iii) Serious acute condition;
 - (C) Any decisions made with respect to a request for continuity of care shall be subject to the health benefit plan's internal and external grievance and appeal processes in accordance with applicable state or federal law or regulations;
 - (D) The continuity of care period for covered persons who are in their second or third trimester of pregnancy shall extend through the postpartum period; and
 - (E) The continuity of care period for covered persons who are undergoing an active course of treatment shall extend through the earliest of:
 - (i) The termination of the course of treatment by the covered person or the treating provider;
 - (ii) Ninety days, unless the medical director determines that a longer period is necessary;
 - (iii) The date that care is successfully transitioned to a participating provider;
 - (iv) The date that benefit limitations under the plan are met or exceeded; or
 - (v) The date that care is not medically necessary; and
- (7) A continuity of care request shall only be granted when:
- (A) The provider agrees in writing to accept the same payment from and abide by the same terms and conditions with respect to the health carrier for that patient as provided in the original provider contract; and
 - (B) The provider agrees in writing not to seek any payment from the covered person for any amount for which the covered person would not have been responsible if the physician or provider were still a participating provider.
- (m) The rights and responsibilities under a contract between a health carrier and a participating provider shall not be assigned or delegated by either party without the prior written consent of the other party.
- (n) A health carrier shall be responsible for ensuring that a participating provider furnishes covered benefits to all covered persons without regard to the covered person's enrollment in the plan as a private purchaser of the plan or as a participant in publicly financed programs of health care services. This subsection shall not apply to circumstances when the provider should not render services due to limitations arising from lack of training, experience, skill, or licensing restrictions.
- (o) A health carrier shall notify participating providers of their obligations, if any, to collect applicable coinsurance, copayments, or deductibles from covered persons pursuant to the evidence of coverage, or of the providers' obligations, if any, to notify covered persons of their personal financial obligations for non-covered services.
- (p) A health carrier shall not penalize a provider because the provider, in good faith, reports to state or federal authorities any act or practice by the health carrier that jeopardizes patient health or welfare.

- (q) A health carrier shall establish procedures for resolution of administrative, payment, or other disputes between providers and the health carrier.
- (r) A contract between a health carrier and a provider shall not contain provisions that conflict with the network plan or this article.
- (s) A contract between a health carrier and a provider shall be subject to the following requirements:
 - (1) At the time the contract is signed, the health carrier and, if appropriate, the intermediary shall timely notify the participating provider of all provisions and other documents incorporated by reference in the contract;
 - (2) While the contract is in force, the carrier shall timely notify the participating provider of any changes to those provisions or documents that would result in material changes in the contract;
 - (3) The health carrier shall timely inform the provider of the provider's network participation status on any health benefit plan in which the carrier has included the provider as a participating provider; and
 - (4) For purposes of this subsection, the contract shall define what is considered timely notice and what is considered a material change.

§431: -E Provider directories. (a) A health carrier shall post electronically a current and accurate provider directory for each of the carrier's network plans with the information and search functions described in paragraphs (3) and (4) and:

- (1) The health carrier shall ensure that the general public is able to view all current providers for a plan through an identifiable link or tab and without creating or accessing an account or entering a policy or contract number;
- (2) The health carrier shall update each network plan provider directory at least monthly and shall periodically audit a reasonable sample size of its provider directories for accuracy and retain documentation of such an audit to be made available to the commissioner upon request;
- (3) For each network plan, the health carrier shall make available the following information in a searchable format:
 - (A) For health care professionals:
 - (i) Name;
 - (ii) Gender;
 - (iii) Participating office locations;
 - (iv) Specialty, if applicable;
 - (v) Medical group affiliations, if applicable;
 - (vi) Facility affiliations, if applicable;
 - (vii) Participating facility affiliations, if applicable;
 - (viii) Languages spoken other than English, if applicable; and
 - (ix) Whether accepting new patients;
 - (B) For hospitals:
 - (i) Hospital name;
 - (ii) Hospital type, such as acute, rehabilitation, children's, or cancer;
 - (iii) Participating hospital location; and
 - (iv) Hospital accreditation status; and
 - (C) For facilities, other than hospitals, by type:
 - (i) Facility name;
 - (ii) Facility type;
 - (iii) Type of services performed; and

- (iv) Participating facility locations; and
- (4) In addition to the information in paragraph (3), a health carrier shall make available the following information for each network plan:
- (A) For health care professionals:
- (i) Contact information;
 - (ii) Board certifications; and
 - (iii) Languages spoken other than English by clinical staff, if applicable; and
- (B) For hospitals and facilities other than hospitals: telephone number.
- (b) Upon the request of a covered person or prospective covered person, a health carrier shall provide a print copy of a current provider directory or of the requested directory information as follows:
- (1) The following provider directory information for the applicable network plan shall be included:
- (A) For health care professionals:
- (i) Contact information;
 - (ii) Participating office locations;
 - (iii) Specialty, if applicable;
 - (iv) Languages spoken other than English, if applicable; and
 - (v) Whether accepting new patients;
- (B) For hospitals:
- (i) Hospital name;
 - (ii) Hospital type, such as acute, rehabilitation, children's, or cancer; and
 - (iii) Participating hospital location and telephone number; and
- (C) For facilities, other than hospitals, by type:
- (i) Facility name;
 - (ii) Facility type;
 - (iii) Types of services performed; and
 - (iv) Participating facility locations and telephone number; and
- (2) The health carrier shall include a disclosure in the provider directory that the information in paragraph (1) included in the directory is accurate as of the date of printing and that covered persons or prospective covered persons should consult the carrier's electronic provider directory on its website or call customer service to obtain current directory information.
- (c) For electronic and print provider directories, a health carrier shall indicate the following information:
- (1) For each network plan:
- (A) A description of the criteria the carrier has used to build the carrier's provider network;
- (B) If applicable, a description of the criteria the carrier has used to tier providers;
- (C) If applicable, the method by which the carrier designates the different provider tiers or levels in the network and identifies, for each specific provider, hospital, or other type of facility in the network, the tier in which each is placed, such as by name, symbols, or grouping, so that a covered person or prospective covered person may identify the provider tier; and

- (D) If applicable, that authorization or referral may be required to access some providers;
- (2) The provider directory applicable to a network plan, such as inclusion of the specific name of the network plan as marketed and issued in this State; and
- (3) A customer service electronic mail address and telephone number or electronic link that covered persons or the general public may use to notify the health carrier of inaccurate provider directory information.
- (d) For the information required by subsections (a)(3), (a)(4), and (b)(1) in a provider directory pertaining to a health care professional, hospital, or facility other than a hospital, the health carrier shall make available through electronic and print provider directories the source of the information and any limitations, if applicable.
- (e) The electronic and print provider directories shall accommodate the communication needs of individuals with disabilities and include a link to or information regarding available assistance for persons with limited English proficiency.

§431: -F Intermediaries. (a) Intermediaries and participating providers with whom they contract shall comply with all the applicable requirements of section 431: -D.

(b) A health carrier's statutory responsibility to monitor the offering of covered benefits to covered persons shall not be delegated or assigned to the intermediary.

(c) A health carrier shall have the right to approve or disapprove participation status of a subcontracted provider in the carrier's own network or a contracted network for the purpose of delivering covered benefits to the carrier's covered persons.

(d) A health carrier shall maintain copies of all intermediary health care subcontracts at its principal place of business in the State or ensure that the carrier has access to all intermediary subcontracts, including the right to make copies to facilitate regulatory review, upon twenty days' prior written notice from the health carrier.

(e) If applicable, an intermediary shall transmit utilization documentation and claims paid documentation to the health carrier. The carrier shall monitor the timeliness and appropriateness of payments made to providers and health care services received by covered persons.

(f) If applicable, an intermediary shall maintain the books, records, financial information, and documentation of services provided to covered persons at its principal place of business in the State and preserve them for the time period required by law in a manner that facilitates regulatory review.

(g) An intermediary shall allow the commissioner access to the intermediary's books, records, financial information, and any documentation of services provided to covered persons, as necessary to determine compliance with this article.

(h) If an intermediary is insolvent, a health carrier may require the assignment to the health carrier of the provisions of a provider's contract addressing the provider's obligation to furnish covered services. If a health carrier requires assignment, the health carrier shall remain obligated to pay the provider for furnishing covered services under the same terms and conditions as the intermediary prior to the insolvency.

(i) Notwithstanding any other provision of this section to the contrary, to the extent the health carrier delegates its responsibilities to the intermediary,

the carrier shall retain full responsibility for the intermediary's compliance with this article.

§431: -G Enforcement. (a) If the commissioner determines that:

- (1) A health carrier has not contracted with a sufficient number of participating providers to ensure that covered persons have accessible health care services in a geographic area;
- (2) A health carrier's network access plan does not ensure reasonable access to covered benefits;
- (3) A health carrier has entered into a contract that does not comply with this article; or
- (4) A health carrier has not complied with this article,

then the commissioner shall require a modification to the access plan, institute a corrective action plan that shall be followed by the health carrier, or use any of the commissioner's other enforcement powers to obtain the health carrier's compliance with this article.

(b) The commissioner shall not arbitrate, mediate, or settle disputes regarding a decision not to include a provider in a network plan or provider network or regarding any other dispute between a health carrier, its intermediaries, or one or more providers arising under a provider contract or its termination.

§431: -H Regulations. The commissioner may adopt rules pursuant to chapter 91 to carry out this article.

§431: -I Penalties. A violation of this article shall result in penalties as provided in this chapter.

§431: -J Severability. If any provision of this article or the application of any provision to a person or circumstance shall be held invalid, the remainder of this article and the application of the provision to a person or circumstance, other than those to which it is held invalid, shall not be affected."

SECTION 2. Chapter 432F, Hawaii Revised Statutes, is repealed.

SECTION 3. In codifying the new sections added by section 1 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 4. This Act shall take effect on July 1, 2017, and shall apply to plan filings made in 2018 for health benefit plans with a plan year that commences on or after January 1, 2019; provided that:

- (1) Section 2 shall take effect on January 1, 2019;
- (2) All provider and intermediary contracts in effect on the effective date of this Act shall comply with this Act no later than eighteen months after the effective date of this Act; provided that the insurance commissioner may extend the period of compliance for an additional period not to exceed six months if the health carrier demonstrates good cause for an extension;
- (3) A new provider or intermediary contract that is issued or put in force on or after the effective date of this Act shall comply with this Act upon its effective date; and
- (4) A provider contract or intermediary contract that is not described in paragraph (2) or (3) shall comply with this Act no later than eighteen months after the effective date of this Act.

(Approved July 11, 2017.)

A Bill for an Act Relating to Security Interests in Real Property.

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

SECTION 1. The legislature finds that the records of the bureau of conveyances reflect numerous instruments evidencing assignments of borrower's interests in leases and rents that were given as security for mortgage loans, and that the records for many of these assignments have not subsequently been reassigned or released even though the underlying loans have been fully paid or otherwise satisfied. The legislature has recognized that it is in the public's interest to clear the public record of unreleased mortgages and has authorized title insurers or underwritten title companies to make a demand on the mortgagee and, in the absence of compliance, to execute and record a release of a fully satisfied mortgage under certain conditions. However, there is no comparable provision for compelling and accomplishing a release of a recorded assignment of leases or rents, which sometimes accompanies the mortgage as additional security for the loan. Accordingly, many unenforceable assignments continue to exist in the public record and may cloud title to real estate.

The purpose of this Act is to amend the procedure for clearing titles by adding a reference to recorded assignments of leases and rents for which the underlying debt has been fully paid or satisfied, which will help clarify the public record.

SECTION 2. Section 506-8, Hawaii Revised Statutes, is amended to read as follows:

"§506-8 Release of mortgages of real property or fixtures[.] and reassignment of security interests. (a) The mortgagee of real property or the record assignee of a mortgage interest shall provide to the mortgagor a release of mortgage upon full satisfaction of the mortgage and discharge of any secured debt. If the debt secured by the mortgage is also secured by an assignment of the borrower's or mortgagor's interest in leases or rents to the mortgagee, then the mortgagee or record assignee shall also provide to the borrower or mortgagor, as applicable, a reassignment or release of the security interest upon full satisfaction and discharge of the secured debt. The instrument or instruments shall be duly acknowledged, shall sufficiently describe the mortgage or assignment that has been satisfied, and be recordable in the bureau of conveyances or office of the assistant registrar of the land court, or both, as appropriate.

(b) If the mortgagee or record assignee fails to provide a release of the mortgage and reassignment or release of security interest as required by this section within sixty days from the date of a request made in writing by any party in interest, and sent by certified or registered mail to the mortgagee or record assignee at its last known address, then:

(1) Any title insurer or underwritten title company as defined in section 431:20-102 may execute the release of mortgage or reassignment or release of the mortgagee's security interest in leases and rents on behalf of the mortgagee or record assignee; provided that:

(A) The release or reassignment shall have attached to it an affidavit setting forth proof, such as a canceled check or written confirmation from the mortgagee[.] or record assignee, that reasonably establishes that the [mortgage] debt secured by the mortgage or assignment of leases and rents has been dis-

- charged and the mortgage or assignment of leases and rents has been fully satisfied; and
- (B) The release or reassignment shall be executed by an officer of the title insurer or underwritten title company.
- In the event that a mortgage is released or the mortgagee's security interest in the leases and rents is reassigned or released by a title insurer or underwritten title company under [the provisions of] this section but the mortgage debt has not been discharged, the mortgage has not been fully satisfied, and the title insurer or underwritten title company acted with gross negligence or in bad faith in releasing the mortgage[,] or reassigning or releasing the security interest in the leases and rents, the title insurer or underwritten title company releasing the mortgage or reassigning or releasing the security interest in the leases and rents shall be liable to the mortgagee for treble damages and reasonable attorneys' fees and costs; or
- (2) The mortgagor or a company issuing title insurance to a new owner of the mortgaged subject real property or to another mortgagee of the subject real property, or the escrow company charged by the mortgagor with obtaining the release of mortgage[,] or reassignment or release of the security interest in the leases and rents, or any other interested party, as plaintiff, may institute an action in any circuit court to obtain the appropriate release [of mortgage] or reassignment instrument; provided that:
- (A) The plaintiff in the action shall mail a copy of the complaint to the mortgagee or record assignee by certified or registered mail addressed to the mortgagee or record assignee at its last known address;
- (B) If the mortgagee or record assignee does not file an answer to the complaint within forty-five days after the mailing, the court, upon receipt of an affidavit of mailing required by this section and upon satisfactory proof that the mortgage debt has been discharged and the mortgage has been fully satisfied, shall issue an order releasing the mortgage[,] or reassigning or releasing the security interest in the leases and rents, as applicable;
- (C) This order shall be recorded in the bureau of conveyances or office of the assistant registrar of the land court, or both, as appropriate; and
- (D) Upon a finding of good cause by the court, the plaintiff shall be entitled to treble damages and reasonable attorneys' fees and costs incurred in the action unless the court finds that the mortgagee had a reasonable basis for believing that a dispute existed regarding whether the mortgage should have been released[.] or the security interest in the leases and rents should have been reassigned or released.”

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

A Bill for an Act Relating to Counties.

