

## FORTY-SIXTH DAY

Tuesday, April 5, 1988

The Senate of the Fourteenth Legislature of the State of Hawaii, Regular Session of 1988, convened at 11:08 o'clock a.m. with the Vice President in the Chair.

The Divine Blessing was invoked by the Reverend Phil Mark, Hawaii Kai Congregational Church, after which the Roll was called showing all Senators present with the exception of Senators Blair, Holt, Ikeda, Reed and Tungpalan.

The Chair announced that she had read and approved the Journal of the Forty-Fifth Day.

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

Senator A. Kobayashi, together with Senator Matsuura, introduced Actor Tom Selleck and associates of "Magnum P.I." as follows:

"Madam Vice President, it's my great pleasure and really a great honor to introduce the people from 'Magnum P.I.' They have contributed so much to the people of this state and so much to the economy ... we're really fortunate to have them here today to show our appreciation ... for all that they've done for the State of Hawaii ... but we know that Tom Selleck and his crew will still be around with us because they're really part of Hawaii. I'd like to introduce Tom Selleck who really needs no introduction."

Mr. Selleck rose to be recognized and was presented the Senate certificate of appreciation and lei.

Senator Matsuura then said, "On behalf of all the people of Hawaii, Tom, we want to express our deepest mahalo for all that you did for the State of Hawaii."

Senator Matsuura then introduced those associated with the production of "Magnum P.I." as follows: Ms. Chris Abbott, supervising producer and "according to Mark Schilz, the best script writer in the whole United States"; Mr. Charles Floyd Johnson, "the head coach, the co-executive producer, the guy that is overall in charge of the Magnum production here in Hawaii"; Mr. Rick Weaver, "producer from Los Angeles who puts the package together to the filming ..."; and Mr. Mark Schilz, "who has become a very good friend and the one that's been helping me with the studios ... and I'm very grateful for all the help that he has given me."

Ms. Abbott and the gentlemen rose to be recognized and were presented leis.

Senator Matsuura also introduced the film crew of "Magnum P.I." who were seated in the gallery.

Senator Cobb then expressed appreciation to Mr. Selleck on behalf of all veterans "... for the courageous and enlightened way in which he has portrayed the struggle of many not only who came back from Vietnam, but also the readjustment of veterans in general ... in fact it took a great deal of courage to put that on national television ... Mahalo Nui Loa. Thank you very, very much."

Senator Cobb then introduced student intern Ethan Kozaki, 7th grader from Wheeler Intermediate School.

At 11:18 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:22 o'clock a.m.

At this time, the Chair invited Mr. Selleck to address the members of the Senate.

Mr. Selleck's remarks are as follows:

"I'm not much of a speech maker but I did want to speak to everybody for just a minute.

"First of all, I'm honored to receive this recognition from the state Senate today. It's kind of icing on the cake, the cake being the opportunity I've had to work and live in Hawaii.

"In the past eight years 'Magnum' has directly spent a hundred million dollars in the State of Hawaii -- without any multiplier effect that a hundred million, pollution free, tourist industry promoting, revenue-producing dollars. Now I say this not for the purpose of self-congratulation but to remind you that these kinds of figures may very well become a thing of the past. After twenty years of 'Hawaii Five-O' and 'Magnum,' there is really no likely successor to provide the foundation and economic base for the film industry in Hawaii.

"The high cost of filming here and the losses in network television's share of the market have combined to make the film industry in our state less than competitive. I hope you will ask what, as legislators, you can do about this.

"First of all, in my opinion, the state should not go into the film business. There is, however, one thing that needs to be accomplished immediately. Hawaii must have a studio facility. Now that is not as difficult to accomplish as it may first appear because we already have one. The problem is we may lose it.

"Since no one asked me, here's my solution to the dilemma.

"First, restructure the prohibitively expensive lease for the Diamond Head studio facility so that it becomes attractive to new producers. The facility should not, I repeat, should not be looked on as a revenue producer, but rather a carrot to attract potentially far greater revenue.

"When the facility cost \$25,000 a month; when the facility requires \$103,000 a month in taxes; when the facility is required to pay a thousand dollars a month in facility permits, we are not sending the right signals.

"Second, use the money from your already established studio development fund to compensate the University of Hawaii for the revenue it would lose. I think that it can be as simple as that, and it is just the first step, but it's a beginning.

"Hawaii has been very good to me, and I would like to now help to put something back and I hope you've accepted these remarks in that spirit. Thank you for your time.

"Aloha!"

The Chair thanked Mr. Selleck.

## HOUSE COMMUNICATIONS

Hse. Com. Nos. 457 to 633, returning the following Senate Bills, as amended, which passed Third Reading in the House of Representatives on April 4, 1988, were placed on file and, by unanimous consent, action on said bills was deferred until Thursday, April 7, 1988:

