

## FORTY-THIRD DAY

Monday, March 24, 1980

The Senate of the Tenth Legislature of the State of Hawaii, Regular Session of 1980, convened at 11:30 o'clock a.m., with the President in the Chair.

The Divine Blessing was invoked by Reverend Norio Sasaki of Iolani School, after which the Roll was called showing all Senators present, with the exception of Senators Abercrombie and Ajifu who were excused.

The President announced that he had read and approved the Journal of the Forty-Second Day.

The following introductions were then made to the members of the Senate:

Senator Anderson introduced a group of 40 members of the Paradise Senior Citizens Club of Honolulu.

Senator Kawasaki introduced Becky Wagner, head teacher of the Hawaii Child Care Center, Salt Lake.

Senator Cayetano then introduced a group of parents and children from the Hawaii Child Care Centers in Waipahu and Ewa Beach, accompanied by their teachers: Carolyn Alexander, head teacher at Ewa Beach; Maryann Sang, head teacher at Waipahu; Diane Paiva, Debbie Fennimore, and Carolyn Drojack.

Senator George introduced a group of children and parents from the Hawaii Child Care Centers in Enchanted Lake and Kailua, accompanied by Jan Lee, head teacher at Enchanted Lake, and Edna Logan, head teacher at Kailua.

Senator Toyofuku then introduced staff members of the Kauai Child Care Center, Mrs. Tomoko Furugen (Kauai Headstart), Mrs. Grace Yoon (Stepping Stones), and Mrs. Jackie Jung (Kauai Association for Education of Young Children).

Senator Yamasaki then introduced, on behalf of Senator Machida and himself, Diane Lowson of the Maui Association for Education of Young Children and Paul Pladera of the Maui Headstart.

## MESSAGE FROM THE GOVERNOR

A message from the Governor (Gov. Msg. No. 239), transmitting a copy of a Report of the Kohala Task Force for 1979, February 1980, prepared by the Department of Agriculture pursuant to Act 226, SLH 1974, relating to planning and development of North Kohala, was read by the Clerk and was referred

to the Committee on Agriculture.

## DEPARTMENTAL COMMUNICATION

A communication from the Office of the Auditor (Dept. Com. No. 23), transmitting a copy of the Evaluation of the Job Sharing Pilot Project in the Department of Education, Report No. 80-10, March 1980, prepared by the Legislative Auditor of the State of Hawaii, as required by Section 4 of Act 150, Session of Laws of Hawaii 1978, was read by the Clerk and was referred to the Committee on Education.

## HOUSE COMMUNICATION

A communication from the House (Hse. Com. No. 311), returning Senate Concurrent Resolution No. 41, which was adopted by the House of Representatives on March 21, 1980, was placed on file.

## SENATE RESOLUTIONS

The following resolutions (S.R. No. 206 to 212), were read by the Clerk and were disposed of as follows:

A resolution (S.R. No. 206), entitled: "SENATE RESOLUTION REQUESTING THE ADOPTION OF MORE FLEXIBLE AND POSITIVE STANDARDS TO PROVIDE RESIDENTS OF PLANTATION COMMUNITIES, SUBDIVISION AND/OR HOMEOWNERSHIP OPTIONS TO FACILITATE THE PRESERVATION OF PLANTATION COMMUNITIES", was jointly offered by Senators Ushijima, Carpenter and Hara.

By unanimous consent, S.R. No. 206 was referred to the Committee on Intergovernmental Relations.

A resolution (S.R. No. 207), entitled: "SENATE RESOLUTION REQUESTING THE ELECTRIC UTILITY COMPANIES TO KEEP THEIR OVERHEAD POWER TRANSMISSION LINES CLEAR FROM TREES AND BRANCHES", was jointly offered by Senators Ushijima, Carpenter and Hara.

By unanimous consent, S.R. No. 207 was referred to the Committee on Public Utilities.

A resolution (S.R. No. 208), entitled: "SENATE RESOLUTION REQUESTING THE PRESIDENT OF THE UNITED STATES AND THE UNITED STATES CONGRESS TO INSTITUTE A RECIPROCITY POLICY TO COUNTER OIL PRICE INCREASES BY DECREASING OIL IMPORTS", was jointly offered by Senators Cobb, Young, Machida, Toyofuku, Kawasaki,

Kuroda, Yim, Ushijima, Cayetano, Yamasaki, Campbell, Carpenter, Hara, Chong and Wong.

Bu unanimous consent, S.R. No. 208 was referred to the Committee on Economic Development.

A resolution (S.R. No. 209), entitled: "SENATE RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO IDENTIFY ANTI-DISCRIMINATION STATUTES THAT DO NOT INCLUDE SEXUAL ORIENTATION RIGHTS", was jointly offered by Senators Chong, Abercrombie, Carroll, Carpenter, O'Connor, Kuroda, George, Campbell, Ushijima, Young, Cayetano, Ajifu, Mizuguchi and Kawasaki.

By unanimous consent, S.R. No. 209 was referred to the Committee on Judiciary, then to the Committee on Legislative Management.

A resolution (S.R. No. 210), entitled: "SENATE RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION AND THE DEPARTMENT OF HEALTH TO CREATE A SPECIAL DISABILITY CATEGORY FOR AUTISTIC CHILDREN", was jointly offered by Senators Carpenter, Abercrombie, Chong, Yamasaki, Kuroda, Yee, Machida, Young, Soares, Ajifu, Campbell, Yim, Anderson, Cobb, Hara, Kawasaki and Ushijima.

By unanimous consent, S.R. No. 210 was referred jointly to the Committee on Health and to the Committee on Education.

