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SUPPLEMENT TO

PRELIMINARY LEGISLATIVE PROPOSALS OF TERRITORIAL DEPARTMENTS

May 1958

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Supplement to

PRELIMINARY

LEGISLATIVE PROPOSALS

OF TERRITORIAL DEPARTMENTS

Submitted to the
Governor of Hawaii

LEGISLATIVE REFERENCE BUREAU

APR 9 1959

TERRITORY OF HAWAII

Compiled and Digested by the
Legislative Reference Bureau
University of Hawaii
Honolulu, Hawaii

May, 1958

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PREFACE AND SUMMARY

In accordance with the request of Governor William F. Quinn, the Legislative Reference Bureau prepared in April 1958 a compilation of preliminary legislative proposals submitted for the Governor's consideration by territorial departments. A number of proposals were not submitted in time, however, for inclusion in the initial compilation. Therefore, this supplement has been prepared.

The supplement contains 32 additional proposals, from five agencies, including two originating in the Governor's office. This increases the overall total to 136 proposals, received from 28 agencies.

Public funds are involved in many of these additional proposals, but only four of them set forth estimates which can be used in computing increased expenditures. These four (Nos. 1c, 1d, 6c, and 29i) would add \$56,100 to the total maximum cost of all proposals, as indicated in Table 1 of the original compilation, raising that total to \$8,973,743.

Of the other proposals in this supplement involving funds, two would provide additional revenue (Nos. 3c and 3e) while one (No. 6e) would require the Hawaii Housing Authority to repay to the general fund the balance of a \$3,500,000 loan. Four proposals (Nos. 6a, 6b, 29d, and 29e) foresee savings of undetermined amounts to the Territory. Finally, eight proposals (Nos. 11b, 11c, 11d, 11e, 29k, 29l, 29m, and 29n) would involve increased costs to the Territory, but no estimates of such costs have been provided.

The format of this supplement is the same as for the initial compilation and is organized in three parts. Part I presents the various proposals in tabular form for quick reference; Part II digests each proposal individually; and Part III sets forth the proposals as they were submitted by the departments.

As was the case with the original compilation, the Legislative Reference Bureau has no policy position on these additional legislative proposals.

Jess H. Walters
Research Assistant
Legislative Reference Bureau

May 14, 1958

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This supplement is designed to be used in conjunction with the April 1958 compilation of preliminary legislative proposals. Therefore, it is keyed into the original table of contents and the proposals herein are not numbered consecutively.

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PART I

SUMMARY OF DEPARTMENTAL PROPOSALS FOR GOVERNOR'S 1959 LEGISLATIVE PROGRAM

<u>PURPOSE</u>	<u>MEANS</u>	<u>FUNDS REQUIRED 1959-1961</u>	<u>RELATED PROPOSALS</u>	<u>OTHER AGENCIES AFFECTED</u>
<u>1. Governor's Office</u>				
c. To provide sound statistical base for Honolulu consumer price index.	Contract with federal Commissioner of Labor Statistics to have consumer expenditure survey conducted.	\$40,000 (general fund, non-recurring)	None	Department of Labor and Industrial Relations
d. To affiliate Territory with Council of State Governments.	Enact statute establishing legislative and administrative committees on interstate cooperation and commission on interstate cooperation; pay dues to Council.	\$2,000, dues; \$10,000, other expenses (general fund, recurring)	None	Legislature (secondarily, Supreme Court, Attorney General, Budget Bureau)
<u>3. Aeronautics Commission, Hawaii</u>				
a. To permit, without limitation on acreage or value, acquisition of private lands needed for airport expansion.	Repeal Sec. 3 of J.R. 32, S.L.H. 1957.	None, directly	None	None
b. To enable Commission to make best trading use of land no longer required for airport use.	Request Congress to amend Organic Act so as to permit land exchanges without limit on acreage or value.	None	None	None
c. To permit airport "clear zones" to be leased for agricultural and other compatible uses.	Amend law to authorize Commission to lease such lands and apply proceeds to Airport Revenue Fund.	Would produce additional revenue (airport fund)	None	Commissioner of Public Lands

<u>PURPOSE</u>	<u>MEANS</u>	<u>FUNDS REQUIRED 1959-1961</u>	<u>RELATED PROPOSALS</u>	<u>OTHER AGENCIES AFFECTED</u>
d. To permit effective use of Kahului Airport.	Request Congress to authorize Secretary of Navy to remove certain restrictions in quitclaim deed of December 10, 1956.	None	26a	None
e. To make extension of fuel tax to cover fuel for jet aircraft effective before July 1, 1959.	Change effective date to date of approval of amendatory legislation.	None	None	None
f. To exempt from 5% "service charge" on special funds amounts expended from Airport and Airport Revenue funds for bond service.	Amend Secs. 132-16 and 132-17, R.L.H. 1955.	None	None	Treasury, Budget Bureau
6. <u>Budget, Bureau of the</u>				
a. To revise procedure for tort claims against Territory.	Authorize payment by departments of tort claims up to \$500; claims over \$500 would require court action; prior approval of legislature necessary for suits over \$100,000.	Cost not predictable (general fund)	None	Attorney General; all departments financially
b. To make insurance of schools and school property a county responsibility.	Amend law so as to remove responsibility from Territory.	Saving to Territory; additional cost to counties	33b	Counties; Fire Marshal
c. To permit obtaining more adequate liability insurance on territorial automobiles.	Amend law to obtain coverage in excess of \$50,000/100,000 for bodily injury and \$5,000 for property damage, the present maxima.	Approximately \$3,100 (general fund, recurring)	None	None