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

SECTION 1. Section 46-50, Hawaii Revised Statutes, is amended to read as follows:

“§46-50 Short term investment of county moneys. (a) The director of finance of each county may, with the approval of the legislative body, invest county moneys that are in excess of the amounts necessary for the meeting of immediate requirements when in the judgment of the legislative body the action will not impede or hamper the necessary financial operations of the county in:

- (1) Bonds or interest-bearing notes or obligations:
 - (A) Of the county;
 - (B) Of the State;
 - (C) Of the United States; or
 - (D) Of agencies of the United States for which the full faith and credit of the United States are pledged for the payment of principal and interest;
- (2) Federal [~~land bank~~] Farm Credit System notes and bonds;
- (3) [~~Joint stock farm loan bonds;~~] Federal Agricultural Mortgage Corporation notes and bonds;
- (4) Federal Home Loan Bank notes and bonds;
- (5) Federal Home Loan Mortgage Corporation bonds;
- (6) Federal National Mortgage Association notes and bonds;
- (7) Securities of a mutual fund whose portfolio is limited to bonds or securities issued or guaranteed by the United States or an agency thereof;
- (8) Tennessee Valley Authority notes and bonds;
- [(8)] (9) Repurchase agreements fully collateralized by any such bonds or securities;
- [(9)] (10) [Bank] Federally insured savings accounts;
- [10] (11) Time certificates of deposit;
- [11] (12) Certificates of deposit open account;
- [12] (13) Bonds of any improvement district of any county of the State; provided that the bonds are of investment grade or supported by the general obligation pledge of the county in which the improvement district is located;
- [13] (14) Bank, savings and loan association, and financial services loan company repurchase agreements;
- [14] (15) Student loan resource securities including:
 - (A) Student loan auction rate securities;
 - (B) Student loan asset-backed notes;
 - (C) Student loan program revenue notes and bonds; and
 - (D) Securities issued pursuant to Rule 144A of the Securities Act of 1933, including any private placement issues; issued with either bond insurance or overcollateralization guaranteed by the United States Department of Education; provided all insurers maintain a triple-A rating by Standard & Poor's, Moody's, Duff & Phelps, Fitch, or any other major national securities rating agency;
- [15] (16) Commercial paper with an A1/P1 or equivalent rating by any national securities rating service; [and]

- [16] (17) Bankers' acceptances with an A1/P1 or equivalent rating by any national securities rating service; and
 (18) Securities of a money market fund that is rated AAA, or its equivalent, by a nationally recognized rating agency or whose portfolio consists of securities that are rated as first tier securities by a nationally recognized statistical rating organization as provided in title 17 Code of Federal Regulations section 270.2a-7;

provided the investments are due to mature not more than five years from the date of investment. The income derived therefrom shall be deposited in the fund or funds that the legislative body shall direct; provided that if any money invested under this section belongs to any waterworks fund, then any income derived therefrom shall be paid into and credited to the fund.

(b) Except with respect to an early withdrawal penalty on an investment permitted by this section, the amount of such penalty being mutually agreed at the time of acquisition of such investment, no investment permitted by this section shall require or may in the future require payments by the county, whether unilateral, reciprocal, or otherwise, including margin payments, or shall bear interest at a variable rate which causes or may cause the market price of such investment to fluctuate; provided that such limitation shall not apply to money market mutual funds which:

(1) Invest solely in:

- (A) Direct and general obligations of the United States of America; or
 (B) Obligations of any agency or instrumentality of the United States of America, the payment of the principal and interest on which are unconditionally guaranteed by the full faith and credit of the United States of America;

(2) Are rated at the time of purchase "AAAm-G" or its equivalent by Standard & Poor's Ratings Group; and

(3) Are open-end management investment companies regulated under the Investment Company Act of 1940, as amended, which calculate their current price per share pursuant to Rule 2a-7 (title 17 Code of Federal Regulations section 270.2a-7) promulgated under such act.

(c) Furthermore, a county shall not acquire any investment or enter into any agreement in connection with the acquisition of any investment or related to any existing investment held by the county, which would require or may in the future require any payment by the county, whether unilateral, reciprocal, or otherwise, such as swap agreements, hedge agreements, or other similar agreements. For purposes of this subsection, payment for a swap agreement or hedge agreement means any payment made by the county in consideration or in exchange for a reciprocal payment by any person, including a variable rate payment in exchange for a fixed rate payment, a fixed rate payment in exchange for a variable rate payment, a payment when a cap or a floor amount is exceeded, or other similar payment."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 11, 2017.)

ACT 194

ACT 194

S.B. NO. 423

A Bill for an Act Relating to Student Meals.

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

SECTION 1. Section 302A-404, Hawaii Revised Statutes, is amended to read as follows:

“§302A-404 School meals. (a) School meals shall be made available under the school meals program in every school where the students are required to eat meals at school.

(b) No student shall be denied a meal solely for failure to pay.

(1) Within the first twenty-one days of the first semester of a school year while the student’s application for free or reduced lunch is being processed; or

(2) Within seven days after a student’s meal fund account reaches a zero or negative balance.

(c) The department may adopt rules or policies governing the collection of funds for student meal accounts with a negative fund balance; provided that no rule or policy shall prohibit feeding a student as required pursuant to subsection (b).”

SECTION 2. The department of education shall submit a report to the legislature no later than twenty days prior to the convening of the regular session of 2018 on the prevalence of students being denied a school meal solely for failure to pay and any actions taken by the department of education or individual schools to address this issue. The report shall include:

- (1) The number of meals that have been denied because of a zero or negative balance in a student’s meal fund account;
- (2) The number of students who have been denied a meal because of a zero or negative balance;
- (3) The reasons for the zero or negative balance and subsequent meal denial;
- (4) Steps the department is taking to make the process of paying for meals easier;
- (5) Procedures for notifying parents of low or negative balances, including when and how they are notified; and
- (6) The standard operating procedure for low or negative balance notification and subsequent meal denial.

SECTION 3. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

ACT 195

S.B. NO. 469

A Bill for an Act Relating to the Judiciary.

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

PART I. GENERAL PROVISIONS

SECTION 1. SHORT TITLE. This Act shall be known and may be cited as the Judiciary Appropriations Act of 2017.

SECTION 2. DEFINITIONS. Unless otherwise clear from the context, as used in this Act:

“Means of financing” or “MOF” means the source from which funds are appropriated or authorized to be expended for the programs and projects specified in this Act. All appropriations are followed by letter symbols. The letter symbols, where used, shall have the following meanings:

- A general funds
- B special funds
- C general obligation bond funds
- N federal funds
- P other federal funds
- W revolving funds

“Position ceiling” means the maximum number of permanent and temporary full-time equivalent positions authorized for a particular program during a specified period or periods, as denoted by an asterisk for permanent full-time equivalent positions and a pound sign for temporary full-time equivalent positions.

“Program ID” means the unique identifier for the specific program and consists of the abbreviation for the judiciary (JUD) followed by the organization number for the program.

PART II. PROGRAM APPROPRIATIONS

SECTION 3. The following sums, or so much thereof as may be sufficient to accomplish the purposes and programs designated herein, are appropriated or authorized from the sources of funding specified to the judiciary for the fiscal biennium beginning July 1, 2017, and ending June 30, 2019. The total expenditures and the number of permanent and temporary full-time equivalent positions established in each fiscal year of the fiscal biennium shall not exceed the sums and the position ceilings indicated for each year, except as otherwise provided in this Act or as provided by general law.

PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL YEAR 2017-2018 M O F	FISCAL YEAR 2018-2019 M O F

The Judicial System

1.	JUD101 - COURTS OF APPEAL			73.00*	73.00*
		OPERATING	JUD	1.00#	1.00#
				6,926,345 A	6,973,769 A
2.	JUD310 - FIRST JUDICIAL CIRCUIT			1,085.50*	1,085.50*
		OPERATING	JUD	93.58#	93.58#
				84,618,183 A	84,869,401 A
		JUD		41.00*	41.00*
				4,303,649 B	4,303,649 B
3.	JUD320 - SECOND JUDICIAL CIRCUIT			207.00*	207.00*
		OPERATING	JUD	1.68#	1.68#
				16,897,963 A	16,937,804 A

ACT 195

PROGRAM APPROPRIATIONS

ITEM NO.	PROG. ID	PROGRAM	EXPENDING AGENCY	APPROPRIATIONS	
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F
4.	JUD330	THIRD JUDICIAL CIRCUIT		228.00* 5.68#	228.00* 5.68#
	OPERATING		JUD	19,970,037 A	20,018,501 A
5.	JUD350	FIFTH JUDICIAL CIRCUIT		99.00* 2.60#	99.00* 2.60#
	OPERATING		JUD	7,765,050 A	7,782,815 A
6.	JUD501	JUDICIAL SELECTION COMMISSION		1.00* 98,790 A	1.00* 98,790 A
	OPERATING		JUD		
7.	JUD601	ADMINISTRATION		227.00* 10.48# 1.00* 9.00#	227.00* 10.48# 1.00* 9.00#
	OPERATING		JUD	26,762,596 A	26,417,387 A
			JUD	7,993,737 B	7,993,737 B
			JUD	343,261 W	343,261 W
	INVESTMENT CAPITAL		JUD	7,750,000 C	1,600,000 C

PART III. PROGRAM APPROPRIATION PROVISIONS

SECTION 4. Provided that whenever the need arises, the chief justice, in administering an equitable and expeditious judicial process, may transfer sufficient funds and positions between programs for operating purposes; provided further that no transfer shall be made to implement any collective bargaining contract signed after this legislature adjourns sine die.

SECTION 5. Provided that if the chief justice, any agency, or any government unit secures federal funds or other property under any act of Congress or any funds or other property from private organizations or individuals that are to be expended in connection with any program or works authorized by this Act or otherwise, the chief justice or the agency, with the chief justice's approval, may enter into the undertaking with the federal government, private organization, or individual.

SECTION 6. Provided that the judiciary may transfer savings from its general fund appropriation to the driver education and training fund to accommodate any temporary cash flow deficits.

SECTION 7. Provided that the chief justice:

- (1) Shall expend the general funds transferred for fiscal year 2017-2018 and fiscal year 2018-2019 under section 21 of the General Appropriations Act of 2017 to the judiciary from the office of the public defender (BUF151) for the administration and operation of the community court outreach project during the applicable fiscal year, including payment of the personal services costs for the positions listed under paragraph (3);

- (2) Shall assign the transferred general funds to the budget program ID deemed appropriate by the chief justice; and
- (3) May establish one or more of the following permanent positions, which shall be additional to the position ceilings of part II, for the administration and operation of the community court outreach project:
 - (A) 1.00 permanent court coordinator; or
 - (B) 1.00 permanent social worker; and
- (4) The chief justice shall submit a report on the community court outreach project to the legislature no later than twenty days prior to the regular sessions of 2018 and 2019. Additionally, if requested by the public defender, the chief justice shall include in the report required under this paragraph the community court outreach project memoranda of agreement required in section 21 of the General Appropriations Act of 2017.

PART IV. CAPITAL IMPROVEMENT PROJECTS

SECTION 8. CAPITAL IMPROVEMENT PROJECTS AUTHORIZED. The sums of money appropriated or authorized in part II of this Act for capital improvements shall be expended for the projects listed below. Several related or similar projects may be combined into a single project if such combination is advantageous or convenient for implementation; provided that the total cost of the projects thus combined shall not exceed the total of the sums specified for the projects separately. The amount after each cost element and the amount of total funding for each project in this part are listed in thousands of dollars.

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)	
				FISCAL YEAR 2017-2018	FISCAL YEAR 2018-2019

A. ECONOMIC DEVELOPMENT

JUD601 - ADMINISTRATION

1. EWA DISTRICT COURT MITIGATE WATER INTRUSION AND SETTLEMENT - PHASE 2, OAHU

DESIGN AND CONSTRUCTION TO
MITIGATE WATER INTRUSION AND
SETTLEMENT - PHASE 2, OAHU.

DESIGN	20
CONSTRUCTION	200
TOTAL FUNDING JUD	220C

C

2. EWA DISTRICT COURT ROOF FALL PROTECTION AND RE-ROOFING, OAHU

DESIGN AND CONSTRUCTION OF ROOF
FALL PROTECTION AND RE-ROOFING,
OAHU.

DESIGN	25
CONSTRUCTION	175
TOTAL FUNDING JUD	200C

C

699

ACT 195

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018	FISCAL M YEAR O 2018-2019	FISCAL M YEAR F 2018-2019
3.		HOAPILI HALE SECURITY IMPROVEMENTS PHASES 1, 2, AND 3, MAUI				
		DESIGN AND CONSTRUCTION FOR SECURITY-RELATED IMPROVEMENTS AT HOAPILI HALE, MAUI.				
		DESIGN		100		150
		CONSTRUCTION		900		1,450
		TOTAL FUNDING JUD		1,000 C		1,600 C
4.		KAAHUMANU HALE FIRE ALARM AND ELEVATOR SYSTEMS UPGRADE AND MODERNIZATION, OAHU				
		PLANS AND DESIGN FOR FIRE ALARM AND ELEVATOR UPGRADE AND MODERNIZATION AT KAAHUMANU HALE, OAHU.				
		PLANS		253		
		DESIGN		1,012		
		TOTAL FUNDING JUD		1,265 C		C
5.		KAPUAIWA BUILDING SEPARATE STORM DRAIN AND SANITARY SEWER SYSTEMS, OAHU				
		DESIGN AND CONSTRUCTION FOR THE STORM DRAINAGE AND BASEMENT LEVEL SANITARY SEWER LINES OF THE JUDICIARY'S KAPUAIWA BUILDING. THE KAPUAIWA BUILDING CURRENTLY COMBINES AND DISCHARGES INTO THE CITY AND COUNTY OF HONOLULU'S ("CITY") SANITARY SEWER COLLECTION SYSTEM. NOT ONLY IS THIS COMBINED DISCHARGE CONTRIBUTING TO THE RECENT FLOODING IN THE KAPUAIWA BASEMENT, BUT IT IS A VIOLATION OF CITY AND COUNTY OF HONOLULU ORDINANCE. THIS PROJECT WILL ADD A NEW SANITARY SEWER LIFT STATION, MODIFY THE EXISTING PUMP STATION TO SERVE THE STORM DRAINAGE, AND SEPARATE STORM WATER AND WASTEWATER DISCHARGE FLOWS.				
		DESIGN		125		
		CONSTRUCTION		550		
		TOTAL FUNDING JUD		675 C		C
6.		KAUAI JUDICIARY COMPLEX REROOF AND REPAIR LEAKS AND DAMAGES, KAUAI				
		DESIGN AND CONSTRUCTION TO REROOF COURTHOUSE, REPAIR COOLING TOWER ROOF. INSTALL FALL PROTECTION SAFETY ANCHORS. INSTALL ROOF ACCESS HATCH AND LADDER. REPAIR AND REPATNT EXTERIOR FINISH SYSTEM AT EXTERIOR WALLS. RESEAL WINDOWS. REPLACE EXTERIOR DOORS. REPAIR WATER DAMAGES AT INTERIOR LOCATIONS. REPAIR OTHER INCIDENTAL DAMAGES.				
		DESIGN		390		
		CONSTRUCTION		1,000		
		TOTAL FUNDING JUD		1,390 C		C

CAPITAL IMPROVEMENT PROJECTS

ITEM NO.	CAPITAL PROJECT NO.	TITLE	EXPENDING AGENCY	APPROPRIATIONS (IN 000'S)		
				FISCAL M YEAR O 2017-2018 F	FISCAL M YEAR O 2018-2019 F	
7.		LUMP SUM CIP FOR JUDICIARY FACILITIES, STATEWIDE				
		PLANS, DESIGN, CONSTRUCTION, AND EQUIPMENT FOR THE GENERAL ALTERATIONS, UPGRADES, AND IMPROVEMENTS TO JUDICIARY FACILITIES, STATEWIDE.				
		PLANS		50		
		DESIGN		300		
		CONSTRUCTION		2,625		
		EQUIPMENT		25		
		TOTAL FUNDING	JUD	3,000	C	

PART V. ISSUANCE OF BONDS

SECTION 9. General obligation bonds may be issued, as provided by law, to yield the amount that may be necessary to finance projects authorized in part II and listed in part IV of this Act; provided that the sum total of the general obligation bonds so issued shall not exceed \$9,350,000.