Hse. Com. No. 457 - S.B. No. 37, H.D. 1;  
Hse. Com. No. 458 - S.B. No. 112, S.D. 1, H.D. 1;  
Hse. Com. No. 459 - S.B. No. 251, S.D. 1, H.D. 2;  
Hse. Com. No. 460 - S.B. No. 546, S.D. 1, H.D. 2;  
Hse. Com. No. 461 - S.B. No. 574, H.D. 1;  
Hse. Com. No. 462 - S.B. No. 587, S.D. 1, H.D. 1;  
Hse. Com. No. 463 - S.B. No. 739, S.D. 1, H.D. 1;  
Hse. Com. No. 464 - S.B. No. 743, S.D. 1, H.D. 1;  
Hse. Com. No. 465 - S.B. No. 1194, H.D. 1;  
Hse. Com. No. 466 - S.B. No. 1223, S.D. 1, H.D. 1;  
Hse. Com. No. 467 - S.B. No. 1265, S.D. 1, H.D. 1;  
Hse. Com. No. 468 - S.B. No. 1450, S.D. 2, H.D. 2;  
Hse. Com. No. 469 - S.B. No. 1471, S.D. 1, H.D. 2;  
Hse. Com. No. 470 - S.B. No. 1539, S.D. 1, H.D. 1;  
Hse. Com. No. 471 - S.B. No. 1541, S.D. 2, H.D. 2;  
Hse. Com. No. 472 - S.B. No. 1712, S.D. 3, H.D. 2;  
Hse. Com. No. 473 - S.B. No. 1725, S.D. 1, H.D. 2;  
Hse. Com. No. 474 - S.B. No. 1753, S.D. 1, H.D. 1;  
Hse. Com. No. 475 - S.B. No. 2003, H.D. 1;  
Hse. Com. No. 476 - S.B. No. 2011, S.D. 2, H.D. 1;  
Hse. Com. No. 477 - S.B. No. 2024, S.D. 1, H.D. 2;  
Hse. Com. No. 478 - S.B. No. 2038, S.D. 1, H.D. 1;  
Hse. Com. No. 479 - S.B. No. 2046, S.D. 1, H.D. 2;  
Hse. Com. No. 480 - S.B. No. 2064, H.D. 1;  
Hse. Com. No. 481 - S.B. No. 2065, S.D. 1, H.D. 1;  
Hse. Com. No. 482 - S.B. No. 2112, H.D. 1;  
Hse. Com. No. 483 - S.B. No. 2124, S.D. 1, H.D. 1;  
Hse. Com. No. 484 - S.B. No. 2195, S.D. 2, H.D. 2;  
Hse. Com. No. 485 - S.B. No. 2201, S.D. 1, H.D. 1;  
Hse. Com. No. 486 - S.B. No. 2202, S.D. 2, H.D. 1;  
Hse. Com. No. 487 - S.B. No. 2209, S.D. 2, H.D. 2;  
Hse. Com. No. 488 - S.B. No. 2253, S.D. 1, H.D. 1;  
Hse. Com. No. 489 - S.B. No. 2267, S.D. 1, H.D. 1;  
Hse. Com. No. 490 - S.B. No. 2268, S.D. 1, H.D. 2;  
Hse. Com. No. 491 - S.B. No. 2269, S.D. 1, H.D. 2;  
Hse. Com. No. 492 - S.B. No. 2270, S.D. 2, H.D. 1;  
Hse. Com. No. 493 - S.B. No. 2272, S.D. 1, H.D. 1;  
Hse. Com. No. 494 - S.B. No. 2273, S.D. 1, H.D. 1;  
Hse. Com. No. 495 - S.B. No. 2276, S.D. 1, H.D. 1;  
Hse. Com. No. 496 - S.B. No. 2279, S.D. 1, H.D. 1;  
Hse. Com. No. 497 - S.B. No. 2295, S.D. 1, H.D. 1;  
Hse. Com. No. 498 - S.B. No. 2298, S.D. 1, H.D. 2;  
Hse. Com. No. 499 - S.B. No. 2318, H.D. 1;  
Hse. Com. No. 500 - S.B. No. 2319, S.D. 1, H.D. 2;  
Hse. Com. No. 501 - S.B. No. 2326, S.D. 1, H.D. 1;  
Hse. Com. No. 502 - S.B. No. 2332, S.D. 1, H.D. 1;  
Hse. Com. No. 503 - S.B. No. 2522, H.D. 1;  
Hse. Com. No. 504 - S.B. No. 2523, S.D. 1, H.D. 1;  
Hse. Com. No. 505 - S.B. No. 2536, S.D. 1, H.D. 1;  
Hse. Com. No. 506 - S.B. No. 2559, S.D. 1, H.D. 1;  
Hse. Com. No. 507 - S.B. No. 2565, S.D. 1, H.D. 1;  
Hse. Com. No. 508 - S.B. No. 2569, H.D. 1;  
Hse. Com. No. 509 - S.B. No. 2574, S.D. 1, H.D. 1;  
Hse. Com. No. 510 - S.B. No. 2579, S.D. 1, H.D. 2;  
Hse. Com. No. 511 - S.B. No. 2584, S.D. 1, H.D. 2;  
Hse. Com. No. 512 - S.B. No. 2595, S.D. 2, H.D. 2;  
Hse. Com. No. 513 - S.B. No. 2603, S.D. 1, H.D. 1;  
Hse. Com. No. 514 - S.B. No. 2633, H.D. 2;  
Hse. Com. No. 515 - S.B. No. 2641, S.D. 1, H.D. 1;  
Hse. Com. No. 516 - S.B. No. 2644, H.D. 1;  
Hse. Com. No. 517 - S.B. No. 2649, S.D. 1, H.D. 1;  
Hse. Com. No. 518 - S.B. No. 2680, S.D. 1, H.D. 1;  
Hse. Com. No. 519 - S.B. No. 2681, S.D. 1, H.D. 1;  
Hse. Com. No. 520 - S.B. No. 2696, S.D. 1, H.D. 1;  
Hse. Com. No. 521 - S.B. No. 2702, H.D. 1;  
Hse. Com. No. 522 - S.B. No. 2708, S.D. 2, H.D. 1;  
Hse. Com. No. 523 - S.B. No. 2336, H.D. 1;