<u>PURPOSE</u>	<u>MEANS</u>	<u>FUNDS REQUIRED 1959-1961</u>	<u>RELATED PROPOSALS</u>	<u>OTHER AGENCIES AFFECTED</u>
d. To remove from Governor responsibility for approving rates of car allowance for Honolulu police.	Amend law to give responsibility to Mayor of Honolulu.	None	None	Honolulu City-County
e. To secure repayment by the Housing Authority of balance on \$3,500,000 loan from general fund.	Clarify law, to require repayment from housing project net revenues.	Authority to pay \$3,202,468 to general fund over several years.	18a	Hawaii Housing Authority
<u>11. Economic Planning and Coordination Authority</u>				
a. To clarify meaning of "grant" and "contract" in laws referring to Authority.	Amend Sec. 28A-3, R.L.H. 1955, to remove present ambiguities.	None	None	None
b. To provide expanded timber utilization program to stimulate timber industry in Territory.	Establish forest research center under Board of Agriculture and Forestry.	To be ascertained by Board of Agriculture and Forestry	4d	Board of Agriculture and Forestry
c. To provide expanded program of research in food processing.	Authorize University of Hawaii to continue program as permanent part of its activities.	As determined by University	34d	University of Hawaii
d. To provide research directed toward reclamation of volcanic flows.	Authorize University of Hawaii to establish an Agricultural Experiment Station at Puna.	As determined by University	34e	University of Hawaii
e. To establish research program to discover new economic uses for lava deposits.	Authorize Geophysics Institute, University of Hawaii, to undertake program.	As determined by University	34e	University of Hawaii

<u>PURPOSE</u>	<u>MEANS</u>	<u>FUNDS REQUIRED 1959-1961</u>	<u>RELATED PROPOSALS</u>	<u>OTHER AGENCIES AFFECTED</u>
<u>29. Public Works, Department of</u>				
a. To promote greater traffic safety on territorial highways.	Adopt uniform traffic code on territory-wide basis.	None	None	Territorial Traffic Safety Committee; county governments and police departments
b. To enable Territory to qualify fully for federal highway aid by complying with federal requirements.	Give Territorial Highway Engineer clear authority to regulate signs and markings on federal-aid highways.	None	None	County governments
c. To provide for more efficient and safe traffic movement through increased use of controlled-access highways.	Strengthen present laws governing eminent domain and control of access to public highways.	Probable reduced costs resulting from fewer court proceedings, etc.	None	Attorney General
d. To improve eminent domain procedures and requirements so as to reduce lengthy and costly court proceedings.	Make number of amendments to laws of eminent domain to achieve greater clarity, simplicity, etc.	None	None	Attorney General
e. To provide more effective and economical means of purchasing rights-of-way for federal-aid highways.	Establish revolving fund for <u>advance</u> purchase of rights-of-way for federal-aid highways.	Amount of revolving fund not determined; general fund or bond funds	None	Department of Public Lands
f. To improve and simplify clearance of title to property subject to mortgage lien.	Provide for automatic cancellation of mortgage liens 15 years after maturity unless extended of record.	None	None	All departments acquiring real property
g. To improve and simplify clearance of land titles.	Provide for marketability of land titles after 40 years of "unbroken chain of title."	None	None	All departments acquiring real property

<u>PURPOSE</u>	<u>MEANS</u>	<u>FUNDS REQUIRED 1959-1961</u>	<u>RELATED PROPOSALS</u>	<u>OTHER AGENCIES AFFECTED</u>
h. To permit greater administrative effectiveness in letting small public contracts.	Raise limit of contracts not requiring bids from \$4,000 to \$8,000.	None	None	All departments
i. To provide adequate funds to complete Waimea River project authorized by 1949 legislature.	Appropriate \$1,000 to acquire one remaining parcel of land.	\$1,000 (general fund)	None	None
j. To establish more equitable and reasonable system of fees for reproduction of maps, prints, plans, etc. by Department of Public Works.	Replace present flat rate of \$1.00 per item with fee schedule reflecting actual cost of reproduction.	None	None	All departments using such service
1 1 k. To enable Territory to attract and retain qualified professional and scientific personnel.	Revise compensation schedule to provide greater recognition and increased compensation for such personnel.	Not estimated (general fund)	8a, 8b, 8m	All departments; Civil Service Department
l. To enable Territory to attract and retain qualified employees by providing more flexible and equitable compensation plan.	Allow hiring of new employees above minimum step and permit corresponding salary adjustment for employees already in service.	Not estimated (general fund)	8a, 8b, 8m	All departments; Civil Service Department
m. To provide more equitable and satisfactory hazard pay plan.	Apply hazard pay differentials to each range and step instead of fixing at minimum rate for each class.	Not estimated (general fund)	None	All departments with hazard pay positions; Civil Service Department
n. To compensate key personnel whose duties and assignments preclude taking vacations.	Provide payment in lieu of vacation earned in excess of legal maximum.	Not estimated (general fund)	8i	All departments; Civil Service Department, Budget Bureau

PART II

DIGEST OF DEPARTMENTAL PROPOSALS FOR GOVERNOR'S 1959 LEGISLATIVE PROGRAM

1. GOVERNOR'S OFFICE

- c. Consumer expenditure survey. Would appropriate \$40,000 for conduct of consumer expenditure survey by federal Commissioner of Labor Statistics, in cooperation with territorial Department of Labor and Industrial Relations. Results of survey would enable revision of Honolulu consumer price index and would enable other measurements of economic well-being in Territory.
- d. Affiliation with Council of State Governments. Would establish legislative and administrative committees on interstate cooperation, and Hawaii Commission on Interstate Cooperation. Would appropriate funds for membership in Council and expenses of Commission. Cost: \$2,000, dues; \$10,000, other expenses (less if existing agency serves as secretariat) per biennium from general fund.

