

FORTIETH DAY

Wednesday, March 12, 1975

The Senate of the Eighth Legislature of the State of Hawaii, Regular Session of 1975, convened at 11:00 o'clock a.m., with the President in the Chair.

The Divine Blessing was invoked by the Reverend Sean O'Rourke of Our Lady of Peace Cathedral, after which the Roll was called showing all Senators present.

The President announced that he had read and approved the Journal of the Thirty-Ninth Day.

At this time, the following introductions were made to the members of the Senate:

Senator Yee introduced 24 fourth grade students from Kaahumanu Elementary School, together with their teacher Mrs. Miriam Ohye.

Senator O'Connor then introduced Mr. Baron Gushiken, a teacher at Niu Valley Intermediate School, together with members of the Niu Valley Student Council Special Projects Class as follows: Hal Silva, President; Richard Kasuya, Vice President; Leanne Brooks, Chairperson, Legislative Committee; and Randal Mimaki and Alton Nishibun of the Elections Committee. This special projects group does follow-up on education matters relating to students and on the capital improvement projects. Senator O'Connor introduced for Niu Valley.

MESSAGE FROM THE GOVERNOR

A message from the Governor (Gov. Msg. No. 78), transmitting a report, entitled: "Progress Report on the 'Hawaii State Ferries'", prepared by the Department of Transportation in response to Act 186, Session Laws of Hawaii 1963, relating to the Hawaii State Ferry System, was read by the Clerk and was referred to the Committee on Transportation.

HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 110 to 169) were read by the Clerk and were disposed of as follows:

A communication from the House (Hse. Com. No. 110), transmitting House Bill No. 13, H.D. 2, which passed Third Reading in the House on March 11, 1975, was placed on

file.

On motion by Senator Taira, seconded by Senator Andersson and carried, H.B. No. 13, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO REAL PROPERTY TAXES", passed First Reading by title and was referred to the Committee on Housing and Hawaiian Homes, then to the Committee on Ways and Means.

A communication from the House (Hse. Com. No. 111), transmitting House Bill No. 91, H.D. 2, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 91, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION", passed First Reading by title and was referred to the Committee on Ecology, Environment and Recreation, then to the Committee on Ways and Means.

A communication from the House (Hse. Com. No. 112), transmitting House Bill No. 108, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 108, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONFIDENTIALITY OF LAW ENFORCEMENT RECORDS", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 113), transmitting House Bill No. 115, H.D. 2, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 115, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM PARENTAGE ACT", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 114), transmitting House Bill No. 127, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 127, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE REGISTRATION OF LOBBYISTS", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 115), transmitting House Bill No. 147, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 147, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE SALE OF BULLION", passed First Reading by title and was referred to the Committee on Consumer Protection, then to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 116), transmitting House Bill No. 152, H.D. 2, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 152, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO WORKMEN'S COMPENSATION", passed First Reading by title and was referred to the Committee on Human Resources, then to the Committee on Ways and Means.

A communication from the House (Hse. Com. No. 117), transmitting House Bill No. 259, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 259, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DAMAGES FOR TRESPASS OF ANIMALS", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 118), transmitting House Bill No. 320, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 320, entitled: "A BILL FOR AN ACT RELATING TO CORPORATE NAMES", passed First Reading by title and was referred to the Committee

on Judiciary.

A communication from the House (Hse. Com. No. 119), transmitting House Bill No. 332, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 332, entitled: "A BILL FOR AN ACT RELATING TO INCONSISTENCY BETWEEN CHAPTER 476 OF THE HAWAII REVISED STATUTES AND FEDERAL LAWS AND REGULATIONS", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 120), transmitting House Bill No. 381, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 381, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO VARIANCES FROM POLLUTION CONTROL REQUIREMENTS", passed First Reading by title and was referred to the Committee on Ecology, Environment and Recreation, then to the Committee on Health.

A communication from the House (Hse. Com. No. 121), transmitting House Bill No. 430, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 430, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE", passed First Reading by title and was referred to the Committee on Human Resources, then to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 122), transmitting House Bill No. 449, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 449, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE DRIVER LICENSING", passed First Reading by title and was referred to the Committee on Intergovernmental Relations, then to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 123), transmitting House Bill No. 484, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 484, entitled: "A BILL FOR AN ACT RELATING TO COMPULSORY SCHOOL AGE", passed First Reading by title and was referred to the Committee on Education, then to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 124), transmitting House Bill No. 513, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 513, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO RULES ADOPTED UNDER THE ADMINISTRATIVE PROCEDURE ACT", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 125), transmitting House Bill No. 518, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 518, entitled: "A BILL FOR AN ACT RELATING TO DISCOVERY PROCEEDINGS AND RECORDS", passed First Reading by title and was referred to the Committee on Health, then to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 126), transmitting House Bill No. 582, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 582, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WORKMEN'S COMPENSATION", passed First Reading by title and was referred to the Committee on Human Resources.

A communication from the House (Hse. Com. No. 127), transmitting House Bill No. 611, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 611, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO POLICE POWERS OF FORESTERS AND FOREST RANGERS", passed First Reading by title and was referred to the Committee on Economic Development, then to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 128), transmitting House Bill No. 619, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 619, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE TREATMENT OF VENEREAL DISEASE FOR MINORS", passed First Reading by title and was referred to the Committee on Health.

A communication from the House (Hse. Com. No. 129), transmitting House Bill No. 643, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 643, H.D. 1, entitled: "A BILL FOR AN ACT EXPANDING THE JURISDICTION OF THE DISTRICT COURTS", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 130), transmitting House Bill No. 701, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 701, entitled: "A BILL FOR AN ACT RELATING TO A CHANGE IN MEMBERSHIP OF THE BOARD OF SOCIAL SERVICES", passed First Reading by title and was referred to the Committee on Human Resources.

A communication from the House (Hse. Com. No. 131), transmitting House Bill No. 766, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 766, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO VOCATIONAL EDUCATION", passed First Reading by title and

was jointly referred to the Committees on Higher Education and Education.

A communication from the House (Hse. Com. No. 132), transmitting House Bill No. 803, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 803, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CART NAPPING, BASKET REMOVAL AND SIMILAR OFFENSES", passed First Reading by title and was referred to the Committee on Consumer Protection, then to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 133), transmitting House Bill No. 898, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 898, entitled: "A BILL FOR AN ACT RELATING TO INTEREST AND USURY", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 134), transmitting House Bill No. 927, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 927, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THEFT", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 135), transmitting House Bill No. 931, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 931, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 136), transmitting House Bill No. 946, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded

by Senator Anderson and carried, H.B. No. 946, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD ABUSE AND NEGLECT", passed First Reading by title and was referred to the Committee on Human Resources, then to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 137), transmitting House Bill No. 989, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 989, entitled: "A BILL FOR AN ACT RELATING TO PERMITS TO LEAVE SCHOOL GROUNDS", passed First Reading by title and was referred to the Committee on Education.

A communication from the House (Hse. Com. No. 138), transmitting House Bill No. 1037, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1037, entitled: "A BILL FOR AN ACT RELATING TO LEAVES OF ABSENCES OF PUBLIC OFFICERS AND EMPLOYEES", passed First Reading by title and was referred to the Committee on Human Resources.

A communication from the House (Hse. Com. No. 139), transmitting House Bill No. 1136, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1136, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMES", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 140), transmitting House Bill No. 1213, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1213, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DISQUALIFICATION FROM NOMINATION", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House

(Hse. Com. No. 141), transmitting House Bill No. 1218, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1218, entitled: "A BILL FOR AN ACT RELATING TO CONVICTED PERSONS", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 142), transmitting House Bill No. 1240, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1240, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SERVICE", passed First Reading by title and was referred to the Committee on Human Resources.

A communication from the House (Hse. Com. No. 143), transmitting House Bill No. 1241, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1241, entitled: "A BILL FOR AN ACT RELATING TO BICYCLES WITH MOTORS", passed First Reading by title and was referred to the Committee on Transportation, then to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 144), transmitting House Bill No. 1323, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1323, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PRODUCTS PRODUCED BY HANDI-CAPPED", passed First Reading by title and was referred to the Committee on Human Resources.

A communication from the House (Hse. Com. No. 145), transmitting House Bill No. 1410, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1410, entitled: "A BILL FOR AN ACT RELATING TO FACSIMILE SIGNATURE OF REGISTRAR OF THE LAND COURT", passed First Reading

by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 146), transmitting House Bill No. 1411, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1411, entitled: "A BILL FOR AN ACT RELATING TO SEPARATION", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 147), transmitting House Bill No. 1412, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1412, entitled: "A BILL FOR AN ACT TO REPEAL SECTION 531-11 RELATING TO FILING OF COPIES OF CERTAIN RECORDS", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 148), transmitting House Bill No. 1417, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1417, entitled: "A BILL FOR AN ACT RELATING TO DISTRICT JUDGES", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 149), transmitting House Bill No. 1419, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1419, entitled: "A BILL FOR AN ACT RELATING TO THE SALARY AND PERQUISITES OF REPORTERS", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 150), transmitting House Bill No. 1498, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried,

H.B. No. 1498, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ESTABLISHMENT OF BRANCH BANKS", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 151), transmitting House Bill No. 1499, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1499, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SMALL BOAT HARBORS", passed First Reading by title and was referred to the Committee on Transportation, then to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 152), transmitting House Bill No. 1550, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1550, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO UNLAWFUL TRANSFER OF SOUND RECORDINGS", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 153), transmitting House Bill No. 1576, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1576, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM SECURITIES ACT (modified)", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 154), transmitting House Bill No. 1648, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1648, entitled: "A BILL FOR AN ACT RELATING TO DOWER AND CURTESY", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 155), transmitting House Bill No. 1692, which passed

Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1692, entitled: "A BILL FOR AN ACT RELATING TO NOTICE AND PROOF REQUIREMENTS UNDER TEMPORARY DISABILITY INSURANCE LAW", passed First Reading by title and was referred to the Committee on Human Resources.

A communication from the House (Hse. Com. No. 156), transmitting House Bill No. 1734, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1734, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GRADUATE STUDENT ASSISTANTS", passed First Reading by title and was referred to the Committee on Higher Education.

A communication from the House (Hse. Com. No. 157), transmitting House Bill No. 1764, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1764, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM SECURITIES ACT (MODIFIED)", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 158), transmitting House Bill No. 1776, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1776, entitled: "A BILL FOR AN ACT RELATING TO CITIZENSHIP AND RESIDENCE REQUIREMENTS FOR GOVERNMENT OFFICIALS AND EMPLOYEES AND AMENDING CHAPTER 78, HAWAII REVISED STATUTES", passed First Reading by title and was referred to the Committee on Human Resources, then to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 159), transmitting House Bill No. 1783, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded

by Senator Anderson and carried, H.B. No. 1783, entitled: "A BILL FOR AN ACT RELATING TO ADOPTION", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 160), transmitting House Bill No. 1784, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1784, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE SHERIFF", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 161), transmitting House Bill No. 1851, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1851, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF THE ATTORNEY GENERAL", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 162), transmitting House Bill No. 1852, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1852, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EXPUNGEMENT OF ARREST RECORDS", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 163), transmitting House Bill No. 1853, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1853, entitled: "A BILL FOR AN ACT RELATING TO THE MAXIMUM ALLOWABLE CIVIL PENALTIES FOR VIOLATION OF THE UNFAIR COMPETITION LAW", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 164), transmitting

House Bill No. 1854, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1854, entitled: "A BILL FOR AN ACT RELATING TO THE MAXIMUM ALLOWABLE CIVIL PENALTY FOR VIOLATING AN INJUNCTIVE ORDER TO CEASE AND DESIST FROM VIOLATING THE ANTITRUST LAWS", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 165), transmitting House Bill No. 1855, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1855, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE MAXIMUM ALLOWABLE CRIMINAL PENALTIES FOR VIOLATION OF THE ANTITRUST LAWS", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 166), transmitting House Bill No. 1864, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1864, entitled: "A BILL FOR AN ACT RELATING TO STATE SAFETY INSPECTION OF ELEVATORS, ESCALATORS, ETC.", passed First Reading by title and was referred to the Committee on Human Resources, then to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 167), transmitting House Bill No. 1872, H.D. 1, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1872, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE MEMBERSHIP OF VARIOUS BOARDS AND COMMISSIONS IN THE DEPARTMENT OF REGULATORY AGENCIES", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 168), transmitting House Bill No. 1876, H.D. 1, which passed Third Reading in the House

on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1876, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL MALPRACTICE INSURANCE", passed First Reading by title and was referred to the Committee on Judiciary.

A communication from the House (Hse. Com. No. 169), transmitting House Bill No. 1877, which passed Third Reading in the House on March 11, 1975, was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 1877, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF SOCIAL SERVICES AND HOUSING", passed First Reading by title and was referred to the Committee on Human Resources.

SENATE CONCURRENT RESOLUTIONS

The following concurrent resolutions (S.C.R. Nos. 95 to 98) were read by the Clerk and were disposed of as follows:

A concurrent resolution (S.C.R. No. 95), entitled: "SENATE CONCURRENT RESOLUTION RELATING TO NATIONAL WILDLIFE WEEK--MARCH 16-22", was jointly offered by Senators King, Young, Yim and Hulten.

On motion by Senator King, seconded by Senator Young and carried, S.C. R. No. 95 was adopted.

A concurrent resolution (S.C.R. No. 96), entitled: "SENATE CONCURRENT RESOLUTION RELATING TO THE FEASIBILITY OF TRANSCENDENTAL MEDITATION IN THE REHABILITATION OF CRIMINAL OFFENDERS AND DRUG ABUSERS", was jointly offered by Senators Ushijima, Hara, Chong, Yamasaki, Saiki, Yim, O'Connor, Young, Hulten, Taira, Toyofuku, F. Wong, Takitani, Kuroda, Ching, Kawasaki, Yee, Leopold, Henderson and Nishimura.

By unanimous consent, S.C.R. No. 96 was referred to the Committee on Judiciary.

A concurrent resolution (S.C.R. No. 97), entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE APPOINTMENT OF A JOINT INTERIM COMMITTEE TO STUDY AND MAKE RECOMMENDATIONS ON STATE-COUNTY RELATIONS AND FUNCTIONS", was jointly offered by Senators

Hulten, Kuroda, Toyofuku, Taira, Hara, Ushijima, Anderson, F. Wong, Yamasaki, Takitani, Nishimura, Ching, R. Wong, Yim, Chong, George, Yee, Saiki and Henderson.

By unanimous consent, S.C.R. No. 97 was referred to the Committee on Legislative Management.