A resolution (S.R. No. 211), entitled: "SENATE RESOLUTION CONGRATULATING AND EXTENDING BEST WISHES TO THE KALIHI-PALAMA COMMUNITY COUNCIL ON ITS 35TH ANNIVERSARY AND FOR THEIR CONTINUED AND OUTSTANDING COMMUNITY SERVICE", was jointly offered by Senators Wong, Yim, Kawasaki, Campbell, Young, Yee, George, Cayetano, Ushijima, Machida, Mizuguchi, Hara, Chong, Carpenter, Abercrombie, Toyofuku, Carroll, Soares, Anderson, Ajifu and Kuroda.

On motion by Senator Mizuguchi, seconded by Senator Yim and carried, S.R. No. 211 was adopted.

A resolution (S.R. No. 212), entitled: "SENATE RESOLUTION HONORING DR. AND MRS. AN WANG FOR THEIR CONTRIBUTION TO HAWAII'S ECONOMIC DEVELOPMENT", was jointly offered Senators Yee, Carroll, Toyofuku, Mizuguchi, Machida, Kawasaki, George, Soares and Saiki.

Senator Yee moved that S.R. No. 212 be adopted, seconded by Senator Carroll.

At this time, Senator Yee rose to express a few words regarding the honoree as follows:

"Mr. President and members of the Senate and audience, it is a great and significant honor for us this morning to have one of the distinguished men in the United States and throughout the world present with us. He is, as the resolution states, Dr. An Wang.

"Dr. Wang was born and raised in Shanghai and pursued his studies there. He then came to the United States on a scholarship and in 1948 graduated from Harvard University with a doctoral degree in applied physics. In 1951, Dr. Wang founded Wang Laboratories, invented Wang processing machines and computers.

"This gentleman, while not only a genius in mathematics and physics, developed his own computers, his own word machines, at the same time serving as president and chairman of the board of his own company. Now, Wang machines are used throughout the world, as well as the United States.

"Dr. Wang in 1978, through the urgings of Governor Ariyoshi and state administrators, has established his Pacific headquarters in the State of Hawaii to take care of all of his expansions in the Pacific area and in the Orient. He will ultimately go on a trip to China where they have already purchased some of his machines and have orders for the future.

"I think he is an exceptional individual and I'm more than proud of this introduction because he's part of the family. Mrs. Wang is ... this is hard to explain, but I'll try to explain ... my mother's adopted sister. Mrs. Wang is a blood cousin of my father and a blood cousin of Mrs. Hiram Fong, my aunt. So, we are all part of the family that Mrs. Wang has here in Hawaii. I'm very happy that they are visiting with us."

The motion was put by the chair and carried, and S.R. No. 212 was adopted.

Senator Yee then introduced to the members of the Senate Dr. An Wang and Mrs. Wang, accompanied by their daughter Julia, Mrs. Hiram Fong, Mr. Dodge Chu, vice president of the Pacific Operations of Wang Laboratories, Inc., and Mrs. Chu. Senators Saiki and Yee presented leis and a copy of the resolution to Dr. and Mrs. Wang.

At 11:46 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:40 o'clock a.m.

#### STANDING COMMITTEE REPORTS

Senator Yamasaki, for the Committee on Legislative Management, presented a report (Stand. Com. Rep. No. 745-80), informing the Senate that Senate Resolution Nos. 203 to 205 and Standing Committee Report Nos. 743-80 to 744-80 have been printed and are ready for distribution.

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

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 746-80), recommending that House Bill No. 1762-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 1762-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF CERTAIN PERSONS UNDER THE CRIMINAL INJURIES COMPENSATION ACT AND PROVIDING APPROPRIATIONS THEREFOR", passed Second Reading and was referred to the Committee on Ways and Means.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 747-80), recommending that House Bill No. 1801-80, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 1801-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO POLICE", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 1801-80, S.D. 1.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 748-80), recommending that House Bill No. 1821-80, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 1821-80, S.D. 1, entitled: "A BILL

FOR AN ACT RELATING TO BAIL BONDS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 17, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 1821-80, S.D. 1.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 749-80), recommending that House Bill No. 1864-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 1864-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR", passed Second Reading and was referred to the Committee on Ways and Means.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 750-80), recommending that House Bill No. 2062-80, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 2062-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 2062-80, S.D. 1.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 751-80), recommending that House Bill No. 2174-80, H.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 2174-80, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EXPUNGEMENT OF ARREST RECORDS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 2174-80, H.D. 1.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 752-80), recommending that House Bill No. 2191-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 2191-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO OWNERSHIP AND POSSESSION OF FIREARMS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 2191-80, H.D. 1, S.D. 1.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 753-80), recommending that House Bill No. 2258-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 2258-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SUSPENSION OF SENTENCE AND PROBATION", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 2258-80, H.D. 1, S.D. 1.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 754-80), recommending that House Bill No. 2265-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 2265-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STRIKING NAMES OF DISAQUALIFIED VOTERS FROM THE REGISTER", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 2265-80, H.D. 1, S.D. 1.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 755-80), recommending that House Bill No. 2357-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 2357-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD INFORMATION", passed Second Reading and was referred to the Committee on Ways and Means.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 756-80), recommending that House Bill No. 2558-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 2558-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO BAIL", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 2558-80, H.D. 1, S.D. 1.

Senator Mizuguchi, for the Committee on Transportation, presented a report (Stand. Com. Rep. No. 757-80), recommending that House Bill No. 2647-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Mizuguchi, seconded by Senator Yim and carried, the report of the Committee was adopted and H.B. No. 2647-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES", passed Second Reading and was referred to the Committee on Ways and Means.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 758-80), recommending that House Bill No. 2063-80, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 2063-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 2063-80, S.D. 1.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 759-80), recommending that House Bill No. 2163-80, H.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 2163-80, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HOLIDAYS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 2163-80, H.D. 1.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 760-80), recommending that House Bill No. 2845-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 2845-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PRIMARY ELECTIONS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 2845-80, H.D. 1, S.D. 1.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 761-80), recommending that House Bill No. 2444-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B.

