

the several boards, commissions and officers required to make bonus payments, except where there is a specific provision for payment of the bonus from other funds, and in the case of the counties, the money so allotted shall be paid into each respective county treasury and held in special funds solely for the purpose of paying bonuses.

SECTION 21. This Act shall take effect on July 1, 1965.
(Approved June 30, 1965.) H.B. 595.

ACT 223

A Bill for an Act Relating to Compensation of Public Officers and Employees and Making An Appropriation Therefor.

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

SECTION 1. Section 4-10 of the Revised Laws of Hawaii 1955, as amended, except for the last paragraph thereof, is hereby further amended to read as follows:

"Section 4-10. Salary Schedule. Effective July 1, 1965, the monthly rates of basic compensation of classes of positions to which this chapter applies shall be in accordance with the following schedule.

SR	B	C	D	E	F	G	L-1	L-2	L-3	L-4
1	236	248	260	273	287	301	316	332	349	366
2	248	260	273	287	301	316	332	349	366	384
3	260	273	287	301	316	332	349	366	384	403
4	273	287	301	316	332	349	366	384	403	423
5	287	301	316	332	349	366	384	403	423	444
6	301	316	332	349	366	384	403	423	444	466
7	316	332	349	366	384	403	423	444	466	489
8	332	349	366	384	403	423	444	466	489	513
9	349	366	384	403	423	444	466	489	513	539
10	366	384	403	423	444	466	489	513	539	566
11	384	403	423	444	466	489	513	539	566	594
12	403	423	444	466	489	513	539	566	594	624
13	423	444	466	489	513	539	566	594	624	655
14	444	466	489	513	539	566	594	624	655	688
15	466	489	513	539	566	594	624	655	688	722
16	489	513	539	566	594	624	655	688	722	758
17	513	539	566	594	624	655	688	722	758	796
18	539	566	594	624	655	688	722	758	796	836
19	566	594	624	655	688	722	758	796	836	878
20	594	624	655	688	722	758	796	836	878	922
21	624	655	688	722	758	796	836	878	922	968
22	655	688	722	758	796	836	878	922	968	1016
23	688	722	758	796	836	878	922	968	1016	1067
24	722	758	796	836	878	922	968	1016	1067	1120
25	758	796	836	878	922	968	1016	1067	1120	1176
26	796	836	878	922	968	1016	1067	1120	1176	1235
27	836	878	922	968	1016	1067	1120	1176	1235	1297
28	878	922	968	1016	1067	1120	1176	1235	1297	1362

29	922	968	1016	1067	1120	1176	1235	1297	1362	1430
30	968	1016	1067	1120	1176	1235	1297	1362	1430	1502
31	1016	1067	1120	1176	1235	1297	1362	1430	1502	1577"

SECTION 2. Employees shall be entitled to salary step increments and longevity step increases as provided in section 4-9, provided that employees in steps G, L-1, L-2 and L-3, who would not normally be entitled to receive longevity step increases as provided in section 4-9, shall be advanced to steps L-1, L-2, L-3 and L-4, respectively, on their next service anniversary date which falls during the period July 1, 1965 and June 30, 1966. Such employees shall thereafter be entitled to longevity increases in accordance with section 4-9.

Employees who are initially hired above the first step of the appropriate salary range and who would not normally be entitled to receive increment steps as provided in section 4-6 shall be advanced to the next higher increment or longevity step on their next service anniversary date which falls during the period July 1, 1965 and June 30, 1966 without loss of any accumulated service credit for step increases. Such employees shall thereafter be entitled to increases in accordance with section 4-6 and section 4-9, as the case may be.

The service anniversary dates of employees who are initially hired above the first step of the appropriate salary range and employees in steps G, L-1, L-2 and L-3 shall not be affected by the application of any provision of this section. Employees in steps G, L-1, L-2 and L-3 who have service credits for step increases in excess of three years shall have such excess service credits applied to their next longevity step increase.

SECTION 3. Section 4-9 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended in the following respects:

(a) By amending the second paragraph to read as follows:

"Any employee who is paid under the provisions of the salary schedule contained in section 4-10 and who has served satisfactorily for three years at the maximum step or in steps L-1, L-2, or L-3 of the salary range for the class to which his position is assigned shall receive longevity step increases."