Hse. Com. No. 524 - S.B. No. 2349, S.D. 1, H.D. 2;  
Hse. Com. No. 525 - S.B. No. 2360, S.D. 1, H.D. 2;  
Hse. Com. No. 526 - S.B. No. 2362, S.D. 1, H.D. 1;  
Hse. Com. No. 527 - S.B. No. 2363, S.D. 2, H.D. 2;  
Hse. Com. No. 528 - S.B. No. 2365, S.D. 1, H.D. 1;  
Hse. Com. No. 529 - S.B. No. 2381, S.D. 2, H.D. 1;  
Hse. Com. No. 530 - S.B. No. 2383, S.D. 1, H.D. 1;  
Hse. Com. No. 531 - S.B. No. 2398, S.D. 1, H.D. 1;  
Hse. Com. No. 532 - S.B. No. 2418, S.D. 2, H.D. 1;  
Hse. Com. No. 533 - S.B. No. 2422, S.D. 1, H.D. 1;  
Hse. Com. No. 534 - S.B. No. 2441, S.D. 1, H.D. 1;  
Hse. Com. No. 535 - S.B. No. 2448, S.D. 1, H.D. 1;  
Hse. Com. No. 536 - S.B. No. 2451, S.D. 2, H.D. 1;  
Hse. Com. No. 537 - S.B. No. 2462, S.D. 1, H.D. 1;  
Hse. Com. No. 538 - S.B. No. 2468, S.D. 1, H.D. 1;  
Hse. Com. No. 539 - S.B. No. 2485, S.D. 1, H.D. 1;  
Hse. Com. No. 540 - S.B. No. 2486, H.D. 1;  
Hse. Com. No. 541 - S.B. No. 2501, S.D. 2, H.D. 2;  
Hse. Com. No. 542 - S.B. No. 2514, S.D. 2, H.D. 2;  
Hse. Com. No. 543 - S.B. No. 2720, H.D. 1;  
Hse. Com. No. 544 - S.B. No. 2722, H.D. 1;  
Hse. Com. No. 545 - S.B. No. 2726, S.D. 2, H.D. 1;  
Hse. Com. No. 546 - S.B. No. 2744, S.D. 2, H.D. 2;  
Hse. Com. No. 547 - S.B. No. 2750, S.D. 1, H.D. 1;  
Hse. Com. No. 548 - S.B. No. 2758, S.D. 2, H.D. 1;  
Hse. Com. No. 549 - S.B. No. 2764, H.D. 1;  
Hse. Com. No. 550 - S.B. No. 2770, H.D. 1;  
Hse. Com. No. 551 - S.B. No. 2773, S.D. 1, H.D. 1;  
Hse. Com. No. 552 - S.B. No. 2778, S.D. 2, H.D. 2;  
Hse. Com. No. 553 - S.B. No. 2782, S.D. 1, H.D. 1;  
Hse. Com. No. 554 - S.B. No. 2850, S.D. 1, H.D. 1;  
Hse. Com. No. 555 - S.B. No. 2852, H.D. 1;  
Hse. Com. No. 556 - S.B. No. 2860, S.D. 1, H.D. 1;  
Hse. Com. No. 557 - S.B. No. 2868, S.D. 1, H.D. 2;  
Hse. Com. No. 558 - S.B. No. 2869, S.D. 1, H.D. 2;  
Hse. Com. No. 559 - S.B. No. 2871, S.D. 1, H.D. 1;  
Hse. Com. No. 560 - S.B. No. 2882, S.D. 2, H.D. 2;  
Hse. Com. No. 561 - S.B. No. 2884, S.D. 1, H.D. 1;  
Hse. Com. No. 562 - S.B. No. 2888, S.D. 1, H.D. 1;  
Hse. Com. No. 563 - S.B. No. 2907, H.D. 1;  
Hse. Com. No. 564 - S.B. No. 2910, S.D. 1, H.D. 1;  
Hse. Com. No. 565 - S.B. No. 2922, S.D. 1, H.D. 1;  
Hse. Com. No. 566 - S.B. No. 2923, S.D. 1, H.D. 1;  
Hse. Com. No. 567 - S.B. No. 2924, S.D. 1, H.D. 1;  
Hse. Com. No. 568 - S.B. No. 2931, S.D. 1, H.D. 1;  
Hse. Com. No. 569 - S.B. No. 2932, S.D. 1, H.D. 1;  
Hse. Com. No. 570 - S.B. No. 2970, S.D. 1, H.D. 1;  
Hse. Com. No. 571 - S.B. No. 2973, S.D. 2, H.D. 2;  
Hse. Com. No. 572 - S.B. No. 2783, S.D. 1, H.D. 2;  
Hse. Com. No. 573 - S.B. No. 2788, S.D. 1, H.D. 1;  
Hse. Com. No. 574 - S.B. No. 2792, S.D. 1, H.D. 1;  
Hse. Com. No. 575 - S.B. No. 2801, S.D. 1, H.D. 1;  
Hse. Com. No. 576 - S.B. No. 2802, S.D. 1, H.D. 1;  
Hse. Com. No. 577 - S.B. No. 2818, S.D. 2, H.D. 1;  
Hse. Com. No. 578 - S.B. No. 2819, S.D. 1, H.D. 1;  
Hse. Com. No. 579 - S.B. No. 2822, S.D. 1, H.D. 1;  
Hse. Com. No. 580 - S.B. No. 2832, H.D. 1;  
Hse. Com. No. 581 - S.B. No. 2840, H.D. 1;  
Hse. Com. No. 582 - S.B. No. 2842, S.D. 1, H.D. 1;  
Hse. Com. No. 583 - S.B. No. 2848, S.D. 1, H.D. 1;  
Hse. Com. No. 584 - S.B. No. 2979, S.D. 2, H.D. 2;  
Hse. Com. No. 585 - S.B. No. 3015, S.D. 2, H.D. 1;  
Hse. Com. No. 586 - S.B. No. 3018, S.D. 1, H.D. 1;  
Hse. Com. No. 587 - S.B. No. 3037, S.D. 1, H.D. 1;  
Hse. Com. No. 588 - S.B. No. 3042, S.D. 1, H.D. 2;  
Hse. Com. No. 589 - S.B. No. 3043, S.D. 1, H.D. 1;  
Hse. Com. No. 590 - S.B. No. 3062, S.D. 2, H.D. 2;  
Hse. Com. No. 591 - S.B. No. 3073, S.D. 1, H.D. 1;  
Hse. Com. No. 592 - S.B. No. 3076, S.D. 1, H.D. 1;  
Hse. Com. No. 593 - S.B. No. 3077, H.D. 1;  
Hse. Com. No. 594 - S.B. No. 3080, S.D. 1, H.D. 2;  
Hse. Com. No. 595 - S.B. No. 3088, S.D. 2, H.D. 2;  
Hse. Com. No. 596 - S.B. No. 3090, S.D. 2, H.D. 2;  
Hse. Com. No. 597 - S.B. No. 3093, S.D. 1, H.D. 1;  
Hse. Com. No. 598 - S.B. No. 3095, S.D. 1, H.D. 1;