No. 2444-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INDEXING OF THE HAWAII REVISED STATUTES", passed Second Reading and was referred to the Committee on Ways and Means.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 762-80), recommending that House Bill No. 2093-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 2093-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WITNESS FEES", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Cobb, for the Committee on Consumer Protection and Commerce, presented a report (Stand. Com. Rep. No. 763-80), recommending that House Bill No. 1981-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Cobb, seconded by Senator Chong and carried, the report of the Committee was adopted and H.B. No. 1981-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO RECORDING FEES IN THE STATE BUREAU OF CONVEYANCES", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Cobb, for the Committee on Consumer Protection and Commerce, presented a report (Stand. Com. Rep. No. 764-80), recommending that House Bill No. 1991-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Cobb, seconded by Senator Chong and carried, the report of the Committee was adopted and H.B. No. 1991-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MASSAGE", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Cobb, for the Committee on Consumer Protection and Commerce, presented a report (Stand. Com. Rep. No. 765-80), recommending that House Bill No. 1992-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Cobb, seconded by Senator Chong and carried, the

report of the Committee was adopted and H.B. No. 1992-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DEPARTMENT OF REGULATORY AGENCIES", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Cobb, for the Committee on Consumer Protection and Commerce, presented a report (Stand. Com. Rep. No. 766-80), recommending that House Bill No. 2263-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Senator Cobb, seconded by Senator Chong and carried, the report of the Committee was adopted and H.B. No. 2263-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LIMITED PARTNERSHIPS", passed Second Reading and was referred to the Committee on Judiciary.

#### ORDER OF THE DAY

##### MATTER DEFERRED FROM MARCH 21, 1980

Standing Committee Report No. 721-80  
(H.B. No. 1983-80):

By unanimous consent, action on Stand. Com. Rep. No. 721-80 and H.B. No. 1983-80, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS", was deferred until Thursday, March 27, 1980.

#### THIRD READING

House Bill No. 2073-80, H.D. 1, S.D. 1:

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, H.B. No. 2073-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO VOCATIONAL REHABILITATION", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Abercrombie and Ajifu).

House Bill No. 1999-80, S.D. 1:

On motion by Senator Mizuguchi, seconded by Senator Yim and carried, H.B. No. 1999-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR CARRIER SAFETY LAW", having been read throughout, passed Third Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, none. Excused, 2 (Abercrombie and Ajifu).

At this time, Senator Chong introduced to the members of the Senate Mr. Dan Fisher, professional loan counselor.

At 11:55 o'clock a.m., on motion by Senator Mizuguchi, seconded by Senator Anderson and carried, the Senate stood in recess until 5:00 o'clock p.m. this afternoon.

#### AFTERNOON SESSION

The Senate reconvened at 5:00 o'clock p.m., with all Senators present with the exception of Senator Carroll who was excused.

#### STANDING COMMITTEE REPORTS

Senator Cobb, for the Committee on Consumer Protection and Commerce, presented a report (Stand. Com. Rep. No. 767-80), recommending that House Bill No. 2359-80 pass Second Reading and be referred to the Committee on Judiciary.

On motion by Senator Cobb, seconded by Senator Chong and carried, the report of the Committee was adopted and H.B. No. 2359-80, entitled: "A BILL FOR AN ACT RELATING TO PARTNERSHIPS", passed Second Reading and was referred to the Committee on Judiciary.

Senator Cobb, for the Committee on Consumer Protection and Commerce, presented a report (Stand. Com. Rep. No. 768-80), recommending that House Bill No. 2889-80, H.D. 2, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Cobb, seconded by Senator Chong and carried, the report of the Committee was adopted and H.B. No. 2889-80, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AUTHORIZING COMPENSATION OF WITNESSES BY THE DIRECTOR OF THE OFFICE OF CONSUMER PROTECTION", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Carpenter, for the Committee on Health, presented a report (Stand. Com. Rep. No. 769-80), recommending that House Bill No. 2944-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Carpenter, seconded by Senator Campbell and carried, the report of the Committee was adopted and H.B. No. 2944-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL SERVICES", passed Second

Reading and was referred to the Committee on Ways and Means.

Senator Yim, for the Committee on Economic Development, presented a report (Stand. Com. Rep. No. 770-80), recommending that House Bill No. 275, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Yim, seconded by Senator Carpenter and carried, the report of the Committee was adopted and H.B. No. 275, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INCOME TAX CREDIT FOR SOLAR ENERGY", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Yim, for the Committee on Economic Development, presented a report (Stand. Com. Rep. No. 771-80), recommending that House Bill No. 1804-80, H.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Yim, seconded by Senator Carpenter and carried, the report of the Committee was adopted and H.B. No. 1804-80, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 1804-80, H.D. 1.

Senator Yim, for the Committee on Economic Development, presented a report (Stand. Com. Rep. No. 772-80), recommending that House Bill No. 2183-80 pass Second Reading and be referred to the Committee on Judiciary.

On motion by Senator Yim, seconded by Senator Carpenter and carried, the report of the Committee was adopted and H.B. No. 2183-80, entitled: "A BILL FOR AN ACT RELATING TO FOREST AND WATER RESERVE ZONES", passed Second Reading and was referred to the Committee on Judiciary.