PART VI. SPECIAL PROVISIONS

SECTION 10. Any law or any provision of this Act to the contrary notwithstanding, the appropriations made for capital improvement projects authorized in part II and listed in part IV of this Act shall not lapse at the end of the fiscal year for which the appropriations are made; provided that all appropriations made for fiscal year 2017-2018 and fiscal year 2018-2019 that are unencumbered as of June 30, 2020, shall lapse as of that date.

SECTION 11. The judiciary may delegate to other state or county agencies the planning, acquisition of land, design, construction, and equipment of any capital improvement project when it is determined by the judiciary to be advantageous to do so.

SECTION 12. Where it has been determined that changed conditions, such as a reduction in the particular population being served, permit the reduction in the scope of a project listed in part IV of this Act, the chief justice may authorize such reduction of project scope.

SECTION 13. The chief justice shall determine when and the manner in which the authorized capital improvement projects shall be initiated. The chief justice shall notify the governor from time to time of the specific amounts required for the projects, and the governor shall provide for those amounts through the issuance of bonds authorized in part V of this Act.

SECTION 14. Any law or any provision of this Act to the contrary notwithstanding, the chief justice may supplement funds for any cost element of a capital improvement project authorized under this Act by transferring such sums as may be necessary from the funds appropriated for other cost elements of the same project by this Act or by any other prior or future Act that has not lapsed; provided that the total expenditure of funds for all cost elements for the project shall not exceed the total appropriation for that project.

ACT 196

PART VII. MISCELLANEOUS PROVISIONS AND EFFECTIVE DATE

SECTION 15. If any portion of this Act or its application to any person, entity, or circumstance is held to be invalid for any reason, the legislature 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 expended to fulfill the objective of such appropriation to the extent possible.

SECTION 16. If manifest clerical, typographical, or other mechanical errors are found in this Act, the chief justice may correct such errors.

SECTION 17. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

Note

1. So in original.

ACT 196

S.B. NO. 488

A Bill for an Act Relating to Search Warrants.

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

SECTION 1. Section 803-31, Hawaii Revised Statutes, is amended to read as follows:

“§803-31 Search warrant; defined. A search warrant is an order in writing made by a judge or other magistrate, directed to an officer of justice, commanding the officer to search for certain articles supposed to be in the possession of, or [which are] anticipated to be in the possession of, one who is charged with having obtained them illegally, or who keeps them illegally, or with the intent of using them as the means of committing a certain offense. A search warrant may identify an individual or entity authorized pursuant to section 803-37 to provide technical assistance to the officer.”

SECTION 2. Section 803-34, Hawaii Revised Statutes, is amended to read as follows:

“§803-34 Contents. The warrant shall be in writing, signed by the judge or magistrate, with the judge’s or magistrate’s official designation, directed to [some] a sheriff or other officer of justice, and commanding the sheriff or other officer to search for and bring before the judge or magistrate[,] the property or articles specified in the affidavit, to be disposed of according to justice, and also to bring before the judge or magistrate for examination the person in whose possession the property or articles may be found. The warrant shall identify any individual or entity authorized pursuant to section 803-37 to provide technical assistance to the sheriff or officer.”

SECTION 3. Section 803-35, Hawaii Revised Statutes, is amended to read as follows:

“§803-35 Deputies or police officers may serve. If the search warrant is directed to a sheriff or chief of police, it may be executed by the sheriff or chief

of police or any of the sheriff's deputies or [chief's deputies] the chief's police officers. An individual or entity authorized pursuant to section 803-37 to provide technical assistance may assist a deputy or police officer."

SECTION 4. Section 803-37, Hawaii Revised Statutes, is amended to read as follows:

"§803-37 Power of officer serving. The officer charged with the warrant, if a house, store, or other building is designated as the place to be searched, may enter it without demanding permission if the officer finds it open. If the doors are shut, the officer [~~must~~] shall declare the officer's office and the officer's business[.] and demand entrance. If the doors, gates, or other bars to the entrance are not immediately opened, the officer may break them. When entered, the officer may demand that any other part of the house, or any closet[.] or other closed place in which the officer has reason to believe the property is concealed, may be opened for the officer's inspection, and if refused the officer may break them. If an electronic device or storage media is designated as the item to be searched, the court may authorize the officer to obtain technical assistance from individuals or entities, located within or outside the State, in the examination of the item; provided that the officer shall submit a sworn statement to the judge or magistrate, certifying the reliability and qualifications of the individuals or entities and the reason their assistance is necessary; provided further that no individual or entity shall be compelled to provide technical assistance without their consent."

SECTION 5. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect upon its approval.

(Approved July 11, 2017.)

ACT 197

S.B. NO. 491

A Bill for an Act Making an Appropriation to the Department of the Prosecuting Attorney of the City and County of Honolulu.

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

SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$300,000 or so much thereof as may be necessary for fiscal year 2017-2018 for a grant-in-aid to the department of the prosecuting attorney of the city and county of Honolulu for the career criminal prosecution unit.

The sum appropriated shall be expended by the department of the prosecuting attorney of the city and county of Honolulu for the purposes of this Act.

SECTION 2. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

ACT 198**ACT 198**

S.B. NO. 382

A Bill for an Act Relating to the Public Utilities Commission.

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

SECTION 1. (a) The state auditor shall conduct a management audit to evaluate the efficiency and effectiveness of the public utilities commission and aid in the commission's transition to a better functioning entity. The management audit shall include but not be limited to:

- (1) Appropriateness and applicability of current utility legislation;
- (2) Adequacy of coverage of current public utilities commission policies, rules, and procedures, including the commission's current strategic plan;
- (3) Management of the public utilities commission in terms of:
 - (A) Providing technical and analytical staff support in case management and enforcement of the public utilities commission's rules; and
 - (B) The ability of individual commissioners to request or select the services of a staff attorney, researcher, or clerical or support staff to assist the requesting commissioner with that commissioner's duties; and
- (4) The effectiveness of the public utilities commission in dealing with telecommunications, energy, and other utility issues.

(b) The auditor may also review public utilities commissions in other jurisdictions to determine any generally considered best practices for a public utilities commission, including any emphasis on efficiency in operations or collaborations amongst members and any examples of other commissions that require more diverse backgrounds amongst commissioners or any commissions that have the ability to consider more than one docket at a time.

(c) The auditor shall submit a report to the legislature of findings and recommendations, including any proposed legislation, no later than twenty days prior to the convening of the regular session of 2018.

SECTION 2. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

ACT 199

S.B. NO. 773

A Bill for an Act Relating to Agriculture.

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

SECTION 1. The legislature finds that Act 228, Session Laws of Hawaii 2016, established an industrial hemp pilot program to allow the cultivation of industrial hemp and distribution of its seed in Hawaii through limited activities by licensee-agents of the board of agriculture for purposes of agricultural or academic research. The industrial hemp pilot program has since been developing rules, but in order to prepare the pilot program for implementation, further amendments to state law need to be made to address the program's commencement.

The purpose of this Act is to amend the requirements of the industrial hemp pilot program to:

- (1) Allow applicants to the industrial hemp pilot program to apply for a license at any time during the year in which the applicant plans to grow industrial hemp;
- (2) Require each county to recognize the cultivation of industrial hemp for the purposes of the pilot program as an agricultural product, use, and activity;
- (3) Specify that any agricultural land used for cultivation of industrial hemp for the purposes of the pilot program shall qualify for the minimum dedication period and be assessed at the lowest percentage of fair market value;
- (4) Limit the cultivation of industrial hemp to licensed owners, lessees, or occupiers of lands within the state agricultural land use district; and
- (5) Amend the physical facility requirements for pilot program licensees and repeal the requirement for a movement permit to transport plants or plant material.

SECTION 2. Section 141-33, Hawaii Revised Statutes, is amended to read as follows:

"[§141-33] Licensing. (a) Each applicant for an industrial hemp license shall submit a signed, complete, accurate, and legible application form provided by the board [between January 1 and April 1 of the year in which the applicant plans to grow industrial hemp, which] and shall include the following:

- (1) The applicant's name, mailing address, and phone number in Hawaii and, if applicable, electronic mail address;
- (2) If the applicant is an individual or partnership, the date of birth of the individual or partners;
- (3) If the applicant is any business entity other than an individual, partnership, or institution of higher education, documentation that the entity is authorized to do business in Hawaii;
- (4) The cultivated variety that will be sown;
- (5) The source and amount of certified seed to be used;
- (6) The number of acres to be cultivated for seed, viable grain, industrial products, or any combination thereof;
- (7) The global positioning system coordinates in decimal degrees from the central most point of the growing area to be cultivated and a map showing the location of the growing area in terms of its address or legal description;
- (8) A statement that the applicant is the owner, lessee, or occupier of the growing area to be used for the cultivation or a statement, signed by the owner of the growing area, indicating that the owner has consented to that use;
- (9) The address of the place in Hawaii where the applicant will keep the records, books, electronic data, or other documents that are required by this part;
- (10) The name and address of each place where the industrial hemp is to be stored, sold, or provided, indicating for each place the form of the industrial hemp; and
- (11) The applicant's acknowledgment and agreement to the following terms and conditions:
 - (A) Any information obtained by the board may be publicly disclosed and provided to law enforcement agencies without further notice to the applicant or licensee;

- (B) The applicant agrees to allow any inspection and sampling that the board deems necessary;
 - (C) The applicant agrees to pay for any sampling and analysis costs that the board deems necessary;
 - (D) The applicant agrees to submit all required reports by the applicable due dates specified by the board; and
 - (E) The applicant and any partner, directors, or members have not been convicted of any felony related to the possession, production, sale, or distribution of a controlled substance in any form in this or any other country.
- (b) An application may be [received beginning on January 1 of each year] submitted to the board at any time during the year in which the applicant plans to grow industrial hemp and shall be signed by the applicant or, in the case of a business entity, one of its officers, directors, or partners, as the case may be, and indicate that all information and documents submitted in support of the application are correct and complete to the best of the applicant's knowledge.
- (c) Any incomplete application for a license[, or an application received after April 1 of any year,] shall be denied.
- (d) In addition to the application form, each applicant for a license shall submit a fee set by the chairperson. If the fee does not accompany the application, the application for a license will be deemed incomplete.
- (e) The annual license fee for production of industrial hemp shall be \$250 plus \$2 per acre. Moneys collected from license fees shall be used to cover the costs of implementing, administering, and enforcing this part.
- (f) All licenses shall be valid for two years from the date of issuance, after which the licensee shall renew the license and pay the renewal fee, to be established by rules of the board.
- (g) Any licensee who wishes to alter the growing areas on which the licensee will conduct industrial hemp cultivation shall, before altering the area, submit to the board an updated address, global positioning system location, and map specifying the proposed alteration. If the chairperson receives and approves the updated information, the chairperson shall notify the licensee in writing that the licensee may cultivate industrial hemp on the altered land area.
- (h) A licensee that wishes to change the seed cultivar grown shall submit to the chairperson the name of the new, approved seed cultivar to be grown. If the chairperson receives and approves the change to the seed cultivar, the chairperson shall notify the licensee that the licensee may cultivate the new, approved seed cultivar.
- (i) If the chairperson determines that the requirements for a license pursuant to this part are satisfied, the chairperson shall issue a license to the applicant.
- (j) The cultivation of industrial hemp in accordance with this part shall qualify as an agricultural product, use, and activity by each relevant county for the effective period of the license.
- (k) Any agricultural land used for the cultivation of industrial hemp in accordance with this part shall:
 - (1) Qualify for the minimum dedication period; and
 - (2) Be assessed at the lowest percentage of fair market value or other calculation provided for by ordinance,for the effective period of the license.
- (l) The cultivation of industrial hemp in accordance with this part shall be limited to licensed owners, lessees, or occupiers of lands situated within the state agricultural land district.”

SECTION 3. Section 141-34, Hawaii Revised Statutes, is amended to read as follows:

“[§141-34] Reports. (a) At least seven days prior to harvest, each industrial hemp licensee shall file a report with the board that includes documentation that the licensee has entered into a purchase agreement with an industrial hemp processor. If the licensee has not entered into such an agreement, the licensee shall include a statement of intended disposition of its industrial hemp crop.

(b) Licensees shall report any subsequent changes to the purchase agreement or disposition statement to the board within ten days of the change.

(c) Two business days prior to the movement of the industrial hemp grain or plant material from the permitted location, the licensee shall submit to the board an application for movement permit. The application shall include the mode and location to which the product is to be transported. An inspection of the product may occur prior to movement; and shall submit any other reports as required by the board.”