A concurrent resolution (S.C.R. No. 98), entitled: "SENATE CONCURRENT RESOLUTION REQUESTING APPROPRIATE TAX TREATMENT OF THE CONVERSION OF RESIDENTIAL LEASEHOLDS UNDER THE INTERNAL REVENUE CODE", was jointly offered by Senators Rohlfling, R. Wong, Hulten, Ushijima, Saiki, George, Leopold, Henderson, Anderson, Chong, F. Wong, Kuroda, Toyofuku, Taira, Yamasaki, Takitani, Young, Yim, Ching and O'Connor.

By unanimous consent, S.C. R. No. 98 was jointly referred to the Committees on Housing and Hawaiian Homes and Ways and Means.

SENATE RESOLUTIONS

The following resolutions (S.R. Nos. 315 to 321) were read by the Clerk and were disposed of as follows:

A resolution (S.R. No. 315), entitled: "SENATE RESOLUTION EXTENDING CONDOLENCE AND DEEPEST SYMPATHY TO THE FAMILY OF THE LATE JAMES M. TANAKA", was jointly offered by Senators Kawasaki, Ching, Yim, Yamasaki, Kuroda, Takitani, R. Wong, Young, Toyofuku, Taira, Ushijima, F. Wong, Nishimura, Anderson, Yee, George, Hara, Chong, Hulten, Leopold, Saiki, Henderson, Rohlfling, King and O'Connor.

On motion by Senator Kawasaki, seconded by Senator Hara and carried, S.R. No. 315 was adopted.

A resolution (S.R. No. 316), entitled: "SENATE RESOLUTION RELATING TO NATIONAL WILDLIFE WEEK--MARCH 16-22", was jointly offered by Senators King, Young, Kawasaki, Yim and Hulten.

On motion by Senator King, seconded by Senator Young and carried, S.R. No. 316 was adopted.

A resolution (S.R. No. 317), entitled: "SENATE RESOLUTION EXTENDING CONGRATULATIONS TO KIHEI SCHOOL ON BEING NAMED HAWAIIAN STATE CHAMPIONS FOR PHYSICAL FITNESS BY THE PRESIDENT'S COUNCIL ON PHYSICAL FITNESS AND SPORTS", was jointly offered

by Senators Yamasaki, Takitani, Taira, Toyofuku, Ching, Anderson, Yee, Hulten, Young, Hara, Nishimura, Kuroda, Henderson, Leopold, Chong, George, Rohlfling, O'Connor, Yim, F. Wong, King, Ushijima, Saiki and Kawasaki.

On motion by Senator Yamasaki, seconded by Senator Takitani and carried, S.R. No. 317 was adopted.

A resolution (S.R. No. 318), entitled: "SENATE RESOLUTION COMMENDING AND PAYING TRIBUTE TO HAWAII'S 1975 MOTHER OF THE YEAR, HANNAH K. KEOLANUI OF PUNALUU, OAHU", was jointly offered by Senators Hulten, Kuroda, Toyofuku, Ushijima, Saiki, Anderson, Taira, Hara, Chong, F. Wong, Yamasaki, Takitani, Nishimura, Ching, Yim, George, Yee, Henderson and R. Wong.

On motion by Senator Hulten, seconded by Senator Kuroda and carried, S.R. No. 318 was adopted.

A resolution (S.R. No. 319), entitled: "SENATE RESOLUTION RELATING TO THE FEASIBILITY OF TRANSCENDENTAL MEDITATION IN THE REHABILITATION OF CRIMINAL OFFENDERS AND DRUG ABUSERS", was jointly offered by Senators Ushijima, Hara, Chong, Yamasaki, Yim, O'Connor, Young, Hulten, Taira, Toyofuku, F. Wong, Takitani, Kuroda, Ching, Kawasaki, Yee, Leopold, Henderson and Nishimura.

By unanimous consent, S.R. No. 319 was referred to the Committee on Judiciary.

A resolution (S.R. No. 320), entitled: "SENATE RESOLUTION REQUESTING THE DIRECTOR OF PLANNING AND ECONOMIC DEVELOPMENT TO STUDY THE POSSIBILITY OF PROVIDING A TAX CREDIT TO HOMEOWNERS WHO INSTALL OR CONVERT TO SOLAR ENERGY", was jointly offered by Senators George, Saiki, Leopold, Yee, Yim, Takitani, Young, Toyofuku, Chong, Kuroda, Taira, Henderson and Rohlfling.

By unanimous consent, S.R. No. 320 was jointly referred to the Committees on Energy/Natural Resources and Ways and Means.

A resolution (S.R. No. 321), entitled: "SENATE RESOLUTION REQUESTING APPROPRIATE TAX TREATMENT OF THE CONVERSION OF RESIDENTIAL LEASEHOLDS UNDER THE INTERNAL REVENUE CODE", was jointly offered by Senators

Rohlfling, R. Wong, Ushijima, Saiki, George, Leopold, Henderson, Anderson, Chong, Yim, Young, Takitani, Yamasaki, Taira, Toyofuku, F. Wong, Kuroda, Ching and O'Connor.

By unanimous consent, S.R. No. 321 was jointly referred to the Committees on Housing and Hawaiian Homes and Ways and Means.

STANDING COMMITTEE REPORTS

Senator Yamasaki, for the Committee on Legislative Management, presented a report (Stand. Com. Rep. No. 561), informing the Senate that Senate Concurrent Resolution Nos. 94 to 98, Senate Resolution Nos. 314 to 321, and Standing Committee Report Nos. 505 to 560 and 562 to 572 have been printed and are ready for distribution.

On motion by Senator Yamasaki, seconded by Senator Henderson and carried, the report of the Committee was adopted.

At 11:14 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

At 12:40 o'clock p.m., the Senate reconvened.

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 562), recommending that Senate Bill No. 698 pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 698, entitled: "A BILL FOR AN ACT RELATING TO MARRIAGE LICENSES".

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 563), recommending that Senate Bill No. 608, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, the report of the Committee was adopted and S.B. No. 608, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS AND AMMUNITION", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour

notice was given on S.B. No. 608, S.D. 1.

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 564), recommending that Senate Bill No. 1566 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, the report of the Committee was adopted and S.B. No. 1566, entitled: "A BILL FOR AN ACT RELATING TO JUDICIAL OFFICES", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1566.

Senator F. Wong, for the Committee on Economic Development, presented a report (Stand. Com. Rep. No. 565), recommending that Senate Bill No. 102, S.D. 1, as amended in S.D. 2, be referred to the Committee on Judiciary.

On motion by Senator F. Wong, seconded by Senator Hara and carried, the report of the Committee was adopted and S.B. No. 102, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO REAL PROPERTY LEASING", was referred to the Committee on Judiciary.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 566), recommending that Senate Bill No. 1628, S.D. 1, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1628, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COORDINATION OF SERVICES FOR THE DEVELOPMENTALLY DISABLED".

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 567), recommending that Senate Bill No. 115, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Toyofuku, seconded by Senator Young and carried, the report of the Committee was adopted and S.B. No. 115,

S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 115, S.D. 1.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 568), recommending that Senate Bill No. 1345, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Judiciary.

By unanimous consent, the referral of S.B. No. 1345, S.D. 1, to the Committee on Judiciary was waived.

On motion by Senator Toyofuku, seconded by Senator Young and carried, Stand. Com. Rep. No. 568 was received and placed on file, and S.B. No. 1345, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO BOARDS AND COMMISSIONS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1345, S.D. 1.

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 569), recommending that Senate Bill No. 1645 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator R. Wong, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and S.B. No. 1645, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR SALARIES AND OTHER ADJUSTMENTS, INCLUDING COST ITEMS OF COLLECTIVE BARGAINING AGREEMENTS COVERING PUBLIC EMPLOYEES AND OFFICERS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1645.

Senator R. Wong, for the Committee

on Ways and Means, presented a report (Stand. Com. Rep. No. 570), recommending that Senate Bill No. 553, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator R. Wong, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and S.B. No. 553, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC OFFICERS AND EMPLOYEES", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 553, S.D. 1.

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 571), recommending that Senate Bill No. 535 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator R. Wong, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and S.B. No. 535, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 535.

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 572), recommending that Senate Bill No. 1281, S.D. 1, as amended in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1281, S.D. 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS TO THE JUDICIARY FOR THE FISCAL BIENNIUM JULY 1, 1975 TO JUNE 30, 1977 AND AUTHORIZING THE ISSUANCE OF BONDS".

ORDER OF THE DAY

THIRD READING

Senate Bill No. 559, S.D. 1:

On motion by Senator Toyofuku, seconded by Senator Young and carried, S.B. No. 559, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WORKMEN'S COMPENSATION", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Standing Committee Report No. 481 (S.B. No. 260, S.D. 1):

On motion by Senator Chong, seconded by Senator Takitani and carried, Stand. Com. Rep. No. 481 was adopted and S.B. No. 260, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PREPAID HEALTH CARE", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 703:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 703, entitled: "A BILL FOR AN ACT RELATING TO THE BOND REQUIREMENTS OF COLLECTION AGENCIES", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 705:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 705, entitled: "A BILL FOR AN ACT RELATING TO DECLARATIONS OF FOREIGN CORPORATIONS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 976:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 976, entitled: "A BILL FOR AN ACT RELATING TO THEFT", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 977, S.D. 1:

On motion by Senator Nishimura, seconded by Senator O'Connor and

carried, S.B. No. 977, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL TRESPASS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 1159:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 1159, entitled: "A BILL FOR AN ACT RELATING TO JURY TRIAL IN PROBATE COURT", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 1163:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 1163, entitled: "A BILL FOR AN ACT RELATING TO FACSIMILE SIGNATURE OF REGISTRAR OF THE LAND COURT", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 1304:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 1304, entitled: "A BILL FOR AN ACT RELATING TO COMPARATIVE NEGLIGENCE", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 1624:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 1624, entitled: "A BILL FOR AN ACT RELATING TO THE APPLICATION OF THE HAWAII PENAL CODE TO PERSONS SENTENCED PRIOR TO ITS EFFECTIVE DATE", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 2 (Anderson and Yee). Excused, 1 (Hulten).

Senate Bill No. 1651, S.D. 1:

By unanimous consent, action on S.B. No. 1651, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EXPUNGEMENT OF ARREST

RECORDS", was deferred to the evening session.

Senate Bill No. 1670:

By unanimous consent, S.B. No. 1670, entitled: "A BILL FOR AN ACT RELATING TO THE MEMBERSHIP OF VARIOUS BOARDS AND COMMISSIONS IN THE DEPARTMENT OF REGULATORY AGENCIES", was recommitted to the Committee on Judiciary.

Senate Bill No. 959:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 959, entitled: "A BILL FOR AN ACT RELATING TO TAKE-OVER BID DISCLOSURES", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Standing Committee Report No. 496 (S.B. No. 229, S.D. 1):

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, Stand. Com. Rep. No. 496 was adopted and S.B. No. 229, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE DRIVER LICENSING", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 960, S.D. 1:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 960, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII INSURANCE LAW", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Standing Committee Report No. 498 (S.B. No. 1469, S.D. 1):

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, Stand. Com. Rep. No. 498 was adopted and S.B. No. 1469, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO JURORS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 335:

On motion by Senator Takitani, seconded by Senator O'Connor and carried, S.B. No. 335, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII AND REPEALING STATUTORY PROVISIONS PROVIDING FOR THE LAND STUDY PROGRAM AND THE ECONOMIC RESEARCH CENTER", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 1188:

On motion by Senator Takitani, seconded by Senator O'Connor and carried, S.B. No. 1188, entitled: "A BILL FOR AN ACT RELATING TO CERTAIN POSITIONS IN THE UNIVERSITY OF HAWAII", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Hulten).

Senate Bill No. 476:

By unanimous consent, action on S.B. No. 476, entitled: "A BILL FOR AN ACT RELATING TO HISTORICAL OBJECTS", was deferred to the evening session.

Senate Bill No. 827, S.D. 1:

On motion by Senator King, seconded by Senator Taira and carried, S.B. No. 827, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AN ANNUAL REPORT ON THE STATE OF THE ENVIRONMENT", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Yee).

At 1:03 o'clock p.m., the Senate stood in recess until 5:00 o'clock p.m., this evening.

EVENING SESSION

The Senate reconvened at 5:58 o'clock p.m., with all Senators present with the exception of Senator Kawasaki who was excused.

HOUSE COMMUNICATION

A communication (Hsp. Com. No. 170), transmitting House Bill No. 419, H.D. 2, which passed Third Reading in the House of Representatives on March 12, 1975, was

read by the Clerk and was placed on file.

On motion by Senator Taira, seconded by Senator Anderson and carried, H.B. No. 419, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PREPAID HEALTH CARE", passed First Reading by title and was referred to the Committee on Health.

SENATE RESOLUTIONS

The following resolutions (S.R. Nos. 322 and 323) were read by the Clerk and were disposed of as follows:

A resolution (S.R. No. 322), entitled: "SENATE RESOLUTION RECOGNIZING MARCH 13, 1975 AS THE FIRST 'MUSIC IN OUR SCHOOL DAY' ", was jointly offered by Senators Ushijima, Ching, Henderson, Rohlfing, Chong, Toyofuku, Hulten, Kuroda, Nishimura, Yee, Kawasaki, George, R. Wong, Taira, Yamasaki, Takitani, King, Young and Saiki.

On motion by Senator Henderson, seconded by Senator Ching and carried, S.R. No. 322 was adopted.

A resolution (S.R. No. 323), entitled: "SENATE RESOLUTION CELEBRATING THE OBSERVANCE OF THE FIRST NATIONAL MUSIC IN OUR SCHOOLS DAY DURING THE WEEK OF MARCH 10 THROUGH 14, 1975, AND COMMENDING THOSE WHO HAVE HELPED IN PLANNING ITS PROGRAMS", was jointly offered by Senators Hara, Leopold, Henderson, Kuroda, Toyofuku, Hulten, Takitani, O'Connor, Yim, Anderson, Yamasaki, Ching, Chong, Young, Yee and Saiki.

On motion by Senator Hara, seconded by Senator Henderson and carried, S.R. No. 323 was adopted.

THIRD READING

Senate Bill No. 1043:

On motion by Senator Hulten, seconded by Senator Taira and carried, S.B. No. 1043, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE WEIGHT TAX", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

House Bill No. 360, H.D. 1, S.D. 1:

On motion by Senator Kuroda, seconded by Senator R. Wong and carried, H.B. No. 360, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF CONSUMER PROTECTION", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 5 (Anderson, George, Henderson, Saiki and Yee). Excused, 1 (Kawasaki).

Senate Bill No. 1560, S.D. 1:

On motion by Senator Kuroda, seconded by Senator R. Wong and carried, S.B. No. 1560, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE POWERS OF THE OFFICE OF CONSUMER PROTECTION", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 5 (Anderson, George, Henderson, Saiki and Yee). Excused, 1 (Kawasaki).