Senator Yim, for the majority of the Committee on Economic Development, presented a report (Stand. Com. Rep. No. 773-80), recommending that House Bill No. 2574-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Yim, seconded by Senator Carpenter and carried, the

report of the majority of the Committee was adopted and H.B. No. 2574-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ESTABLISHMENT OF A STATE LAND BANK", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Yim, for the Committee on Economic Development, presented a report (Stand. Com. Rep. No. 774-80), recommending that House Bill No. 2729-80, H.D. 3, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Yim, seconded by Senator Carpenter and carried, the report of the Committee was adopted and H.B. No. 2729-80, H.D. 3, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ESTABLISHMENT OF THE HAWAII FISHERIES COORDINATING COUNCIL", passed Second Reading and was referred to the Committee on Ways and Means.

Senators Carpenter and Campbell, for the Committee on Health and the Committee on Education, presented a joint report (Stand. Com. Rep. No. 775-80), recommending that House Bill No. 584, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Carpenter, seconded by Senator Campbell and carried, the joint report of the Committees was adopted and H.B. No. 584, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH SERVICES FOR CHILDREN AND YOUTH", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Carpenter, for the Committee on Health, presented a report (Stand. Com. Rep. No. 776-80), recommending that House Bill No. 2175-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Senator Carpenter, seconded by Senator Campbell and carried, the report of the Committee was adopted and H.B. No. 2175-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO NAMES", passed Second Reading and was referred to the Committee on Judiciary.

Senator Chong, for the Committee on Public Utilities, presented a report (Stand. Com. Rep. No. 777-80), recommending that House Bill No. 1947-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee

on Economic Development.

On motion by Senator Chong, seconded by Senator Mizuguchi and carried, the report of the Committee was adopted and H.B. No. 1947-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRICITY GENERATED FROM NON-FOSSIL FUELS", passed Second Reading and was referred to the Committee on Economic Development.

Senator Machida, for the Committee on Agriculture, presented a report (Stand. Com. Rep. No. 778-80), recommending that House Bill No. 2496-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Machida, seconded by Senator Hara and carried, the report of the Committee was adopted and H.B. No. 2496-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL PARKS", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Young, for the Committee on Housing and Hawaiian Homes, presented a report (Stand. Com. Rep. No. 779-80), recommending that House Bill No. 273, H.D. 2, passed Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Young, seconded by Senator Cayetano and carried, the report of the Committee was adopted and H.B. No. 273, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE RENTER'S INCOME TAX CREDIT", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Young, for the Committee on Housing and Hawaiian Homes, presented a report (Stand. Com. Rep. No. 780-80), recommending that House Bill No. 1782-80, H.D. 2, pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

On motion by Senator Young, seconded by Senator Cayetano and carried, the report of the Committee was adopted and H.B. No. 1782-80, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO INTEREST AND USURY", passed Second Reading and was referred to the Committee on Consumer Protection and Commerce.

Senator Young, for the Committee on Housing and Hawaiian Homes, presented a report (Stand. Com. Rep. No. 781-80), recommending that House Bill No. 1852-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Young, seconded by Senator Cayetano and carried, the report of the Committee was adopted and H.B. No. 1852-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Young, for the Committee on Housing and Hawaiian Homes, presented a report (Stand. Com. Rep. No. 782-80), recommending that House Bill No. 1853-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Young, seconded by Senator Cayetano and carried, the report of the Committee was adopted and H.B. No. 1853-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Young, for the Committee on Housing and Hawaiian Homes, presented a report (Stand. Com. Rep. No. 783-80), recommending that House Bill No. 1969-80, H.D. 1, pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

On motion by Senator Young, seconded by Senator Cayetano and carried, the report of the Committee was adopted and H.B. No. 1969-80, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PROPERTY", passed Second Reading and was referred to the Committee on Consumer Protection and Commerce.

Senator Young, for the Committee on Housing and Hawaiian Homes, presented a report (Stand. Com. Rep. No. 784-80), recommending that House Bill No. 2029-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Young, seconded by Senator Cayetano and carried, the report of the Committee was adopted and H.B. No. 2029-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING AUTHORITY", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Young, for the Committee on Housing and Hawaiian Homes, presented a report (Stand. Com. Rep. No. 785-80), recommending that House Bill No. 2067-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.



On motion by Senator Young, seconded by Senator Cayetano and carried, the report of the Committee was adopted and H.B. No. 2067-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Young, for the Committee on Housing and Hawaiian Homes, presented a report (Stand. Com. Rep. No. 786-80), recommending that House Bill No. 2072-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Young, seconded by Senator Cayetano and carried, the report of the Committee was adopted and H.B. No. 2072-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Young, for the Committee on Housing and Hawaiian Homes, presented a report (Stand. Com. Rep. No. 787-80), recommending that House Bill No. 2344-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Young, seconded by Senator Cayetano and carried, the report of the Committee was adopted and H.B. No. 2344-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Young, for the Committee on Housing and Hawaiian Homes, presented a report (Stand. Com. Rep. No. 788-80), recommending that House Bill No. 2660-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Young, seconded by Senator Cayetano and carried, the report of the Committee was adopted and H.B. No. 2660-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Young, for the Committee on Housing and Hawaiian Homes, presented a report (Stand. Com. Rep. No. 789-80), recommending that House Bill No. 2723-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Young, seconded by Senator Cayetano and carried, the report of the Committee was adopted and H.B. No. 2723-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING AUTHORITY", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Young, for the Committee on Housing and Hawaiian Homes, presented a report (Stand. Com. Rep. No. 790-80), recommending that House Bill No. 3052-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Young, seconded by Senator Cayetano and carried, the report of the Committee was adopted and H.B. No. 3052-80, H.D. 2, as amended in S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOUSING AUTHORITY", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Mizuguchi, for the Committee on Transportation, presented a report (Stand. Com. Rep. No. 791-80), recommending that House Bill No. 2339-80 pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

On motion by Senator Mizuguchi, seconded by Senator Yim and carried, the report of the Committee was adopted and H.B. No. 2339-80, entitled: "A BILL FOR AN ACT RELATING TO PORT PILOTS", passed Second Reading and was referred to the Committee on Consumer Protection and Commerce.

Senator Mizuguchi, for the Committee on Transportation, presented a report (Stand. Com. Rep. No. 792-80), recommending that House Bill No. 2541-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Mizuguchi, seconded by Senator Yim and carried, the report of the Committee was adopted and H.B. No. 2541-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO VAN GO HAWAII", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Mizuguchi, for the Committee on Transportation, presented a report (Stand. Com. Rep. No. 793-80), recommending that House Bill No. 2680-80, H.D. 1, as amended in S.D. 1, pass Second

Reading and be referred to the Committee on Judiciary.

On motion by Senator Mizuguchi, seconded by Senator Yim and carried, the report of the Committee was adopted and H.B. No. 2680-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC RECORDS", passed Second Reading and was referred to the Committee on Judiciary.

Senator Mizuguchi, for the Committee on Transportation, presented a report (Stand. Com. Rep. No. 794-80), recommending that House Bill No. 2897-80, H.D. 3, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Mizuguchi, seconded by Senator Yim and carried, the report of the Committee was adopted and H.B. No. 2897-80, H.D. 3, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL FACILITY REVENUE BONDS", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Mizuguchi, for the Committee on Transportation, presented a report (Stand. Com. Rep. No. 795-80), recommending that House Bill No. 3045-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Mizuguchi, seconded by Senator Yim and carried, the report of the Committee was adopted and H.B. No. 3045-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PROCEDURE WHEN TITLE OF VEHICLE TRANSFERRED; DELIVERY OF CERTIFICATE MANDATORY", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Chong, for the Committee on Public Utilities, presented a report (Stand. Com. Rep. No. 796-80), recommending that House Bill No. 182, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Senator Chong, seconded by Senator Mizuguchi and carried, the report of the Committee was adopted and H.B. No. 182, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES", passed Second Reading and was referred to the Committee on Judiciary.

Senator Mizuguchi, for the Committee on Transportation, presented a report (Stand. Com. Rep. No. 797-80), recommending that House Bill No. 2834-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee

on Ways and Means.

On motion by Senator Mizuguchi, seconded by Senator Yim and carried, the report of the Committee was adopted and H.B. No. 2834-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE VEHICLE WEIGHT TAX EXEMPTIONS", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Hara, for the Committee on Ecology, Environment and Recreation, presented a report (Stand. Com. Rep. No. 798-80), recommending that House Bill No. 2328-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Transportation.

On motion by Senator Hara, seconded by Senator Abercrombie and carried, the report of the Committee was adopted and H.B. No. 2328-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HARBORS", passed Second Reading and was referred to the Committee on Transportation.

Senator Hara, for the Committee on Ecology, Environment and Recreation, presented a report (Stand. Com. Rep. No. 799-80), recommending that House Bill No. 800, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Hara, seconded by Senator Abercrombie and carried, the report of the Committee was adopted and H.B. No. 800, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ESTABLISHMENT OF A WASHINGTON PLACE OVERSIGHT COMMISSION", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Hara, for the Committee on Ecology, Environment and Recreation, presented a report (Stand. Com. Rep. No. 800-80), recommending that House Bill No. 2454-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Hara, seconded by Senator Abercrombie and carried, the report of the Committee was adopted and H.B. No. 2454-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO POLITICAL SUBDIVISION POLLUTION CONTROL BONDS", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Hara, for the Committee on Ecology, Environment and Recreation, presented a report (Stand. Com. Rep.

No. 801-80), recommending that House Bill No. 1977-80, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Hara, seconded by Senator Abercrombie and carried, the report of the Committee was adopted and H.B. No. 1977-80, 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 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 1977-80, S.D. 1.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 802-80), recommending that House Bill No. 366 pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 366, entitled: "A BILL FOR AN ACT RELATING TO INITIAL APPOINTMENTS", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 803-80), recommending that House Bill No. 850, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 850, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 804-80), recommending that House Bill No. 995, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 995, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Toyofuku, for the Committee on Human Resources, presented report (Stand. Com. Rep. No. 805-80), recommending that House Bill No. 1610, H.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 1610, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Toyofuku, for the majority of the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 806-80), recommending that House Bill No. 1933-80, H.D. 2, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the majority of the Committee was adopted and H.B. No. 1933-80, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CAREER PLANNING AND EMPLOYMENT COUNSELING", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 807-80), recommending that House Bill No. 2141-80, H.D. 2, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 2141-80, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PENSION AND RETIREMENT SYSTEMS", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 808-80), recommending that House Bill No. 2181-80, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 2181-80, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY", passed Second Reading and was referred

to the Committee on Ways and Means.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 809-80), recommending that House Bill No. 2625-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 2625-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO OCCUPATIONAL AND CAREER INFORMATION", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 810-80), recommending that House Bill No. 2634-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 2634-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF PUBLIC OFFICERS AND EMPLOYEES", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 811-80), recommending that House Bill No. 3006-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 3006-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF CHILDREN AND YOUTH", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 812-80), recommending that House Bill No. 1313, H.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 1313, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ADULT FAMILY BOARDING HOMES", passed Second Reading and was placed on the calendar for Third Reading on

Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 1313, H.D. 1.