SECTION 4. Section 141-36, Hawaii Revised Statutes, is amended to read as follows:

“[§141-36] Growing of industrial hemp; licensee responsibilities. The licensee shall:

- (1) Assume a limited agency relationship with the board for the sole purpose of research of industrial hemp and its growth, cultivation, and marketability. The licensee shall conduct all agricultural operations in a lawful manner consistent with the standards befitting of an official of the State; provided that such standards are subject to the sole discretion and direction of the board;
- (2) Abide by applicable laws and regulations incident to the growth, cultivation, or marketing of industrial hemp;
- (3) Acknowledge that any action, intended or incidental, that is contrary to such laws and regulations, known or unknown, falls outside the agency relationship of the licensee with the board and the licensee's participation in the industrial hemp pilot program; provided that this paragraph applies to all actions incident to the licensed production of industrial hemp, including but not limited to any sale or disposition of the resulting plants, plant materials, or seeds for which the licensee may otherwise receive some benefit or consideration;
- (4) Indemnify, hold harmless, and release forever the State and its departments, agencies, officers, employees, and agents of any kind from all liability claims arising out of the licensee's actions involving the growth, cultivation, or marketing of industrial hemp;
- (5) Warrant that the licensee is not an employee of the State and shall assume total and sole responsibility for any of the licensee's acts or omissions involving the growth or production of industrial hemp or arising out of the licensee's participation in the industrial hemp pilot program;
- (6) Allow any institution of higher education in the State to access those sites registered by the licensee with the board for production of industrial hemp; provided that such access shall be allowed upon notice from the board to the licensee and shall extend for all pur-

- poses determined at the discretion of the board related to research of industrial hemp and its growth, cultivation, and marketing;
- (7) Upon request, allow federal, state, or local authorities to inspect and sample the industrial hemp growing area, plants, plant materials, seeds, equipment, or facilities incident to the growth or production of industrial hemp;
 - (8) Remit to the board all license fees and other expenses of the pilot program, including but not limited to all fees related to sampling and analysis of hemp plants and plant materials and destruction of resulting hemp crops found by the board to be noncompliant with applicable laws and regulations;
 - (9) Agree that with respect to the licensee's production of industrial hemp, the board's role is to fulfill regulatory oversight of the production and, where possible, to facilitate receipt of viable seed; provided that the licensee understands and agrees that the licensee shall not receive compensation or wages from the board and the board shall not offer financial resources, tangible products, or commercial labor in support of the licensee's industrial hemp crop;
 - (10) Adhere narrowly to the research focus for which the licensee is participating in the industrial hemp pilot program, if applicable, to include one or more of the following:
 - (A) Planting and growing—tracking vital statistics and yield rates with respect to industrial hemp varieties and growing variables, including seed planting rate, soil composition, water usage, and planting and growing season;
 - (B) Pest—tracking the occurrence of pests and effectiveness of various preventative measures in correlation with industrial hemp varieties;
 - (C) Cost centers and financing—tracking average cost estimates of producing industrial hemp varieties, taking into account costs of participation in the industrial hemp pilot program, product acquisition, water usage, equipment, labor, and security measures and reporting financial resources available for production of industrial hemp; or
 - (D) Marketing and industry development—reporting market demand for industrial hemp varieties' raw materials and end products, including identification of actual or potential hemp products, processors, product manufacturers, wholesalers, retailers, and targeted consumers;
 - (11) Complete and submit all reports and statements requested by the board relative to the licensee's production of industrial hemp; provided that a failure to submit any required or requested report may result in revocation of the licensee's industrial hemp license;
 - (12) Understand and agree that any industrial hemp grown in Hawaii without an active industrial hemp license issued by the board falls outside the licensee's limited agency with the board, is considered to be marijuana under state law, and constitutes impermissible growth of industrial hemp under federal law; provided that the licensee shall understand that such action will be prosecuted in accordance with all applicable laws;
 - (13) At the discretion of the board, destroy or dispose of any industrial hemp crop, plant, plant material, or seed determined by the board or law enforcement to be noncompliant with applicable laws or regulations;

- (14) Use best management practices for growth and production of industrial hemp, as available, and take reasonable precaution to prevent unauthorized growth or distribution of industrial hemp, including but not limited to:
- (A) Keeping records of all persons with access to the growing area or hemp plants, plant materials, or seeds;
 - [(B)] ~~Using ease hardened locks and chains to limit access to storage areas where hemp plants, plant materials, or seeds are kept;~~
 - (C) ~~Marking equipment and plants, if possible, with owner applied numbers;~~
 - [(D)] ~~Blocking private access roads to the growing area with gates or barricades and posting "No Trespassing" signs on gates, barricades, and other landmarks near the growing area and facilities;~~
 - [(E)] ~~(B)~~ Installing reasonable security measures to prevent theft and posting signs indicating that cameras are used to record activity on the growing area property;
 - [(F)] ~~(C)~~ Inspecting and recording regularly the condition of the growing area, facilities, and equipment used in the production of industrial hemp;
 - [(G)] ~~(D)~~ Conducting regular inventory counts of hemp plants, plant materials, and seeds in order to recognize more quickly if a theft has occurred;
 - [(H)] ~~(E)~~ Contacting local law enforcement to help identify additional security measures and encourage patrols near the growing area;
 - [(I)] ~~(F)~~ Reporting to local law enforcement any suspicious activity and the presence of strangers near the growing area or facility;
 - [(J)] ~~(G)~~ Reporting stolen, lost, or missing hemp plants, plant materials, or seeds to the board and law enforcement authorities as soon as the items are noticed to be missing; and
 - [(K)] ~~(H)~~ Reducing the likelihood of cross pollination between varieties of industrial hemp and among other plants by:
 - (i) Separating any growing area from other self-pollinating plants by more than ten feet; and
 - (ii) Separating any growing area from other wind and insect pollinating plants by more than three hundred feet; and
 - [(iii)] ~~Employing a physical barrier such as a hoop house or row cover to isolate industrial hemp from other plants; and]~~
- (15) Comply with any direction of the chairperson with respect to the growth, cultivation, or marketing of industrial hemp not otherwise contemplated in this section.”

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Approved July 11, 2017.)

A Bill for an Act Relating to Health.

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

SECTION 1. The legislature finds that all women in Hawaii, regardless of income, should have meaningful access to effective reproductive health services. Public programs providing insurance coverage and direct services for reproductive health care and counseling to eligible, low-income women are currently available through the department of health and department of human services.

Thousands of women in Hawaii are in need of publicly-funded family planning services, contraception services and education, pregnancy-related services, prenatal care, and birth-related services. In 2010, sixteen thousand women in Hawaii experienced an unintended pregnancy, which can carry enormous social and economic costs to both individual families and to the State. Many women in Hawaii, however, remain unaware of the public programs available to provide them with contraception, health education and counseling, family planning, prenatal care, pregnancy-related, and birth-related services.

Because family planning decisions are time sensitive and care early in pregnancy is important, Hawaii must make every possible effort to advise women of all available reproductive health programs. In Hawaii, low-income women can receive immediate access to free or low-cost comprehensive family planning services and pregnancy-related care through Med-QUEST and the department of health's family planning program. Providers who contract with these programs are able to immediately enroll patients in these programs at the time of a health center visit.

Requiring facilities that provide pregnancy- or family planning-related services to provide accurate health information and to inform clients of the availability of and enrollment procedures for reproductive health programs will help ensure that all women in the State can quickly obtain the information and services that they need to make and implement informed, timely, and personally appropriate reproductive health decisions.

The purpose of this Act is to ensure that women in Hawaii are able to make personal reproductive health decisions with full and accurate information regarding their rights to access the full range of health care services that are available.

SECTION 2. Chapter 321, Hawaii Revised Statutes, is amended by adding two new sections to be appropriately designated and to read as follows:

“§321-A Limited service pregnancy centers; notice of reproductive health services. (a) For purposes of this section, “limited service pregnancy center” or “center”:

- (1) Means a facility that:
 - (A) Advertises or solicits clients or patients with offers to provide prenatal sonography, pregnancy tests, or pregnancy options counseling;
 - (B) Collects health information from clients or patients; and
 - (C) Provides family planning or pregnancy-related services, including but not limited to obstetric ultrasound, obstetric sonogram, pregnancy testing, pregnancy diagnosis, reproductive health counseling, or prenatal care; and

(2) Shall not include a health care facility. For the purposes of this paragraph, a "health care facility" means any facility designed to provide comprehensive health care, including but not limited to hospitals licensed pursuant to chapter 321, intermediate care facilities, organized ambulatory health care facilities, emergency care facilities and centers, health maintenance organizations, federally qualified health centers, and other facilities providing similarly organized comprehensive health care services.

(b) Every limited service pregnancy center in the State shall disseminate on-site to clients or patients the following written notice in English or another language requested by a client or patient:

"Hawaii has public programs that provide immediate free or low-cost access to comprehensive family planning services, including, but not limited to, all FDA-approved methods of contraception and pregnancy-related services for eligible women.

To apply online for medical insurance coverage, that will cover the full range of family planning and prenatal care services, go to mybenefits.hawaii.gov.

Only ultrasounds performed by qualified healthcare professionals and read by licensed clinicians should be considered medically accurate."

The notice shall contain the internet address for online medical assistance applications and the statewide phone number for medical assistance applications.

(c) The information required by subsection (b) shall be disclosed in at least one of the following ways:

(1) A public notice on a sign sized at least eight and one-half inches by eleven inches, written in no less than twenty-two point type, and posted in a clear and conspicuous place within the center's waiting area so that it may be easily read by individuals seeking services from the center; or

(2) A printed or digital notice written or rendered in no less than fourteen point type that is distributed individually to each patient or client at the time of check-in for services; provided that a printed notice shall be available to all individuals who cannot or do not wish to receive the notice in a digital format.

(d) No limited service pregnancy center that collects health information from any individual seeking or receiving its services shall disclose any individually identifiable health information to any other person, entity, or organization without express written authorization from the subject individual. Any disclosure made under this section shall be limited by the express terms of the written authorization and all applicable state and federal laws and regulations, including the federal Health Insurance Portability and Accountability Act of 1996 and title 45 Code of Federal Regulations part 164.

(e) A limited service pregnancy center that provides or assists in the provision of pregnancy testing shall provide the individual tested with a free written statement of the results of the pregnancy test in English or another language requested by a client or patient immediately after the test is completed.

(f) Upon receipt of a written request from an individual to examine or copy all or part of the individual's recorded health information or other information retained by a limited service pregnancy center, the center shall, promptly as required under the circumstances but in no case later than fifteen working days after receiving the request:

(1) Make the information available for examination by the individual during regular business hours;

(2) Provide a free copy to the individual, if requested;

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- (3) Inform the individual if the information does not exist or cannot be found; and
- (4) If the center does not maintain the record or information, inform the individual of that fact and provide the name and address of the entity that maintains the record or information.

§321-B Limited service pregnancy centers; enforcement; private right of action. (a) A limited service pregnancy center that violates section 321-A shall be liable for a civil penalty of \$500 for a first offense and \$1,000 for each subsequent offense. If the center is provided with reasonable notice of noncompliance, which informs the center that it is subject to a civil penalty if it does not correct the violation within thirty days from the date the notice is sent to the center, and the violation is not corrected as of the expiration of the thirty-day notice period, the attorney general may bring an action in the district court of the district in which the center is located to enforce this section.

A civil penalty imposed pursuant to this subsection shall be deposited to the credit of the general fund.

(b) Any person who is aggrieved by a limited service pregnancy center's violation of section 321-A may bring a civil action against the limited service pregnancy center in the district court of the district in which the center is located to enjoin further violations and to recover actual damages sustained together with the costs of the suit including reasonable attorneys' fees. The court may, in its discretion, increase the award of damages to an amount not to exceed three times the actual damages sustained. If damages are awarded pursuant to this subsection, the court may, in its discretion, impose on a liable center a civil fine of not more than \$1,000 to be paid to the plaintiff.

A party seeking civil damages under this subsection may recover upon proof of a violation by a preponderance of the evidence.

For the purposes of this subsection, "person" includes a natural or legal person.

(c) The enforcement procedure and remedies provided by this section shall be in addition to any other procedure or remedy that may be available to the State or a person aggrieved by a violation of this chapter.

(d) This section and section 321-A are not intended to require regulation or oversight of limited service pregnancy centers by the department of health."

SECTION 3. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 4. 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 that can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 5. New statutory material is underscored.¹

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

(Approved July 11, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 201

H.B. NO. 306

A Bill for an Act Relating to Continuous Alcohol Monitoring for Repeat Offenders.

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

SECTION 1. Chapter 291E, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

"§291E- Continuous alcohol monitoring device; requirement; penalties.

(a) Any person charged with a violation of section 291E-61 or 291E-61.5 as a result of having consumed alcohol:

(1) Who is a repeat intoxicated driver; or

(2) While pending criminal investigation or prosecution for one or more prior charges of violating section 291E-61 or 291E-61.5, as a result of having consumed alcohol,

may be ordered to refrain from consuming any alcohol and submit to monitoring by a continuous alcohol monitoring device, for a period of no less than ninety days. If, following the person's arrest, the person is released on bail by the sheriff, deputy sheriff, chief of police, or any person named by the chief of police, the person shall be scheduled for an initial court appearance within five business days, or as soon thereafter as is practicable.

(b) At the person's initial court appearance, the person may be ordered to refrain from consuming any alcohol and to submit to monitoring by a continuous alcohol monitoring device, for a period of no less than ninety days, as conditions of release on bail. As further conditions of release on bail, if a continuous alcohol monitoring device is ordered, the person shall be ordered to refrain from removing, obstructing, or tampering with the device during the applicable period. The applicable period may be extended by the court at any time, beyond ninety days, but may not be shortened or suspended. Once ordered, the person shall be fitted with a continuous alcohol monitoring device within five business days of the person's initial court appearance, or as soon thereafter as is practicable.

(c) If the device is removed upon being taken into custody by the department of public safety, or for a verified medical emergency, such removal shall not be considered a violation of conditions of release on bail, and the applicable period shall be suspended. The person shall be refitted with a continuous alcohol monitoring device at the earliest possible opportunity, at which time the applicable period shall resume.

(d) The administrative director of the courts shall establish and administer a statewide program relating to oversight of all continuous alcohol monitoring devices ordered to be fitted pursuant to chapter 291E, and shall select a single vendor to fit, maintain and monitor them. All costs associated with the device, including administrative and operating costs, shall be paid by the person, except that the vendor shall provide partial financial relief for any charges to persons who apply for such assistance and who are recipients, at the time of arrest, of either food stamps under the Supplemental Nutrition Assistance Program, or free services under the Older Americans Act or Developmentally Disabled Assistance and Bill of Rights Act.

(e) If the person violates any of the conditions of release on bail as specified in subsection (b), the person's bail may be declared forfeited and bail reset in the same amount or higher, in addition to any other penalties the court may impose.

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(f) Nothing in this section shall prevent a court from ordering a defendant to submit to monitoring by a continuous alcohol monitoring device as a condition of release on bail, recognizance, supervised release or sentencing, for violation of section 291E-61 or 291E-61.5 as a first offense, or for violation of any other section, if otherwise permitted by law."

SECTION 2. Section 291E-1, Hawaii Revised Statutes, is amended by adding a new definition to be appropriately inserted and to read as follows:

"Continuous alcohol monitoring device" means any device or instrument that:

- (1) Is attached to the person;
- (2) Is designed to automatically test the alcohol content in a person by contact with the person's skin at least once per one-half hour regardless of the person's location;
- (3) Detects the presence of alcohol; and
- (4) Detects attempts to tamper with, obstruct, or remove the device."

SECTION 3. The administrative director of the courts shall submit a written annual report to the legislature, no later than twenty days prior to the convening of each regular session, beginning in 2019. The written report shall include an evaluation of the effectiveness of the statewide program required under this Act, any known effect on the ignition interlock devices required under chapter 291E, Hawaii Revised Statutes, and any proposed legislation.

SECTION 4. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 5. New statutory material is underscored.¹

SECTION 6. This Act shall take effect on January 1, 2018.

(Approved July 11, 2017.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 202

H.B. NO. 498

A Bill for an Act Relating to Early Learning.

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

SECTION 1. The purpose of this Act is to:

- (1) Broaden the scope of the early learning program to include early childhood development;
- (2) Expand the function of the early learning advisory board beyond an advisory capacity and amend the composition and powers of some board members; and
- (3) Allow the board to appoint and evaluate the director of the executive office on early learning.

SECTION 2. Section 302L-1, Hawaii Revised Statutes, is amended as follows:

1. By adding two new definitions to be appropriately inserted and to read:

“Early learning” means developmentally appropriate early childhood development and education for children from prenatal care until the time they enter kindergarten.

“Early learning system” means a developmentally appropriate early childhood development and education system for children from prenatal care until the time they enter kindergarten.”

2. By amending the definition of “advisory board” to read:

“[Advisory board] Board” means the early learning [advisory] board established pursuant to this chapter.”

3. By amending the definition of “at-risk children” to read:

“At-risk children” means children who, because of their home and community environment, are subject to language, cultural, economic, and other disadvantages that cause them to be at risk for school failure, including children:

(1) Who are eligible for special education services;

(2) Who are English as a second language learners;

(3) Who reside within a public school district, established under chapter 302A, that is in need of improvement based on the criteria of the federal No Child Left Behind Act of 2001 (Public Law 107-110), as amended; or

(4) Whose family income is no more than [two] three hundred [fifty] per cent of the federal poverty level.”

4. By amending the definition of “center-based” to read:

“Center-based” describes programs in which early [childhood education and care] learning services are provided in a facility, including private preschools, child care centers, and head start programs, licensed, or excluded or exempt from licensing, by the department of human services.”