Senate Bill No. 1676:

On motion by Senator Takitani, seconded by Senator O'Connor and carried, S.B. No. 1676, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 1679, S.D. 1:

On motion by Senator Takitani, seconded by Senator O'Connor and carried, S.B. No. 1679, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BOARD FOR VOCATIONAL EDUCATION", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 520 (S.B. No. 182, S.D. 1):

On motion by Senator Toyofuku, seconded by Senator Young and carried, Stand. Com. Rep. No. 520 was adopted and S.B. No. 182, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT DISCRIMINATION AGAINST THE HANDICAPPED", having been read throughout, passed Third Reading

on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 521 (S.B. No. 1323, S.D. 1):

On motion by Senator Toyofuku, seconded by Senator Young and carried, Stand. Com. Rep. No. 521 was adopted and S.B. No. 1323, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senate Bill No. 1548:

On motion by Senator Toyofuku, seconded by Senator Young and carried, S.B. No. 1548, entitled: "A BILL FOR AN ACT RELATING TO CIVIL SERVICE AND EXEMPTION", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 1656:

On motion by Senator Toyofuku, seconded by Senator Young and carried, S.B. No. 1656, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 1675:

On motion by Senator Toyofuku, seconded by Senator Young and carried, S.B. No. 1675, entitled: "A BILL FOR AN ACT RELATING TO CIVIL SERVICE AND EXEMPTIONS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 20. Noes, 4 (George, Leopold, Saiki and Yee). Excused, 1 (Kawasaki).

Senate Bill No. 110, S.D. 2:

On motion by Senator Chong, seconded by Senator Takitani and carried, S.B. No. 110, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF HEALTH", having been read throughout, passed

Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 526 (S.B. No. 327, S.D. 2):

On motion by Senator O'Connor, seconded by Senator Ching and carried, Stand. Com. Rep. No. 526 was adopted and S.B. No. 327, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO DRIVER'S LICENSE RENEWAL REQUIREMENTS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 19. Noes, 5 (Hara, Leopold, Rohlfling, Saiki and Yee). Excused, 1 (Kawasaki).

Standing Committee Report No. 527 (S.B. No. 329):

On motion by Senator O'Connor, seconded by Senator Ching and carried, Stand. Com. Rep. No. 527 was adopted and S.B. No. 329, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 528 (S.B. No. 330):

On motion by Senator O'Connor, seconded by Senator Ching and carried, Stand. Com. Rep. No. 528 was adopted and S.B. No. 330, entitled: "A BILL FOR AN ACT RELATING TO STATEWIDE TRAFFIC CODE", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Hara). Excused, 1 (Kawasaki).

Standing Committee Report No. 529 (S.B. No. 332):

On motion by Senator O'Connor, seconded by Senator Ching and carried, Stand. Com. Rep. No. 529 was adopted and S.B. No. 332, entitled: "A BILL FOR AN ACT RELATING TO EXTERIOR MARKINGS ON VEHICLES USED IN CARRYING HAZARDOUS MATERIALS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 864:

On motion by Senator O'Connor, seconded by Senator Ching and carried, S.B. No. 864, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION CONTROL", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 1618:

On motion by Senator O'Connor, seconded by Senator Ching and carried, S.B. No. 1618, entitled: "A BILL FOR AN ACT RELATING TO LICENSES OF PASSENGER CARRYING VEHICLES", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 1682:

On motion by Senator O'Connor, seconded by Senator Ching and carried, S.B. No. 1682, entitled: "A BILL FOR AN ACT RELATING TO OUTDOOR ADVERTISING", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 533 (S.B. No. 194, S.D. 1):

On motion by Senator F. Wong, seconded by Senator Hara and carried, Stand. Com. Rep. No. 533 was adopted and S.B. No. 194, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO IMPROVEMENTS BY ASSESSMENTS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 534 (S.B. No. 1332, S.D. 1):

On motion by Senator F. Wong, seconded by Senator Hara and carried, Stand. Com. Rep. No. 534 was adopted and S.B. No. 1332, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONSERVATION", having been

read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 535 (S.B. No. 91, S.D. 3):

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, Stand. Com. Rep. No. 535 was adopted and S.B. No. 91, S.D. 3, entitled: "A BILL FOR AN ACT RELATING TO AUTOMOTIVE REPAIR DEALERS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Anderson, Saiki and George). Excused, 1 (Kawasaki).

Standing Committee Report No. 536 (S.B. No. 92, S.D. 2):

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, Stand. Com. Rep. No. 536 was adopted and S.B. No. 92, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 537 (S.B. No. 94, S.D. 3):

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, Stand. Com. Rep. No. 537 was adopted and S.B. No. 94, S.D. 3, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE MECHANICS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22. Noes, 2 (Anderson and George). Excused, 1 (Kawasaki).

Standing Committee Report No. 538 (S.B. No. 950, S.D. 1):

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, Stand. Com. Rep. No. 538 was adopted and S.B. No. 950, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO BICYCLES", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 539 (S.B. No. 1138):

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, Stand. Com. Rep. No. 539 was adopted and S.B. No. 1138, entitled: "A BILL FOR AN ACT RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 540 (S.B. No. 1140):

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, Stand. Com. Rep. No. 540 was adopted and S.B. No. 1140, entitled: "A BILL FOR AN ACT RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 541 (S.B. No. 1390, S.D. 1):

Senator Nishimura moved that Stand. Com. Rep. No. 541 and S.B. No. 1390, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL SOCIETY: PEER REVIEW COMMITTEES", be recommitted to the Committee on Judiciary, and the President noting that there was no objection, so ordered.

Standing Committee Report No. 542 (S.B. No. 1669, S.D. 1):

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, Stand. Com. Rep. No. 542 was adopted and S.B. No. 1669, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PETROLEUM PRODUCTS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 543 (S.B. No. 86, S.D. 1):

On motion by Senator Nishimura,

seconded by Senator O'Connor and carried, Stand. Com. Rep. No. 543 was adopted and S.B. No. 86, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTORS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 544 (S.B. No. 1139):

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, Stand. Com. Rep. No. 544 was adopted and S.B. No. 1139, entitled: "A BILL FOR AN ACT RELATING TO THE RESIDENTIAL LANDLORD-TENANT CODE", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 512, S.D. 1:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 512, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ARRESTS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Yee). Excused, 1 (Kawasaki).

Senate Bill No. 514, S.D. 1:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 514, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ARRESTS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Yee). Excused, 1 (Kawasaki).

Senate Bill No. 528, S.D. 1:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 528, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WITNESSES, RIGHTS OF ACCUSED AND COUNSEL AND OTHER SERVICES FOR INDIGENT CRIMINAL DEFENDANTS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused,

1 (Kawasaki).

Senate Bill No. 534, S.D. 1:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 534, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SALARY WITHHELD FOR INDEBTEDNESS TO THE GOVERNMENT", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 966:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 966, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII BICENTENNIAL COMMISSION", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 1133, S.D. 1:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 1133, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ANATOMICAL GIFT ACT", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 1158:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 1158, entitled: "A BILL FOR AN ACT RELATING TO TIME OF HEARING AND NOTICE OF PETITION FOR PROBATE OF WILLS OR FOR LETTERS OF ADMINISTRATION", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

At 6:14 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

At 6:15 o'clock p.m., the Senate reconvened.

Senate Bill No. 1161:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 1161, entitled: "A BILL FOR AN ACT TO REPEAL SECTION 531-11 RELATING TO FILING OF COPIES OF CERTAIN RECORDS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 1301, S.D. 1:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 1301, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PROHIBITION OF CERTAIN TYPES OF AMMUNITION", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 21. Noes, 3 (Anderson, Saiki and Yee). Excused, 1 (Kawasaki).

Senate Bill No. 1582:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 1582, entitled: "A BILL FOR AN ACT RELATING TO BANKING", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 1652:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 1652, entitled: "A BILL FOR AN ACT RELATING TO THE MAXIMUM ALLOWABLE CIVIL PENALTIES FOR VIOLATION OF THE UNFAIR COMPETITION LAW", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 1654:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 1654, entitled: "A BILL FOR AN ACT RELATING TO THE MAXIMUM ALLOWABLE PENALTIES FOR VIOLATION OF THE ANTITRUST LAWS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 558 (S.B. No. 228):

On motion by Senator R. Wong, seconded by Senator Yamasaki and carried, Stand. Com. Rep. No. 558 was adopted and S.B. No. 228, entitled: "A BILL FOR AN ACT RELATING TO THE EXCLUSION OF HAWAII PUBLIC HEALTH FUND BENEFITS FROM NEGOTIATION", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Standing Committee Report No. 559 (S.B. No. 717):

On motion by Senator R. Wong, seconded by Senator Yamasaki and carried, Stand. Com. Rep. No. 559 was adopted and S.B. No. 717, entitled: "A BILL FOR AN ACT RELATING TO THE RELATIONSHIP BETWEEN THE STATE OF HAWAII AND THE FEDERAL GOVERNMENT", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 1 (Leopold). Excused, 1 (Kawasaki).

Senate Bill No. 1458:

By unanimous consent, action on S.B. No. 1458 was deferred to the end of the calendar.

Senate Bill No. 525, S.D. 1:

On motion by Senator Kuroda, seconded by Senator R. Wong and carried, S.B. No. 525, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CANCER CONTROL", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 1214, S.D. 1:

Senator O'Connor moved that S.B. No. 1214, S.D. 1, having been read throughout, pass Third Reading, seconded by Senator Ching.

Senator Leopold then rose to speak for the bill as follows:

"The functions of the existing

Interdepartmental Transportation Control Commission, which this Body acted to abolish tonight by passing Senate Bill No. 864, has been plugged in to Section 9 of the bill before us, Senate Bill No. 1214, S.D. 1. It is no secret that the Interdepartmental Transportation Control Commission shirked its responsibility and failed to fulfill the Legislature's statutory mandate to provide the means to limit the number and size of automobiles and other transportation units in the State. The committee report to Senate Bill No. 864 states that the Legislature will seek other means to address this critical question, and Section 9 of the bill before us represents that means.

But does it? Does it represent an equal commitment to limit the number and size of automobiles in this state as that contained in the existing statute which this Body acted to repeal this evening? The last sentence in the existing statute states that the Legislature on the basis of the annual report submitted to it by the Control Commission shall submit to the Governor a bill to limit the number and size of transportation units of any kind on any island in the State for the next fiscal year.

This language has not been included in Section 9 in the bill before us, and its omission represents a lessening of the commitment presently contained in Chapter 279 to limit the size and number of automobiles in this State. The Interdepartmental Transportation Control Commission was a bamboo governmental agency; it had an attractive appearance on the outside, but it was hollow on the inside--a true, gutless wonder. Nothing in Section 9 of the bill before us offers any reason to believe that the envisioned Statewide Transportation Council will do any better, that it will act to curb the single, largest factor that is crowding and poisoning our environment--the automobile."

Senator O'Connor then commented as follows:

"Mr. President, I hate to take issue with the previous speaker but the Interdepartmental Transportation Control Commission created by this Body some three or four years ago simply provided it with a constitutional crutch to proceed from that point in attempting to limit the number of automobiles and other vehicles in the State. It did not do its job because it tried to do what the previous speaker insisted; namely, provide

a means instead of simply providing an answer.

The only thing this Body needs is an answer. How many vehicles can this State subsist with? And, that is exactly what we are asking of this new organization that we are creating. Hopefully, somebody will be able to give us that answer so we can proceed from there. Constitutionally, it's impossible to do so unless that answer is provided. Therefore, I would urge all to vote for this bill."

The motion was put by the Chair and carried, and S.B. No. 1214, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ESTABLISHMENT OF A STATEWIDE TRANSPORTATION COUNCIL AND A STATEWIDE TRANSPORTATION PLANNING PROGRAM", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 537:

On motion by Senator King, seconded by Senator Hulten and carried, S.B. No. 537, entitled: "A BILL FOR AN ACT RELATING TO STATE PARKS AND RECREATION AREAS", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 1621:

On motion by Senator King, seconded by Senator Hulten and carried, S.B. No. 1621, entitled: "A BILL FOR AN ACT RELATING TO BISHOP MUSEUM", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

Senate Bill No. 1662:

On motion by Senator Toyofuku, seconded by Senator Young and carried, S.B. No. 1662, entitled: "A BILL FOR AN ACT RELATING TO STATE SAFETY INSPECTION OF ELEVATORS, ESCALATORS, ETC.", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Kawasaki).

At 6:22 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

At 8:34 o'clock p.m., the Senate reconvened, and the Chair directed the Clerk to note the presence of Senator Kawasaki.

MATTERS DEFERRED FROM
EARLIER ON THE CALENDAR

Senate Bill No. 1651, S.D. 1:

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, S.B. No. 1651, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EXPUNGEMENT OF ARREST RECORDS", having been read throughout,

passed Third Reading on the following showing of Ayes and Noes:

Ayes, 22; Noes, 3 (Hulten, Anderson and George).

Senate Bill No. 476:

Senator King moved that S.B. No. 476, having been read throughout, pass Third Reading, seconded by Senator Hulten.

At this time, Senator King offered the following amendment to S.B. No. 476:

"Senate Bill No. 476 is hereby amended to read as follows:

'SECTION 1. Findings and intent. The legislature, pursuant to its duty to protect the public's constitutional right to sightliness and good order, finds that the aesthetic rights and cultural interests of the people must be preserved and promoted. The legislature also finds that historic objects or remains are of value to all of the people of Hawaii and that the people must be able to appreciate and enjoy such objects or remains in public displays. The intent of this Act is to affirm that all historical objects or remains found within the State are public property.

SECTION 2. Chapter 6, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"Sec. 6- Prehistoric or historic objects. When a private landowner or lessee in the State discovers remains or objects on his property which may be of historic significance, he shall report the location of such remains or objects, without disturbing the remains or objects, to the department of land and natural resources. The private landowner shall be compensated, in accordance with section 6-12.1, for any prehistoric or historic remains or object excavated or removed from his lands by the department of land and natural resources. Any person who disturbs remains or objects of prehistoric or historic significance or removes such remains or objects from its site with the intent to convert the object to his own use or the use of others shall be guilty of a misdemeanor."