Senator Toyofuku, for the majority of the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 813-80), recommending that House Bill No. 1685, H.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the majority of the Committee was adopted and H.B. No. 1685, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 1685, H.D. 1.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 814-80), recommending that House Bill No. 1805-80, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 1805-80, entitled: "A BILL FOR AN ACT RELATING TO THE STATE FORESTER", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 1805-80.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 815-80), recommending that House Bill No. 1813-80, H.D. 1, 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 Yamasaki and carried, the report of the Committee was adopted and H.B. No. 1813-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT", passed Second Reading

and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 1813-80, H.D. 1, S.D. 1.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 816-80), recommending that House Bill No. 1826-80, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 1826-80, entitled: "A BILL FOR AN ACT RELATING TO PENSION AND RETIREMENT SYSTEMS", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 1826-80.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 817-80), recommending that House Bill No. 1957-80 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 1957-80, entitled: "A BILL FOR AN ACT RELATING TO THE CERTIFICATION OF CIVIL SERVICE ELIGIBLES", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 1957-80:

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 818-80), recommending that House Bill No. 1997-80 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 1997-80, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF SOCIAL SERVICES", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section

15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 1997-80.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 819-80), recommending that House Bill No. 2178-80, H.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 2178-80, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE LIMITATION OF FEES", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 2178-80, H.D. 1.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 820-80), recommending that House Bill No. 2179-80, H.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 2179-80, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE SAFETY OF BOILERS, ELEVATORS AND AMUSEMENT RIDES", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 2179-80, H.D. 1.

Senator Toyofuku, for the Committee on Human Resources, presented a report (Stand. Com. Rep. No. 821-80), recommending that House Bill No. 2362-80, H.D. 1, as amended in S.D. 1, pass Second Reading and was placed on the calendar for Third Reading.

On motion by Senator Toyofuku, seconded by Senator Yamasaki and carried, the report of the Committee was adopted and H.B. No. 2362-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DOMICILIARY CARE", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 2362-80, H.D. 1, S.D. 1.

Senator Ushijima, for the Committee on Intergovernmental Relations, presented a report (Stand. Com. Rep. No. 822-80), recommending that House Bill No. 1802-80 pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Ushijima, seconded by Senator Kuroda and carried, the report of the Committee was adopted and H.B. No. 1802-80, entitled: "A BILL FOR AN ACT RELATING TO THE MILITIA", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 1802-80.

Senator Ushijima, for the Committee on Intergovernmental Relations, presented a report (Stand. Com. Rep. No. 823-80), recommending that House Bill No. 1803-80, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Ushijima, seconded by Senator Kuroda and carried, the report of the Committee was adopted and H.B. No. 1803-80, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE GUARD", passed Second Reading and was placed on the calendar for Third Reading on Thursday, March 27, 1980.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, the 48-hour notice was given on H.B. No. 1803-80.

Senator Ushijima, for the Committee on Intergovernmental Relations, presented a report (Stand. Com. Rep. No. 824-80), recommending that House Bill No. 2193-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Ushijima, seconded by Senator Kuroda and carried, the report of the Committee was adopted and H.B. No. 2193-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRANSFER OF ALL FUNCTIONS, POWERS AND DUTIES INVOLVING THE TAXATION OF REAL PROPERTY TO THE COUNTIES", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Ushijima, for the Committee on Intergovernmental Relations, presented

a report (Stand. Com. Rep. No. 825-80), recommending that House Bill No. 2458-80 pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Ushijima, seconded by Senator Kuroda and carried, the report of the Committee was adopted and H.B. No. 2458-80, entitled: "A BILL FOR AN ACT RELATING TO PROCEDURE WHEN TITLE OF VEHICLE TRANSFERRED; DELIVERY OF CERTIFICATE MANDATORY", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Ushijima, for the Committee on Intergovernmental Relations, presented a report (Stand. Com. Rep. No. 826-80), recommending that House Bill No. 2589-80 pass Second Reading and be referred to the Committee on Consumer Protection and Commerce.

On motion by Senator Ushijima, seconded by Senator Kuroda and carried, the report of the Committee was adopted and H.B. No. 2589-80, entitled: "A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR", passed Second Reading and was referred to the Committee on Consumer Protection and Commerce.

Senator Campbell, for the majority of the Committee on Education, presented a report (Stand. Com. Rep. No. 827-80) recommending that House Bill No. 2294-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Campbell, seconded by Senator Young and carried, the report of the majority of the Committee was adopted and H.B. No. 2294-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ALTERNATIVE EDUCATION FOR ALIENATED STUDENTS IN THE HONOLULU AND LEEWARD EDUCATION DISTRICTS", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Campbell, for the Committee on Education, presented a report (Stand. Com. Rep. No. 828-80) recommending that House Bill No. 2633-80 pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Campbell, seconded by Senator Young and carried, the report of the Committee was adopted and H.B. No. 2633-80, entitled: "A BILL FOR AN ACT RELATING TO THE JOB SHARING PILOT PROJECT IN THE DEPARTMENT OF EDUCATION", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Campbell, for the majority

of the Committee on Education, presented a report (Stand. Com. Rep. No. 829-80) recommending that House Bill No. 2672-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Campbell, seconded by Senator Young and carried, the report of the majority of the Committee was adopted and H.B. No. 2672-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STUDENT TRANSPORTATION PROGRAM", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Campbell, for the majority of the Committee on Education, presented a report (Stand. Com. Rep. No. 830-80) recommending that House Bill No. 3047-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Campbell, seconded by Senator Young and carried, the report of the majority of the Committee was adopted and H.B. No. 3047-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF EDUCATION", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Campbell, for the majority of the Committee on Education, presented a report (Stand. Com. Rep. No. 831-80) recommending that House Bill No. 2551-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Senator Campbell, seconded by Senator Young and carried, the report of the majority of the Committee was adopted and H.B. No. 2551-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF EDUCATION", passed Second Reading and was referred to the Committee on Judiciary.