Hse. Com. No. 599 - S.B. No. 3146, S.D. 1, H.D. 1;  
 Hse. Com. No. 600 - S.B. No. 3155, S.D. 2, H.D. 2;  
 Hse. Com. No. 601 - S.B. No. 3161, S.D. 1, H.D. 2;  
 Hse. Com. No. 602 - S.B. No. 3166, H.D. 1;  
 Hse. Com. No. 603 - S.B. No. 3175, S.D. 1, H.D. 1;  
 Hse. Com. No. 604 - S.B. No. 3178, S.D. 1, H.D. 1;  
 Hse. Com. No. 605 - S.B. No. 3182, S.D. 2, H.D. 2;  
 Hse. Com. No. 606 - S.B. No. 3185, H.D. 1;  
 Hse. Com. No. 607 - S.B. No. 3187, H.D. 1;  
 Hse. Com. No. 608 - S.B. No. 3188, S.D. 1, H.D. 2;  
 Hse. Com. No. 609 - S.B. No. 3195, S.D. 2, H.D. 2;  
 Hse. Com. No. 610 - S.B. No. 3197, S.D. 2, H.D. 2;  
 Hse. Com. No. 611 - S.B. No. 3204, S.D. 2, H.D. 2;  
 Hse. Com. No. 612 - S.B. No. 3208, S.D. 1, H.D. 1;  
 Hse. Com. No. 613 - S.B. No. 3217, S.D. 1, H.D. 2;  
 Hse. Com. No. 614 - S.B. No. 3218, S.D. 1, H.D. 2;  
 Hse. Com. No. 615 - S.B. No. 3219, S.D. 1, H.D. 1;  
 Hse. Com. No. 616 - S.B. No. 3220, S.D. 1, H.D. 1;  
 Hse. Com. No. 617 - S.B. No. 3222, S.D. 1, H.D. 1;  
 Hse. Com. No. 618 - S.B. No. 3224, S.D. 1, H.D. 1;  
 Hse. Com. No. 619 - S.B. No. 3225, S.D. 1, H.D. 1;  
 Hse. Com. No. 620 - S.B. No. 3226, H.D. 1;  
 Hse. Com. No. 621 - S.B. No. 3229, S.D. 1, H.D. 1;  
 Hse. Com. No. 622 - S.B. No. 3230, S.D. 1, H.D. 1;  
 Hse. Com. No. 623 - S.B. No. 3233, S.D. 2, H.D. 1;  
 Hse. Com. No. 624 - S.B. No. 3248, S.D. 2, H.D. 1;  
 Hse. Com. No. 625 - S.B. No. 3264, S.D. 1, H.D. 1;  
 Hse. Com. No. 626 - S.B. No. 3277, H.D. 3;  
 Hse. Com. No. 627 - S.B. No. 3291, S.D. 1, H.D. 1;  
 Hse. Com. No. 628 - S.B. No. 3292, S.D. 1, H.D. 1;  
 Hse. Com. No. 629 - S.B. No. 3378, S.D. 1, H.D. 1;  
 Hse. Com. No. 630 - S.B. No. 3392, S.D. 2, H.D. 2;  
 Hse. Com. No. 631 - S.B. No. 3401, S.D. 1, H.D. 1;  
 Hse. Com. No. 632 - S.B. No. 3413, S.D. 1, H.D. 2;  
 and  
 Hse. Com. No. 633 - S.B. No. 2021, S.D. 2, H.D. 1.

At 11:28 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:29 o'clock a.m.

At this time, Senator Solomon, on behalf of Senators Holt, Hee, Tungpalan and herself, introduced the Kamehameha Schools Varsity Basketball Team, the 1988 ILH Division II Championship Team: Edward Chu, Kalani Fronda, Chad Hamasaki, Lee Marques, and coach Guy Bellows, who were sitting on the floor of the Senate; and in the gallery: Patrick Ayat, Todd Wong, Reed Pung, Kamake Aiona and assistant coach Norman Janicki.

All of the team members rose to be recognized and were presented the congratulatory Senate certificate.

At 11:33 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:35 o'clock a.m.

#### SENATE CONCURRENT RESOLUTIONS

The following concurrent resolutions (S.C.R. Nos. 103 to 110) were read by the Clerk and were referred to committee:

#### Senate Concurrent Resolution

No. 103 "SENATE CONCURRENT RESOLUTION URGING THE PRIVATIZATION OF THE APPROPRIATE STATE HOSPITALS AND THE ELIMINATION OF THE CERTIFICATE OF NEED PROCESS."

Offered by: Senators Reed, Herkes.

Referred to: Committee on Health.

No. 104 "SENATE CONCURRENT RESOLUTION REQUIRING THAT THE STATE OF HAWAII AND THE DEPARTMENT OF HEALTH IMPLEMENT THE RECOMMENDATIONS OF THE LEGISLATIVE AUDITOR'S REPORT (1988), THE HERMAN SMITH ASSOCIATES REPORT (1986) AND THE AUDIT OF HALDI ASSOCIATES, INC. (1971)."

Offered by: Senators Reed, Herkes.

Referred to: Committee on Health.

No. 105 "SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HEALTH TO INVALIDATE ITS CONTRACT WITH HOSPITAL BUSINESS MANAGEMENT, INC."

Offered by: Senators Reed, Herkes.

Referred to: Committee on Health.

No. 106 "SENATE CONCURRENT RESOLUTION CONCERNING THE REVISION OF RULE 11 OF THE HAWAII RULES OF CIVIL PROCEDURES TO COMPLY WITH THE FEDERAL VERSION."

Offered by: Senator Hee.

Referred to: Committee on Judiciary.

No. 107 "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY OF ALTERNATIVE SENTENCES FOR INTRAFAMILY CHILD SEX OFFENDERS."

Offered by: Senator Hee.

Referred to: Committee on Judiciary.

No. 108 "SENATE CONCURRENT RESOLUTION REQUESTING THAT ALL AIRLINES PROVIDING SERVICE TO AND FROM HAWAII PROVIDE AT LEAST ONE DAILY NONSMOKING FLIGHT BETWEEN THE ISLANDS AND THE MAINLAND."

Offered by: Senators Reed, Blair, Cobb, Fernandes Salling, Hagino, Hee, Herkes, Holt, Ikeda, Kobayashi, A., Kobayashi, B., Matsuura, McMurdo, Menor, Nakasato, Solomon, Tungpalan, Wong, J., Yamasaki, Young.

Referred to: Committee on Transportation.

No. 109 "SENATE CONCURRENT RESOLUTION URGING CAUTION IN THE ADOPTION OF LOCAL MEASURED SERVICE FOR PRICING LOCAL TELEPHONE CALLS."

Offered by: Senators Young, Fernandes Salling, Hee, Holt, Matsuura, Mizuguchi.

Referred to: Committee on Public Utilities.

No. 110 "SENATE CONCURRENT RESOLUTION REQUESTING A TASK FORCE PROPOSE WAYS TO STANDARDIZE CONSTRUCTION REQUIREMENTS OF BUILDINGS FOR ACCESSIBILITY TO HANDICAPPED PERSONS."

Offered by: Senators McMurdo, Blair, Fernandes Salling, George, Herkes, Holt, Kobayashi, A.,

Matsuura, Menor, Mizuguchi, Nakasato, Reed, Tungpalan, Wong, J., Yamasaki, Young.

Referred to: Committee on Consumer Protection and Commerce.

#### SENATE RESOLUTIONS

The following resolutions (S.R. Nos. 113 to 120) were read by the Clerk and were referred to committee:

#### Senate Resolution

No. 113 "SENATE RESOLUTION URGING THE PRIVATIZATION OF THE APPROPRIATE STATE HOSPITALS AND THE ELIMINATION OF THE CERTIFICATE OF NEED PROCESS."

Offered by: Senators Reed, Herkes.

Referred to: Committee on Health.

No. 114 "SENATE RESOLUTION REQUIRING THAT THE STATE OF HAWAII AND THE DEPARTMENT OF HEALTH IMPLEMENT THE RECOMMENDATIONS OF THE LEGISLATIVE AUDITOR'S REPORT (1988), THE HERMAN SMITH ASSOCIATES REPORT (1986) AND THE AUDIT OF HALDI ASSOCIATES, INC. (1971)."

Offered by: Senators Reed, Herkes.

Referred to: Committee on Health.

No. 115 "SENATE RESOLUTION REQUESTING THE DEPARTMENT OF HEALTH TO INVALIDATE ITS CONTRACT WITH HOSPITAL BUSINESS MANAGEMENT, INC."

Offered by: Senators Reed, Herkes.

Referred to: Committee on Health.

No. 116 "SENATE RESOLUTION CONCERNING THE REVISION OF RULE 11 OF THE HAWAII RULES OF CIVIL PROCEDURES TO COMPLY WITH THE FEDERAL VERSION."

Offered by: Senator Hee.

Referred to: Committee on Judiciary.

No. 117 "SENATE RESOLUTION REQUESTING A STUDY OF ALTERNATIVE SENTENCES FOR INTRAFAMILY CHILD SEX OFFENDERS."

Offered by: Senator Hee.

Referred to: Committee on Judiciary.

No. 118 "SENATE RESOLUTION REQUESTING THAT ALL AIRLINES PROVIDING SERVICE TO AND FROM HAWAII PROVIDE AT LEAST ONE DAILY NONSMOKING FLIGHT BETWEEN THE ISLANDS AND THE MAINLAND."

Offered by: Senators Reed, Blair, Cobb, Fernandes Salling, Hagino, Hee, Herkes, Holt, Ikeda, Kobayashi, A., Kobayashi, B., McMurdo, Menor, Nakasato, Solomon, Tungpalan, Wong, J., Yamasaki, Young.

Referred to: Committee on Transportation.

No. 119 "SENATE RESOLUTION URGING CAUTION IN THE ADOPTION OF LOCAL MEASURED SERVICE FOR PRICING LOCAL TELEPHONE CALLS."

Offered by: Senators Young, Fernandes Salling, Hee, Holt, Matsuura, Mizuguchi.

Referred to: Committee on Public Utilities.

No. 120 "SENATE RESOLUTION REQUESTING A TASK FORCE PROPOSE WAYS TO STANDARDIZE CONSTRUCTION REQUIREMENTS OF BUILDINGS FOR ACCESSIBILITY TO HANDICAPPED PERSONS."

Offered by: Senators McMurdo, Blair, Fernandes Salling, George, Herkes, Holt, Kobayashi, A., Matsuura, Menor, Mizuguchi, Nakasato, Reed, Tungpalan, Wong, J., Yamasaki, Young.

Referred to: Committee on Consumer Protection and Commerce.

#### MATTER DEFERRED FROM MONDAY, APRIL 4, 1988

#### FINAL READING

Senate Bill No. 3287, H.D. 1 (Hse. Com. No. 456):

Senator Aki moved that the Senate agree to the amendments proposed by the House to S.B. No. 3287, seconded by Senator Solomon.

Senator George rose to speak against the measure as follows:

"Madam Vice President, when I first heard about this measure I was reminded vividly of Shunichi Kimura's remarks in I believe the early 1970's when he was mayor of the County of Hawaii. He offered the thought that if we were to proceed along the lines of the trends that he then saw in government, there would soon be no necessity for county governments and he proposed that as a logical conclusion to that trend that we abolish county governments.

"Madam Vice President, I think we're taking another giant step in this direction. We have now four charters which purport to be home rule charters. The planning within the four counties of this state has been assigned to the counties and now we see, I suppose like salmon swimming upstream, we are seeing that it is being made more and more difficult for the counties to undertake to do the planning and to have the responsibility for that function.

"I'm going to vote against this bill. It's not that I'm against housing. Heaven knows I think it's one of the most important things we should be able to do, but I just think it's in the wrong hand.

"Thank you."

Senator Herkes also rose to speak against the measure as follows:

"Madam Vice President, I recognize that the counties are a creature of the state and the powers that the counties have are given by the state, and they can take those powers away. One of the most significant and important powers the county governments have is in land control and land use. The state already has a tremendous amount of influence on the counties' land use through the Land Board and state Land Use Commission.

"And more important, a tremendous impact on the ability to finance infrastructure. The state puts roads and harbors and airports and assists with sewage plants and things of that nature. They have a great influence already on the direction that county land use takes. If you keep adding to the state's control and keep taking it away from the counties, it really makes the counties' general plans useless. The counties' general plans are the most important documents that counties generate in that it dictates the guidance, control, everything that the counties do is controlled by the general plan. And if we keep picking land use powers away from them, then we make the general plans useless and we've just really render the county governments impotent.

"And I, like Senator George, feel that we need housing. I just feel that this bill is going in the wrong direction. And having served on county councils and now in the state government I can assure you, Madam Vice President, that people are much closer to county governments and have much greater influence on county governments than they do on state government. And I think we should keep land use for the people who have the most to say about it, and that's in the county governments. I will vote 'no.'

"Thank you, Mr. President."

Senator Solomon spoke in support of the measure and said:

"Madam Vice President, I speak in support of this piece of legislation.

"Madam Vice President, I would like to remind all of my colleagues and I'd like to read for the Journal the preamble of the Constitution of the State of Hawaii:

'We, the people of Hawaii, grateful for Divine Guidance, and mindful of our Hawaiian heritage and uniqueness as an island State, dedicate our efforts to fulfill the philosophy decreed by the Hawaii State motto, "Ua mau ke ea a ka aina i ka pono."

'We reserve the right to control our destiny, to nurture the integrity of our people and culture, and to preserve the quality of life that we desire.

'We reaffirm our belief in a government of the people, by the people and for the people, and with an understanding and compassionate heart toward all the peoples of the earth, do hereby ordain and establish this constitution for the State of Hawaii.'

"To continue, Madam Vice President:

'Creation; Powers of Political Subdivisions. The legislature shall create counties, and may create other political subdivisions within the State, and provide for the government thereof. Each political subdivision shall have and exercise such powers as shall be conferred under general laws.'

"Madam Vice President, we do not overstep our prerogative.

"I shall read on, within the same Constitution:

'Housing, Slum Clearance, Development and Rehabilitation. Section 5. The State shall have the power to provide for or assist in housing, slum clearance and the development or rehabilitation of substandard areas. The exercise of such power is deemed to be for a public use and purpose.'

This is why, Madam Vice President, I am voting for this bill.

"Furthermore, I am voting for this bill because of my situation in the Third Senatorial District which is now experiencing the greatest boom with hotel resorts. Land speculation has gone out of sight.

"I have fought, Madam Vice President, fought the Hawaii County Council on issues providing affordable housing.

"With the Hyatt Regency coming on line we will have approximately 5,200 plus rooms. Times that by two and you will have almost as many people as my Third Senatorial District -- 15,000 people. These are local people, Madam Vice President, people who need affordable housing cannot afford the Kohala Ranchettes.

"This is what the Hawaii County has provided the people in my district, Madam Vice President, ranchettes that cost between half-a-million to a million-and-a-half dollars.

"Land speculation cost has gone out of sight, when most of my people, Madam Vice President, are on the poverty wage level. What has the county done to respond to that plea of the local people. I personally have attended countless public hearings, urging, urging for consideration. Yet, I see no response to the pleas.

"It is because of this, Madam Vice President, that we are here today, and that we are here looking at this piece of legislation that I am in full support of. Thank you."

Senator Aki also rose to speak in support of the measure and remarked:

"Madam Vice President, briefly, in support of this bill.

"The issue before us is not home rule, Madam Vice President, the issue is housing -- decent and affordable housing for the residents of our state.

"Those of us in government have worked all these years ... our governor, our Housing and Finance Development Corporation and all of us in the Legislature have worked years and years on this issue. I believe that we need to take this step to really get our housing program going. The passage of this bill will finally make it possible for us to go ahead and fulfill our commitment to the people of this state.

"I have other comments in support of this bill and would like to have them inserted into the Journal.

"Thank you."

Senator Aki's written remarks are as follows:

"Madam Vice President, for years, we have been concerned about the need to provide more affordable housing for Hawaii's residents ... and for years, we have attempted to tackle the problem. Though our efforts have been earnest, they have been sorely inadequate.

It is unfortunate indeed that the housing problem has gotten progressively worse with more and more of Hawaii's families in need of decent homes with affordable rents or affordable mortgages. I believe that we, the legislative governing body, must take bold steps to approach the problem in a systematic and comprehensive manner.

Today, I stand before you to ask for your support in the passage of S.B. 3287, H.D. 1 -- a landmark measure which will uphold our commitment to the provision of affordable housing. This measure is part of our legislative comprehensive approach to support the development of thousands of much needed homes across our islands. It will allow the Housing Finance and Development Corporation (HFDC), the state's housing development arm, with greater flexibility in developing much needed affordable housing. The intent is to allow the HFDC to establish standards for developing affordable housing projects and to fast-track the delivery of much needed homes without sacrificing the public's health and safety.

More importantly, this measure will ensure us that our substantial commitment of resources toward alleviating the housing shortage will not be obliterated should any or all of our state-planned and funded projects be disapproved by the county councils. I firmly believe that housing projects which are sponsored by the state should not be a 'tail wagging the dog' situation in which the counties have tail-end veto power over the state.

As you will note, the House has made several substantive amendments to S.B. 3287. They have made the bill's provisions effective for five years; they have provided assurances that the HFDC comply with the EIS and shoreline management laws; they have provided assurances that a public hearing on any proposed project be held so as to ensure opportunities for public and county input; they have made the public notice requirements more stringent for rules adopted pursuant to this measure; and they have retained the 'not less than sixty percent' housing requirement for lower income purchasers."

Senator Cobb also rose to speak in support of the measure and said:

"Madam Vice President, I rise to speak in favor of the measure.

"First of all, I note the changes to the bill since it was originally introduced includes a five-year drop-dead, which I think will give a very adequate review period to see how well it's worked or whether or not any problems have been caused.

"I have to rise and speak in strong agreement with the remarks of the Senator from the Third Senatorial District with respect to the lack of affordable housing that is presently available on the market today.

"I think that if there's any message that needs to be sent forth to our people, to our counties, to those who need housing is that we on the state level are dead serious about providing affordable housing. And when that housing is in the range of a hundred thousand to half-a-million, that is not affordable housing.

"We're willing to put money where our mouth is. We're willing to go through this trial period. We're willing to tell everyone concerned we're dead serious. I urge the members to support this measure.

"Thank you."

Senator R. Wong also supported the bill and remarked:

"Madam Vice President, I rise to speak in favor of this measure. Very briefly, I just want to say that it's not an issue of home rule. It's an issue of affordable housing.

"But in particular, Madam Vice President, I would like to take this opportunity to thank you for the many years of dedication toward achieving this particular goal that we are going to vote on today. This is a culmination of years of suffering, of talking to individuals when you were chairman of Housing, of trying to get this message across -- that housing is not only a Democratic Party platform but it is a people platform. To you Madam Chairman, I wish to take this opportunity to thank you very much.

"Thank you."

The Chair acknowledged with thanks.

Senator Menor then spoke against the measure as follows:

"Madam Vice President, I hate to dampen the consensus that appears to exist on the Democratic side of the Senate, but I rise to speak against Senate Bill 3287, House Draft 1.

"I want to preface my remarks by saying, since I am a member of the Democratic side of the Senate, that I don't want my remarks or criticisms to be taken as reflecting negatively upon our governor, because there's no question that I feel the same as all of you that we should not question the sincere commitment of our governor in trying to resolve the problem of affordable housing here in the State of Hawaii.

"In addition, I don't think that any legislator's commitment to affordable housing should be called into question simply because he or she votes against this bill. I think that if some of us vote against this bill it is because we would like to insure adequate procedural safeguards so that the implementation and development of affordable housing can be made more compatible with surrounding uses and concerns of existing communities.

"I vote against this bill, Madam Vice President, because I think that the bill is so broad that it creates the potential of giving an almost blank check to the Housing Finance and Development Corporation, or HFDC, in developing standards and criteria in evaluating and reviewing proposed housing developments and exempting important county review from that process.

"I am concerned that under this bill we could be eliminating county review of what could be major development projects which could result in significant and serious environmental, social, and quality-of-life impacts on surrounding communities.

"If you look at Section 6 on page 8 of the bill, the broadly worded language indicates that HFDC would be empowered to enter into private development agreements for the development and implementation of major development projects by private developers without county review.

"In fact, if you look at page 5, Section 6b indicates that any major development project could conceivably be approved without county review, provided that the development shall 'provide for economically integrated housing by stipulation and design; provided (further) that not less than sixty percent of the units shall be sold in price ranges established by the corporation under this chapter and chapter 91 as being within the purchasing power of lower income purchasers.'

"So basically what this particular provision does is to permit the HFDC to enter into development agreements with private developers for the construction of major development projects which meet the set-aside

requirements under this section and as established and approved by the HFDC. As long as the set-aside requirements of this bill are met by a private developer it is conceivable under the broad language of this bill that a major development could be approved without county review. And I think that all of us, perhaps, can think of other major developments in which private developers were required to set aside a certain percentage of their housing units for affordable housing. However, these development projects were still required to undergo both state and county review under existing regulatory procedures. If this bill were enacted into law, though, it is conceivable that these kinds of projects could now be exempt from the sort of state-county review process that insures adequate consideration of environmental and social impacts.

"I also believe that the elimination of county review should be a matter of serious concern because we have a two-tiered process of land use review, one which involves both the state and counties, which has been working effectively in addressing potential negative impacts of proposed developments.

"I would also like to point out that the elimination of county review under this bill should be of concern because of the broad language contained on page 10, beginning with line 5, which exempts HFDC-authorized development projects 'from all statutes, ordinances, charter provisions, and rules of any governmental agency relating to zoning and construction standards for subdivisions, development, and improvement of land and the construction, improvement, and sale of homes thereon ....'

"So, given this broad exemption, it seems to me that what we are essentially doing is conferring the authority to make major land use decisions on a non-elective body and I think this should raise concerns for elected officials such as ourselves.

"In addition, I don't believe that the Legislature has been informed of any problems under HRS Section 359-g, 'Relating to the Power of Hawaii Housing Authority,' concerning the Hawaii Housing Authority's ability to phase in affordable housing projects, especially in light of the requirements under Section 359-g that those projects have to be reviewed by the counties. And I don't think that there has been any indication that the requirement of legislative review by the counties has somehow stymied or created a cumbersome process such that the state cannot implement affordable projects through the Hawaii Housing Authority.