SECTION 3. Section 6-12.1, Hawaii Revised Statutes, is amended to read as follows:

"Sec. 6-12.1 Excavation and removal of prehistoric and historic remains or objects on private lands. [Before any prehistoric or historic remains are excavated or removed from private lands by the department of land and natural resources, the department or its designated investigators shall first secure the written approval of the owner of such lands. Whenever the value of the private prehistoric or historic site is diminished by the excavation or removal of prehistoric or historic remains by the department of land and natural resources, the owner of the site shall be compensated for the loss, at a monetary sum mutually agreed upon by the department and the owner or at a monetary sum set by the court.] (a) Before any prehistoric or historic remains or objects are excavated or removed from private lands by the department of land and natural resources, the department or its designated representatives may, for the purpose of examining the remains or object, enter upon the land and make investigations. The entry shall not constitute a cause of action in favor of the owner of the land, except for damages resulting from wilful acts of negligence on the part of the department or its designated representatives.

(b) Removal of any prehistoric or historic remains or objects from private lands shall be made in the presence of the owner as witness. Whenever any prehistoric or historic remains or object is excavated or removed from private lands by the department of land and natural resources or its designated representatives the owner of such lands shall be compensated for the loss of such remains or object at a sum mutually agreed upon by the department and the owner, or if no agreement is reached, the amount of compensation shall be determined by trial in the circuit court having jurisdiction and measured by the fair market value of such remains, assessed as of the date of its removal by the department or its designated representatives, and established by the testimony of experts qualified in the appraisal of such remains or objects."

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

SECTION 5. This Act shall take effect upon its approval.' "

Senator King moved that the amendment be adopted, seconded by Senator Hulten.

Senator King then commented as follows:

"Mr. President, what the amendment does is to strike from the bill the originally proposed Section 6 which reads that all prehistoric or historic remains or objects wheresoever located within this State shall be the property of the State. We've taken that out so that the remaining bill now provides that any private landowner who discovers a historic object or remains on his property shall report it to the Department of Land and Natural Resources. The D.L.N.R. may go in and examine it; and if the D.L.N.R. decides to acquire it, then the owner shall be compensated."

Senator Yee asked whether the Committee Chairman would yield to several questions, to which Senator King replied in the affirmative.

Senator Yee then queried:

"One of the problems in the bill originally was that artifacts or matters of historical nature could be personally owned by the individual. Say, a family heirloom, for instance. Does it mean now that the State can still come in and condemn it and take it away from the family?"

Senator King replied in the negative.

Senator Yee then rose and questioned further:

"The next question is in regards to the Hawaiian families who have artifacts which have never been removed from their property, and which are still in the ground. Can someone from the State say that this is something of historical significance and again take it away from the family?"

Senator King replied as follows:

"The bill reads now that the owner of such remains would have to report it to the Department of Land and Natural Resources, and that the Department might then come in and examine it."

Senator Yee questioned further:

"Then by what you say, when a family has something of great significance to them, and yet it has historical significance, the family then is obligated to report this to the Department of Land and Natural Resources? And then the State has a right to come in and condemn it and take it away from this family?"

Senator King reiterated that the D.L.N.R. would be able to come in and examine the articles of historical significance; and if it is decided that the State should acquire it, then the family would be compensated. And if the family were not satisfied with the compensation, then the family would have access to the courts.

Senator Yee then rose to speak against the bill and the amendment as follows:

"Mr. President, I rise to speak against the bill and amendment. I speak against the amendment because there are times in our family history when there are certain things that we would like to keep within the family. There is no way that one can determine sentiment in this world; and I don't feel that the State should have the right to condemn something even with compensation."

Senator Yee further stated that he believed that it would be drastically wrong for the State to be able to take away from the family something which might be two or three hundred years old and then say, "this is just compensation."

Senator King rose and stated as follows:

"Mr. President, the bill provides that such be done in accordance with Section 6-12.1, which I would like to read if I may."

At 8:40 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

At 8:41 o'clock p.m., the Senate reconvened.

Senator King then stated:

"Mr. President, the basic intent of the bill is so that no private landowner can knowingly destroy such historic remains within the State. Right now, there is no requirement in the law that anyone report any such historic remains that may be found on his property. What the bill does do is provide that a person be required to report; and I think that it is essential to the future of this State that our historical remains and objects not be destroyed without the people of this State being notified.

If the State does decided to acquire an item, then the property owner is adequately compensated; or if the property owner feels that he or she is not being adequately compensated, he or she can go to court."

At this time, Senator Anderson rose to speak in favor of the bill:

"Mr. President, I find myself in complete agreement with my colleague from the Sixth Senatorial District. I rise to speak in favor of the bill.

I think the bill is one of importance. I share the concerns of the Senator on my right. I really don't believe the Department of Land and Natural Resources would come in and unfairly confiscate or take away someone's property or family belongings that were a memory of two or three hundred years. I think that too many of the artifacts and the old objects of Hawaii left the State.

I don't think that the Department of Land and Natural Resources has a fantastic budget to go around buying everything in sight. Therefore, I think there will be an awful lot of caution and conservatism. I think the cataloging would be a good effort, and I think the bill should pass."

The motion to adopt the amendment was put by the Chair and carried, and in accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 476, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORICAL OBJECTS".

RECONSIDERATION OF ACTION TAKEN

Senator R. Wong moved that the Senate reconsider its action on Stand. Com. Rep. No. 569 and S.B. No. 1645, seconded by Senator Yamasaki and carried.

At this time, Senator R. Wong offered the following amendment to S.B. No. 1645:

"Senate Bill No. 1645 is hereby amended to read as follows:

'SECTION 1. There are hereby appropriated or authorized, as the case may be, the sum of \$8,781,874 in general fund and \$197,863 in federal funds for the fiscal year 1975-1976 and the sum of \$20,120,241 in general fund and \$520,273 in federal funds for the fiscal year 1976-1977 to the Department of Budget and Finance, Budget Planning and Management Division, BUF 101, to fund all collective bargaining cost items in the contracts negotiated with the exclusive bargaining representatives of bargaining units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 13 and salary increases and other adjustments for teachers and other employees excluded from said bargaining units 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 and 13.

SECTION 2. The funds appropriated or authorized by the Act shall be allotted by the Director of Finance to the Department of Education for the purposes of this Act. Increases for teachers and employees for whom salary increases are provided by this Act and whose compensation is paid, in whole or in part, from federal funds shall be paid from the respective federal funds.

SECTION 3. Any provisions of law to the contrary notwithstanding, the Governor is authorized to utilize the sums appropriated or authorized by this Act for salary increases for teachers and other employees excluded from collective bargaining under Chapter 89, Hawaii Revised Statutes, provided that said increases shall not exceed and shall not take effect earlier than increases for comparable members of bargaining unit 5.

SECTION 4. Funds appropriated or authorized under provisions of this Act that have not been expended or encumbered by June 30, 1976 for FY 1975-76 fund authorization, and have not been expended as or encumbered by June 30, 1977 for FY 1976-77 fund authorization, shall lapse as of the dates indicated.

SECTION 5. This Act shall take effect on July 1, 1975.' "

Senator R. Wong moved that the amendment be adopted, seconded by Senator Yamasaki.

Senator Kawasaki then rose to speak against the amendment as follows:

"Mr. President, my concern for the fiscal condition of our State prompts me, notwithstanding the fact that I have a lot of friends, a lot of campaign supporters, in these organizations affected by this bill, to speak against the amendment.

I cannot in good conscience in my concern for the future of this State, vote for this amendment as well as the amended version that comes up for vote tomorrow. Just to be consistent, I want to record a No vote."

At this time, Senator Anderson rose on a point of information of the Chairman of the Committee on Ways and Means and asked whether he would yield to a question, to which Senator R. Wong replied in the affirmative.

Senator Anderson then questioned:

"Reconsideration of this bill and the amendment, I understand, includes the units that have come through the collective bargaining process and have completed their negotiations and been accepted by the Governor thus far. Is that correct?"

Senator R. Wong replied in the affirmative.

Senator Anderson questioned further:

"Is there any chance at all, I would just like to have it stated for the record, that if we should get the University of Hawaii's budget negotiated contract when this bill is in conference that it can be included?"

Senator R. Wong replied: "That is correct, Senator."

The President then stated for the record that he did receive a message from the Governor concerning this matter.

At 8:44 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

At 8:49 o'clock p.m., the Senate reconvened.

The motion to adopt the amendment was put by the Chair, and Roll Call vote having been requested, the motion carried on the following showing of Ayes and Noes:

Ayes, 24. Noes, 1 (Kawasaki).

On motion by Senator R. Wong, seconded by Senator Yamasaki and carried, Stand. Com. Rep. No. 569 was received and placed on file and S.B. No. 1645, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR SALARIES AND OTHER ADJUSTMENTS, INCLUDING COST ITEMS OF COLLECTIVE BARGAINING AGREEMENTS COVERING PUBLIC EMPLOYEES AND OFFICERS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1645, S.D. 1.

RECONSIDERATION OF ACTION TAKEN

Senator Toyofuku moved that the Senate reconsider its action on Stand. Com. Rep. No. 567 and S.B. No. 115, S.D. 1, seconded by Senator Young and carried.

At this time, Senator Toyofuku offered the following amendment to S.B. No. 115, S.D. 1:

"Senate Bill No. 115, S.D. 1, is hereby amended to read as follows:

'SECTION 1. Section 89-6(c), Hawaii Revised Statutes, is hereby amended to read as follows:

"(b) For the purpose of negotiations, the public employer of an appropriate bargaining unit shall mean the governor or his designated representatives of not less than three together with not more than two members of the board of education in the case of units (5) and (6), the governor or his designated representatives of not less than three together with not more than two members of the board of regents of the university of Hawaii in the case of units (7) and (8), and the governor or his designated representatives together with the mayors of all the counties or their designated representatives in the case of the remaining units. The designated employer representatives for units 5, 6, 7, and 8 shall each have one vote and in the case of the remaining units, the governor shall be entitled to four votes and the mayor of each county shall each have one vote, which may be assigned to their designated representatives. Any decision to be reached by the applicable employer group shall

be on the basis of simple majority."

'SECTION 2. Section 89-10, Hawaii Revised Statutes is amended by amending subsection (c) to read as follows:

"(c) Because effective and orderly operations of government is essential to the public, it is declared to be in the public interest that in the course of collective bargaining, the public employer and [the] each exclusive representative shall [make every reasonable effort to conclude negotiations and] include provisions for [an effective date, a reopening date, and] an expiration date [at a time to] which will coincide [, as nearly as possible, with the period during which the appropriate legislative bodies may act on the operating budget of the employers.] with an expiration date of June 30, 1977 for all public sector collective bargaining agreements. Any subsequent expiration dates shall be on June 30th of odd numbered years, to be determined jointly by all exclusive representatives and public employers.

The parties may include provisions for a reopening date during the term of the collective bargaining agreement, provided that if such provisions allow for the reopening of an item relating to the total collective bargaining cost, the negotiations shall again be conducted jointly at the beginning of the even numbered fiscal year.

SECTION 3. Statutory material to be repealed is bracketed. New statutory material is underscored. In printing this Act, the revisor of statutes need not include the underscoring.

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

On motion by Senator Toyofuku, seconded by Senator Young and carried, the amendment to S.B. No. 115, S.D. 1, was adopted.

On motion by Senator R. Wong, seconded by Senator Young and carried, Stand. Com. Rep. No. 567 was received and placed on file and S.B. No. 115, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of

the State of Hawaii, the 24-hour notice was given on S.B. No. 115, S.D. 2.

STANDING COMMITTEE REPORTS

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 573), recommending that Senate Bill No. 33, S.D. 1, as amended in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 33, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE EXEMPTION OF CERTAIN PROPERTY AND PROCEEDS FROM TAXATION".

Senator R. Wong, for the majority of the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 574), recommending that Senate Bill No. 649, S.D. 1, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 649, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF REVENUE BONDS TO PROVIDE FACILITIES FOR THE LOCAL FURNISHING OF ELECTRIC ENERGY OR GAS".

Senator Hulten, for the majority of the Committee on Intergovernmental Relations, presented a report (Stand. Com. Rep. No. 575), recommending that House Bill No. 94 pass Second Reading and be referred to the Committee on Economic Development.

On motion by Senator Hulten, seconded by Senator Kawasaki and carried, the report of the majority of the Committee was adopted and H.B. No. 94, entitled: "A BILL FOR AN ACT RELATING TO COUNTY BOARDS OF WATER SUPPLY", passed Second Reading and was referred to the Committee on Economic Development.

Senator Kuroda, for the Committee on Consumer Protection, presented a report (Stand. Com. Rep. No. 576), recommending that Senate Bill No. 1328 pass Second Reading and be referred to the Committee on Judiciary.

By unanimous consent, Stand. Com. Rep. No. 576 and S.B. No. 1328, entitled: "A BILL FOR AN ACT RELATING TO ODOMETERS", were recommitted to the Committee on Consumer Protection.

Senator Kuroda, for the Committee on Consumer Protection, presented

a report (Stand. Com. Rep. No. 577), recommending that Senate Bill No. 1553, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Judiciary.

By unanimous consent, Stand. Com. Rep. No. 577 and S.B. No. 1553, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII FOOD, DRUG, AND COSMETIC ACT", were recommitted to the Committee on Consumer Protection.

Senator Kuroda, for the Committee on Consumer Protection, presented a report (Stand. Com. Rep. No. 578), recommending that Senate Bill No. 1556 pass Second Reading and be referred to the Committee on Judiciary.

By unanimous consent, the referral of S.B. No. 1556 to the Committee on Judiciary was waived.

On motion by Senator Kuroda, seconded by Senator R. Wong and carried, Stand. Com. Rep. No. 578 was received and placed on file, and S.B. No. 1556, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTORS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1556.

Senator Kuroda, for the Committee on Consumer Protection, presented a report (Stand. Com. Rep. No. 579), recommending that Senate Bill No. 1638, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Judiciary.

By unanimous consent, the referral of S.B. No. 1638, S.D. 1, to the Committee on Judiciary was waived.

On motion by Senator Kuroda, seconded by Senator R. Wong and carried, Stand. Com. Rep. No. 579 was received and placed on file, and S.B. No. 1638, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTORS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1638, S.D. 1.

Senator Kuroda, for the Committee on Consumer Protection, presented a report (Stand. Com. Rep. No. 580), recommending that Senate Bill No. 1672, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Judiciary.

By unanimous consent, the referral of S.B. No. 1672, S.D. 1, to the Committee on Judiciary was waived.

On motion by Senator Kuroda, seconded by Senator R. Wong and carried, Stand. Com. Rep. No. 580 was received and placed on file, and S.B. No. 1672, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONTRACTORS RECOVERY FUND", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1672, S.D. 1.

Senator King, for the Committee on Ecology, Environment and Recreation, presented a report (Stand. Com. Rep. No. 581), recommending that Senate Bill No. 106, S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator King, seconded by Senator Hulten and carried, the report of the Committee was adopted and S.B. No. 106, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL QUALITY", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 106, S.D. 1.