5. By amending the definition of “underserved children” to read:

“Underserved children” means children who have no access to, or are not qualified to attend, other early [childhood education] learning programs and whose family income is no more than [two] three hundred [fifty] per cent of the federal poverty level.”

6. By repealing the definition of “early childhood education”.

[“Early childhood education” means a developmentally appropriate early childhood development and education program for children from birth until the time they enter kindergarten.”]

SECTION 3. Section 302L-1.5, Hawaii Revised Statutes, is amended by amending subsections (b) and (c) to read as follows:

(b) The head of the executive office on early learning shall be known as the director of the executive office on early learning, hereinafter referred to as director. The director shall:

(1) Be appointed and evaluated annually by the [governor;] board;

(2) Have professional training in the field of social work, education, or other related fields[;], including major coursework in early childhood education and child development, and preferably holding an academic degree in the field of early childhood education and child development;

(3) Have direct experience in programs or services related to early [childhood education;] learning;

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- (4) Have recent experience in a supervisory, consultative, or administrative position;
- (5) Be paid a salary set by the [governor] board that shall not exceed ninety per cent of the salary of the director of human resources development; and
- (6) Be included in any benefit program generally applicable to the officers and employees of the State.
- (c) The director shall be responsible for:
 - (1) Serving as the principal officer in state government responsible for the performance, development, and control of programs, policies, and activities [related to a public private comprehensive early childhood system for children,] under the jurisdiction of the office from prenatal care to entrance into kindergarten;
 - (2) Overseeing, supervising, and directing the performance of the director's subordinates in various activities, including planning, evaluation, and coordination of early learning programs;
 - (3) Administering funds allocated for the office and applying for, receiving, and disbursing grants and donations from all sources for early learning programs and services;
 - (4) Assessing the policies and practices of other agencies impacting early learning and conducting advocacy efforts for early learning;
 - (5) Advising agencies on new legislation, programs, and policy initiatives relating to early learning;
 - (6) Employing and retaining staff as may be necessary for the purposes of this section; and
 - (7) Contracting for services that may be necessary for the purposes of this section, including through master contracts, memoranda of understanding, and memoranda of agreement with other state agencies receiving federal and state funds for programs and services for early learning, and purchase of service agreements with appropriate agencies."

SECTION 4. Section 302L-1.6, Hawaii Revised Statutes, is amended to read as follows:

"[§302L-1.6][] Early learning [advisory] board. (a) There is established within the department of education for administrative purposes only an early learning [advisory] board, whose members shall be appointed by the governor pursuant to section 26-34. The board shall have power, in accordance with law, to formulate statewide policy relating to early learning. The [advisory] board shall be responsible for:

- (1) [Advising] Directing the office on how best to meet the developmental and educational needs of children, from prenatal care to entry into kindergarten;
- (2) Providing recommendations to the office on improving the quality, availability, and coordination of early [ehildhood care and education] learning programs;
- (3) Promoting collaboration across agencies and stakeholders serving young children; and
- [4] Being an independent voice for children's health, safety, development, and learning.]
- [4] Appointing the director of the office and evaluating the director on an annual basis.
- (b) The [advisory] board shall consist of the following voting members:

- (1) A representative of center-based program providers or the representative's designee;
- (2) A representative of family child care program providers;
- (3) A representative of family-child interaction learning program providers;
- (4) A representative of philanthropic organizations that support early learning or the representative's designee;
- (5) A representative from a head start provider agency;
- (6) A representative from the Hawaii Early Intervention Coordinating Council;
- (7) A parent representative;
- (8) A representative from the Hawaii chapter of the American Academy of Pediatrics;
- (9) A representative of home-visiting program providers;
- (10) A representative of Hawaiian medium early learning providers; and
- (11) [Two representatives] A representative of the Hawaii Council of Mayors, or [each] the representative's [respective] designee.

The superintendent of education, director of human services, director of health, and president of the University of Hawaii shall serve as ex officio, [~~voting~~] non-voting members of the [advisory] board.

The [advisory] board shall invite [~~the director of the Hawaii head start state collaboration office,~~] the chief executive officer of Kamehameha Schools[;], and the executive director of the Hawaii Association of Independent Schools, or their designees, to serve as voting members of the [advisory] board.

(c) Except for the superintendent of education, directors of state departments, president of the University of Hawaii, [~~director of the Hawaii head start state collaboration office,~~] chief executive officer of Kamehameha Schools, and the executive director of the Hawaii Association of Independent Schools, or their designees, the members of the [advisory] board shall serve staggered terms as follows:

- (1) The representative of center-based program providers shall serve a two-year term;
- (2) The representative of family child care program providers shall serve a three-year term;
- (3) The representative of family-child interaction learning program providers shall serve a three-year term;
- (4) The representative of philanthropic organizations that support early learning shall serve a two-year term;
- (5) The representative from a head start provider agency shall serve a three-year term;
- (6) The representative from the Hawaii Early Intervention Coordinating Council shall serve a three-year term;
- (7) The parent representative shall serve a two-year term;
- (8) The representative from the Hawaii chapter of the American Academy of Pediatrics shall serve a two-year term;
- (9) The representative of home-visiting program providers shall serve a three-year term;
- (10) The representative of Hawaiian medium early learning providers shall serve a two-year term; and
- (11) [Of the two representatives] The representative of the Hawaii Council of Mayors[, one shall serve a two year term, and the other] shall serve a three-year term [as determined by the Hawaii Council of Mayors].

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(d) The [advisory] board shall select a chairperson by a majority vote of its voting members[; provided that the chairperson shall be a representative from the private sector]. A majority of the voting members serving on the [advisory] board shall constitute a quorum to conduct business. The concurrence of the majority of the voting members serving on the [advisory] board shall be necessary to make any action of the [advisory] board valid.

(e) The [advisory] board may form workgroups and subcommittees, including with individuals who are not [advisory] board members, to:

- (1) Obtain resource information from early learning professionals and other individuals as deemed necessary by the [advisory] board;
- (2) Make recommendations to the [advisory] board; and
- (3) Perform other functions as deemed necessary by the [advisory] board to fulfill its duties and responsibilities.

Two or more [advisory] board members, but less than a quorum, may discuss matters relating to official [advisory] board business in the course of their participation in a workgroup or subcommittee, and such discussion shall be a permitted interaction as provided for in section 92-2.5.

(f) The [advisory] board may testify before the legislature on any matter related to its duties and responsibilities.

(g) Members of the [advisory] board shall serve without compensation but shall be reimbursed for expenses, including travel expenses, necessary for the performance of their duties."

SECTION 5. Section 302L-1.7, Hawaii Revised Statutes, is amended by amending its title and subsection (a) to read as follows:

"[§302L-1.7] Early [childhood education] learning facilities; pre-plus.

(a) There is established the pre-plus program within the office to expand access to affordable and high-quality early [childhood education] learning for children from low-income families who are not otherwise eligible for kindergarten, by allowing preschool programs to be established on public school campuses through public-private partnerships."

SECTION 6. Section 302L-2, Hawaii Revised Statutes, is amended to read as follows:

"§302L-2 Early learning system[; keiki first steps]. There is established an early learning system[, to be known as keiki first steps,] that shall ensure a spectrum of high-quality early learning opportunities for children throughout the State, from [birth] prenatal care until the time they enter kindergarten, with priority given to underserved or at-risk children. The early learning system shall be developed and administered by the executive office on early learning to the extent permissible by law. The early learning system shall:

- (1) Be widely accessible and voluntary for both those served and program and service providers;
- (2) Be a cohesive, comprehensive, and sustainable system in which:
 - (A) All existing early learning programs and services, whether publicly- or privately-run, which consist of a variety of early learning approaches, service deliveries, and settings, including center-based programs, family child care programs, family-child interaction learning programs, and home-based instruction programs designed to promote early learning, are coordinated, improved, and expanded;
 - (B) Public and private resources are maximized; and

- (C) The use of public facilities for either publicly- or privately-run early learning programs is maximized;
- (3) Provide high-quality early learning experiences with:
 - (A) Standards-based content and curriculum, and accountability; and
 - (B) Sufficient numbers of well-qualified educators and administrators who are fairly compensated and have access to continuing professional development;
- (4) Offer opportunities for family and community engagement and parent education and support; and
- (5) Be sensitive to family choice and cultural diversity.”

SECTION 7. Section 302L-3.5, Hawaii Revised Statutes, is amended by amending its title and subsections (a) through (e) to read as follows:

“§302L-3.5 [Advisory board] Board meetings by teleconference. (a) Notwithstanding any law to contrary, the [advisory] board may meet by teleconference.

- (b) Each member of the [advisory] board participating in a meeting by teleconference shall be considered present at the meeting for purposes of determining quorum and participating in all proceedings.
- (c) A meeting by teleconference:
 - (1) Need not have a quorum present at any one location; and
 - (2) Is subject to the notice requirements applicable to other [advisory] board meetings.
- (d) The notice of each teleconference meeting shall specify all physical locations from which members of the [advisory] board will participate. The notice shall also specify the physical location from which the presiding officer of the [advisory] board will preside. All physical teleconference locations shall be open to the public during the open portion of the meeting.
- (e) [Advisory board] Board materials that are to be considered at the meeting shall be made available at all physical teleconference locations.”

SECTION 8. Section 302L-4, Hawaii Revised Statutes, is amended to read as follows:

“§302L-4 [Keiki first steps grant] Grant program; establishment. (a) There is established, as part of the early learning system, [the keiki first steps] a grant program, to be developed and administered by the office [and administered by the department of human services]. The program shall increase early learning opportunities that meet high standards of quality through the awarding of grants to publicly- or privately-run:

- (1) Center-based programs for three- and four-year-old children; and
- (2) Family child care programs, family-child interaction learning programs, and other early learning programs and services regardless of the age of children served.
- (b) Eligibility criteria for grants. The [department of human services] office may award grants [for the keiki first steps grant program] based on criteria that shall be developed by the office. The criteria shall include the requirement that early learning programs and services meet certain standards of quality, including:
 - (1) The implementation of evidence-based and culturally responsive models of service delivery;
 - (2) The use of evidence-based curricula and methods;

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- (3) Minimum scheduling requirements, as follows:
 - (A) For center-based programs: providing services for a full school day and full school year;
 - (B) For family child care programs: providing services for three hours daily for a full school year;
 - (C) For family-child interaction learning programs operating in classroom-like settings: providing early learning activities at least twice a week for a full school year, and for a minimum of three hours each day; and
 - (D) For home-based instruction programs: providing early learning activities for no fewer than thirty weeks within a school year;
 - (4) Staff-to-child ratios and group size that meet or exceed nationally recommended standards;
 - (5) The employment of teachers and administrators who meet the qualifications required by the office;
 - (6) The incorporation of preschool content standards or other early learning guidelines;
 - (7) The implementation of health and developmental screenings for children;
 - (8) Opportunities for parent or family engagement and parent education and support; and
 - (9) Activities for monitoring and data collection to evaluate early learning programs and services and inform best practices.
- (c) Training; technical assistance; monitoring. The [department of human services] office may offer technical support to, and shall be responsible for monitoring to ensure the accountability of programs and services within the [keiki first steps] grant program, according to the standards developed by the office.”

SECTION 9. Section 302L-6, Hawaii Revised Statutes, is amended to read as follows:

“[§302L-6] **Federal funds.** The office may use and expend federal funds for the purpose of early [childhood education] learning.”

SECTION 10. Section 302L-7, Hawaii Revised Statutes, is amended to read as follows:

“[§302L-7] **Executive office on early learning public prekindergarten program; public preschools.** (a) There is established within the early learning system an early childhood education program to be known as the executive office on early learning public prekindergarten program and to be administered by the office pursuant to rules adopted by the office. The program shall:

- (1) Be provided through the executive office on early learning, which may partner with the department of education;
 - (2) Prepare children for school and active participation in society through the use of either of the State's two official languages; and
 - (3) Provide access to high-quality early [childhood education] learning that addresses children's physical, cognitive, linguistic, social, and emotional development.
- (b) The program shall serve children in the year prior to the year of kindergarten eligibility, with priority extended to underserved or at-risk children, as defined in section 302L-1. [The department of education may grant

~~geographic exceptions for children to attend prekindergarten outside their assigned service area, as the department of education deems appropriate; provided that the department of education shall grant a request for geographic exception to attend a prekindergarten in another service area if the request is based on the employment location of the parent or guardian of the student.] Enrollment priority shall be given but is not limited to children who attend prekindergarten at schools to which the children will be assigned upon entering kindergarten under section 302A-1143.~~

(c) Enrollment in the program shall be voluntary. A child who is enrolled in, or is eligible to attend, a public elementary school, or who is required to attend school pursuant to section 302A-1132, shall not be eligible for enrollment in the program.

(d) The program shall incorporate high-quality standards pursuant to rules adopted by the office. High-quality standards shall be research-based, developmentally-appropriate practices associated with better educational outcomes for children, such as:

- (1) Positive teacher-child interactions;
- (2) Use of individual child assessments that are used for ongoing instructional planning, based upon all areas of childhood development and learning, including cognitive, linguistic, social, and emotional approaches to learning and health and physical development;
- (3) Family engagement; and
- (4) Alignment with the Hawaii early learning and development standards, which align with department of education standards, state content and performance standards, and general learner outcomes for grades kindergarten to twelve, to facilitate a seamless and high-quality educational experience for children.

The office shall monitor implementation of the high-quality educational experience for children.

(e) Prior to opening a public prekindergarten class in a school, the principal, and other school personnel as required by the office, shall participate in an early learning induction program.

[f] (f) The office shall provide support to incorporate [these] the high-quality standards[, developed pursuant to subsection (d)], including support related to teacher-child interactions, individual child assessments, and family engagement.

[f] (g) The office shall coordinate with other agencies and programs to facilitate comprehensive services for early [childhood education.] learning.

[g] (h) The office shall collect data to:

- (1) Evaluate the services provided;
- (2) Inform policy; and
- (3) Make any improvements to the program.

[h] (i) The department of education and any public charter school existing pursuant to chapter 302D, may use available classrooms for public preschool programs statewide. The office shall give priority to public charter schools that serve high populations of underserved or at-risk children. Preschool classrooms established pursuant to this section shall be in addition to any classrooms used for the pre-plus program established pursuant to [section 302L-1.7.] rules adopted by the department pursuant to chapter 91.

[i] (j) The office shall adopt rules pursuant to chapter 91 necessary to carry out the purposes of this section, including compliance with all applicable state and federal laws.”

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SECTION 11. Section 346-181, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Subject to the availability of funds, the program shall serve four-year-old children, with priority extended to:

- (1) Children who are not eligible to attend public school kindergarten in the calendar year in which they turn five years of age because their birth date occurs after the kindergarten eligibility date pursuant to section 302A-411; and
- (2) Underserved or at-risk children[.], as defined by rules adopted by the department.”

SECTION 12. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 13. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

ACT 203

H.B. NO. 937

A Bill for an Act Relating to Early Learning.

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

SECTION 1. The purpose of this Act is to appropriate funds for the executive office on early learning to enter into contracts with third-party providers for family-child interaction learning programs that support families to take an active role in the social, emotional, and cognitive development of their young children.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$300,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 for the executive office on early learning to enter into contracts with third party providers for family-child interaction learning programs that support families to take an active role in the social, emotional, and cognitive development of their young children.