"Lastly, I have a serious concern about delegating broad authority over major land use decisions to a non-elective body because, in my own district, I went through an experience in which our city administration, through its Housing Department, tried to implement an ill-advised housing project, the Waiola Housing Project, while attempting to circumvent and not comply with existing land use procedures, all in the name of affordable housing.

"Had it not been for the requirement under Section 359-g that City Council review was required before the Waiola Housing Project could be approved, and had that ill-considered project been implemented without the sort of public input that's required under Section 359-g and the county review provision, I believe that surrounding communities would have experienced serious and substantial negative impacts.

"I think that as legislators we are all strongly supportive of affordable housing. However, in light of the concerns I've mentioned, I think that we need to adopt

legislation that would most effectively address these concerns. Accordingly, I would urge my colleagues to vote against this particular bill.

"Thank you."

Senator McMurdo also spoke to support the measure as follows:

"Madam Vice President, I rise to speak in favor of this bill.

"Although I am really opposed to exempting housing from county zoning and ordinances, I feel that right now the overriding factor is the fact that we have not just a really critical situation in lack of affordable housing, we have an emergency.

"Right now with the tremendous foreign investments that we have had in this state and, particularly, I would say, in the City and County of Honolulu, we are rapidly losing any affordable rentals for anybody. I would like to see this pushed as quickly as possible to get housing for our people.

"Thank you."

Senator Solomon then responded to previous remarks as follows:

"Madam Vice President, speaking in rebuttal to the Senator from Mililani.

"I think that if you look at page 5 of the piece of legislation, Madam Vice President, you'll see '(e) Upon authorization by the legislature, the corporation shall cause the State to issue general obligation bonds to finance: (1) Land acquisition; (2) The Development and improvement of land; (3) The construction of dwelling units; (4) The purchase, lease or rental of land and dwelling units by qualified residents under this Act; (5) Payment of any services contracts for under this Act, including profit or recompense paid to partners,' so on and so forth.

"Madam Vice President, we are not giving up our prerogative in terms of the legislative process. I'm sure, Madam Vice President, you would have to agree that without the state's financial participation we cannot even conceive of these projects such as affordable housing.

"If you were to look at the development of Kealakehe aha puua, just clearing the 'pahoe' and 'a'a' lava rocks costs three to five thousand dollars an acre, if you are lucky. You would need two DC-10 double rippers just to go in and rip up the 'aina' up.

"Madam Vice President, I just find it quite odd that all of a sudden we're all concerned about county prerogatives. If it weren't for the state and the resources of the state, there'll be no way, Madam Vice President, that we could ever consider affordable housing.

"This is why I'm in support of this piece of legislation because we, in fact, have not given up the legislative prerogative to participate. We can always, Madam Vice President, deny the authorization.

"And this is, Madam Vice President, what I would like to add for the record. Thank you."

Senator Menor responded as follows:

"Madam Vice President, in response to the rebuttal comments, I would like to point out that under the section

that I read, Section 6, I was not referring to a situation in which the HFDC would be involved in the financing of an affordable housing project. Section 6 also permits HFDC to enter into a development agreement with a private developer in which the developer itself finances, funds and implements an affordable housing project on behalf of the state.

"Under Section 6, a developer could accomplish this task by setting aside a percentage of the housing development for affordable housing and the developer would be free to sell the remaining units at whatever price that it wants to.

"In other words, Section 6 creates the potential for HFDC to enter into development agreements with a private developer for the construction of massive residential developments, provided that it meet applicable set-aside requirements. The problem is that these major developments would no longer be subject to county review.

"So, I think that what needs to be clarified is that the section that I read is mutually exclusive from and different from the provision that the previous Senator referred to and discussed with this body.

"Thank you."

Senator Solomon responded as follows:

"Madam Vice President, in response I would just like to remind the Senator from Mililani that the fact is that all of these housing projects impact upon the general infrastructure. Madam Vice President, the state is the primary mover behind the funding of these projects.

"I would like to remind the Senator from Mililani that in terms of infrastructure costs -- in terms of roads, public schools, etc., that the state has taken the lead to provide these kinds of services. But I can understand and I can be empathetic to what the previous speaker mentioned. But the fact still remains, Madam Vice President, that if the Legislature desires not to support these kinds of infrastructure accommodations I doubt that these projects would get very far.

"Thank you very much."

Senator Menor in response said:

"Very briefly, I want to clarify that the section that I read does not require HFDC to seek legislative approval before entering into a development agreement. In fact, I think all of us can think of many instances in which developments have been approved by state and county agencies prior to any legislative appropriation to insure that infrastructural improvements are in place before a development is allowed to proceed. Many of us have gone through problems in our communities where the infrastructure in terms of schools and roads has been negatively and seriously affected because we've had state and county agencies making decisions to approve developments before any legislative appropriation has been made.

"But the point that I'd like to re-emphasize is that this bill does not make a private development agreement by HFDC contingent upon legislative approval.

"Thank you."

The motion was put by the Chair and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 3287, and S.B. No. 3287, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HOUSING," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 17. Noes, 3 (George, Herkes, Menor). Excused, 5 (Blair, Holt, Ikeda, Reed, Tungpalan).

At this time, Senator Cobb, chairman of the Committee on Consumer Protection and Commerce requested a waiver of the 48-hour Notice of a Public Hearing for the subjects listed on the agenda of the Senate Consumer Protection and Commerce Committee's hearing notice for Wednesday, April 6, 1988, and the Chair granted the waiver.

#### ADJOURNMENT

At 12:01 o'clock p.m., on motion by Senator Cobb, seconded by Senator A. Kobayashi and carried, the Senate adjourned until 11:30 o'clock a.m., Wednesday, April 6, 1988.