(b) By adding the following as the last paragraph:

"Any other law to the contrary notwithstanding, the provisions of this section shall apply to all employees in positions covered in the compensation plan as set forth in Chapter 4 of the Revised Laws of Hawaii 1955, as amended."

SECTION 4. Section 4-10 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Section 4-10. Salary Schedule. (a) Effective January 1, 1966, the monthly rates of basic compensation of classes of positions to which this chapter applies shall be in accordance with the following schedule.

SR	B	C	D	E	F	G	L-1	L-2	L-3	L-4
2	267	280	294	309	324	340	357	375	394	414
3	280	294	309	324	340	357	375	394	414	435

4	294	309	324	340	357	375	394	414	435	457
5	309	324	340	357	375	394	414	435	457	480
6	324	340	357	375	394	414	435	457	480	504
7	340	357	375	394	414	435	457	480	504	529
8	357	375	394	414	435	457	480	504	529	555
9	375	394	414	435	457	480	504	529	555	583
10	394	414	435	457	480	504	529	555	583	612
11	414	435	457	480	504	529	555	583	612	643
12	435	457	480	504	529	555	583	612	643	675
13	457	480	504	529	555	583	612	643	675	709
14	480	504	529	555	583	612	643	675	709	744
15	504	529	555	583	612	643	675	709	744	781
16	529	555	583	612	643	675	709	744	781	820
17	555	583	612	643	675	709	744	781	820	861
18	583	612	643	675	709	744	781	820	861	904
19	612	643	675	709	744	781	820	861	904	949
20	643	675	709	744	781	820	861	904	949	996
21	675	709	744	781	820	861	904	949	996	1046
22	709	744	781	820	861	904	949	996	1046	1098
23	744	781	820	861	904	949	996	1046	1098	1153
24	781	820	861	904	949	996	1046	1098	1153	1211
25	820	861	904	949	996	1046	1098	1153	1211	1272
26	861	904	949	996	1046	1098	1153	1211	1272	1336
27	904	949	996	1046	1098	1153	1211	1272	1336	1403
28	949	996	1046	1098	1153	1211	1272	1336	1403	1473
29	996	1046	1098	1153	1211	1272	1336	1403	1473	1547
30	1046	1098	1153	1211	1272	1336	1403	1473	1547	1624
31	1098	1153	1211	1272	1336	1403	1473	1547	1624	1705

(b) Whenever payment is made on the basis of an annual, weekly, hourly or daily rate, the rate shall be computed in the following manner:

- (1) by multiplying the monthly rate by 12 in order to find the annual rate;
- (2) by dividing the annual rate by 52 in order to find the weekly rate;
- (3) by dividing the annual rate by 52 and again dividing the result thereof by 40 in order to find the hourly rate; and
- (4) by multiplying the hourly rate by the number of daily hours of service required in order to find the daily rate.

(c) The salaries of public officers and employees shall be converted to the new salary schedule from the existing salary schedule in the following manner except as otherwise provided in this Act.

(1) Any other law including the provisions of section 4-4 and section 4-11 to the contrary notwithstanding, all classes assigned to the salary range one shall be converted to the same increment step or longevity step in salary range two effective January 1, 1966.

(2) Incumbents in salary ranges 2 to 31 shall be assigned to the same salary range and increment step or longevity step in the new schedule and they shall receive the compensation provided for these increment or longevity steps.

(3) Any employee not being compensated at a rate as set forth in the existing salary schedule shall first be moved to the next higher increment or longevity step in the existing salary schedule, if there is such a step; his salary shall then be assigned to the same salary range and increment or longevity step in the new salary schedule.

(4) The compensation of any incumbent whose rate on December 31, 1965 exceeds the L-4 rate of the appropriate range for the class to which his position is allocated shall be increased by 7½%.

(5) Conversion of compensation rates to the new schedule shall be made without causing any loss or reduction in the compensation rates of incumbent officers and employees.

(6) Conversion to the new salary schedule shall be made notwithstanding any salary limitations provided in section 5-21, and section 4A-3 and 5-20 as amended in this Act."