The sums appropriated shall be expended by the executive office on early learning for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

ACT 204

S.B. NO. 26

A Bill for an Act Making an Appropriation to the Office of the Prosecuting Attorney for Hawaii County.

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

SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$150,000 or so much thereof as may be necessary for

fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 as a subsidy to the office of the prosecuting attorney for Hawaii county for the career criminal prosecution unit, including the hiring of necessary staff.

The sums appropriated shall be expended by the office of the prosecuting attorney for Hawaii county for the purposes of this Act.

SECTION 2. This Act shall take effect on July 1, 2017.

(Approved July 11, 2017.)

ACT 205

S.B. NO. 376

A Bill for an Act Relating to the Interisland Transmission System.

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

PART I

SECTION 1. The legislature finds that Act 165, Session Laws of Hawaii 2012, codified as part VIII of chapter 269, Hawaii Revised Statutes, established the regulatory structure under which interisland undersea transmission cables could be developed, financed, and constructed. However, the legislature notes that the current priorities of the legislature do not include an interisland transmission system. The legislature notes that it is more appropriate to remove references to the interisland transmission system from the Hawaii Revised Statutes until a consensus on such a system can be reached.

The purpose of this Act is to repeal chapter 269, part VIII, Hawaii Revised Statutes, relating to the interisland transmission system.

PART II

SECTION 2. Chapter 269, part VIII, Hawaii Revised Statutes, is repealed.

PART III

SECTION 3. Section 23-74, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

- “(c) This section shall apply to the following:
 - (1) Section 239-2, paragraph (5) of the definition of “gross income”— Gross income of home service providers of mobile telecommunications services;
 - (2) Section 239-2, exclusions under the definition of “gross income”— Dividends paid by one member to another member of an affiliated public service company group or gross income from the sale or transfer of materials and supplies, interest on loans, and provision of services among members of an affiliated public service company group;
 - (3) Section 237-3(b)—Gross receipts from the sale or transfer of materials and supplies, interest on loans, and provision of services among members of an affiliated public service company group;
 - (4) Section 239-5.5—Gross income of utilities from monthly surcharges;

- [§] ~~Section 239-5.6—Gross income of electric utility companies from cable surcharges;~~
- [+] ~~(5) Section 239-6.5—Tax credit for lifeline telephone service subsidies;~~
- [+] ~~(6) Section 269-172—Green infrastructure charges received by electric utilities;~~
- [+] ~~(7) Section 237-29.7—Gross income or gross proceeds received by insurance companies;~~
- [+] ~~(8) Section 431:7-207—Tax credit to facilitate regulatory oversight;~~
- [+] ~~(9) Section 432:1-403—Exemption for nonprofit medical indemnity or hospital service associations or societies specifically from the general excise tax, public service company tax, or insurance premium tax; and~~
- [+] ~~(10) Section 432:2-503—Exemption for fraternal benefit societies specifically from the general excise tax, public service company tax, or insurance premium tax.”~~

SECTION 4. Section 235-7, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There shall be excluded from gross income, adjusted gross income, and taxable income:

- (1) Income not subject to taxation by the State under the Constitution and laws of the United States;
- (2) Rights, benefits, and other income exempted from taxation by section 88-91, having to do with the state retirement system, and the rights, benefits, and other income, comparable to the rights, benefits, and other income exempted by section 88-91, under any other public retirement system;
- (3) Any compensation received in the form of a pension for past services;
- (4) Compensation paid to a patient affected with Hansen’s disease employed by the State or the United States in any hospital, settlement, or place for the treatment of Hansen’s disease;
- (5) Except as otherwise expressly provided, payments made by the United States or this State, under an act of Congress or a law of this State, which by express provision or administrative regulation or interpretation are exempt from both the normal and surtaxes of the United States, even though not so exempted by the Internal Revenue Code itself;
- (6) Any income expressly exempted or excluded from the measure of the tax imposed by this chapter by any other law of the State, it being the intent of this chapter not to repeal or supersede any express exemption or exclusion;
- (7) Income received by each member of the reserve components of the Army, Navy, Air Force, Marine Corps, or Coast Guard of the United States of America, and the Hawaii National Guard as compensation for performance of duty, equivalent to pay received for forty-eight drills (equivalent of twelve weekends) and fifteen days of annual duty, at an:
 - (A) E-1 pay grade after eight years of service; provided that this subparagraph shall apply to taxable years beginning after December 31, 2004;

- (B) E-2 pay grade after eight years of service; provided that this subparagraph shall apply to taxable years beginning after December 31, 2005;
 - (C) E-3 pay grade after eight years of service; provided that this subparagraph shall apply to taxable years beginning after December 31, 2006;
 - (D) E-4 pay grade after eight years of service; provided that this subparagraph shall apply to taxable years beginning after December 31, 2007; and
 - (E) E-5 pay grade after eight years of service; provided that this subparagraph shall apply to taxable years beginning after December 31, 2008;
 - (8) Income derived from the operation of ships or aircraft if the income is exempt under the Internal Revenue Code pursuant to the provisions of an income tax treaty or agreement entered into by and between the United States and a foreign country; provided that the tax laws of the local governments of that country reciprocally exempt from the application of all of their net income taxes, the income derived from the operation of ships or aircraft that are documented or registered under the laws of the United States;
 - (9) The value of legal services provided by a legal service plan to a taxpayer, the taxpayer's spouse, and the taxpayer's dependents;
 - (10) Amounts paid, directly or indirectly, by a legal service plan to a taxpayer as payment or reimbursement for the provision of legal services to the taxpayer, the taxpayer's spouse, and the taxpayer's dependents;
 - (11) Contributions by an employer to a legal service plan for compensation (through insurance or otherwise) to the employer's employees for the costs of legal services incurred by the employer's employees, their spouses, and their dependents;
 - (12) Amounts received in the form of a monthly surcharge by a utility acting on behalf of an affected utility under section 269-16.3; provided that amounts retained by the acting utility for collection or other costs shall not be included in this exemption;
 - [13] ~~Amounts received in the form of a cable surcharge by an electric utility company acting on behalf of a certified cable company under section 269-134; provided that any amounts retained by that electric utility company for collection or other costs shall not be included in this exemption;]~~ and
 - [14] (13) One hundred per cent of the gain realized by a fee simple owner from the sale of a leased fee interest in units within a condominium project, cooperative project, or planned unit development to the association of owners under chapter 514A or 514B, or the residential cooperative corporation of the leasehold units.
- For purposes of this paragraph:
- “Fee simple owner” shall have the same meaning as provided under section 516-1; provided that it shall include legal and equitable owners;
- “Legal and equitable owner”, and “leased fee interest” shall have the same meanings as provided under section 516-1; and
- “Condominium project” and “cooperative project” shall have the same meanings as provided under section 514C-1.”

ACT 205

SECTION 5. Section 269-30, Hawaii Revised Statutes, is amended to read as follows:

“§269-30 Finances; public utility fee. (a) Sections 607-5 to 607-9 shall apply to the public utilities commission and each commissioner, as well as to the supreme and circuit courts, and all costs and fees paid or collected pursuant to this section shall be deposited with the director of finance to the credit of the public utilities commission special fund established under section 269-33.

(b) There also shall be paid to the public utilities commission in each of the months of July and December of each year, by each public utility subject to investigation by the public utilities commission, a fee equal to one-fourth of one per cent of the gross income from the public utility's business during the preceding year, or the sum of \$30, whichever is greater. This fee shall be deposited with the director of finance to the credit of the public utilities commission special fund.

(c) Each public utility paying a fee under subsection (b) may impose a surcharge to recover the amount paid above one-eighth of one per cent of gross income. The surcharge imposed shall not be subject to the notice, hearing, and approval requirements of this chapter; provided that the surcharge may be imposed by the utility only after thirty days' notice to the public utilities commission. Unless ordered by the public utilities commission, the surcharge shall be imposed only until the conclusion of the public utility's next rate case; provided that the surcharge shall be subject to refund with interest at the public utility's authorized rate of return on rate base if the utility collects more money from the surcharge than actually paid due to the increase in the fee to one-fourth of one per cent.

(d) Notwithstanding any provision of this chapter to the contrary, the public utilities commission may, upon the filing of a petition by a public utility, credit a public utility for amounts paid under subsection (b) toward amounts the public utility owes in one call center fees under section 269E-6(f).

[**(e)** ~~Amounts received in the form of a cable surcharge by an electric utility company acting on behalf of a certified cable company under section 269-134 shall not be deemed gross income for that electric utility company for purposes of this section; provided that any amounts retained by that electric utility company for collection or other costs shall not be included in this exemption.]~~”

SECTION 6. Section 239-5.6, Hawaii Revised Statutes, is repealed.

SECTION 7. Section 240-1.6, Hawaii Revised Statutes, is repealed.

SECTION 8. Section 269-133, Hawaii Revised Statutes, is repealed.

SECTION 9. Act 165, Session Laws of Hawaii 2012, is amended by amending section 9 to read as follows:

“SECTION 9. This Act shall take effect on July 1, 2012; provided that the [amendments] amendment made to section [235-7.] 235-7(a)(12), Hawaii Revised Statutes, in section 5 of this Act shall not be repealed when that section is reenacted on January 1, [2013.] 2018, pursuant to Act 166, Session Laws of Hawaii 2007[-], as amended by section 5 of Act 220, Session Laws of Hawaii 2012.”

PART IV

SECTION 10. Statutory material to be repealed is bracketed and stricken.¹ New statutory material is underscored.

SECTION 11. This Act shall take effect upon its approval.

(Became law on July 11, 2017, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 206

H.B. NO. 116

A Bill for an Act Relating to Public Schools.

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

SECTION 1. The legislature finds that Act 97, Session Laws of Hawaii 1965, transferred the responsibility for functions that were deemed to be of state-wide concern from the counties to the State. Among these functions were the planning, construction, improvement, and maintenance of public school facilities and grounds. Since public school facilities and grounds are the responsibility of the State, it is reasonable to continue transferring remaining county lands to the State; provided that the transfer of those lands does not include any property designated as a public park.

The purpose of this Act is to:

- (1) Transfer parcels of property containing schools operated by the department of education that are currently owned by the city and county of Honolulu to the State; and
- (2) Extend the twenty-first century schools pilot program established by Act 155, Session Laws of Hawaii 2013, for an additional five years.

PART II

SECTION 2. (a) Notwithstanding any other law to the contrary, the fee simple interest to the following parcels of land with the existing improvements thereon (hereinafter "the properties") (but not including submerged land, accreted land, or any land makai of the shoreline), shall be conveyed by the city and county of Honolulu to the department of land and natural resources as grantee, as is, where is:

- (1) TMK 1-4-5-34-14 (Castle High);
- (2) TMKs 1-5-6-6-9, 1-5-6-6-10, and 1-5-6-6-25 (Kahuku High and Elementary);
- (3) TMK 1-4-4-34-24 (Kalaheo High);
- (4) TMK 1-9-1-1-2 (portion) (Campbell High);
- (5) TMK 1-8-5-15-1 (Waianae High);
- (6) TMK 1-9-4-8-20 (Waipahu High);
- (7) TMK 1-9-8-31-17 (Aiea High);
- (8) TMK 1-7-4-18-1 (Leilehua High);
- (9) TMK 1-9-9-2-23 (Radford High);
- (10) TMK 1-6-7-2-10 (Waialua High and Intermediate);
- (11) TMKs 1-6-003-048, 1-6-021-005 (Farrington High);
- (12) TMK 2-7-024-001 (Kaimuki High);
- (13) TMK 3-9-005-027 (Kaiser High); and
- (14) TMK 3-5-020-004 (Kalani High).

(b) The city and county of Honolulu shall prepare, execute, and record, in the land court or bureau of conveyances, as appropriate, a quitclaim deed to convey each above-listed parcel with all existing improvements, subject to the property boundaries determined pursuant to subsection (d), to the department of land and natural resources, as grantee. As these are conveyances in which the city and county of Honolulu and the State and its agencies are the only parties, the tax imposed by section 247-1, Hawaii Revised Statutes, shall not apply to them. Effective on the date of transfer pursuant to subsection (e), every refer-

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ence to the present titleholder or the head of the department or agency in each instrument, if the titleholder is a department or an agency, shall be construed as a reference to the department of land and natural resources.

(c) The department of land and natural resources shall accept the properties in their existing condition. All claims and liabilities against the city and county of Honolulu, if any, which the department of land and natural resources has, may have had, or may have in the future, regarding any injury, loss, cost, damage, or liability, including reasonable attorney's fees, concerning the physical, environmental, soil, economic, and legal conditions of the conveyed properties, are released, waived, and extinguished.

(d) Transfer of parcels shall be effective December 31, 2018.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 as a grant-in-aid to the city and county of Honolulu to prepare, execute, and record the quitclaim deeds required under this Act, including costs outside of normal business.

The sums appropriated shall be expended by the city and county of Honolulu for the purposes of this Act.

PART III

SECTION 4. Section 302A-1151.1, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

“(e) Any lease entered into by the department pursuant to subsection (b) shall be fully executed no later than [five] ten years from July 1, 2013.”

PART IV

SECTION 5. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2017.

(Became law on July 11, 2017, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

ACT 207

H.B. NO. 471

A Bill for an Act Relating to the Emergency and Budget Reserve Fund.

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

SECTION 1. Section 328L-3, Hawaii Revised Statutes, is amended to read as follows:

“§328L-3 Emergency and budget reserve fund. (a) There is established in the state treasury the emergency and budget reserve fund, which shall be a

special fund administered by the director of finance[,] and into which shall be deposited:

- (1) Twenty-four and one-half per cent of the moneys received from the tobacco settlement moneys under section 328L-2(b)(1);
- (2) Appropriations made by the legislature to the fund; and
- (3) Five per cent of the state general fund balance at the close of the fiscal year, whenever state general fund revenues for each of two successive fiscal years exceeds revenues for each of the preceding fiscal years by five per cent, pursuant to article VII, section 6 of the Hawaii constitution. For the purpose of this section, the general fund balance at the close of the fiscal year shall be calculated before any tax refund or tax credit is authorized by the legislature, pursuant to article VII, section 6 of the Hawaii constitution, that is provided during the same regular session as the transfer depositing such moneys to the emergency and budget reserve fund; provided that transfers shall not be made to the emergency and budget reserve fund whenever the balance of the emergency and budget reserve fund is equal to or more than ten per cent of general fund revenues for the preceding fiscal year. The transfer shall be executed by the director of finance;

provided that all moneys deposited into the emergency and budget reserve fund under paragraphs (1) and (2) and all moneys deposited under paragraph (3) shall be kept in separate and distinct accounts.

(b) All interest earned from moneys in the emergency and budget reserve fund shall be credited to the emergency and budget reserve fund.

(c) Expenditures from the emergency and budget reserve fund shall be a temporary supplemental source of funding for the State during times of emergency, severe economic downturn, or unforeseen reduction in revenues. No expenditures shall be made from the emergency and budget reserve fund except pursuant to appropriations. The general appropriations bill or the supplemental appropriations bill, as defined in section 9 of article VII of the Hawaii constitution, shall not be used to appropriate moneys from the emergency and budget reserve fund. The governor, through an appropriations bill, may recommend expenditures from the emergency and budget reserve fund by setting forth the purposes of the expenditures consistent with subsection (d), the amounts, and the reasons justifying the necessity for the appropriations.