3. AERONAUTICS COMMISSION, HAWAII

- a. Acquisition of private lands. Would permit more effective long-range airport development by removing statutory limits on acreage or value of lands which Commission can acquire for construction or expansion of airports. Joint Resolution 32, S.L.H. 1957, has placed maximum limit of 69 acres or \$4,000,000 upon land which Commission may acquire.
- b. Land exchanges. Would request Congress to amend Organic Act so as to permit Commission to exchange its (unrequired) lands for needed private lands, without limitation as to acreage or value.
- c. Leasing land for non-aeronautical uses. Would authorize Commission to lease "clear zones" at ends of runways for agricultural or other compatible uses, proceeds to go to Airport Revenue Fund. Requires either amendment of Organic Act or statute authorizing such leases with consent of Land Commissioner.
- d. Kahului Airport quitclaim deed, removal of restrictions. Would request Congress to authorize Secretary of Navy to remove certain restrictions from deed of December 10, 1956, since restrictions prevent Commission from making effective use of Kahului Airport.
- e. Taxation of jet fuel. Would advance effective date of 1957 law extending to jet fuel $3\frac{1}{2}$ cent fuel tax from July 1, 1959, to effective date of amendatory law.
- f. Surcharge on special funds. Would exempt from 5 per cent "service charge" on special funds (paid to general fund) amounts expended for bond service out of Airport and Airport Revenue funds.

6. BUDGET, BUREAU OF THE

- a. Territorial tort liability. Would permit department heads to pay tort claims against their agencies, if not above \$500. Claims above \$500 would require court action, and those above \$100,000 would also require approval of legislature before suit is filed.

- b. School insurance. Would amend law so as to transfer from the Territory, and to the counties, responsibility for insuring school buildings and property. Fire Marshal's proposal on fire safety program for government buildings (33b) is related to this problem.
- c. Automobile insurance. Would amend law to permit Territory to obtain liability insurance on its automobiles up to double the present maxima of \$50,000/100,000 for bodily injury and \$5,000 for property damage. Cost: approximately \$3,100 per biennium (\$1,800 from general fund; \$1,300 from special funds).
- d. Car allowances for Honolulu Police. Would transfer from Governor to Mayor of Honolulu authority to approve car allowance rates for Honolulu police recommended by Honolulu Police Commission. City and County finances the cost of such allowances.
- e. Hawaii Housing Authority Loan. Would direct Housing Authority to repay \$3,202,468.44 balance of \$3,500,000 loan from general fund. Laws governing repayment requirements are unclear at present. Cost of repayment by Housing Authority would be derived from net revenues of its housing projects.

11. ECONOMIC PLANNING AND COORDINATION AUTHORITY

- a. Clarification of terms. Would clarify terms "grant" and "contract" in law establishing Economic Planning and Coordination Authority. Difference between terms and obligations incurred under each are presently ambiguous.
- b. Timber utilization program. Would establish, with territorial and federal funds, permanent forest research center in Department of Agriculture and Forestry.
- c. Food Processing Laboratory. Would have the University of Hawaii incorporate Food Processing Laboratory as part of its continuing program under Agricultural Experiment Station.
- d. Agricultural Experiment Station, Puna. Would authorize University of Hawaii to establish Agricultural Experiment Station to investigate means of restoring to agricultural use areas covered by lava flows.
- e. Lava utilization research. Would authorize Geophysics Institute, University of Hawaii, to undertake research to discover new commercial uses for extensive lava deposits in territory.

29. PUBLIC WORKS, DEPARTMENT OF

- a. Uniform traffic code. Would promote greater traffic safety on territorial highways through adoption of uniform traffic code on territory-wide basis. Such code would be put into effect through appropriate legislative enactment or cooperative county action, whichever may be recommended by Territorial Traffic Safety Committee.
- b. Signs and markings on federal-aid highways. Would enable Territory to take full advantage of federal highway aid by giving Territorial Highway Engineer clear authority to regulate signs and markings on federal aid highways as required by federal regulations. Such control now provided by ordinance in City and County of Honolulu, but not covered by ordinance in other counties.

(Draft bill is already prepared and available.)

- c. Control of access to highways. Would enable more efficient and safer traffic movement by strengthening laws providing for controlled-access highways. Control of access is one of most important factors affecting maximum utilization of highways. Present laws governing eminent domain and control of access to highways are inadequate and have resulted in burdensome court proceedings. Savings would probably be realized from reduced legal costs of acquisition of access control rights. (Draft bill is already prepared and available.)
- d. Amendments to laws of eminent domain. Would make number of amendments to laws of eminent domain to achieve greater clarity, simplicity, etc. and thereby reduce lengthy and costly court proceedings. (Draft bill is already prepared and available.)
- e. Revolving fund for advance purchase of rights-of-way. Would provide for more effective and economical means of purchasing rights-of-way for federal-aid highways by establishing revolving fund to purchase such rights-of-way in advance of actual availability of federal funds and before property is fully developed. Experience elsewhere indicates proposal would produce sizable savings. Amount of initial appropriation (from general fund or bond funds) not yet determined. Land Commissioner would manage acquired lands prior to use for highways.
- f. Cancellation of old mortgage liens. Would improve and simplify clearance of title to property by adopting part of Uniform Estate Mortgage Act (1922 version) which provides for automatic cancellation of mortgage liens 15 years after maturity unless extended, of record. Eighteen states have such legislation. (Draft bill is already prepared and available.)
- g. Marketability of land titles after forty years. Would improve and simplify clearance of land titles by providing that such titles would be marketable after 40 years of "unbroken chain of title." Proposed legislation is modelled after Michigan law, which was prepared on basis of complete study of subject. (Draft bill is already prepared and available.)
- h. Raising limit of public contracts not requiring bids. Would permit greater administrative effectiveness in letting small public contracts by raising limit of contracts not requiring bids from \$4,000 to \$8,000. It is felt that such increase is necessary to account for increased costs of advertising bids and monetary devaluation which has occurred since \$4,000 limit was set.
- i. Specific appropriation of \$1,000. Would enable completion of Waimea River project authorized by 1949 session of legislature. Original appropriation of \$125,000 has been used up and acquisition of one remaining parcel of land is required. Specific appropriation of \$1,000 from general fund would cover this additional cost.
- j. Sale of maps, prints, etc. Would provide for more equitable and reasonable system of fees for reproduction of maps, prints, plans, etc. by Department of Public Works by having fees reflect actual cost of such reproduction. Present law requires flat rate of \$1.00 per item regardless of size or means of reproduction.
- k. Revision of compensation schedule for professional personnel. Would enable Territory to attract and retain qualified professional and scientific personnel by revising compensation schedule to accord such personnel greater

recognition and increased salaries. Changes would include: (1) additional salary ranges above present SR 31, (2) increased compensation in upper salary ranges, and (3) restoration of "Professional and Scientific" classification series. Cost to general fund: not estimated.

- l. More flexible and equitable compensation plan. Would enable Territory to attract and retain qualified employees by providing more flexible and equitable compensation plan. Would permit hiring new employees above minimum step, if necessary, with permanent status and increment steps for such employees. Would also permit corresponding salary adjustment for employees already in public service to accord them equitable treatment. Cost to general fund: not determined.
- m. Hazard pay. Would make hazard pay plan more equitable and satisfactory to employees by applying hazard pay differentials to range and step of individual employees. Present law limits such differentials to minimum rate of each class. Cost to general fund: not estimated.
- n. Payment in lieu of excess accumulated vacation time. Duties and assignments of certain key personnel preclude taking vacations. Would compensate such employees by providing them with payment in lieu of vacation earned in excess of legal maximum. Such compensation felt desirable, but would require certification of department head in each case. Cost to general fund: not estimated.

PART III

PROPOSALS AS SUBMITTED BY DEPARTMENTS FOR GOVERNOR'S 1959 LEGISLATIVE PROGRAM

1. GOVERNOR'S OFFICE

c. Consumer Expenditure Survey

Purpose: To provide a current and statistically reliable survey of consumer expenditures in Honolulu. The most recent comprehensive survey was made by the federal government in 1943. Since that time there has been lacking a reliable statistical base for the Honolulu consumer price index (computed by the territorial Department of Labor and Industrial Relations) and for other measurements of economic well-being in Hawaii.

Means: Make appropriation to the Department of Labor and Industrial Relations and authorize it to cooperate with the federal Commissioner of Labor Statistics in the conduct of a survey of consumer expenditures in Honolulu. (The Commissioner has indicated that his office could undertake the survey, in cooperation with the territorial agency, for approximately \$40,000, the project to take about 18 months, including the preparation of a revised consumer price index.)

Cost: \$40,000; non-recurring.

Financing: General fund.

Other departments affected: Department of Labor and Industrial Relations.

d. Affiliation with Council of State Governments

Purpose: To affiliate Territory with the Council of State Governments a national, non-partisan agency working toward the improvement of state legislative, administrative and judicial practices. The several states, Alaska, Guam and Puerto Rico are contributing members. In 1958 Hawaii has also been an active member, through a contribution from the Governor's contingent fund.

Means: Enact legislation providing for affiliation, including (1) establishment of standing legislative and administrative committees on interstate cooperation; (2) establishment of a Hawaii Commission on Interstate Cooperation, with members from the foregoing committees; and (3) appropriation to cover membership in the Council of State Governments and expenses of the Commission.

Costs: \$1,000 annual dues to Council (\$2,500 after statehood), plus \$5,000 annual appropriation for secretarial services and miscellaneous expenses of Commission. (\$5,000 may be reduced if existing agency serves as secretariat to Commission.)

Financing: General fund

Other departments affected: Legislature, primarily. Also Supreme Court, Attorney General, Budget Bureau. (Council is secretariat for National Legislative Conference, Conference of Chief Justices, National Association of Attorneys General, and National Association of Budget Officers, as well as Governors' Conference.)

3. AERONAUTICS COMMISSION, HAWAII

a. Acquisition of Private Land

Purpose: To allow the Hawaii Aeronautics Commission to acquire, without limitation in acreage or value, privately owned lands needed for airport construction and expansion. Joint Resolution 32, S.L.H. 1957, imposed a restriction on the amount of privately owned land which the Commission may acquire. The amount of land was limited to 69 acres or a larger area if the total cost of the land acquired does not exceed \$4,000,000. With this restriction, the Commission is only able to proceed with Phase I of the new Honolulu Airport Terminal Project. The Commission will not be able to acquire land needed for expansion of any other airport, to construct new airports, or to relocate any existing airport.

Means: Repeal Section 3 of Joint Resolution 32, S.L.H. 1957 in order to remove this restriction.

b. Land Exchanges

Purpose: To authorize the Hawaii Aeronautics Commission to exchange public lands for private lands of equal value needed for public airport purposes without regard to acreage and value limitations. The Commission has acquired various land areas, by purchase or through other means, needed for airport development. However, due to changed conditions (such as revised criteria on runway designs; abandonment or relocation of an airport) certain parcels are no longer required. Because of the present limitation of 40 acres and \$5,000 in value, it has not been possible to make suitable exchanges of these unrequired lands for private lands needed for airport development.

Means: Legislation memorializing Congress to pass legislation to authorize the Territory to make such exchanges without regard to acreage and value limitation.

Laws affected: Section 73(1) of the Hawaiian Organic Act.

c. Leasing Land for Non-aeronautical Uses

Purpose: To allow Commission to lease lands under its control for agricultural and other non-aeronautical uses, and to derive revenues therefrom for use in operating and maintaining the Territorial Airport System.

The Commission, in accordance with revised federal policies under the Federal Airport Act, is required to own and acquire clear zones approximately 1,000 by 2,700 feet at each end of a runway or landing strip. The purpose of such clear zones is to remove all obstructions to flight of airplanes using the airport and provision of such clear zones is a prerequisite condition before any federal-aid airport funds can be expended.

The Commission in acquiring these clear zones is required to use aviation revenue bond funds or general obligation bond funds. It is therefore highly desirable that the land within the clear zone areas be put to productive use to derive revenues to help retire the bonds. Agricultural use is the most compatible use in such areas.

Means: Legislation authorizing the Commission to make such leases with the consent of the Land Commissioner and appropriating all such receipts to the Airport Revenue Fund; or

Legislation memorializing Congress to pass legislation to authorize the Commission to lease land without regard to Section 73(1) of the Hawaiian Organic Act.

Amendments required to existing law. Amendment of Section 73(1) of the Hawaiian Organic Act.

Activities of other departments affected by this proposal: Commissioner of Public Lands.

d. Kahului Airport Quitclaim Deed, Removal of Restrictions

Purpose: To allow the Territory to make full productive use of the land area comprising Kahului Airport.

The Quitclaim Deed dated December 10, 1956, from Secretary of Navy transferring title of Kahului Airport to Territory, was subject to certain restrictions, including these: The Territory cannot alienate its title to property conveyed; it can lease the property only for public airport purposes (but particular parcels or structures not suitable for airport purposes may be leased for other purposes with consent of the Navy); and it must maintain certain improvements deemed necessary for airport purposes.

The Navy has the right to make non-exclusive use of the public airport facilities, and in time of war or national emergency, has the right to repossess and reassert ownership of the airport, including (with compensation) any territorial improvements.

Although the deed allows the Commission to lease out parcels of the property, it has been difficult to do so under the foregoing conditions. Thus, the Commission has not been able to make the fullest use of the property.

Means: Legislation memorializing Congress to authorize the Secretary of Navy to remove these restrictions from the Quitclaim Deed.

Laws affected: Public Law 277 of the 82nd Congress, approved June 5, 1952 (C. 371, 66 Stat. 128).

e. Taxation of Jet Fuel

Purpose: To make effective immediately Act 217, S.L.H. 1957, so that fuel taxes imposed on all types of aviation fuel will accrue to the Territorial Airport Fund. Act 217 amended Chapters 123 and 129 of the R.L.H. 1955 by including a new designation "Aviation Fuel" to include

all types of liquid fuel used for the propulsion of airplanes (i.e., jet fuel) and set the rate of tax on such aviation fuel on the same basis as presently imposed on aviation gasoline ($3\frac{1}{2}$ cents), and providing that such proceeds should accrue to the Territorial Airport Fund. The effective date of this law was set at July 1, 1959.

Means: Amend Section 6 of Act 217, S.L.H. 1957, changing effective date from July 1, 1959 to date of approval.

f. Surcharge on Special Funds

Purpose: To exempt amounts which Commission has expended from the Territorial Airport Fund and the Airport Revenue Fund for the payment of bonds and interest from the application of the 5 per cent surcharge imposed by Act 247, S.L.H. 1955. This will place those special funds under the control of Commission on same basis as the Territorial Highway Fund (Act 69 S.L.H. 1957) and Harbor Board Special Fund (Sec. 132-18, R.L.H. 1955). The Commission expects to sell \$14,000,000 in Aviation Revenue Bonds this fall and is also obligated to repay from its revenues \$5,641,770 expended from general obligation bond funds. Requirements for the repayment of bonds and interest will amount to approximately \$1,500,000 per year.

Means: Amend the law to provide the above exemption.

Amendments required to existing law: Amend Sections 132-16, 132-17, R.L.H. 1955.

Other departments affected. Treasury and Budget Bureau

6. BUDGET, BUREAU OF THE

a. Territorial Tort Liability

Purpose and justification: To restore Territory's immunity by limiting the amount of tort claims for which the Territory may be sued. At present all payments of tort claims must wait until the funds are appropriated by the legislature. It appears that tort claims not exceeding \$500 could be settled by territorial agencies from operating funds available to the respective agency without recourse to court action. This would eliminate submission of petty claims to the legislature for settlement. Limiting liability might also result in the Territory receiving a better rate of insurance, should it decide to take out third party liability insurance.

Means: Amend Act 312, S.L.H. 1957, to authorize the heads of territorial agencies, with the approval of the Attorney General, to pay tort claims not exceeding \$500 out of funds available to the respective agencies without any court action. The Attorney General shall report to the legislature all claims paid by departments, stating the name of each claimant, the amount claimed, the amount awarded and a brief description of the claim.

Also provide that tort claims in excess of \$100,000 must receive legislative approval before suit can be filed.

Costs: Not predictable.

Financing: Out of funds available to the respective territorial agencies or appropriations by the legislature.

Amendments required to existing law (Organic Act or statute): Amend Act 312, S.L.H. 1957 to carry out the above provisions.

Activities of other departments affected by this proposal: Attorney General, and all departments financially.

b. School Insurance

Purpose and justification: To return to the counties the responsibility for all losses to public school buildings and property due to fire or other casualty, or for insuring against such losses.

Means: Delete phrase, "including all public school buildings and property" in Section 134-2, R.L.H. 1955, relating to Territorial Insurance Fund.

Costs: Cost to counties will vary, depending on losses. Will result in savings to the Territory.

Financing: Additional cost to counties to be financed from their general funds.

Amendments required to existing law (Organic Act or statutes): Amend Section 134-2, R.L.H. 1955.

Activities of other departments affected by this proposal: Counties, Fire Marshal.

c. Automobile Insurance

Purpose and justification: To authorize the administration to exceed the present limitation in public automobile liability and property damage coverage so that present coverage of \$50,000/100,000 for bodily injury and \$5,000 for property damage may be increased when it is determined necessary to do so to protect the interests of the Territory. (The Home Insurance Company of Hawaii has recommended that coverage be increased to \$100,000/200,000 for public liability and \$10,000 for property damage.)

Means: To delete the limits of coverage prescribed by statute.

Costs: Increasing present coverage of \$50,000/100,000 for bodily injury and \$5,000 for property damage to \$100,000/200,000 P.L. and \$10,000 P.D. will cost about \$1 additional per car per year or about \$1,563 per year.

Financing: General fund about \$906; special funds about \$657.

Amendments required to existing law (Organic Act or statutes): Amend Section 134-6, R.L.H. 1955.

d. Car Allowances for Honolulu Police

Purpose and justification: To transfer from the Governor to the Mayor of Honolulu authority to approve police department automobile rates recommended by the Police Commission, since the cost of the allowance is financed by the City and County of Honolulu.

Note: Other counties are not affected as Section 145-16, R.L.H. 1955, sets minimum and maximum rates for them.

Means: Amend Section 150-13, R.L.H. 1955, by deleting the word "Governor" and inserting in its place "Mayor."

Amendments required to existing laws: Amend Section 150-13, R.L.H. 1955.

Activities of other departments affected by this proposal: City and County of Honolulu.

e. Hawaii Housing Authority Loan

Purpose and justification: To clarify the obligation of the Hawaii Housing Authority to the Territory for advancement of \$3,500,000 under J.R. 4, S.L.H. 1947, as amended by Act 362, S.L.H. 1949 (Section 77-20, R.L.H. 1955), for the construction of housing projects.

In accordance with the law, the net income of these housing projects are deposited to a general fund account and to date over \$3,000,000 has been deposited. However, under Act 338, S.L.H. 1949 (Section 77-36, R.L.H. 1955), these deposits are appropriated for additional housing projects.

The Housing Authority contends that the advance of \$3,500,000 is being repaid by deposits to the general fund under Section 77-20, R.L.H. 1955, despite the fact that the Territory is not being reimbursed since under Section 77-36, R.L.H. 1955, these deposits are appropriated back to the Housing Authority for the construction of additional housing projects. To clarify this obligation, around May 1953, former Governor King held a conference with the Housing Authority and it was agreed that all net revenues from projects constructed under Section 77-36 would be deposited in the general fund as repayments towards the \$3,500,000. On September 9, 1953, the Housing Authority made its first deposit in the amount of \$3,183.21. To date \$297,531.56 has been deposited as territorial realizations. However, the last deposit was made on January 31, 1957, in the amount of \$9,654.41 and no further deposits are anticipated.

Since the law is not clear that the Housing Authority is to continue these deposits until the amount advanced has been repaid, clarification is required.

Means: Amend Section 77-20, R.L.H. 1955, so that net revenues will be deposited in the general fund as territorial realizations. Also, amend Section 77-36, R.L.H. 1955, so that all net revenues from housing projects constructed out of funds heretofore deposited in the general fund under Section 77-20, R.L.H. 1955, will also be deposited as general fund realizations, until the total advancement of \$3,500,000 has been repaid to the Territory.

Costs: To Hawaii Housing Authority for balance of repayment due, \$3,202,468.44.

Amendments required to existing law (Organic Act or statutes): Amend Sections 77-20 and 77-36, R.L.H. 1955, to carry out the above provisions.

Activities of other departments affected by this proposal: Hawaii Housing Authority.

11. ECONOMIC PLANNING AND COORDINATION AUTHORITY

a. Clarification of terms

Purpose and justification: To clarify the terms "Grant" and "Contract" as found in Sec. 28A-3 and referred to in other Sections of Act 264, S.L.H. 1955, as amended by Act 23, S.L.H. 1957. A clarification of these terms is needed in order to clearly determine the difference between a "Grant" and a "Contract" and the obligations incurred by the Authority and other parties to such agreements.

Means: Amendment of Act 264, S.L.H. 1955, as amended by Act 23, S.L.H. 1957.

Amendments required to existing law: Section 28A-3 of Act 264, S.L.H. 1955, as amended by Act 23, S.L.H. 1957.

b. Timber Utilization Program

Purpose and justification: To provide an expanded and continuous timber utilization program within the Board of Agriculture and Forestry in order to exploit commercially existing timber and determine the best species for tree farming.

Means: Establish a permanent forest research center in Hawaii under the Board of Agriculture and Forestry in cooperation with the U. S. Forest Service.

Staff needs: As determined by the Board of Agriculture and Forestry.

Other needs: As determined by the Board of Agriculture and Forestry.

Costs: As determined by the Board of Agriculture and Forestry.

Financing: From territorial fund and federal funds (U. S. Forest Service).

Amendments required to existing law: To be determined by the Board of Agriculture and Forestry.

Activities of other departments affected by this proposal: Board of Agriculture and Forestry.

c. Food Processing Laboratory

Purpose and justification: To provide an expanded program of research in the processing of locally grown food products. Products developed at the Food Processing Laboratory will enhance the economy by replacing imports and provide the opportunity for expanding exports.

Means: Authorize the Agricultural Experiment Station, University of Hawaii, to include the Food Processing Laboratory as a permanent and continuing part of its program.

Staff needs: As determined by University of Hawaii.

Other needs: As determined by University of Hawaii.

Costs: As determined by the University of Hawaii.

Financing: From general fund.

Activities of other departments affected by this proposal: Agricultural Experiment Station, University of Hawaii.

d. Agricultural Experiment Station, Puna

Purpose and justification: To establish research program directed to toward the reclamation of volcanic flows for productive agricultural purposes.

Means: Authorize Agricultural Experiment Station, University of Hawaii, to establish experiment station in Puna.

Staff needs: As determined by the University of Hawaii.

Other needs: As determined by the University of Hawaii.

Costs: As determined by the University of Hawaii.

Financing: From general fund.

Amendments required to existing law: As determined by the University of Hawaii.

Activities of other departments affected by this proposal: University of Hawaii.

e. Lava Utilization Research

Purpose and justification: To engage in basic long term research to discover new and improved economic uses for Hawaiian lavas. Hawaii has extensive lava deposits which are being put to very limited economic use.

Means: Authorize the Hawaii Geophysics Institute, University of Hawaii, to hire the necessary technical people and to purchase testing instruments and other equipment to carry out lava utilization research experiments.

Staff needs: As determined by University of Hawaii.

Other needs: As determined by University of Hawaii.

Costs: As determined by University of Hawaii.

Financing: From general fund.

Activities of other departments affected by this proposal: University of Hawaii.

29. PUBLIC WORKS, DEPARTMENT OF

a. Uniform Traffic Code

Purpose and justification: A uniform, territory-wide traffic code will promote traffic safety and is justified by the past and projected increase in inter-island and tourist travel.

Means: Appropriate legislation or cooperative county action.

Amendments required to existing law: As may be recommended by the Territorial Traffic Safety Committee.

Activities of other departments affected by this proposal: Territorial Traffic Safety Committee; county governments and police departments.

b. Signs and markings on federal-aid highways

Purpose and justification: The purpose is to set forth clearly the authority of the Territorial Highway Engineer with respect to signs and markings on federal-aid highways to insure compliance with the federal-aid Highway Act. Signs and markings on federal-aid highways should only be installed by or with the approval of the Territorial Highway Engineer and such signs should be deemed official. The latter is now provided by ordinance of the City and County of Honolulu but not specifically covered by ordinance of the other counties.

Means: Amendment of Section 111-5, R.L.H. 1955.

Amendments required to existing law: Amend Section 111-5, R.L.H. 1955, as proposed in draft bill.

Activities of other departments affected by this proposal: County governments. (Draft bill is already prepared and available.)

c. Control of access to highways

Purpose: Strengthen existing statutes on eminent domain to provide for the planning, designation, establishment, use, regulation, alteration, improvement, maintenance, and vacation of controlled-access facilities; the acquisition of lands required therefor; the restriction of inter-sections and control of approaches; the establishment of local service roads; the prohibition of certain acts thereon and provision for penalties therefore; and for other purposes.

Justification: Controlled-access highways are necessary for the safe and efficient movement of traffic on the public highways. The control of access preserves the traffic capacity of a highway and thus protects

the investment in such a facility. The existing statutes do not adequately provide for controlling access and as a result court proceedings have been instituted to prevent the Territory from acquiring access rights. One case is still pending.

Means: Enactment of appropriate legislation.

Cost: It is expected that the cost of accomplishing the objectives of this proposal would be reduced by the enactment of the proposed legislation.

Financing: Funds used for acquisition of access control rights would be the same as those used for the acquisition of the property and other property rights. These are normally fuel taxes.

Amendments required to existing law: Amend R.L.H. 1955, amended, as indicated in draft bill.

Activities of other departments affected by this proposal: Related activities of the Attorney General's office.

(Draft bill is already prepared and available.)

d. Amendments to laws of eminent domain

Purpose and justification: Clarify and strengthen existing statutes to deter lengthy and costly court proceedings.

Means: Enactment of proposed amendments contained in draft bill.

Amendments required to existing law: Amend Chapter 8, R.L.H. 1955, as proposed in draft bill.

Activities of other departments affected by this proposal: It is anticipated that less legal work would be required of the Attorney General.

(Draft bill is already prepared and available.)

e. Revolving Fund for Advance Purchase of Rights-of-Way

Purpose and justification: To provide a revolving fund for the purchase of rights-of-way in advance of federal-aid highway construction so that rights-of-way may be acquired before they are fully developed.

Similar funds have been established in California and at least one other state. The experience in these states has been that the states have saved two dollars for every one dollar used from the revolving fund.

The construction of planned projects is often deterred by the construction of improvement on property within the proposed right-of-way subsequent to the completion of plans and prior to the availability of funds for the right-of-way and construction of the project.

Means: Legislation and appropriation of bond or general funds.

Cost: Initial appropriation to revolving fund of an amount not yet determined.

Financing: Bond or general fund.

Amendments required to existing law: New legislation would be required.

Activities of other departments affected by this proposal: The Land Commissioner would manage lands acquired from the proposed revolving fund and would be reimbursed therefor from rentals.

f. Cancellation of Old Mortgage Liens

Purpose and justification: In 1922 the Commissioners on Uniform State Laws proposed the attached legislation as part of a Uniform Real Estate Mortgage Act. This legislation in essence terminated the lien of a mortgage after 15 years unless the mortgage was extended of record. The following 18 states have legislation of the type we are proposing: Colorado, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas (in part), Michigan (in part), Minnesota, Missouri, Nebraska, Nevada, South Carolina, Tennessee, Virginia, West Virginia and Wisconsin.

A redraft of the 1922 proposal on Uniform State Laws has been accepted by the Commissioners on Uniform State Laws and adopted by 13 states. The redraft has, however, not proven too successful in terminating the lien of an ancient mortgage. We have therefore proposed the original draft.

The purpose of the proposed legislation is to clear the title of property encumbered by an ancient mortgage and thus substantially reduce cost and eliminate eminent domain proceedings brought merely for the purpose of clearing clouds on title to property.

Means: Enactment of proposed legislation contained in draft bill.

Amendments required to existing law: Amend R.L.H. 1955 as proposed in draft bill.

Activities of other departments affected by this proposal: Acquisition of real property by all departments.

(Draft bill is already prepared and available.)

g. Marketability of Land Titles After Forty Years

Purpose and justification: To eliminate the necessity for abstract of title beyond a period of forty (40) years by legislation providing that after an unbroken chain of title for a period of forty (40) years such title is deemed marketable and free of clouds existing before that period.

Such legislation would substantially reduce cost and eliminate eminent domain proceeding brought merely for the purpose of clearing clouds on title to property.

Means: Enactment of the proposed legislation which was taken from the Michigan statutes prepared by the Committee of Real Property Law of the Michigan Bar Association after a complete study of legislation on the subject by other states.

Amendments required to existing law: Legislation proposed in draft bill.

Activities of other departments affected by this proposal: Acquisition of real property by all departments.

(Draft bill is already prepared and available.)

h. Raising Limit of Public Contracts Not Requiring Bids

Purpose and justification: Permit expenditures of public funds up to \$8,000 without advertisement for bids to account for the increase in cost and monetary devaluation which has occurred since the original limitation of \$4,000 was enacted.

Means: Amendment of Section 9-21, R.L.H. 1955.

Staff needs: None - a saving in legal and stenographic costs should result.

Amendments required to existing statutes: Section 9-21, R.L.H. 1955.

Activities of other departments affected by this proposal: This proposal would affect the expenditure of public funds by all departments.

i. Specific Appropriation of \$1,000

Purpose and justification: By Joint Resolutions 1 and 2 the 1949 Legislature provided \$125,000 for widening and deepening of the Waimea River. The acquisition of land and subsequent construction used up the appropriated \$125,000.

There remains one parcel of land to be acquired although a right of entry had been obtained at the time of construction.

Means: Specific appropriation from general fund.

Cost: \$1,000 during 1959-61.

Financing: From general fund.

j. Sale of Maps, Prints, Etc.

Purpose and justification: Section 7-1, R.L.H. 1955, provides, in part, for a fee of \$1.00 per page or sheet be made for making a copy of any map, plan, diagram or photograph, which copy be made by any method of reproduction. It is proposed that the \$1.00 fixed fee be replaced by a fee equal to the actual cost of making the copy. It is obviously ridiculous to charge the same fee for any copy of a map or print regardless of the size or method of reproduction used.

Means: Legislative amendment to Section 7-1, R.L.H. 1955.

Amendments required to existing law: Section 7-1, R.L.H. 1955.

Activities of Other Departments affected by this proposal: All departments obtaining copies of maps, plans, diagrams or photographs.

k. Revision of Compensation Schedule for Professional Personnel

Purpose and justification: To provide adequate recognition and compensation to professional and scientific employees in territorial and county service. The present classification and compensation plans fall short of these objectives which make it difficult to hire or retain highly skilled professional employees.

Means:

- (1) Revision of the compensation schedule to provide for additional salary ranges above the present SR 31.
- (2) Materially increase the compensation schedule in the upper salary ranges.
- (3) Restore the former "Professional and Scientific" classification series with provisions for an adequate number of grades in this series with adequate compensation.

Cost: Not estimated.

Financing: From funds presently used for compensating professional and scientific personnel.

Amendments required to existing statutes: Chapter 3 and Chapter 4, R.L.H. 1955, as amended.

Activities of other departments affected by this proposal: Employment of professional and scientific personnel by all departments; Civil Service Department.

l. More Flexible and Equitable Compensation Plan

Purpose and justification: To provide for hiring of new employees above the minimum step, if necessary, and to provide permanent status and increment steps for such employees as well as corresponding salary adjustments for employees in the same class who are already in service. Such a provision will increase the efficiency of government by stabilizing employment, establish conditions of service that will attract and serve to retain capable employees by recognizing and meeting prevailing wages and provide equal pay for present work.

At present there is no way to adjust salaries of employees already in government service when new employees are hired above the minimum step for the class.

Means: Revision to Chapter 3, R.L.H. 1955, as amended.

Cost: Not determined.

Financing: From general and special funds.

Amendments required to existing statutes: Chapter 3, R.L.H. 1955, as amended.

Activities of other departments affected by this proposal: Personnel employment and compensation of all departments; Civil Service Department.

m. Hazard Pay

Purpose and justification: The purpose is to provide for hazard pay differentials to be applied to the range and step of the individual rather than be limited to the minimum rate of the salary range of the class in which the individual is employed. At present there may be several employees in the same class but at different salary steps employed at hazardous work and receiving the same amount of hazard pay. This is inequitable and has caused some dissatisfaction among the employees receiving hazard pay differentials.

Means: Amendment to Section 4-8, R.L.H. 1955.

Cost: Not estimated.

Financing: From funds used to pay hazard differential.

Amendments required to existing law: Amendment of second sentence of Section 4-8, R.L.H. 1955, to read:

"Such pay differentials shall be applied to the salary range and step of the individual and shall not exceed twenty-five per cent thereof, and shall terminate six months after the date of approval, unless terminated sooner."

n. Payment in Lieu of Excess Accumulated Vacation Time

Purpose and justification: Payment in lieu of vacation earned in excess of the maximum set by law is desirable to compensate key personnel whose duty and assignment preclude their taking a vacation.

Means: Amendment to existing law and certification by department head.

Cost: Not estimated.

Financing: From funds used to pay the individual.

Amendments required to existing law: An amendment to Chapter 5, R.L.H. 1955, would be required.

Activities of other departments affected by this proposal: Personnel and fiscal activities of Civil Service Department and Budget Bureau.