SECTION 5. Chapter 4A of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 4A-1. Governor, lieutenant governor. The compensation of the governor of the State of Hawaii shall be \$33,500 per annum. The compensation of the lieutenant governor of the State of Hawaii shall be \$27,500 per annum.

Sec. 4A-2. Department heads and executive officers. The salaries of the following state officers are hereby fixed at the following annual rates:

(a) The salary of the superintendent of public instruction shall be set by the board of education and shall not be less than \$18,500 nor more than \$27,500.

(b) The salaries of all department heads or executive officers of the departments of attorney general, land and natural resources, health, transportation or budget and finance shall be set by the appointing authority and shall not be less than \$18,500 nor more than \$25,000.

(c) The salaries of all department heads or executive officers of the departments of accounting and general services, regulatory agencies, taxation, planning and economic development, social services, labor and industrial relations, personnel services, agriculture or Hawaiian home lands shall be set by the appointing authority and shall not be less than \$18,000 nor more than \$22,000.

(d) The salary of the Adjutant General shall not be less than \$18,000 nor more than \$22,000 provided, however, that if such maximum rate is in conflict with the pay and allowance fixed by the tables of the regular army of the United States, the latter shall prevail.

Sec. 4A-3. First deputies or first assistants to department heads. The salaries of first deputies or first assistants to the head of any department of the state shall be set by the director or executive officer concerned and shall not be more than 85% of the director's salary. The 85% limitation shall become effective on January 1, 1966.

Sec. 4A-4. Administrative director of the State. The salary of the administrative director of the State shall be \$22,000 per annum."

SECTION 6. The second sentence of the second paragraph of section 1-51 of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"The revisor's salary shall be set by the supreme court and shall not be less than \$9,000 nor more than \$16,170 per annum."

SECTION 7. The first sentence of section 31-6 of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"The sheriff shall receive a salary of \$9,900 per annum."

SECTION 8. Chapter 14A of the Revised Laws of Hawaii 1955, as amended, is hereby further amended in the following respects:

(a) The first sentence of the second paragraph of section 14A-7 is hereby deleted.

(b) The first sentence of the fourth paragraph of section 14A-20 is hereby amended by substituting a period for the comma after the word "capacity" and by deleting therefrom the words and period "and shall be compensated therefor in the sum of \$18,500 per annum."

(c) The first sentence of the fourth paragraph of section 14A-21 is hereby amended by substituting a period for the comma after the word "capacity" and by deleting therefrom the words and period "and shall be compensated therefor in the sum of \$18,500 per annum."

(d) The fourth paragraph of section 14A-23, if unamended during the 1965 general session, shall be amended to read as follows:

"The chairman of the board shall serve in a full time capacity and shall perform such duties, and exercise such powers and authority, or so much thereof as may be delegated to him by the board as hereinabove provided."

If the fourth paragraph of section 14A-23 is amended during the 1965 general session and if such amendment contains any reference to salary, such reference shall be deleted by the revisor of statutes.

SECTION 9. Section 2-39 of the Revised Laws of Hawaii 1955, is hereby amended to read as follows:

"Sec. 2-39. **Salary of the auditor and appropriations.** The salary of the auditor shall be \$22,000 per annum. The funds for the support of the auditor's office shall, commencing the 1966 budget session of the legislature, be provided for in the Act providing for the expenses of the legislature."

SECTION 10. Chapter 138 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding thereto a new section to be appropriately numbered and to read as follows:

"Sec. 138- . **Compensation of certain county officials.** Any law to the contrary notwithstanding, each county including the City and County of Honolulu by ordinance shall fix the salaries for its officials whose salaries are presently specifically established by statute or ordinance."

SECTION 11. The third sentence of the first paragraph of section 213-1.6 of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"He shall hold no other office or employment and shall receive a salary of not more than \$15,800 per year."

SECTION 12. Section 214-1.5 of the Revised Laws of Hawaii 1955, as amended, is hereby amended to read as follows:

"Sec. 214-1.5. Salary, supreme court justices. The compensation of the chief justice of the supreme court of the State shall be \$28,000 per year. The compensation of the associate justices of the supreme court of the State shall be \$27,000 per year."