(d) The legislature may make appropriations from the fund for the following purposes:

- (1) To maintain levels of programs determined to be essential to public health, safety, welfare, and education;
- (2) To provide for counter cyclical economic and employment programs in periods of economic downturn;
- (3) To restore facilities destroyed or damaged or services disrupted by disaster in any county; and
- (4) To meet other emergencies when declared by the governor or determined to be urgent by the legislature.

Any act making appropriations from the emergency and budget reserve fund shall include a declaration of findings and purposes setting forth the purposes, the amounts, and the reasons why the appropriations are necessary and shall require a two-thirds majority vote of each house of the legislature.

(e) Appropriations for the following purposes from the emergency and budget reserve fund are specifically prohibited:

- (1) To meet expenses of the legislature;

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- (2) To provide for salary adjustments for officials appointed pursuant to article V, section 6 or article VI, section 3 of the [Constitution of the State of] Hawaii constitution and for others whose salaries are directly related to salaries of these officials; and
- (3) To fund cost items in any collective bargaining contract.
- (f) The legislature shall not appropriate from the emergency and budget reserve fund:
- (1) More than fifty per cent of the total balance of the fund in a fiscal year;
- (2) In a fiscal year, an amount that exceeds ten per cent of the total discretionary funds appropriated by the legislature for the same fiscal year for which emergency and budget reserve fund moneys are appropriated. For the purpose of this paragraph, "discretionary funds" means the total amount of general fund moneys appropriated or authorized by the legislature for expenditure during the fiscal year for operating costs less non-discretionary funds; where "non-discretionary funds" means the total amount of general fund moneys appropriated or authorized by the legislature for expenditure during the same fiscal year for:
- (A) Debt service payments for general obligation bonds;
- (B) Employer contributions for pension and retirement benefits of state government employees;
- (C) Employer contributions for health insurance benefits of state government employees and state government retirees;
- (D) Medicaid service costs, meaning the costs of services provided to low-income persons under the medical assistance program established under chapter 346 and funded in part under Title XIX of the federal Social Security Act, as amended. "Medicaid service costs" does not include the costs of management, administrative, or other overhead services performed by the department of human services for medicaid; and
- (E) Other costs, including but not limited to payroll, lease costs for real property, and equipment for the same fiscal year, as determined by the legislature; and
- (3) Any amount for expenditure in the succeeding fiscal year, unless the State has collected or is projected to collect less general fund tax revenue in the current fiscal year compared to the immediately preceding fiscal year."

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2017.

(Became law on July 11, 2017, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

ACT 208

H.B. NO. 115

A Bill for an Act Relating to Highways.

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

SECTION 1. The legislature finds that while federal, state, and county agencies maintain jurisdiction over, and are responsible for, the repair and main-

tenance of the majority of highways, streets, and roads throughout Hawaii, there are numerous roads throughout the State whose ownership has been disputed or called into question. Because the ownership of these roads is in dispute, these roads often do not receive proper care and maintenance. These disputes create difficulties for members of the public and government agencies when individuals report repair or maintenance issues. The legislature also finds that although counties have policies and procedures to assist owners with the repair and maintenance of private roads, these policies and procedures are only applicable when the county can determine or locate the actual owner of the road.

The legislature further finds that Act 221, Session Laws of Hawaii 1965, provided that all public highways not under the jurisdiction of the state department of transportation were declared to be owned by the respective county governments. However, notwithstanding that ownership of these highways was transferred to the counties by law under Act 221, the counties of the State have not acknowledged their ownership and jurisdiction over these public highways, in part because title for many of these roads was not transferred by deed of conveyance or other tangible evidence of ownership.

The purpose of this Act is to require each county with a population of five hundred thousand or greater to take ownership and jurisdiction over all roads for which there is a dispute over ownership and jurisdiction between the State or any of its political subdivisions and a county or a private party, or between a county and a private party.

SECTION 2. Chapter 264, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

“§264— County highways; ownership. (a) As used in this section:

“Disputed road” means any highway, road, alley, street, way, lane, bike-way, bridge, or trail that is open to the public and is located in any county with a population of five hundred thousand or more, for which there is a dispute over ownership and jurisdiction, as determined by the department of transportation, between the State or any of its political subdivisions and a county or a private party, or between a county and a private party.

(b) If no party has exercised ownership over the disputed road in the five years prior to the effective date of this section, the disputed road shall be deemed to have been surrendered to the county in which the road is situated, pursuant to an administrative order issued by the state director of transportation. The county shall accept without exercise of discretion all surrendered roads and shall record its ownership immediately with the bureau of conveyances.

For purposes of this subsection, driving on a disputed road shall not, on its own, constitute an act of ownership.”

SECTION 3. New statutory material is underscored.¹

SECTION 4. This Act shall take effect on July 1, 2017.

(Became law on July 11, 2017, without the governor’s signature, pursuant to Art. III, §16, State Constitution.)

Note

1. Edited pursuant to HRS §23G-16.5.

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ACT 209

H.B. NO. 839

A Bill for an Act Relating to the Department of Land and Natural Resources.

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

SECTION 1. The auditor shall conduct a performance audit of:

- (1) The department of land and natural resources' special land and development fund; and
- (2) The department of land and natural resources' land conservation fund;

and provide recommendations, as appropriate.

SECTION 2. The audit shall review contracts, grants, and memoranda of understanding entered into, awarded by, or otherwise involving:

- (1) The department of land and natural resources' special land and development fund; and
- (2) The department of land and natural resources' land conservation fund;

between the period beginning July 1, 2015, through June 30, 2017. The auditor shall examine whether the funds that were expended by the department of land and natural resources were in compliance with laws and in accordance with the terms of the contracts, grants, and memoranda of understanding and whether contractors and awardees were adequately screened and qualified.

SECTION 3. The auditor shall submit a report on the audit, including findings, recommendations, and proposed legislation, if necessary, to the legislature no later than twenty days prior to the convening of the regular session of 2019.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$100,000 or so much thereof as may be necessary for fiscal year 2017-2018 to conduct the audit of the department of land and natural resources pursuant to this Act.

The sums appropriated shall be expended by the auditor for the purposes of this Act.

SECTION 5. This Act shall take effect on July 1, 2017.

(Became law on July 11, 2017, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

ACT 210

S.B. NO. 724

A Bill for an Act Relating to Non-Discretionary Costs.

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

SECTION 1. The purpose of this Act is to address non-discretionary costs by requiring the department of budget and finance to report certain data on non-discretionary costs for fiscal year 2018-2019 and fiscal year 2019-2020. The data are intended to provide alternative views of the burden of non-discretionary costs on the general fund.

The legislature finds that data on the impacts and trends of non-discretionary costs paid with general funds are necessary to provide indicators regarding the budgetary situation of the State. If the burden of non-discretionary costs, especially fixed costs for debt service and state employee fringe benefits, becomes too high, support for other worthy discretionary programs may suffer. In order to avoid this predicament, the legislature finds that monitoring of the non-discretionary cost burden must be constant and vigilant. The legislature requires data on impacts and trends in order to make corrective actions early before the advent of crises.

The legislature further finds that the state debt affordability study submitted in December of 2016 by the department of budget and finance pursuant to chapter 37C, part II, Hawaii Revised Statutes, includes various indicators of the state debt and fixed costs burden. The data required by this Act are intended to supplement the findings of that study and future studies.

This Act requires the department of budget and finance to submit estimates of certain non-discretionary cost burden indicators for fiscal year 2018-2019 and fiscal year 2019-2020.

The legislature recognizes that state resources would need to be committed to collecting, preparing, and reporting the estimates. The legislature finds that consideration should be given to whether the benefit gained by the additional budgetary information outweighs the possible negative impacts of diverting state resources from other duties.

SECTION 2. For the purpose of this Act:

“Expenditures in a fiscal year of the general fund appropriations for non-discretionary costs for that fiscal year” means the sum of the following:

- (1) Expenditures in the specified fiscal year of the general funds appropriated to be expended for non-discretionary costs; and
- (2) Encumbrances on June 30 of the specified fiscal year of the general funds appropriated to be expended for non-discretionary costs.

The “expenditures in the specified fiscal year” under paragraph (1) shall not include any expenditures in the specified fiscal year of an encumbrance that existed on June 30 of any year previous to the specified fiscal year.

“Fixed costs” means the following types of costs:

- (1) Debt service payments for general obligation bonds;
- (2) Employer contributions for pension and retirement benefits of state government employees; and
- (3) Employer contributions for health insurance benefits of state government employees and state government retirees.

“Gross state product” means the value added in production by the labor and property located in the State, as identified or estimated by the department of business, economic development, and tourism by reference to another source or its own calculation.

“Medicaid service costs” means the costs of services provided to low-income persons under the medical assistance programs administered by the department of human services pursuant to section 346-14(7), Hawaii Revised Statutes, and funded in part under Title XIX of the federal Social Security Act, as amended. The term does not include the costs of management, administrative, or other overhead services performed by the department of human services for medicaid.

“Modified general funded non-discretionary costs coverage ratio for a fiscal year” means the ratio calculated for the specified fiscal year by dividing the difference under paragraph (1) by the difference under paragraph (2):

- (1) The difference between:

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- (A) General fund revenues collected in the specified fiscal year; and
- (B) General fund revenues collected in the fiscal year previous to the specified fiscal year; and
- (2) The difference between:
 - (A) Expenditures in the fiscal year of the general fund appropriations for non-discretionary costs in the specified fiscal year; and
 - (B) Expenditures in the previous fiscal year of the general fund appropriations for non-discretionary costs in the fiscal year previous to the specified fiscal year.

“Non-discretionary costs” means fixed costs and medicaid service costs.

“Per capita general funded non-discretionary costs for a fiscal year” means the amount of general funded non-discretionary costs per resident of the State, calculated by dividing the amount under paragraph (1) by the amount under paragraph (2):

- (1) The expenditures of the general fund appropriations for non-discretionary costs in the specified fiscal year; and
- (2) The resident population of the State in the specified fiscal year, as identified or estimated by the department of business, economic development, and tourism by reference to another source or its own calculation.

“Percentage of general funded non-discretionary costs to general fund revenues for a fiscal year” means the percentage calculated by dividing the amount under paragraph (1) by the amount under paragraph (2):

- (1) The expenditures of the general fund appropriations for non-discretionary costs in the specified fiscal year; and
- (2) The general fund revenues collected in the specified fiscal year.

“Percentage of general funded non-discretionary costs to gross state product” means the percentage calculated by dividing the amount under paragraph (1) by the amount under paragraph (2):

- (1) The expenditures of the general fund appropriations for non-discretionary costs in the specified fiscal year; and
- (2) The gross state product in the specified fiscal year.

“Percentage of general funded non-discretionary costs to personal income” means the percentage calculated by dividing the amount under paragraph (1) by the amount under paragraph (2):

- (1) The expenditures of the general fund appropriations for non-discretionary costs in the specified fiscal year; and
- (2) The personal income in the specified fiscal year.

“Personal income” means the income received by all persons in the State for participation in production, from government and business transfer payments, and from government interest, as identified or estimated by the department of business, economic development, and tourism by reference to another source or its own calculation.

SECTION 3. (a) By January 1, 2019, the department of budget and finance shall submit a report to the governor and legislature that estimates the following for fiscal year 2018-2019 and fiscal year 2019-2020:

- (1) Percentage of general funded non-discretionary costs to general fund revenues for each fiscal year;
- (2) Per capita general funded non-discretionary costs for each fiscal year;
- (3) Percentage of general funded non-discretionary costs to gross state product for each fiscal year;

- (4) Percentage of general funded non-discretionary costs to personal income for each fiscal year; and
- (5) Modified general funded non-discretionary costs coverage ratio for each fiscal year.
- (b) The report shall include the amounts used to calculate the estimates under subsection (a)(1), (2), (3), (4), and (5).

SECTION 4. The director of finance shall submit to the legislature a recommendation on whether the information required by this Act should be provided annually. The recommendation shall be included in the report required under section 3 of this Act.

SECTION 5. This Act shall take effect on July 1, 2018.

(Became law on July 11, 2017, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

ACT 211

H.B. NO. 475

A Bill for an Act Relating to Movie Theatres.

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

SECTION 1. Section 489-9, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) A public accommodation that owns, leases, leases to, or operates a motion picture theater in more than two locations in the State shall provide [open]:

- (1) Open movie captioning during at least [two showings] one showing per week of each motion picture that is produced and offered with open movie captioning[.]; or
- (2) A personal closed captioning system by means of lightweight eye-wear for a motion picture that is produced and offered with closed captioning content."

SECTION 2. Act 39, Session Laws of Hawaii 2015, is amended by amending section 3 to read as follows:

"**SECTION 3.** This Act shall take effect on January 1, 2016, and shall be repealed on January 1, [2018.] 2020."

SECTION 3. The department of business, economic development, and tourism shall conduct a survey of the motion picture theaters that are covered by Act 39, Session Laws of Hawaii 2015, to determine the operational and financial impact that Act 39 has had on the theaters and any other relevant matters resulting from that Act. The department shall submit its findings and recommendations, including necessary proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2018.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Became law on July 11, 2017, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

ACT 212

ACT 212

H.B. NO. 83

A Bill for an Act Relating to Homelessness.

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

SECTION 1. (a) The Hawaii interagency council on homelessness, in conjunction with and with the advisement of the department of human services and department of land and natural resources, shall establish a working group to examine and develop recommendations related to the establishment of safe zones for persons experiencing homelessness. The members of the working group shall designate a chairperson from among themselves.

(b) The working group shall consider the following:

(1) The target population to be served by safe zones;

(2) Recommendations of potential sites to be designated as safe zones; provided that the sites shall be state lands designated within the urban district by the land use commission;

(3) The type of facilities or dwelling units permitted within a safe zone, including the use of modular structures;

(4) Strategies to transition inhabitants of a safe zone to permanent housing that utilizes the housing first approach;

(5) The timeline necessary for planning and implementation of a pilot safe zone for persons experiencing homelessness;

(6) The estimated costs of planning and implementing a safe zone; and

(7) The potential scope of liability of the State and its employees and agents with regard to the establishment of safe zones.

(c) The working group shall submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2018.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$25,000 or so much thereof as may be necessary for fiscal year 2017-2018 to support the activities of the working group established pursuant to this Act.

The sum appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2017.

(Became law on July 11, 2017, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

ACT 213

H.B. NO. 591

A Bill for an Act Relating to the Capital Infrastructure Tax Credit.

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

SECTION 1. Section 235-17.5, Hawaii Revised Statutes, is amended to read as follows:

"[§235-17.5] Capital infrastructure tax credit. (a) There shall be allowed to each taxpayer subject to the taxes imposed by this chapter a capital infrastructure tax credit that shall be deductible from the taxpayer's net income tax

liability, if any, imposed by this chapter for the taxable year in which the capital infrastructure costs were paid or incurred.

(b) For the purpose of this section:

[“Base investment” means the amount of money invested by an investor.]

“Capital infrastructure costs” means capital expenditures, as used in section 263 of the Internal Revenue Code and the regulations promulgated thereunder[; provided that the] or capital expenditures [are] for real property [and], fixtures, structures, machinery, equipment, or capital assets that are paid or incurred in connection with the displaced tenant’s move of the tenant’s current active trade or business to the tenant’s new location[;] within Honolulu harbor; provided [further] that the capital infrastructure costs shall not include amounts for which another credit is claimed[.] or any amounts received in any form from the State.

“Net income tax liability” means income tax liability reduced by all other credits allowed under this chapter.

“Qualified infrastructure tenant” means a business:

- (1) That currently owns capital or property or maintains an office, operations, or facilities at the former Kapalama military reservation site;
- (2) Whose principal business is maritime, and waterfront dependent, and is included under the State’s plan to relocate the business to piers twenty-four through twenty-eight within Honolulu harbor; and
- (3) [Will] That will be displaced and relocated by the State pursuant to the Kapalama container terminal project.

(c) The amount of the tax credit shall be equal to fifty per cent of the capital infrastructure costs paid or incurred by the qualified infrastructure tenant during the taxable year, up to a maximum [of \$2,500,000 in capital infrastructure costs in any taxable year, provided that the qualified infrastructure tenant shall notify the taxpayer claiming the credit under subsection (a) of the amount of capital infrastructure costs which may be claimed.] credit of \$2,500,000 per qualified infrastructure tenant per taxable year. If the capital infrastructure costs paid or incurred by the qualified infrastructure tenant business result in a tax credit in excess of \$2,500,000 in any taxable year, the excess capital infrastructure costs may be carried over to a subsequent tax year or years, until exhausted, for generation of the credit; provided that:

- (1) A qualified infrastructure tenant may form a special purpose entity for the purposes of raising investor capital and claiming the credit on behalf of the qualified infrastructure tenant;
- (2) The qualified infrastructure tenant, together with all of its special purpose entities, including all partners and members of the qualified infrastructure tenant and its special purpose entities, shall not claim any credit in any one taxable year that exceeds \$2,500,000; and
- (3) In no event shall a qualified infrastructure tenant or any of its special purpose entities or any other taxpayer claim a credit under this section after December 31, 2019.

(d) In the case of an entity taxed as a partnership, credit shall be determined at the entity level, but distribution and share of the credit may be determined notwithstanding section 704 or section 706 of the Internal Revenue Code.

(e) The credit allowed under this section shall be claimed against the net income tax liability for the taxable year. If the tax credit under this section exceeds the taxpayer’s income tax liability, the excess of the tax credit over liability may be used as a credit against the taxpayer’s net income tax liability in sub-

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sequent years until exhausted. All claims, including amended claims, for a tax credit under this section shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the credit.

(f) This section shall not apply to taxable years beginning after December 31, 2019.

(g) Any credit claimed under this section shall be recaptured following the close of the taxable year for which the credit is claimed if [within]:

(1) Within three years:

[+] (A) The qualified infrastructure tenant fails to continue the line of business it conducted as of July 1, 2014; or

[2] (B) The interest in the qualified infrastructure tenant, whether in whole or in part, has been sold, exchanged, withdrawn, or otherwise disposed of by the taxpayer claiming a credit under this section[-]; or

(2) The qualified infrastructure tenant fails to relocate from the former Kapalama military reservation site to another location, pursuant to a lease with the department of transportation, within ninety days of the execution of the lease.

The recapture shall be equal to one hundred per cent of the amount of the total tax credit claimed under this section in the preceding five taxable years, and shall be added to the taxpayer's tax liability for the taxable year in which the recapture occurs pursuant to this subsection.

(h) The director of taxation shall prepare any forms that may be necessary to claim a credit under this section. The director may also require the taxpayer to furnish information to ascertain the validity of the claim for credit made under this section. The director of taxation may adopt rules to effectuate the purposes of this section pursuant to chapter 91.

(i) Any taxpayer claiming a tax credit under this section shall, within ninety days of the end of the calendar year in which costs for which the credit is properly claimable, submit the following information to the department of taxation:

(1) The amount of the eligible costs for that year for which the tax credit may be claimed; and

(2) The qualified infrastructure tenant incurring the costs.

Failure to timely submit the information shall be subject to a penalty of \$5,000 per month or a fraction thereof, not to exceed \$25,000.”

SECTION 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

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

(Became law on July 11, 2017, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

ACT 214

H.B. NO. 375

A Bill for an Act Relating to Taxation.

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

SECTION 1. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000 or so much thereof as may be necessary

for fiscal year 2017-2018 for the Hawaii tourism authority, working in conjunction with the Hawaii lodging and tourism association for projects to address homelessness in tourist and resort areas; provided that no funds shall be released unless matched dollar-for-dollar by the private sector.

The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

SECTION 2. This Act shall take effect on July 1, 2017.

(Became law on July 11, 2017, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

ACT 215

H.B. NO. 575

A Bill for an Act Relating to Public Lands.

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

SECTION 1. The legislature finds that public land leases are statutorily limited to sixty-five years without the possibility of renewing the terms of the lease, which leaves businesses that have existed in the community for decades with limited options. Additionally, in Act 142, Session Laws of Hawaii 2015, the legislature expressed concern that one of the consequences of the State's public land lease law is that existing lessees may have little incentive to make, or the ability to finance, major repairs or improvements to their leasehold properties during the last five to fifteen years of the lease, which sometimes results in the deterioration of infrastructure and facilities.

The legislature therefore concludes that it is in the public interest to provide lessees who are in the final decade of their lease terms with the ability to obtain certainty about future leases, which will encourage economic development in leasehold properties and incentivize lessees to maintain the land and buildings at a high standard.

The purpose of this Act is to best serve the public use and public purpose of state lands that are being used for commercial purposes by allowing the lessees of certain state lands, who are within the last ten years of their land leases, to voluntarily enter into a process to determine interest in future land leases.

SECTION 2. Chapter 171, Hawaii Revised Statutes, is amended by adding two new sections to be appropriately designated and to read as follows:

“§171- Lessees within the last ten years of their lease terms; requests for interest. (a) Notwithstanding any other provision of law to the contrary, and except as otherwise provided in section 171-36(b) and (d), a lessee of public land that is classified as commercial and industrial use pursuant to section 171-10, and that is subject to the management, administration, or control of the board may, during the last ten years of the term of the original lease, submit a written request to the board to initiate a request for interest process as provided in this section.

(b) Within one hundred eighty days of a lessee's written request to initiate a request for interest, the board shall:

- (1) Appraise the value of the land and any improvements to the land that existed as of the date of the written request pursuant to section 171-17(a) and require the awardee of a new lease executed pursuant to this section to reimburse the department for the appraisal;

- (2) Publish a request for interest and request for qualifications notice inviting persons to express their interest in leasing the land and their qualifications as potential lessees and describing any improvements to the land that exist as of the date of the written request. The notice shall be given at least once statewide and at least once in the county where the land is located and shall contain:
- (A) The qualifications required of eligible lessees;
 - (B) A general description of the land, including the address and tax map key, and of any improvements to the land that existed as of the date of the written request;
 - (C) That the land to be leased is classified as commercial and industrial use pursuant to section 171-10;
 - (D) The appraised value of the land and of any improvements to the land that existed as of the date of the written request;
 - (E) The closing date and manner by which a person shall indicate interest and submit a statement of qualifications; and
 - (F) Notice that a business plan is a prerequisite to participate at time of auction or direct negotiation, if applicable, and shall be made a term of the lease.

(c) Within ninety days after the closing date specified in the notice, the board shall determine if any persons have qualified under the terms of the request for qualifications and shall notify all persons who expressed interest as to whether they qualified. The board shall also notify the current lessee as to whether any other persons qualified.

(d) The board shall enter into direct negotiation with the current lessee immediately upon notification if no other qualified persons have expressed interest in the property.

(e) If the land is not leased pursuant to subsection (d) within three years before the termination date of the lease, the board shall dispose of the land by public auction as provided in this chapter; provided that the board has determined that at least one person, who:

- (1) Is not the current lessee;
- (2) Has been determined by the board to be qualified; and
- (3) Has submitted a business plan prior to the date of the auction, has expressed interest in leasing the land and any improvements to the land that existed as of the date of the written request in subsection (a). The auction upset price shall be the greater of the current rent or the fair market rent pursuant to section 171-17(d) based upon the appraised value of the land and any improvements to the land that existed as of the date of the written request.

The current lessee may bid on a new lease at the public auction. The current lessee's business plan shall be deemed acceptable to the board and the current lessee shall not be required to submit a new business plan; provided that the current lessee is in compliance with the terms of the existing lease and has submitted a business plan prior to the date of the auction.

(f) Lease terms for any new lease executed pursuant to this section shall be determined by the board and shall:

- (1) Not commence prior to the termination of the current lease;
- (2) Establish the rent at no less than the greater of the current rent or the fair market rent pursuant to section 171-17(d) based upon the appraised value of the land and any improvements to the land that existed as of the date of the written request;
- (3) If the lease is awarded after public auction to any person other than the current lessee, include a premium equal to the value of any improvements to the land made after the date of the written request

in subsection (a), which shall be paid to the current lessee prior to transfer of the land and improvements to the new lessee; and

- (4) Include the previously submitted business plan.

(g) Unless specifically required to do so by the board, the current lessee shall not be required to remove improvements or restore the land to a vacant condition at the expiration of the lease; provided that, without prejudice to any other rights or remedies that the current lessee or State may have, this subsection shall not alter any obligation of a current lessee to indemnify, defend, and hold the State harmless from any claims regarding pollution or contamination of the land with potentially hazardous substances.

- (h) This section shall not apply to:

- (1) Any lessee who is in arrears in the payment of taxes, rents, or other obligations owing to the State or any county or who has had, during the five years preceding the anticipated disposition of the public land at a public auction or direct negotiation, a sale, lease, license, permit, or easement covering other public lands canceled for failure to satisfy the terms and conditions thereof; or
- (2) Any lease that is subject to cancellation for failure to satisfy the terms or conditions of a lease, license, permit, or easement covering the public lands.

(i) As used in this section, "improvements" means all physical improvements constructed, owned, or constructed and owned by the lessee during the lease term and shall exclude all infrastructure constructed, owned, or constructed and owned by third parties, such as water and sewer pipes, electricity and telephone lines and cables, or other infrastructure.

§171- Authority of board to extend leases under certain circumstances.

Notwithstanding the lease restrictions established pursuant to section 171-36, the board may, without public auction, extend a public land lease that is issued to a school or government entity pursuant to section 171-95 beyond the sixty-five year maximum lease term. The authority established pursuant to this section to extend a lease shall not apply to any lease to the University of Hawaii of lands within a conservation district of which the University of Hawaii has subleased a portion for the purpose of constructing an astronomical observatory."

SECTION 3. New statutory material is underscored.¹

SECTION 4. This Act shall take effect on July 1, 2017.

(Became law on July 11, 2017, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 216

H.B. No. 1258

A Bill for an Act Relating to Transportation.

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

SECTION 1. Chapter 286, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§286- Autocycles. (a) Every autocycle, as described in paragraph (2) of the definition of “motorcycle” in section 286-2, operated in this State shall first be registered as a motor vehicle as provided in section 286-41.

(b) No person shall operate an autocycle on a public street, road, or highway in this State unless the person possesses a valid type 3 driver’s license pursuant to section 286-102(b)(2) and the autocycle has been duly registered pursuant to subsection (a).

(c) Occupants in an autocycle not equipped with a front windshield shall use eye protection.

(d) All occupants in an autocycle shall comply with the seat belt requirements under section 291-11.6.

(e) All dealers, sellers, lessors, and rental agencies shall be required to disclose the following, if true, regarding each autocycle offered for sale, lease, or rent, as applicable:

- (1) The autocycle does not meet the federal Motor Vehicle Safety Standards for passenger vehicles and light trucks;
- (2) The autocycle is not equipped with airbags; and
- (3) Autocycle rollover protection has not been certified to protect an occupant from injury in the event of a rollover; therefore, the use of a department of transportation certified safety helmet is recommended when operating an autocycle.”

SECTION 2. Section 286-2, Hawaii Revised Statutes, is amended by amending the definition of “motorcycle” to read as follows:

“Motorcycle” means [every]:

- (1) Every motor vehicle [having a seat or saddle for use of the rider] that has a handlebar and seating that requires the operator to straddle or sit astride on it and is designed to travel on not more than three wheels in contact with the ground, but excludes a farm tractor and a moped[.]; or
- (2) Every motor vehicle that has a steering wheel and seating that does not require the operator to straddle or sit astride on it, and is designed to travel on three wheels in contact with the ground, called an autocycle which is certified by the manufacturer to comply with all applicable federal motor vehicle safety standards as of the date of manufacture.”

SECTION 3. Section 291C-152, Hawaii Revised Statutes, is amended to read as follows:

“[§291C-152] **Riding on motorcycles.** (a) A person operating a motorcycle shall ride only upon the permanent and regular seat attached thereto, and such operator shall not carry any other person nor shall any other person ride on a motorcycle unless the motorcycle is designed to carry more than one person, in which event a passenger may ride upon the permanent and regular seat if designed for two persons, or upon another seat firmly attached to the motorcycle at the rear or side of the operator.

(b) A person shall ride upon a motorcycle, except for an autocycle, only while sitting astride the seat, facing forward, with one leg on each side of the motorcycle. A person shall ride upon an autocycle only while sitting in the seat and facing forward.

(c) No person shall operate a motorcycle while carrying any package, bundle, or other article which prevents the person from keeping both hands on the handlebars[.] or, for an autocycle, on the steering wheel.

(d) No operator shall carry any person, nor shall any person ride, in a position that will interfere with the operation or control of the motorcycle or the view of the operator."

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 5. This Act shall take effect on January 1, 2018.

(Became law on July 11, 2017, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

Note

1. Edited pursuant to HRS §23G-16.5.

ACT 217

H.B. NO. 523

A Bill for an Act Relating to Recycling.

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

SECTION 1. (a) The department of accounting and general services may establish a recycling pilot program to reasonably provide and maintain on-site methods at buildings and facilities managed, maintained, or serviced by the department of accounting and general services for the collection of recyclable materials, including paper, plastics, and deposit beverage containers, as that term is defined in section 342G-101, Hawaii Revised Statutes; provided that receptacles for the collection of recyclable materials shall be located in proximity to receptacles for solid waste disposal.

(b) The department of accounting and general services shall submit a report to the legislature regarding the implementation of the recycling pilot program established by this Act, including any proposed legislation, no later than twenty days prior to the convening of the regular session of 2018.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of \$200,000 or so much thereof as may be necessary for fiscal year 2017-2018 for the implementation of the recycling pilot program established by this Act.

The sum appropriated shall be expended by the department of accounting and general services for the purposes of this Act.

SECTION 3. This Act shall take effect on July 1, 2017.

(Became law on July 11, 2017, without the governor's signature, pursuant to Art. III, §16, State Constitution.)

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Notes

1. Became law without the governor's signature.
2. See also Senate Floor Amendment 1.
3. See also House Floor Amendment 3.
4. See also Senate Floor Amendment 2 and House Floor Amendment 7.

TABLES SHOWING EFFECT OF ACTS

**Twenty-Ninth State Legislature
2017 Regular Session**

Key: Am = Amended _____ = Part or section number
N = New to be assigned in
R = Repealed HRS Supplement
Ren = Renumbered

A. SECTIONS OF HAWAII REVISED STATUTES (HRS) AFFECTED

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46-15.1	Am	159	183D-66	Am	12
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			C 201H, pt III, subpt F (heading)	Am	123

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		99	241-1	Am	12
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C 206M, pt I (heading)	Am	69	249-6	Am	12
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		8	388- <u> </u> (3 secs)	N	135
		207	388-10	Am	135
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329-130	Am	170	412:10-502	Am	12
329-131	Am	41	414D- <u> </u> (3 secs)	N	87
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2017 Regular Session

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