Senator Campbell, for the Committee on Education, presented a report (Stand. Com. Rep. No. 832-80) recommending that House Bill No. 2669-80, H.D. 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Senator Campbell, seconded by Senator Young and carried, the report of the Committee was adopted and H.B. No. 2669-80, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION", passed Second Reading and was referred to the Committee on Judiciary.

Senators Campbell and Mizuguchi, for the Committees on Education and Transportation, presented a joint report (Stand. Com. Rep. No. 833-80) recommending that House Bill No. 2196-80, H.D.

2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Campbell, seconded by Senator Mizuguchi and carried, the joint report of the Committees was adopted and H.B. No. 2196-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUPIL TRANSPORTATION", passed Second Reading and was referred to the Committee on Ways and Means.

Senator Abercrombie, for the Committee on Higher Education, presented a report (Stand. Com. Rep. No. 834-80) recommending that House Bill No. 2822-80, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Abercrombie, seconded by Senator Ushijima and carried, the report of the Committee was adopted and H.B. No. 2822-80, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT ESTABLISHING A UNIVERSITY OF HAWAII SYSTEMWIDE STUDENT ACTIVITIES REVOLVING FUND", passed Second Reading and was referred to the Committee on Ways and Means.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 835-80) recommending that House Bill No. 1758, H.D. 2, S.D. 1, as amended in S.D. 2, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 1758, H.D. 2, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE TRANSFER OF PROGRAMS AND ORGANIZATIONAL SEGMENTS IN THE STATE GOVERNMENT", passed Second Reading and was referred to the Committee on Ways and Means.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 836-80) recommending that House Bill No. 1865-80, H.D. 1, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 1865-80, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY BUDGET", passed Second Reading and was referred to the Committee on Ways and Means.

Senator O'Connor, for the Committee

on Judiciary, presented a report (Stand. Com. Rep. No. 837-80) recommending that House Bill No. 2059-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 2059-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GRAND JURY", passed Second Reading and was referred to the Committee on Ways and Means.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 838-80) recommending that House Bill No. 2716-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 2716-80, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET", passed Second Reading and was referred to the Committee on Ways and Means.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 839-80) recommending that House Bill No. 2720-80, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 2720-80, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PAYMENT OF SETTLEMENT BETWEEN THE STATE OF HAWAII AND MARK CONSTRUCTION, INC.", passed Second Reading and was referred to the Committee on Ways and Means.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 840-80) recommending that House Bill No. 25, H.D. 1, S.D. 1, as amended in S.D. 2, be referred to the Committee on Ways and Means.

On motion by Senator O'Connor, seconded by Senator Cobb and carried, the report of the Committee was adopted and H.B. No. 25, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE", was referred to the Committee on Ways and Means.

Senator O'Connor, for the Committee on Judiciary, presented a report (Stand. Com. Rep. No. 841-80) recommending that House Bill No. 1222, H.D. 1; S.D. 1, as amended in S.D. 2, be referred to the Committee on Ways and Means.

Senator O'Connor moved that the report of the Committee be adopted and H.B. No. 1222, H.D. 1, S.D. 2 be referred to the Committee on Ways and Means.

At this time, Senator Chong rose to comment on the measure as follows:

"Mr. President, I would like to make several comments on the differences between H.B. No. 1222, S.D. 1, the consumer oriented version put out by my committee, and the bill before us today, which is H.B. No. 1222, S.D. 2 of the Senate Judiciary Committee.

"Senate Draft 2 substantially changes the intent and purpose of Senate Draft 1. The overriding intent of Senate Draft 1 was to protect the ratepayer, the consumer, by establishing public policy to maximize the possible rate relief options that revenue bonds could generate.

"Standing Committee Report 735-80 of March 18, 1980 presents the major thrust of Senate Draft 1. What I would like to do here is to elaborate on the contents of Senate Draft 1 and thereby explain why I signed the Committee Report to Senate Draft 2, 'with reservations.'

"There is a complex relationship between the sale of special purpose revenue bonds and the rates paid by consumers. When the special purpose revenue bonds are sold, the interest on the bonds -- debt service -- becomes part of the operating expenses of the utility. The debt service is passed directly on to the ratepayers. However, there is a second impact of the special purpose revenue bonds. The impact is the expansion of the rate base upon which the utility earns its 'rate of return.' For example, if an electric utility uses the special purpose revenue bonds to purchase capital equipment, that equipment becomes included in the rate base.

"The Public Utilities Commission in determining electric rates then takes two components into account: (1) operating expenses - including the direct reimbursement for debt service; and (2) return on rate base - a predetermined rate of return on the utilities capital facilities and working capital.

"These two factors yield a 'revenue requirement.' This 'revenue requirement' is then translated into a rate schedule for residential, commercial and industrial users. Extensive hearings are held to determine how each class of consumers, residential, commercial and industrial, will contribute to the 'revenue requirement'



determined by the Public Utilities Commission.

"The rate making process requires that the Public Utilities Commission allow the utilities to recover the expenses of servicing the special purpose revenue bonds, as well as the return on the rate base. This means that the ratepayers pay for the bonds and a rate of return on the equipment, facilities and installations purchased with bonds. The ratepayers pay twice, once for the operating expenses to service the bonds, and again when the equipment is incorporated in the rate base and the Public Utilities Commission allows the utility to earn a return on that customer for 'purchased and serviced' equipment. Senate Draft 1 attempts to mitigate this duplication of payment by the ratepayers. Senate Draft 2, unfortunately, removed this consumer protesting proviso.