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 582), recommending that Senate Bill No. 79, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, the report of the Committee was adopted and S.B. No. 79, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM PROBATE CODE", passed Second Reading

and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 79, S.D. 1.

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 583), recommending that Senate Bill No. 249 pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 249, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM CONTROLLED SUBSTANCES ACT".

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 584), recommending that Senate Bill No. 312, S.D. 1, as amended in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 312, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO VIOLATIONS OF THE MOTOR CARRIER LAW".

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 585), recommending that Senate Bill No. 582, S.D. 1, as amended in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 582, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO OPEN MEETINGS OF PUBLIC BODIES".

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 586), recommending that Senate Bill No. 830 pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 830, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL LITTERING".

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 587), recommending that Senate Bill No. 1049, as amended

in S.D. 1, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1049, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DRUG ABUSE".

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 588), recommending that Senate Bill No. 1577, S.D. 1, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1577, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS".

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 589), recommending that Senate Bill No. 1665, S.D. 1, as amended in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1665, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE CONSERVATION, MANAGEMENT AND PROTECTION OF ENDANGERED OR THREATENED SPECIES OF WILDLIFE OR PLANTS".

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 590), recommending that Senate Bill No. 516, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, the report of the Committee was adopted and S.B. No. 516, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PENAL CODE", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 516, S.D. 1.

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 591), recommending that Senate Bill No. 1050, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, the report of the Committee was adopted and S.B. No. 1050, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PROVISIONS FOR FAIR COMPETITIVE PRACTICES IN THE TERMINATION OF GASOLINE DEALERS FRANCHISE AGREEMENTS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1050, S.D. 1.

Senator Nishimura, for the majority of the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 592), recommending that Senate Bill No. 1051 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, the report of the majority of the Committee was adopted and S.B. No. 1051, entitled: "A BILL FOR AN ACT RELATING TO THE OPERATIONS OF SERVICE STATIONS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1051.

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 593), recommending that Senate Bill No. 1212, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, the report of the Committee was adopted and S.B. No. 1212, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1212, S.D. 1.

Senator Nishimura, for the Committee

on Judiciary, presented a report (Stand. Com. Rep. No. 594), recommending that Senate Bill No. 183, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, the report of the Committee was adopted and S.B. No. 183, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO UPWARD BOUND PROGRAMS", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Hulten, for the Committee on Intergovernmental Relations, presented a report (Stand. Com. Rep. No. 595), recommending that Senate Bill No. 607, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Judiciary.

By unanimous consent, referral of S.B. No. 607, S.D. 1, to the Committee on Judiciary was waived.

On motion by Senator Hulten, seconded by Senator Kawasaki and carried, Stand. Com. Rep. No. 595 was received and placed on file and S.B. No. 607, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR", passed Second Reading and was placed on the calendar for Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 607, S.D. 1.

RECONSIDERATION OF ACTION TAKEN

Senator Nishimura moved that the Senate reconsider its action on Stand. Com. Rep. No. 594 on S.B. No. 183, S.D. 1, seconded by Senator O'Connor and carried.

By unanimous consent, action on Stand. Com. Rep. No. 594 and S.B. No. 183, S.D. 1, was deferred to the end of the calendar.

STANDING COMMITTEE REPORTS

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 596), recommending that Senate Bill No. 908, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator R. Wong, seconded by Senator Yamasaki and carried, the report of the Committee

was adopted and S.B. No. 908, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MAKING AN ADDITIONAL APPROPRIATION FOR STATE PROGRAMS DURING THE FISCAL BIENNIUM JULY 1, 1975, TO JUNE 30, 1977", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 908, S.D. 1.

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 597), recommending that Senate Bill Nos. 919, as amended in S.D. 1; 922, as amended in S.D. 1; 923, as amended in S.D. 1; 934, as amended in S.D. 1; 937, as amended in S.D. 1; 938, as amended in S.D. 1; and 939, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator R. Wong, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and the following bills passed Second Reading and were placed on the calendar for Third Reading:

S.B. No. 919, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MAKING AN APPROPRIATION FOR THE FORMAL EDUCATION PROGRAM",

S.B. No. 922, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MAKING AN APPROPRIATION FOR THE GOVERNMENT-WIDE SUPPORT PROGRAM",

S.B. No. 923, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MAKING AN APPROPRIATION FOR THE INDIVIDUAL RIGHTS PROGRAM",

S.B. No. 934, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MAKING AN APPROPRIATION FOR THE ECONOMIC DEVELOPMENT PROGRAM",

S.B. No. 937, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MAKING AN APPROPRIATION FOR THE ENVIRONMENTAL PROTECTION PROGRAM",

S.B. No. 938, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MAKING AN APPROPRIATION FOR THE HEALTH PROGRAM",

and

S.B. No. 939, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MAKING AN APPROPRIATION FOR THE SOCIAL PROBLEMS PROGRAM".

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. Nos. 919, S.D. 1; 922, S.D. 1; 923, S.D. 1; 934, S.D. 1; 937, S.D. 1, 938, S.D. 1; and 939, S.D. 1.

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 598), recommending that Senate Bill No. 360, S.D. 1, as amended in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 360, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO A SENIOR LEGISLATIVE OBSERVER PILOT PROGRAM".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 599), recommending that Senate Bill No. 165 pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 165, entitled: "A BILL FOR AN ACT RELATING TO REGULATION OF MORTUARIES".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 600), recommending that Senate Bill No. 166, S.D. 1, as amended in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 166, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE ESTABLISHMENT AND OPERATIONS OF AN EXECUTIVE OFFICE ON AGING".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 601), recommending that Senate Bill No. 75, S.D. 1, as amended in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 75, S.D. 2, entitled: "A BILL FOR AN

ACT RELATING TO THE HAWAII
PAROLING AUTHORITY".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 602), recommending that Senate Bill No. 1634 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator R. Wong, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and S.B. No. 1634, entitled: "A BILL FOR AN ACT RELATING TO EXPENDITURE OF PUBLIC MONEY AND PUBLIC CONTRACTS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1634.

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 603), recommending that Senate Bill No. 1192, S.D. 1, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1192, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL OBLIGATION BONDS OF THE COUNTIES".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 604), recommending that Senate Bill No. 1677, as amended in S.D. 1, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1677, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE SCHOLARSHIP PROGRAM OF THE UNIVERSITY OF HAWAII AND MAKING AN APPROPRIATION FOR THE STATE STUDENT INCENTIVE GRANT PROGRAM".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 605), recommending that Senate Bill No. 1099, S.D. 1, as amended in S.D. 2, be placed on the calendar for Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1099,

S.D. 2, entitled: "A BILL FOR AN
ACT RELATING TO PROTECTION
OF INTERESTS IN LAND".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 606), recommending that Senate Bill No. 24, S.D. 1, as amended in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 24, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HOUSING".

Senator R. Wong, for the majority of the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 607), recommending that Senate Bill No. 42, S.D. 1, as amended in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 42, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL SHORELINE PROTECTION".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 608), recommending that Senate Bill No. 22, S.D. 1, as amended in S.D. 2, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 608 and S.B. No. 22, S.D. 2, was deferred to the end of the calendar.

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 609), recommending that Senate Bill No. 613, S.D. 1, as amended in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 613, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO MARRIAGE AND FAMILY COUNSELORS".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 610), recommending that Senate Bill No. 348, as amended in S.D. 1, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 348,

S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE RIGHTS OF CHILDREN".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 611), recommending that Senate Bill No. 1046, S.D. 1, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1046, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DENTAL FEE SCHEDULES UNDER PUBLIC ASSISTANCE PROGRAMS".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 612), recommending that Senate Bill No. 1405, S.D. 1, as amended in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1405, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PROTECTIVE SERVICES FOR THE ELDERLY".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 613), recommending that Senate Bill No. 315, S.D. 1, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 315, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE CLAIMS FOR REIMBURSEMENT OF PUBLIC ASSISTANCE PAYMENTS".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 614), recommending that Senate Bill No. 314, S.D. 1, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 314, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 615), recommending that Senate Bill No. 316 pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour

notice was given on S.B. No. 316, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE FOR MEDICAL CARE".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 616), recommending that House Bill No. 1188 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator R. Wong, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 1188, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE CONSTRUCTION OF HAMILTON LIBRARY, PHASE II, AT THE UNIVERSITY OF HAWAII, MANOA CAMPUS, AND AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on H.B. No. 1188.

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 617), recommending that Senate Bill No. 1326, S.D. 1, as amended in S.D. 2, be placed on the calendar for Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1326, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF COLLECTIVE BARGAINING".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 618), recommending that Senate Bill No. 637, S.D. 1, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 637, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES RETIREMENT SYSTEM OF THE STATE OF HAWAII".

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 619), recommending that Senate Bill No. 142 pass Third Reading.

In accordance with Article III,

Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 142, entitled: "A BILL FOR AN ACT RELATING TO SICK LEAVE BENEFITS FOR PUBLIC OFFICERS AND EMPLOYEES AND MAKING AN APPROPRIATION THEREFORE".

At 8:59 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

At 9:04 o'clock p.m., the Senate reconvened.

Senator R. Wong, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 620), recommending that Senate Bill No. 846, as amended in S.D. 1, pass Third Reading.

Senator Anderson then rose and commented on Standing Committee Report No. 620 as follows:

"Mr. President, I would like to comment on Standing Committee Report No. 620. Just for the record, we have been attempting to work in Committee and with the Chairman to come up with a package. As yet, as I stand here tonight, we haven't seen some of the dollar figures tied up with this package. And I don't want to go too far down the road and find that there's a feeling that we have broken away or broken faith.

We really want to understand the package. We want to support it if it is feasible and practical and economical. But as this bill gets ready to go into position, there are still some dollar figures missing; and I ask again publicly for the record to receive them."

Senator Rohlffing then rose and spoke as follows:

"Mr. President, with respect to Standing Committee Report No. 620 on Senate Bill No. 846, S.D. 1, I have an amendment to offer, and I want to make it clear that it is the amendment which is a very short one on blue attached to a white S.B. No. 846, S.D. 1. An earlier amendment which was typed out in great length on blue is not the amendment which I am offering at this time."

Senator Rohlffing then offered the following amendment to S.B. No. 846, S.D. 1:

"Senate Bill No. 846, S.D. 1, is amended to read as follows:

'SECTION 1. Section 89-9, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) Excluded from the subjects of negotiations are [matters of classification and reclassification,] retirement benefits and benefits under the Public Employees Health Fund, except if negotiated on an all-unit statewide basis. [the salary ranges and the number of incremental and longevity steps now provided by law, provided that the amount of wages to be paid in each range and step and the length of service necessary for the incremental and longevity steps shall be negotiable. The employer and the exclusive representative shall not agree to any proposal which would be inconsistent with merit principles or the principle of equal pay for equal work pursuant to sections 76-1, 76-2, 77-31 and 77-33[,] or which would interfere with] The employer may, in its discretion, agree on conditions of employment which may modify the rights of a public employer to (1) direct employees; (2) determine qualification, standards for work, the nature and contents of examinations, hire, promote, transfer, assign, and retain employees in positions and suspend, demote, discharge, or take other disciplinary action against employees for proper cause; (3) relieve an employee from duties because of lack of work or other legitimate reason; (4) maintain efficiency of government operations; (5) determine methods, means, and personnel by which the employer's operations are to be conducted; and take such actions as may be necessary to carry out the missions of the employer in cases of emergencies."

SECTION 2. Section 89-12, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Participation in a strike shall be unlawful for any employee who (a) is not included in an appropriate bargaining unit for which an exclusive representative has been certified by the board, [or] (2) is included in an appropriate bargaining unit for which process for resolution of a dispute is by referral to final and binding arbitration[.] or (3) is a member of either unit 11 or 12 as provided in section 89-6(2); provided, however that upon reaching an impasse, upon the request of the employee organization representing employees in either of such units the public employer shall proceed

to binding arbitration in the manner provided in Section 89-11 (b) (3); and provided further that this limitation on the right to strike for units 11 and 12 shall not apply to a dispute over any subject which requires all-unit statewide negotiation as provided in Section 89-9 (d)."

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

SECTION 4. This Act shall take effect on July 1, 1976.' "

Senator Rohlfig moved that the amendment be adopted, seconded by Senator Henderson.

At this time, Senator Rohlfig spoke in favor of the amendment as follows:

"I would like to explain the amendment to this Body. The amendment of this bill is an attempt to recognize the fact that we enacted several years ago the Collective Bargaining Act in name but not in substance. We excluded in the law a great number of things which are the subjects normally of bargaining, at least in the private sector where collective bargaining grew up.

We, in fact, enacted a statute which said, 'Here are the various plans and conditions of employment in the statute--sick leave, retirement benefits, funeral leave, whatever it might be.' The civil service system has grown over the years to be a set of voluminous rules, classifications, and almost a dictionary and encyclopedia on itself. And on top of this, we imposed a collective bargaining law and we said, 'Okay, we are going to have you people, you employees, represented by your organizations if you so choose to negotiate with the State.' And in spite of all those things--the protection and benefits--that we put down on the law, individuals came back to us. Individuals in the unions can come back to us. An individual government employee can come back to us and ask that those benefits be increased. In the meantime, the area that is being negotiated, and that which is left to be negotiated, is salary, dollars.

In that law, we also excluded any negotiation on matters affecting how the employees function. The entire range of management rights was set forth in the law, and we

built a wall. We said, 'Our negotiators are behind this wall. They don't have to talk about how these people work, where they go, whether they are promoted, whether they are assigned, whether they are transferred--whatever it may be.' So we built a Rube-Goldberg machine. I remember one once that was in Harry Lyons' cartoon depicting the Legislature. It showed all the bills going in on one end with cranks and meters and everything else, and out came a peanut from the other side. It got through all the whirly gates and gears and everything else.

So, I fear that what we have is another Rube-Goldberg machine. And we wonder why it isn't working, and why we are tinkering with a gear here and playing with longevity increments on one side and various other bills on the other that we are fooling with this time.

Mr. President, I think that it is time that we faced up to doing one of two things. First, we either go back to the old system where we had the Legislature determine all of these various benefits; where we have the Legislature determine the pay increases, the rates, the classifications, etc., mostly all of the things which are on the statute books still today. Or the other choice, I think we have, is to allow collective bargaining to work in the sense that the financial responsibility falls not only on an Administration and us to pay for it, but upon the representatives of the public employees to the extent that they can talk about all of the items which affect their employees. They have many diverse types of units. They have different interests. There are younger people in some areas than in others, and they all have different interests. The older ones are looking for the benefits at the end of the line. The younger ones may be looking for more money.

But this is something that you believe in in collective bargaining, without strapping someone to the table and holding his arms behind him and saying, 'You give him this, but you don't give him that.' We have had countless instances of what has happened in the management rights area--the teachers, in particular, and the real reason for the strike a year or so ago.

So, this particular amendment provides, removes the restrictions in a number of areas that we have presently provided as an exclusion under

the Collective Bargaining Act. It does provide that retirement benefits and health plans, the public employees health fund, be items which will remain in the statute except if they are negotiated on an all-unit basis. In other words, all thirteen collective bargaining units if they decided that they would negotiate and could come to an agreement to change those two items, could do so.

The philosophy there is similar to what I have stated except with one exception; and that is that these are benefits which are determined by the contributions that are run by trustees. They are calculated. They are managed with the concept that all employees would be involved to work for the State. And, this isn't necessarily true of increments. It isn't necessarily true of classifications because there are varying bargaining units all the way from policemen to professional, scientific employees and so forth, as you all know.

We have made somewhat of a trade-off in this amendment; and so in opening the bargaining, we have closed one area of great concern to the public. That is found in Section 2 where we have said that the members of our two major public protection agencies--the police and our firemen--would not be permitted to strike. However, we also said in this amendment that upon the request of either of those organizations having reached an impasse under the law, that they would proceed; and the public employer of the State would be required to go to binding arbitration on the issues that were undetermined at that time by the negotiation.

We have made one further exception. We have said, to be consistent with our position on health fund and retirement benefits which is in the first part of the amendment, that if those are items which are unresolved, the policemen and the firemen may also, like all the other employees, exercise their rights to withhold their services.

Mr. President, I think that it is time that we dealt with the subject of collective bargaining as adults. I have been told that this amendment will not pass; that the Administration may be afraid of it. And I say, that in my experience I have done some of this myself. It is when you can deal with all of the subjects at hand that you will get a rational and reasonable performance. You play games if you don't level and if you hide part of the gravy behind,

etc., in the sense to block it out of negotiation. Then, you are only kidding yourself.

We are quite aware of the strength of the unions in this State. I think that those unions, if given an opportunity to exercise responsibility on a broader basis, will be more responsible. I think that our Administration, if they can't hide behind the walls--phony walls--will have to be more responsible. And, I think that under those conditions, we will have a sensible system. If not, we are going to play machinery supervisor to this tinkering, fluttering, sputtering Rube-Goldberg machine. And who will suffer the most, Mr. President, but the taxpayer of this State."

Senator Toyofuku then rose and spoke against the amendment as follows:

"Mr. President, I rise to speak against the amendment. Classification would become negotiable under this proposed amendment; and there is no uncertainty as to its impact on the classification of positions and the salary ranges. The salary schedules would be affected; the total civil service system would be affected. And, there is much uncertainty as to the effect on the merit principles and the principle of equal pay for equal work.

The second proposal that this amendment permits is to allow management rights to become negotiable. And again, there is much uncertainty as to the impact in the determination of the qualifications, the standards of work, the examinations, the hiring, promotions, transferring, and so forth. Much of this has been discussed by your Committee on Human Resources. We haven't been able to come out with clear-cut, defined conclusions as such.

This amendment would also permit the Health Fund to be taken out of negotiations. It will take it out of the collective bargaining process unless it's negotiated on an all-unit statewide basis. We have tried this, Mr. President. Management and union have been able to sit down and see whether or not they could negotiate this particular item; but they have failed.

We also have a separate bill, Mr. President, on our agenda which does provide that the Health Fund be taken out of the collective bargaining process. This bill is on deck for

tomorrow. There is also a provision here which would provide a limitation on the right to strike to police and firemen. There is much uncertainty as to whether or not this should be confined merely to police and firemen, and the total question of the impact on the collective bargaining process is in jeopardy.

Mr. President, your Committee on Human Resources has requested that an interim committee be assigned to work during the interim to look at the total problem of collective bargaining to see whether or not we can smooth out the processes of collective bargaining. And I believe, Mr. President, that I have spoken to you about it about a month ago, and that you have given me the green light to proceed with the interim work in this subject area. Before then, I would like to encourage your Committee to make its firm recommendation to the next session of the Legislature in 1976. I would like to encourage all members of this Senate to vote down the amendment."

The motion to adopt the amendment was put by the Chair, and Roll Call vote having been requested, the motion failed to carry on the following showing of Ayes and Noes:

Ayes, 7. Noes, 18, (Ching, Chong, Hara, Hulten, Kawasaki, King, Kuroda, Nishimura, Rohlfing, Taira, Takitani, Toyofuku, F. Wong, R. Wong, Yamasaki, Yim, Young and Ushijima).

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 846, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ANNUAL SALARY INCREMENT AND LONGEVITY PAY INCREASES AND AMENDING CHAPTER 89, HAWAII REVISED STATUTES".

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 621), recommending that Senate Bill No. 714, S.D. 1, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 714, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LAND READJUSTMENT".

Senator Nishimura, for the majority of the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 622), recommending that Senate Bill No. 875, S.D. 1, as amended

in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 875, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HORIZONTAL PROPERTY REGIMES".

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 623), recommending that Senate Bill No. 1543, S.D. 1, as amended in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1543, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO LEASEHOLDS AND THE ACQUISITION BY THE STATE THROUGH CONDEMNATION OF LANDS IN FEE SIMPLE AND THE DISPOSITION THEREOF".

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 624), recommending that Senate Bill No. 1637 pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1637, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTORS".

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 625), recommending that Senate Bill No. 591, S.D. 1, as amended in S.D. 2, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, the report of the Committee was received and placed on file, and in accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 591, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO FUNDS FOR DRIVER EDUCATION".

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 626), recommending that Senate Bill No. 1303 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, the report of the Committee

was adopted and S.B. No. 1303, entitled: "A BILL FOR AN ACT RELATING TO THE LIEN ON PERSONALTY FOR WORK DONE AND MATERIALS FURNISHED", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1303.

Senator Nishimura, for the majority of the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 627), recommending that Senate Bill No. 162, S.D. 1, as amended in S.D. 2, be referred to the Committee on Ways and Means.

By unanimous consent, action on Stand. Com. Rep. No. 627 and S.B. No. 162, S.D. 2, was deferred to the end of the calendar.

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 628), recommending that Senate Bill No. 19, S.D. 1, as amended in S.D. 2, pass Third Reading.

By unanimous consent, action on Stand. Com. Rep. No. 628 and S.B. No. 19, S.D. 2, was deferred to the end of the calendar.

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 629), recommending that Senate Bill No. 398, S.D. 1, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 398, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO RESIDENTIAL LEASEHOLDS".

Senator Nishimura, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 630), recommending that Senate Bill No. 1200, S.D. 1, as amended in S.D. 2, pass Third Reading.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1200, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO RESIDENTIAL LEASEHOLDS".

Senator Takitani, for the majority of the Committee on Higher Education, presented a report (Stand. Com. Rep. No.

631), recommending that Senate Bill No. 1732, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Takitani, seconded by Senator O'Connor and carried, the report of the majority of the Committee was adopted and S.B. No. 1732, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ESTABLISHMENT OF AN EDUCATIONAL NON-PROFIT PUBLIC CORPORATION TO ADMINISTER AND OPERATE THE CENTER FOR CULTURAL AND TECHNICAL INTERCHANGE BETWEEN EAST AND WEST", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 1732, S.D. 1.

MATTERS DEFERRED FROM EARLIER ON THE CALENDAR

Senate Bill No. 1458:

Senator R. Wong moved that S.B. No. 1458, having been read throughout, pass Third Reading, seconded by Senator Yamasaki.

Senator Anderson then rose and stated as follows:

"Mr. President, I have a point of information, and I don't really know who to direct it to.

We have been trying to locate the State Ferry System that this applies to. There are a lot of words on the statute books. They are all funded under revenue bonds. There have been no major hearings or any hearings on the ferry as to feasibility or as to whether or not we should continue pursuing this again. And we are a little bit interested where this ship is going all of a sudden."

Senator R. Wong then responded as follows:

"Mr. President, I would like to respond to the Minority Floor Leader.

Yes, in fact, Mr. President, we do have such a listing in the statutes at the present time. However, Mr. President, the purpose of this bill is to allow general obligation bonds to be sold, rather than just general revenue bonds. That's the only difference in this particular measure."

Senator Anderson then rose to speak against the bill as follows:

"If I may then, I rise to speak against this measure.

If my memory serves me right, this was a heated controversy some years back. I think we must have spent a half million dollars in studies, and I think I am being conservative. I believe that we went to the bond market three times in New York trying to sell revenue bonds to float this boat, and it never got off the ground.

Our interpretation of this is if this were to pass at any time--I guess the Governor saw fit to sell bonds to initiate the ferry--it could get off the ground. I may be wrong and if my learned colleague from the seventh wants to correct me, I stand corrected. However, I hesitate to send a carte blanche credit card upstairs; and if the Administration decides to move in the interim on a ferry system, I am obligated to it.

I wish someone would clarify this a little bit more in detail then somewhat of a blank check."

Senator R. Wong then responded as follows:

"Mr. President, again, it will not restrict just the sale of these bonds to just what is stated in the chapters as the Hawaii Ferry System. Any company can be eligible for the bonds, and they can so request."

Senator Yee rose and stated as follows:

"Mr. President, based upon the information received and varying a little on the past history of this particular measure, I have great trepidation of approving this particular bill because you could have private persons, private industry getting involved in a ferry system. And if they find that it becomes economically unfeasible, they may later come running to the State for assistance without any substantial fact except that perhaps they are losing money, they've made a bad investment. And now you, the great grand-daddy of Hawaii, bail me out. And I think this is great irresponsibility on our part.

I believe in neighbor island development. I believe in using as much surface and air transportation to ship goods, passengers and cars

between the islands. But I think we would be abandoning our fiscal responsibility to permit such a bill like this to pass.

I just can't understand how anyone of you would support a carte blanche, free, wide-open check to the Governor upstairs."

At 9:29 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

At 9:42 o'clock p.m., the Senate reconvened.

The motion was put by the Chair and carried, and S.B. No. 1458, entitled: "A BILL FOR AN ACT RELATING TO CHAPTER 268, HAWAII REVISED STATUTES", having been read throughout, passed Third Reading on the following of Ayes and Noes:

Ayes, 16. Noes, 8 (Anderson, George, Henderson, King, Leopold, Rohlfing, Saiki and Yee). Excused, 1 (Hulten).

Standing Committee Report No. 594 (S.B. No. 183, S.D. 1):

By unanimous consent, referral of S.B. No. 183, S.D. 1, to the Committee on Ways and Means was waived.

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, Stand. Com. Rep. No. 594 was received and placed on file and S.B. No. 183, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO UPWARD BOUND PROGRAMS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 183, S.D. 1.

Standing Committee Report No. 608 (S.B. No. 22, S.D. 2):

On motion by Senator R. Wong, seconded by Senator Yamasaki and carried, Stand. Com. Rep. No. 608 and S.B. No. 22, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO RESIDENTIAL LEASEHOLDS", were recommitted to the Committee on Ways and Means.

Standing Committee Report No. 627 (S.B. No. 162, S.D. 2):

By unanimous consent, referral of S.B. No. 162, S.D. 2, to the Committee on Ways and Means was waived.

On motion by Senator Nishimura, seconded by Senator O'Connor and carried, Stand. Com. Rep. No. 627 was received and placed on file and S.B. No. 162, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID FOR THE HAWAII BOUND SCHOOL", was placed on the calendar for Third Reading on Thursday, March 13, 1975.

In accordance with Article III, Section 16, of the Constitution of

the State of Hawaii, the 24-hour notice was given on S.B. No. 162, S.D. 2.

At 9:48 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

At 9:54 o'clock p.m., the Senate reconvened.

Standing Committee Report No. 628 (S.B. No. 19, S.D. 2):

Senator Rohlfing offered the following amendment to S.B. No. 19, S.D. 2:

"Senate Bill No. 19, S.D. 2, is hereby amended to read as follows:

'SECTION 1. Findings and Purpose. Act 307 Session Laws of Hawaii, 1967, sought to provide the means by which lessees of residential property might convert their holdings to fee simple interests. The implementation of this Act, however, has been impeded for a number of reasons which can be conveniently categorized as constitutional, political, practical, and equitable. At the time the Act was written, there was, and still is, concern with the tax impact upon landowners whose property has appreciated fantastically from its original "basis" for tax purposes. There was real concern that lot sales on an individual option basis as contemplated by the original "Maryland Ground Rent Bill" would imply that these lands were being held by these owners for sale as dealers in real estate and hence gains would be taxed as ordinary income rates as contrasted with more equitable capital gains rates. One of the key factors leading to a determination as to whether a landowner is a dealer is the number of sales transactions he makes. This, then, was one of the fundamental reasons that the requirement of a bulk sale - 5 acre development tract - was written into Act 307. The special Joint Legislative Committee that traveled to Washington, D.C. to meet with Internal Revenue Service officials noted in its report (Special Committee Report No. 2) "The less sales (the landowner) makes the less likely he is to be treated as a dealer. Thus, one of the ways in which to avoid the treatment of the landowner as a dealer is to reduce the number of fee simple sales he must make". (Senate Journal 1967, Page 787). The report contains eight conclusions, the seventh of which reads in part: "Condemnation action (if this approach is taken) should be in bulk. It should not, however, be so drafted as to make the State a mere conduit or agent for the lessee in his purchase of the fee title. This is because condemnation procedure in and of itself does not mean that the landowners would be immune from treatment as dealers in real estate". (Senate Journal 1967, page 789).

The practical problems encountered by the citizens in defining the appropriate five acre development tracts and securing binding commitments from over 50% of the residents in such tracts have clearly inhibited the implementation of the Act. The Legislature, therefore, finds that in addition to other steps to make the law more effective, there is a need to improve the means by which lessees may organize themselves to meet the existing requirements of Act 307, and to otherwise ban together for mutual protection in matters pertaining to lease rent renegotiation and the like.

SECTION 2. Title 23, Hawaii Revised Statutes, is amended by adding a new chapter to be appropriately designated and to read as follows:

"CHAPTER
LESSEES' INCORPORATION ENABLING ACT

Sec. -1. Declaration of policy. Because of Hawaii's peculiar land situation in which a substantial number of residential properties are leased rather than owned in fee simple by the occupants, the legislature of this State recognizes and declares that it is of public interest to provide means to the lessees to ultimately acquire the residential properties in fee simple. The legislature also recognizes and declares that lessees who are financially unable or otherwise unwilling to purchase the fee simple interests in their leaseholds need a means of providing mutual assistance in negotiating and renegotiating leases. It is intended by this chapter to permit lessees to form nonprofit corporate associations so as to promote, foster and encourage the lessors to sell and lessees to purchase the fee interest in their residential leasehold lots whether under Act 307

Session Laws of Hawaii, 1967, or on a voluntary basis; to reduce speculation in the underlying fee simple interest in residential leases; to make any sale of such leasehold interests from the lessor to lessee and to enable lessees to negotiate and renegotiate terms and conditions of leases as efficiently as possible. All of the provisions of this chapter shall be administered with a view to carry out the above declaration of policy.