SECTION 13. Section 215-4.5 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"Sec. 215-4.5. Salary of circuit judges. The compensation of the circuit court judges of the various circuit courts of the State shall be \$25,000 per year."

SECTION 14. Chapter 220 of the Revised Laws of Hawaii 1955, as amended, is hereby further amended in the following respects:

(a) Section 220-3 is hereby further amended to read as follows:

"Sec. 220-3. Honolulu; salary rates.

	Per Annum
First, second, third and fourth district magistrates, Honolulu, who shall not engage in the practice of law during their terms of office	\$15,000
District magistrate, Ewa	6,875
District magistrate, Waianae	5,500
District magistrate, Waialua	5,500
District magistrate, Koolaupoko and Koolauloa	7,150
District magistrate, Wahiawa	6,600
Clerks, reporters and interpreters, district court, Honolulu (at rates provided under chapter 4);	
A chief clerk	
A clerk-reporter supervisor	
Such other clerks and clerk-reporters as may be needed	
A Japanese interpreter	
A Filipino interpreter	
A Chinese interpreter."	

(b) Section 220-4 is hereby further amended to read as follows:

"Sec. 220-4. Hawaii. The district magistrates, clerks and other assistants referred to in section 220-2, and the salary rates of the district magistrates for the county of Hawaii are as follows:

	Per Annum
District magistrate, Hamakua, North and South Kohala	\$ 6,600
Clerk and reporter, district court of Hamakua, North and South Kohala whose salaries shall be paid by the county of Hawaii, as provided by chapter 4.	
District magistrate, North and South Kona	5,775
District magistrate, Kau	4,400

District magistrate, South Hilo, North Hilo and Puna, who shall not engage in the practice of law during his term in office 13,200

Chief clerk, first assistant clerk and reporter, and second assistant clerk and reporter, third assistant clerk and reporter, and fourth assistant clerk and reporter, district court of South Hilo, North Hilo and Puna, whose salaries shall be paid by the county of Hawaii, as provided for by chapter 4."

(c) Section 220-5 is hereby further amended to read as follows:
 "Sec. 220-5. **Kauai.** The district magistrates referred to in section 220-2, and their salary rates for the county of Kauai are as follows:

	Per Annum
District magistrate, Lihue and Koloa	\$ 6,875
District magistrate, Waimea	5,225
District magistrate, Kawaihau and Hanalei	5,225"

(d) Section 220-6 is hereby further amended to read as follows:
 "Sec. 220-6. **Maui.** The district magistrates, clerks and other assistants referred to in section 220-2 and the salary rates of the district magistrates for the county of Maui are as follows:

	Per Annum
District magistrate, Lahaina and Lanai	\$ 6,600
Clerk and stenographer, Lahaina	
Clerk and stenographer, Lanai	
District magistrate, Wailuku, who shall not engage in the practice of law during his term of office	13,200
Clerk and stenographer, Wailuku	
District magistrate, Makawao and Hana	\$ 6,600
District magistrate, Molokai	4,400
Clerk and stenographer, Molokai	

The salaries for the above clerks and stenographers shall be provided under chapter 4."

(e) Section 220-8 is hereby further amended to read as follows:
 "Sec. 220-8. **Kalawao.** The salary rate of the district magistrate for the county of Kalawao is fixed as follows: \$3,025 per annum."

SECTION 15. Any state and county officer or employee not specifically provided for in this Act, but excluding (1) principals, educational officers, instructional personnel and others whose compensation are established by the Department of Education, (2) chief administrative officers, faculty members, extension and research staff and others whose compensation are established by the board of regents of the University of Hawaii, (3) officials whose salaries are established by boards, commissions and agencies, (4) officers and employees in the Office of the Governor whose salaries are set by the Governor, (5) officers and employees in the Office of the Lieutenant Governor who are exempt from chapter 3 and 4 of the Revised Laws of Hawaii 1955, as amended, (6) the Chief Administrator of the

Public Utilities Commission, (7) elected officials, and (8) officials whose salaries are established under Section 10 of this Act, may receive an increase up to 7½% in their compensation, effective January 1, 1966.