"I would now like to turn to the vital issue of federal tax laws and special purpose revenue bonds.

"In 1978, the Congress enacted the Energy Act, which in part, amended the Internal Revenue Code (I.R.C., Sec. 46(c)) to provide for an investment tax credit for energy and utility facilities. This investment tax credit is designed to return to the corporation additional monies by allowing 'extra' deductions from revenues. This permits, higher net income, available for distribution to stockholders. However, when the utility equipment, eligible for the investment tax credit under the Energy Act of 1978, is funded by special purpose revenue bonds, the equipment is paid for by the ratepayers. Yet, without regulatory control, the investment tax credit goes to the benefit of the utility stockholders by increasing their net income and potential dividends.

"This same potential windfall is available to the utility if the pending accelerated depreciation law is enacted by Congress. This 10/5/3 provision would permit capital equipment to be written off or depreciated within 10 years, rather than the normal longer-term depreciation schedules. Some efforts have been made for 'normalization' of depreciation accounts, but the accelerated depreciation would allow greater net income to the stockholders, despite the fact that the equipment was purchased and funded by the ratepayers through the special purpose revenue bonds.

"To remedy these potential windfalls to utility stockholders created by the federal tax laws, H.B. 1222, S.D. 1, incorporated amendments which would call for a sharing of these tax benefits between the utility and the ratepayers. This sharing of tax benefits has been required by a Commission in the recent

Pacific Telephone & Telegraph case. The amendments provided for in S.D. 1, require that:

'1. For any tax benefits accruing to the utility by virtue of the investment tax credits of accelerated depreciation attributable to capital equipment or facilities purchased by special purpose revenue bonds, those benefits would be passed through to the ratepayers who are servicing the debt by their electric bills. To permit the utility shareholders to secure a federal tax windfall funded by the ratepayers would be inequitable. Senate Draft 2 removed this important amendment.

'2. All equipment and facilities purchased with the special purpose revenue bonds would be excluded from the utilities rate base for rate making purposes, except to the extent the utilities contribute to the "sinking fund." This "rate base exclusionary" principle is designed to prevent double payment for the facilities by the ratepayers. The consumers are already servicing the debt through additions to the revenue requirements of the utilities. To compel these same ratepayers to provide the utilities with a "rate of return" computed on the special purpose revenue bonds inflated rate base would be a form of duplication of payments. The proviso allows that, to the extent that the utility has contributed to the "sinking funds," such amounts shall be included in the rate base for rate making purposes. The "sinking fund" contributions are the corporations' contributions which would otherwise be available to stockholders and should be attributed to the utility. Senate Draft 2, which is before us today, eliminated this important "sinking fund" concept, to the detriment of the ratepayer.'

"The special purpose revenue bonds should be used only for the construction of non-fossil fuel facilities. This is consistent with the mandates of HRS, Sec. 269-27.2, calling for the encouragement of alternate energy sources. It would be inconsistent with existing law, and the Senate's S.B. 1900, calling for pricing alternate energy sources, and other pending legislation designed to alleviate the state's dependence on fossil fuel, to permit the special purpose revenue bonds to be used to develop fossil fuel capacity by the state's utilities. The limitation of the special purpose revenue bonds to non-fossil fuel capacity and equipment in H.B. 1222, S.D.

1, is the only possible way to achieve the objectives of energy independence for Hawaii while providing some hope for eventual rate relief for Hawaii's people. To permit the special purpose revenue bonds to be used to expand conventional fossil fuel capacity would perpetuate the state's reliance on imported energy and eventually lead to excess capacity. This excess capacity would have to be paid for by Hawaii's ratepayers. The Senate Draft before us would enhance Hawaii's dangerous and precarious fossil fuel dependency.

"The reporting requirements of S.D. 1 are designed to identify the precise amounts that are saved by the use of the special purpose revenue bonds. Since the utilities have argued that the special purpose revenue bonds will result in substantial savings for the ratepayers, the utilities who use this financing device and the Public Utilities Commission should be required to annually make an estimate of both the total gross savings and the net savings, which are passed through to the ratepayers. S.D. 2 removes this vital consumer safeguard.

"The provision denying to the state and county governments the right of eminent domain or any taking over of facilities constructed with special purpose revenue bonds is one of the most blatant restrictions on the police power ever incorporated into this state's statutes. This restriction on the state's police power of eminent domain and condemnation is patently unconstitutional, and would not be sustained in a court test of the

statute. The bondholders are adequately protected under existing law requiring compensation for bondholders when the equipment and facilities are condemned and compensation paid, pursuant to existing standards of due process.

"Mr. President, H.B. 1222, S.D. 1, is an effort to accommodate the interests of the utilities and the ratepayers by allocating the benefits of revenue bonds between the utilities and the ratepayers so that neither party receives a 'windfall' profit, and neither is unduly burdened. Senate Draft 1 is also consistent with the modern trends of regulatory policy of progressive public utilities commissions throughout the United States.

"Senate Draft 2 completely removes these consumer oriented measures. It is my hope, Mr. President, that the Senate Ways and Means Committee substantially restores the provisions my committee developed in Senate Draft 1."

The motion was put by the Chair and carried and Stand. Com. Rep. No. 841-80 was adopted and H.B. No. 1222, H.D. 1, S.D. 2, was referred to the Committee on Ways and Means.

#### ADJOURNMENT

At 5:15 o'clock p.m., on motion by Senator Mizuguchi, seconded by Senator Anderson and carried, the Senate adjourned until 11:30 o'clock a.m., Tuesday, March 26, 1980.