Sec. -2. Nonprofit association. Associations organized hereunder, shall be deemed "nonprofit", inasmuch as they are not organized to make profit for themselves or their members.

Sec. -3. Formation of associations. Five or more persons, who are all lessees in a particular single-family residential leasehold subdivision, may form a nonprofit cooperative association, with or without shares of stock under the provisions of this chapter.

Sec. -4. Name. The provisions of section 416-12 Hawaii Revised Statutes, shall apply to associations formed under this chapter and any association organized under this chapter may use the word "cooperative" as a part of its name, notwithstanding the provisions of section 421-5 Hawaii Revised Statutes.

Sec. -5. Powers. Each association may, upon the written authorization of ten per cent or more of the lessees in the particular leasehold subdivision;

(a) Enter into negotiations with the lessor or lessors for the purchase of all of the leasehold interest in the particular subdivision and to purchase such interest for the lessees;

(b) Enter into negotiations with the lessor or lessors on the terms and conditions contained in the leases;

(c) Enter into any financial arrangements with the lessor and any financial institution, including agencies of the State of Hawaii or the Federal Government;

(d) Act as the agent or representative of any member or members in the above mentioned activities;

(e) Buy, hold and exercise all privileges and indicia of ownership over such real or personal property as may be necessary or convenient for the above mentioned activities;

(f) Levy assessments in the manner and in the amount as may be provided in its by-laws;

(g) To sue and to be sued in its name;

(h) Do each and everything necessary, suitable or proper for the accomplishment of the purposes enumerated; or conducive to or expedient for the interest or benefit of the association; and contract accordingly; and in addition, exercise and possess all powers, rights and privileges necessary or incidental to the purposes for which the association is organized; and in addition, any other rights, powers and privileges granted by the laws of the State to ordinary corporations, except such as are inconsistent with the express provisions of this chapter.

Sec. -6. Corporation laws applicable. The general corporation laws of this State and all powers and rights thereunder, shall apply to the associations organized hereunder, except where such provisions are in conflict with or inconsistent with the express provisions of this chapter.

Sec. -7. Exemption from Corporate Securities Act. No association organized or existing under or by virtue of the terms and provisions of this chapter shall be subject in any manner to the provisions of chapter 485 Hawaii Revised Statutes, and any and all associations organized under and by virtue of the terms of this chapter may and shall issue their membership certificates or stock or other securities as provided herein without the necessity of registration under the chapter.

Sec. -8. Tax exemption. The association shall not be subject to any taxes based upon or measured by income which are now or may be hereafter levied by the State.

Sec. -9. Tax on sale. Any other law to the contrary notwithstanding, any gain realized by the lessor from the sale of the fee simple interest to the lessees of an association organized under this chapter or to the association organized under this chapter shall be construed as capital gain for the purpose of chapter 235 Hawaii Revised Statutes, as amended.

Sec. -10. Loans to the association or its members by the State Retirement System.

Any other law or laws to the contrary notwithstanding, the State Retirement System may make loans to the association or associations or to the members of such association for the purposes of this chapter.

Sec. -11. Exclusive agent of members. The association shall be the exclusive agent for its members in the negotiation for the purchase of the leasehold interest, the negotiation of the terms and conditions under their leases and any other matters authorized by its charter or by-laws and the lessor or lessors shall negotiate such matters with the association only.

Sec. -12. Voluntary dissolution. The provisions of section 416-121 Hawaii Revised Statutes, relating to the voluntary dissolution of corporations, shall apply to associations formed under this chapter except that the dissolution shall be approved at a meeting duly called and held for the purpose by not less than two-thirds of the voting power voting thereon."

SECTION 3. The Office of the Ombudsman shall render such legal assistance to groups of lessees in effectuating the purposes of this Act as it is able within current funding levels.

SECTION 4. Section 88-119, Hawaii Revised Statutes, is amended to read:

"Sec. 88-119 Investments. Investments may be made in:

(1) Real estate loans and mortgages. Obligations (as defined in section 431-286) of any of the following classes:

(A) Obligations secured by mortgages of non-profit corporations desiring to build multi-rental units (ten units or more) subject to control of the government for occupancy by families displaced as a result of government action.

(B) Obligations secured by mortgages insured by the federal housing administration.

(C) Obligations for the repayment of home loans made under the Servicemen's Readjustment Act of 1944 or under Title II of the National Housing Act.

(D) Other obligations secured by first mortgages on unencumbered improved real estate owned in fee simple, provided that the amount of the obligation shall not at the time investment is made therein exceed [75] seventy-five per cent of the value of the real estate mortgaged to secure it, except that if the obligation is for an amount of \$50,000 or less, the amount of the obligation shall not exceed [80] eighty per cent of the real estate mortgaged to secure it. Real estate shall not be deemed to be encumbered within the meaning of this subparagraph by reason of the existence of any of the restrictions, charges or claims described in section 431-293(a).

(E) Other obligations secured by first mortgages of leasehold interests in improved real estate, provided that (i) each such leasehold interest at such time shall have a current term extending at least two years beyond the stated maturity of the obligation it secures, and (ii) the amount of the obligation shall not at the time investment is made therein exceed [75] seventy-five per cent of the value of the respective leasehold interest and improvements, except that if the obligation is for an amount of \$50,000 or less, the amount of the obligation shall not exceed [80] eighty per cent of the value of the respective leasehold interest and improvements.

The board of trustees may retain such real estate (including leasehold interests therein) as it may acquire by foreclosure of mortgages or in enforcement of security, or as may be conveyed to it in satisfaction of debts previously contracted, provided that all such real estate (other than leasehold interests) shall be sold within five years after acquiring the same (subject to extensions by the governor for additional periods not exceeding five years each) and all such leasehold interests shall be sold within one year after acquiring the same (subject to extension by the governor for additional periods not exceeding one year each).

(F) Obligations for the repayment of home loans guaranteed by the department of Hawaiian home lands pursuant to section 208 of the Hawaiian Homes Commission Act, 1920.

(G) Obligations secured by second mortgages on improved real estate acquired under a development tract pursuant to chapter 516; provided that the mortgagor shall be allowed to renegotiate a new mortgage for up to forty years at the same interest rate of any existing mortgage to be canceled, or at an interest rate not to exceed per cent if a second mortgage is negotiated and there is no cancellation of any existing mortgage on the real estate.

(2) Government obligations, etc. Obligations of any of the following classes:

(A) Obligations issued or guaranteed as to principal and interest by the United States or by any state thereof, including general obligation bonds issued by the State pursuant to Section 516-45, or by the Dominion of Canada or by any province thereof, or by any municipal or political subdivision or school district of any of the foregoing, provided that principal of and interest on such obligations are payable in currency of the United States.

(B) Revenue bonds (whether or not permitted by any other provision hereof) of the State or any municipal or political subdivision thereof (including the board of water supply of the city and county of Honolulu), and street or improvement district bonds of any district or project in the State.

(C) Obligations issued or guaranteed by any federal home loan bank (including consolidated federal home loan bank obligations), the home owner's loan corporation, the federal national mortgage association, or the small business administration.

(3) Corporate obligations. Obligations of any corporation created or existing under the laws of the United States or of any state or district thereof, and qualified under any of the following:

(A) Fixed interest-bearing obligations, if the average annual net earnings of the obligor or guarantor available for its fixed charges for a period of five fiscal years next preceding the date of the investment have equalled at least one hundred [and] fifty per cent of its average annual fixed charges applicable to the period and if its net earnings for the last year of the period have equalled at least one hundred [and] fifty per cent of its fixed charges for such year.

(B) Fixed interest-bearing obligations secured by assignment of a lease or leases, or the rentals payable thereunder, of real or personal property (including, without limitation, charters of vessels) to a corporation created or existing under the laws of the United States or of any state or district thereof, provided that (i) the fixed rentals assigned shall be sufficient to repay the principal of and interest on the obligation within the unexpired term of the lease, exclusive of the term which may be provided by any option of renewal, and (ii) the net earnings of the corporation shall meet the requirements described in clause (A) above.

(C) Fixed interest-bearing obligations secured by rights or assignment of rights under a contract (including, without limitation, a contract for the sale of products, materials, supplies or other property, or for the furnishing of transportation or services) with a corporation created or existing under the laws of the United States or of any state or district thereof, provided that (i) the rights securing such obligations shall include the right to receive payments sufficient to repay the principal of and interest on the obligations within the unexpired term of the contract, and (ii) the net earnings of the corporation shall meet the requirements described in clause (A) above.

As used in this [subsection,] paragraph, the terms "fixed charges" and "net earnings available for fixed charges" shall have the meanings and application ascribed thereto in sections 431-286 and 431-287.

(4) Preferred and common stocks. Shares of preferred or common stock of any corporation created or existing under the laws of the United States or of any state or district thereof, provided that the book value of the total investment in such stocks shall at no time exceed forty per cent of the total book value of all investments of the system.

(5) Obligations eligible by law for purchase in the open market by federal reserve banks.

(6) Obligations issued or guaranteed by the International Bank for Reconstruction and Development, by the Inter-American Development Bank or by the Asian Development Bank.

(7) Obligations secured by collateral consisting of any of the securities or stock listed above and worth, at the time the investment is made, at least fifteen per cent more than the amount of the respective obligations.

(8) Other securities. Securities and stock in which in the informed opinion of the board of trustees it is prudent to invest funds of the system, whether or not the securities or stock are expressly authorized by or qualify under the foregoing paragraphs, and not withstanding any limitation of any of the foregoing subsections (including (4));

provided that the total book value of investments under this paragraph shall at no time exceed ten per cent of the total book value of all investments of the system."

SECTION 5. Section 516-44, Hawaii Revised Statutes, is amended to read:

"Sec. 516-44 Fee simple residential revolving fund. A fee simple residential revolving fund is hereby created. The funds appropriated for the purposes of this chapter and all moneys received or collected by the Hawaii housing authority under this chapter shall be deposited in the revolving fund. The proceeds in the funds shall first be used to pay the principal and interest on bonds or other indebtedness issued by the authority, or by the State, second to guarantee payment of investments made by the employees retirement system of the State under section 88-119 (1) (G), and then for necessary expenses of the authority in administering this part."

SECTION 6. Chapter 519, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read:

"Sec. 519- Residential leases. (a) All leases for residential land, as defined by section 516-1(6), existing on the effective date of this Act or entered into thereafter, which provide for reopening of the contract for renegotiation of lease rent terms shall in the case of leases after the effective date of this Act provide the following, or in the case of leases existing on the effective date, shall be construed in conformity with the following:

(1) That such renegotiations shall not be scheduled more frequently than once every ten years, provided the first of such reopenings shall not be scheduled prior to the tenth year following the initial date of the lease; and

(2) That the maximum lease rent negotiable, at any time, shall not exceed the then current maximum rate of interest paid on insured passbook demand savings accounts in the State multiplied by the raw land value; provided that the amount of the annual increase or decrease may not exceed the immediately prior existing annual lease rent by more than five per cent for each year the prior lease rent was in effect.

(b) In the event the parties to a lease are unable to achieve an agreement under any reopening provision, the parties shall then arbitrate to resolution under chapter 658, supplemented by any covenants in the lease conforming to this section and to chapter 658.

(c) For the purposes of this section, raw land value^f means the current fair market value of the land, valued as if the fee title were unencumbered and the land were undeveloped, plus the unpaid balance owing to the lessor by lessees as reimbursement for the actual offsite and onsite improvement costs paid for by the lessor.

(d) In the case of any lease of residential land where the rental has been renegotiated since June 24, 1967, the rental as of the effective date of this Act shall not be greater than that prescribed under subsection (a) (2). Any rental greater than this figure is reduced in conformity with this subsection. The rent shall be renegotiated not sooner than ten years from the date of the last renegotiation, and in conformity with this section.

(e) Any covenant or provision of a lease in violation of this section, shall not be enforceable in any court in this State."

SECTION 7. New statutory material is underscored. In printing this Act, the revisor of statutes need not include the underscoring.

SECTION 8. This Act shall take effect upon its approval.' "

Senator Rohlfing moved for the adoption of the amendment, seconded by Senator Anderson.

Senator Rohlfing then rose to speak in favor of the amendment as follows:

"Mr. President, I know it is late, and I will not be long on the subject. I do want to make several points, however, with respect to the amendment which is offered.

The amendment basically deals with two of the primary areas that I believe are not covered by the legislation which is pending before this Body in any form.

The bill, or the amendment, would call for a bill which would include two major features of the problem with which we are dealing. The first is enabling provision to assist lessees to band together both to purchase under the existing Act

307, 1967, or to band together for other purposes for mutual protection relating to lease rent negotiation and the like. This would be a means by exempting them from a number of formalistic requirements of the corporation law by providing assistance on a legal basis from the Ombudsman to the extent that it doesn't cost more money for his office to facilitate the borrowing of money and the tax consequences upon the lessor in case of a sale.

This portion of this amendment would do a great deal to facilitate the concept which was bought in 1967 when the Land Reform Act was passed. As you all know, it has not been effective partly because we made the conditions so onerous and the restrictions so difficult to meet that the average homeowner in a leasehold situation was not able to comply with the requirements.

Secondly, this particular approach would assist in another area which has not yet been, I believe, adequately explored although we have one instance of a private sale of a group of lots. I think you are all familiar with the Bishop Museum track sold by the Bishop Estate to the lessees, but not without some very difficult problems which they had to overcome.

In that situation, the First Hawaiian Bank did set up a trust agreement, worked out an arrangement outside of the Land Reform Law to allow the lessees to purchase their fee title. Several of the people in the track ultimately did not buy. This left some residual lots; and as I understand it, the bank examiner looked at these to be forfeitures of not following through on the agreement. The bank was also being criticised for undertaking the project. So the bank has been wary of further arrangements along this line.

Based on some of the information which we were able to look into without necessarily a commitment from Washington a week ago, there are indications that a partial liquidation of some of the residential leaseholds would be looked upon favorably by the Internal Revenue Service. As everyone knows, it is the problem of the taxation--the problems of the tax effects on the sale of these lots--that has, in my judgment, caused a problem.

My personal opinion is that it had a great deal of bearing on the creation of the leasehold residential system itself, and that we would

not have it today were it not for the Internal Revenue Code. But, it is with us.

There are 27,000 residential leaseholds--97% of them on the Island of Oahu. And I think that if we could enable these groups better to purchase their land underlying fee simple interest through a vehicle of assisting them to come together and deal with the estates under the possibility of voluntary sale under partial liquidation under the Internal Revenue Code, we might just get around all of the 'hang-ups' that we have had with the law. I don't say it's necessarily going to happen. I say it is a possibility.

I think that there are several estates, I don't represent them, who would be willing to make those sales. In fact, we have had testimony by a trustee from one of the larger estates at a hearing for Senator Young's Committee on Housing and Hawaiian Homes to the effect that he would be very happy to sell the residential leasehold lots to the people if he had appropriate tax consideration. In that sense, he means capital gains.

So, this first portion deals with what's called the Lessees' Corporation Enabling Act in an attempt to deal both with the law to assist in the purchase under the law, and also as a potential under a partial liquidation approach on the Internal Revenue Law.

There are several housekeeping amendments in the amendment; namely, page 9 where we changed the figures from 75 to words. That was done by LRB in an attempt to clean up the law that exists. The substantive remaining items deal with the subject of finances.

If all of the bills that are presently alive in this Body pass, they still will not solve the ultimate problem of the lessee; namely, even if I could buy, can I afford the inflated price of this land? We tried to do something about that seven years ago. We apparently didn't succeed, so we have lost seven years. We are now talking about the combination process and funding it, etc.; and we are a little late for many people.

It doesn't mean that we cannot find the most practicable ways of assisting the lessee to make the purchase of this fee simple interest, Mr. President. This bill and this amendment would allow the retirement system of the State to pay the salaries,

and would permit the government employees to invest in probably one of the most secure investments that could exist; namely, fee simple title for residential lots.

It would also allow the retirement system, and note it says allow and doesn't say mandate, to accept mortgages on long term at a low interest rate. And this is ultimately going to be the problem regardless of what we do.

I feel, Mr. President, this amendment would fill out the positive purposes of the bill that has been reported out of the Judiciary Committee. It would fill in some of the gaps that I think presently exist because of the pressure of legislation and other concerns before this Body.

I would urge that if we want to do something and if we really mean what we say in terms of trying to do something about this problem, that we do all that we can at this stage, which would include negotiations with the members of the House of Representatives in conference to work out a workable leasehold reform package. If we don't do so, some people will say, 'Oh, we'll be back next year.' But there are going to be a lot of people who are not going to be in very good shape in one year--a lot of people are going to get hurt.

My personal judgment is to do all that we can at this time. For this reason, Mr. President, I urge the adoption of this amendment to S.B. No. 19, S.D. 2."

Senator Nishimura then rose and stated as follows:

"Mr. President, Senate Bill No. 19, S.D. 1, is the product of the hard work by the Chairperson of the Housing and Hawaiian Homes Committee and her staff. It was referred to the Judiciary Committee, and the bill before us this evening is substantially what that previous Committee had worked on.

The purpose of Senate Bill No. 19 is stated in the Standing Committee Report. It says, 'The purpose of this bill is to regulate the residential lease rent renegotiation process by imposing specific restrictions on the frequency of renegotiations of residential lease rent terms and on the amount of the residential lease rent that may be fixed on renegotiation, and by providing for arbitration as to rent if the parties fail to arrive

at mutually agreeable terms'.

Now, in the consideration of S.B. No. 19 by your Judiciary Committee, we were advised of my colleague's work product. We obtained and received a copy of his amendment. We referred it to staff, and they researched it and the conclusions reached were that with respect to my colleague's input, the most significant recommendations were found on page 6 particularly with items B, C and D.

Now, item B states, to 'enter into negotiations with the lessor or lessors on the terms and conditions contained in the leases;'. The staff research conclusion with respect to item B was that we feel the matter should be studied. To date, no one to our knowledge has looked into this matter.

Item C reads, 'Enter into any financial arrangements with the lessor and any financial institution, including agencies of the State of Hawaii or the Federal Government;'. With respect to item C the staff recommendation was that we believe that while this may help, it does not address the major problem that for tax reasons estates are only able to sell under condemnation.

Item D reads, 'Act as the agent or representative of any member or members in the above mentioned activities;'. With respect to item D, the staff recommendation was that Chapter 516 already provides for such loans by the Hawaii Housing Authority.

Mr. President, my colleague is not the only one concerned about the legal problems. Many others are equally, if not more so, concerned. And we hope to try to work out a solution that would be acceptable, that would pass the court's test, and be something that would be beneficial to the people of this State."

At this time, Senator Anderson rose to speak in favor of the amendment as follows:

"I rise to speak in favor of the amendment. This is not my particular strong point, but I can't believe that staff for just a couple of short days can solve all the problems and come up with answers for all the unanswered questions that have been plaguing us for years.

I would hope that everybody would have been receptive to take as many ideas as possible to put it into conference.

Don't tell me that this bill as it stands before us is going to solve the problem. No one has been able to cope with it for years, and all of a sudden we have a bill that's going to do it? No way^o

This is a problem that confronts all of us. Every Senator in the Third District, in the Seventh District and the Sixth District ought to support every amendment and every idea for input. We ought to put every conceivable idea in the pot for conference and then try to hammer out a package.

I don't think that anybody on any of our staff is so competent that they can judge, and when we get into an area that is acceptable and that we like, we say let's study it. We've studied it; we've talked about it. I would venture to say that in 90% of your campaign brochures you promised action in this way, in this area; but when we get into the halls and when we get into the partisan fights, and because it's another idea of another guy who isn't in, it's out.

And that is really unfair; not only to the people who are really trying to participate, but it's unfair to the thousands of people out there who lease houses and have this problem.

Arbitrarily to say no, deny that no input, no ideas, only ours, is very, very unfair. This bill is not going to solve the problem, and it's going to haunt us. And, gentlemen, it's going to be on your back."

Senator O'Connor then rose to speak against the amendment as follows:

"Mr. President, I rise to speak against the amendment.

I think that the major point missed by our learned Minority Floor Leader is the fact that there has been a tremendous amount of input in the composition of the bills that are before us. And I think that the measure which is proposed as an amendment tonight has received a tremendous amount of study from many of us. I will agree that there are many of us very interested in this point who are worried about the leasehold problems of Hawaii.

As the Chairman of the Judiciary Committee indicated, this matter was gone into in some great length by many people involved with that

Committee; and there has been input in the House Committee also which was received and put into these bills which we now consider.

To say that this matter is a partisan matter is really running into the ground one of the most important issues before this Body; and I take great issue with such a comment. All people have had an adequate amount of input. All have had their chance to say as much as they wanted to on this issue. And input from all is contained in the measure before us.

For that reason, I would urge that the amendment itself, which really reflects only one or two ideas, be voted down and we consider the major measure in this matter."

Speaking against the amendment, Senator F. Wong then said:

"Mr. President, I rise to speak against the amendment.

One of the major points that was made by the gentleman who introduced the amendment was that it would result in a capital gains tax only to the estates. Unfortunately, this capital gains tax, when you add the federal as well as the state, could amount to a 40% taking by the Federal and State Governments.

This, in the matter of hearings before the Housing Committee, has been categorically rejected as being an unacceptable solution by the lessors of this State. The matter of condemnation is of the utmost concern to them.

While I don't pretend to have all of the answers, I think that Senate Bill No. 1200, which passed this Body earlier tonight, provides in one of its sections regarding land exchange, the most viable solution to this very pressing problem. It, first of all, avoids the question of a public purpose. Secondly, it produces no tax liability for the estates as well as for the people making the exchange where the basis would be transferred.

I think perhaps this is the area that should be given the greatest study because it can be implemented very easily by the passage of Senate Bill No. 1200.

Thank you."

Senator Rohlfing then commented as follows:

"I find that I have not been that aware of the cloak-of-claim of input. I am not a member of the Judiciary Committee where this bill was considered. But I do know that the particular proposals were not discussed specifically; nor were the votes taken specifically.

My learned colleague from the Seventh District has stated in his rebuttal argument, counter-argument, that he referred items on page 5 to the staff to discuss and to give him a recommendation. One of the things he has concluded is that the only way that we're going to proceed is through condemnation.

Mr. President, earlier we filed a Minority Report with respect to Senate Bill No. 22 which has been printed and I presume received. I would like to read a paragraph from that report which was based on meetings in Washington with officials in the Treasury Department, the Internal Revenue Service, the White House and the Congressional Committee on Internal Revenue Taxation. I quote, 'The second meeting with Treasury officials was much the same.... However, Treasury officials also raised the potential applicability of a voluntary "partial liquidation" which would have favorable tax consequences. This concept was in turn discussed at the meeting with Internal Revenue Service officials' and some of the officials who were there in 1967 when several of the Members of this Body and the House--six of us--spent two days in Washington discussing the tax aspects of residential leasehold reform.

For those of you who weren't here at that time, you can read that report, a special committee report, of the 1967 Session in the Journal where you'll find why we have some of the problems that we have today with respect to land reform. We were trying to walk our way through the thicket of the federal tax laws.

The report then continues, 'It is entirely possible that a landowner who is desirous of selling its residential leaseholds to the lessees, could apply to the IRS for approval do so as a partial liquidation. This would require a bulk sale of an area of sufficient size and within a reasonable time frame from inception to conclusion. A test of this concept is therefore urged. While outside the framework of Chapter 516 HRS, the existence of our State law provides an essential basis for IRS consideration in my opinion.'

We went on to recommend, based upon these conversations with these people, that we provide certain incentives and additions to the situation so that we can effectively deal with this problem. To state that the staff says, 'we're going to study it a little further', in my judgment is avoiding the issue, failing to put the tools on the table to negotiate across the hall to get the necessary input in fact and not in form.

Until late this afternoon, it wasn't sure whether Senate Bill No. 1200 was really going to survive. It was a good bill leaving the House Committee; and I think that the House Committee should be commended for its efforts spent listening to testimony. I am not aware that the same kind of intensive treatment was given at the Judiciary Committee level; and yet the decision is being made to exclude these concepts at this time.

I am still going to reserve a chance when we get the House bill to say the same thing; and, if necessary, to propose the same amendment, maybe more. Best we deal with the subject matter before us now and try to do it right.

Thank you."

Senator Hulten then rose and stated as follows:

"Mr. President, I don't think that anybody has been closer to this issue than I. I have been working on it since 1961, and I am well aware of the problems which we are facing.

The bills that we are reporting out tonight constitute a package. Incidentally, it is not just the one bill, S.B. No. 19; but there are other bills that have been acted on this evening prior to this one.

I would submit that the amendment that has been offered is actually meaningless. It says that you can have a voluntary association of people who can get together and agree that they can arrange their own financing and try to buy the fee. They can already do that; you don't need a bill to enable them to do that.

And my colleague across the aisle has spoken about this Museum Park Tract which was financed in 1969 or 1970 through an organization which went through a bank and had a trustee corporation set up

to handle it for them. I can go and refer you to one before that. The Halawa Hills Association got together on their own and purchased the Halawa Hills.

So, there is nothing on the books to stop that. We don't need an amendment to any law to allow a group voluntarily to go and voluntarily negotiate providing the owner is willing to sell. In a sense, that's what this bill does; that's all it does.

As far as partial liquidation is concerned, that's a well-known fact. That can be done. All you need is the consent of the IRS or the Treasury Department to do it. You don't need legislation to tell you you can do it.

So, basically, all this amendment is telling you is that you can do things which you can already do. Our problem has been what can we do when we don't have willing negotiators? How can we make this effective?

The other thing is, and the real threat is, as was pointed out by the Senator from the Fourth District, that the main thing is when you are forced under threat of condemnation to dispose of your property, there is no tax burden. You have a year's time in which to reinvest. If you do it under any other basis, you are going to be subjected to a partial liquidation even under a long term capital gains, which is in many cases going to be quite a considerable tax. We were well aware of all these problems when we entered into the discussions that resulted in this legislation that we're passing here tonight.

The other element that we have is a provision for assignment of land, exchange of lands, where there again will be no tax consideration.

The amendments, as I see them as they have been proposed here, give us nothing that we don't already have. What we need is what we don't yet have; and that is what our bill proposes to do. On the basis that these amendments don't mean anything, I move we vote them down."

At this time, Senator Nishimura asked the Minority Floor Leader whether he would yield to a question, to which Senator Anderson replied in the negative.

Senator Nishimura then said:

"Mr. President, last night for the first time in six years, my integrity and my honesty were imputed and assailed on this Floor.

My colleague from the Seventh Senatorial District made some statements in a remark which implied or stated very specifically that I referred to my staff one page of the material he submitted to me. That is not correct. I submitted to them the many pages that he submitted to me, and they reviewed every page of what he submitted to me; and they concluded with what I previously referred to.

I have before me Standing Committee Report No. 213 on Senate Bill No. 19, a committee report prepared by the Committee on Housing and Hawaiian Homes; and I note that the Minority Floor Leader signed the committee report without any reservations. I wish to note to the members of this Body that Senate Bill No. 19, S.D. 1, is substantially the same as that found in Standing Committee Report No. 213."

Senator Anderson then replied as follows:

"Mr. President, yes, I signed the committee report. I judged the bill on merit. I didn't say, 'No, Senator Rohlfing has a better bill. I don't want Patsy Young's.' I signed a lot of bills on merit, and I am going to continue to sign them if I think the issue is right.

But I think everybody can participate. I didn't sign that report thinking that nobody else in the whole Legislature was going to have any input. I'll take ideas from anybody and everybody. That bill can grow and change as it moves from committee to committee, from House to House. That's the process. I judged it on merit, and I am going to judge them all on merit."

Rising on a point of personal privilege, Senator Anderson then stated for the record that he apologizes if the statements he made the night before were misunderstood. He further stated that he had no intention of questioning Senator Nishimura's personal integrity and honesty.

Also rising on a point of personal privilege, Senator Nishimura said:

"Mr. President, I rise on a point of personal privilege, too. May I for the record obtain the consent of the members of this Body to have placed in the record the two committee

reports that I referred to last night?"

Speaking for the members of the Senate, the President granted permission as per request of Senator Nishimura.

The motion to adopt the amendment was put by the Chair, and Roll Call vote having been requested, the motion failed to carry on the following showing of Ayes and Noes:

Ayes, 7. Noes, 18, (Ching, Chong, Hara, Hulten, Kawasaki, King, Kuroda, Nishimura, Rohlfing, Taira, Takitani, Toyofuku, F. Wong, R. Wong, Yamasaki, Yim, Young

and Ushijima).

In accordance with Article III, Section 16, of the Constitution of the State of Hawaii, the 24-hour notice was given on S.B. No. 19, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO RESIDENTIAL LEASEHOLDS".

ADJOURNMENT

At 10:28 o'clock p.m., on motion by Senator Taira, seconded by Senator Anderson and carried, the Senate adjourned until 11:00 o'clock a.m., Thursday, March 13, 1975.