SECTION 16. The sum of \$4,620,000 or so much as may be necessary is hereby appropriated from the general revenues for the additional cost of step increases effective as of July 1, 1965, and to pay for increases in compensation effective as of January 1, 1966, up to and including June 30, 1966, provided that the department of budget and finance shall report expenditures made from this appropriation to the next session of the legislature.

The appropriation made by this section shall be allotted by the director of finance to the several boards, commissions and officers of the state concerned and to the several counties. In the case of the counties, the money allotted shall be paid into the county treasuries and held in special funds solely for the authorized purposes. It is provided that special, separate and federal fund monies shall be used to the maximum extent before state funds are utilized and that unexpended fund shall be returned to the state director of finance.

The funds appropriated by this section shall cover the compensation of all officers and employees of the state and counties except:

(a) Officers and employees of the state whose compensation is paid from federal funds or from special funds of the state whether in whole or in part and whether directly or indirectly to the extent that the amount required to pay the increase in compensation authorized by this Act can be obtained from such federal funds or special funds.

(b) Officers and employees of the board of water supply of the city and county of Honolulu.

SECTION 17. Whenever the functions previously assumed by the city and county of Honolulu and the several counties are transferred to any state department by legislation enacted during this session of the legislature which affects the appropriations made by this Act, the Governor, or the Department of Budget and Finance if so delegated by the Governor, shall transfer the necessary funds to support such function from the county to which the appropriation was made to the department to which the function has been transferred.

SECTION 18. All laws and parts of laws heretofore enacted which are in conflict with the provisions of this Act are hereby amended to conform herewith. All acts passed during this general session 1965, whether enacted before or after passage of this Act shall be amended to conform to this Act, unless such acts specifically provide that this Act is being amended.

SECTION 19. Where the effective date of the adjusted salaries for public officers and employees is not specifically set in this Act the date shall be January 1, 1966.

SECTION 20. If any portion of this Act or its application to any person or circumstances is held to be invalid for any reason, then

the Legislature hereby declares that the remainder of this Act and each and every other provision thereof shall not be affected thereby.

SECTION 21. This Act shall take effect on July 1, 1965.
(Approved June 30, 1965.) H.B. 279.

ACT 224

A Bill for an Act Relating to Industrial Loan Companies.

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

SECTION 1. Section 194-10 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the first sentence thereof and substituting therefor the following:

"The applicant at the time of filing an approved application with the director of regulatory agencies shall pay to the director, as an initial license fee, the sum of \$50.00 if the application has been approved on or after January 2 but on or before June 30 of the year, or the sum of \$25.00 if the application has been approved on or after July 1 but on or before December 31 of the year."

SECTION 2. Section 194-11 of the Revised Laws of Hawaii 1955 is hereby amended by deleting the first sentence thereof and substituting therefor the following:

"On or before December 31 of each year, each licensee shall pay to the director of regulatory agencies the annual license fee of \$50.00 for the ensuing year; provided, however, a licensee whose application was approved in December may pay to the director his first annual license fee of \$50.00 for the ensuing year on or before the expiration of thirty days after receiving notice of the approval of his application."

SECTION 3. Section 117-20, Revised Laws of Hawaii 1955, as amended, is hereby further amended by changing the period at the end of paragraph (m) thereof to a semicolon and adding immediately after such semicolon the following paragraph:

"(n) Industrial loan companies taxable under the provisions of chapter 127, provided that the exemption shall apply only to the income from the 'engaging in the business of an industrial loan company' as defined in section 194-2."

SECTION 4. Sub-paragraph (1) of the paragraph (a) of Section 121-6, Revised Laws of Hawaii 1955, as amended, is hereby further amended to read as follows:

"(1) Banks, building and loan associations and industrial loan companies taxable under the provisions of chapter 127; and insurance companies and agricultural cooperative associations, exclusively taxable under the provisions of other laws:"

SECTION 5. Section 127-1, Revised Laws of Hawaii 1955, as amended, is hereby further amended by adding a new paragraph between the third and fourth paragraphs thereof to read as follows: