

SIXTY-SECOND DAY

Wednesday, May 2, 1990

The Senate of the Fifteenth Legislature of the State of Hawaii, Regular Session of 1990, convened at 10:13 o'clock p.m. with the President in the Chair.

The Divine Blessing was invoked by Senator Mamoru Yamasaki, Hawaii State Senate, after which the Roll was called showing all Senators present.

The President announced that he had read and approved the Journal of the Sixtieth Day.

MESSAGE FROM THE GOVERNOR

Gov. Msg. No. 307, transmitting the Executive Order providing for a further extension of the Regular Session of 1990 of the Fifteenth State Legislature, was read by the Clerk as follows:

"EXECUTIVE ORDER"

"WHEREAS, Section 10 of Article III of the Constitution of the State of Hawaii provides that an extension of not more than fifteen days of any session may be granted by the presiding officers of both houses at the written request of two-thirds of the members to which each house is entitled or may be granted by the governor"; and

WHEREAS, pursuant to said Section 10 of Article III, the Regular Session of 1990 of the Fifteenth Legislature of the State of Hawaii has been extended; and

WHEREAS, the Governor has been requested to grant a further extension and it appears that such a further extension is necessary;

NOW, THEREFORE, I, JOHN WAIHEE, Governor of Hawaii, pursuant to the power vested in me by Section 10 of Article III of the Constitution of the State of Hawaii, do hereby extend the Regular Session of 1990 of the Fifteenth Legislature of the State of Hawaii for a period of forty-eight hours following 12:00 midnight, May 2, 1990.

DONE at the State Capitol, Honolulu,
State of Hawaii, this 2nd
day of May, 1990.

/s/ John Waihee
JOHN WAIHEE
Governor of Hawaii

APPROVED AS TO FORM:

/s/ Warren Price III
WARREN PRICE, III
Attorney General"

and was placed on file.

SENATE CONCURRENT RESOLUTION

S.C.R. No. 273, providing for a recess of the Fifteenth Legislature of the State of Hawaii, Regular Session of 1990, on Thursday, May 3, 1990, was offered by Senators Hagino and George, and was read by the Clerk.

On motion by Senator Hagino, seconded by Senator George and carried, S.C.R. No. 273 was adopted.

MESSAGE FROM THE GOVERNOR

Gov. Msg. No. 306, informing the Senate that on April 27, 1990, he signed into law House Bill No. 2882 as Act 48, entitled: "RELATING TO THE MOLOKAI IRRIGATION AND WATER UTILIZATION PROJECT," was read by the Clerk and was placed on file.

HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 843 to 870) were read by the Clerk and were disposed of as follows:

Hse. Com. No. 843, returning S.C.R. No. 51, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, in an amended form, was placed on file.

By unanimous consent, action on S.C.R. No. 51, S.D. 1, H.D. 1, was deferred to the end of the calendar.

Hse. Com. No. 844, returning S.C.R. No. 241, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, in an amended form, was placed on file.

By unanimous consent, action on S.C.R. No. 241, S.D. 1, H.D. 1, was deferred to the end of the calendar.

Hse. Com. No. 845, returning S.C.R. No. 23, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 846, returning S.C.R. No. 35, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 847, returning S.C.R. No. 44, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 848, returning S.C.R. No. 61, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 849, returning S.C.R. No. 67, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 850, returning S.C.R. No. 75, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 851, returning S.C.R. No. 77, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 852, returning S.C.R. No. 81, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 853, returning S.C.R. No. 109, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 854, returning S.C.R. No. 121, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 855, returning S.C.R. No. 126, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 856, returning S.C.R. No. 150, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 857, returning S.C.R. No. 169, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 858, returning S.C.R. No. 172, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 859, returning S.C.R. No. 174, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 860, returning S.C.R. No. 179, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 861, returning S.C.R. No. 183, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 862, returning S.C.R. No. 227, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 863, returning S.C.R. No. 228, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 864, returning S.C.R. No. 234, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 865, returning S.C.R. No. 242, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 866, returning S.C.R. No. 259, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 867, returning S.C.R. No. 267, S.D. 1, which was adopted by the House of Representatives on April 30, 1990, was placed on file.

Hse. Com. No. 868, informing the Senate of the passage on Final Reading in the House of Representatives on April 30, 1990 of the following Senate bills:

S.B. No. 26, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 46, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 422, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 506, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 973, S.D. 2, H.D. 1, C.D. 1;
 S.B. No. 1148, S.D. 2, H.D. 2, C.D. 1;
 S.B. No. 1214, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 1398, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 1526, S.D. 2, H.D. 1, C.D. 1;
 S.B. No. 1611, S.D. 2, H.D. 1, C.D. 1;
 S.B. No. 1630, S.D. 2, H.D. 2, C.D. 1;
 S.B. No. 1810, S.D. 2, H.D. 4, C.D. 1;
 S.B. No. 2117, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 2119, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 2122, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 2159, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 2169, H.D. 1, C.D. 1;
 S.B. No. 2174, S.D. 2, H.D. 1, C.D. 1;
 S.B. No. 2223, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 2252, S.D. 2, H.D. 1, C.D. 1;
 S.B. No. 2307, S.D. 2, H.D. 2, C.D. 1;
 S.B. No. 2314, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 2318, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 2338, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 2377, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 2432, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 2433, S.D. 1, H.D. 1, C.D. 1;

S.B. No. 2435, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 2482, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 2549, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 2560, S.D. 2, H.D. 2, C.D. 1;
 S.B. No. 2587, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 2596, S.D. 2, H.D. 2, C.D. 1;
 S.B. No. 2694, H.D. 1, C.D. 1;
 S.B. No. 2699, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 2764, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 2776, H.D. 1, C.D. 1;
 S.B. No. 2794, S.D. 2, H.D. 2, C.D. 1;
 S.B. No. 2801, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 2833, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 2881, S.D. 2, H.D. 2, C.D. 1;
 S.B. No. 2945, S.D. 2, H.D. 2, C.D. 1;
 S.B. No. 2964, H.D. 1, C.D. 1;
 S.B. No. 2978, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 3018, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 3019, H.D. 1, C.D. 1;
 S.B. No. 3088, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 3094, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 3111, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 3119, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 3127, S.D. 2, H.D. 2, C.D. 1;
 S.B. No. 3142, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 3146, H.D. 2, C.D. 1;
 S.B. No. 3169, S.D. 2, H.D. 2, C.D. 1;
 S.B. No. 3170, S.D. 2, H.D. 2, C.D. 1;
 S.B. No. 3176, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 3233, S.D. 2, H.D. 2, C.D. 1;
 S.B. No. 3247, S.D. 2, H.D. 2, C.D. 1;
 S.B. No. 3295, S.D. 1, H.D. 1, C.D. 1;
 S.B. No. 3306, S.D. 2, H.D. 2, C.D. 1;
 S.B. No. 3334, H.D. 1, C.D. 1;
 S.B. No. 3341, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 3399, S.D. 1, H.D. 2, C.D. 1;
 S.B. No. 3403, H.D. 1, C.D. 1; and
 S.B. No. 3454, S.D. 1, H.D. 1, C.D. 1;

was placed on file.

Hse. Com. No. 869, informing the Senate of the passage on Final Reading in the House of Representatives on April 30, 1990 of the following House bills:

H.B. No. 69, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 240, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 256, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 332, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 403, H.D. 1, S.D. 1, C.D. 2;
 H.B. No. 726, H.D. 1, S.D. 1;
 H.B. No. 839, S.D. 1;
 H.B. No. 1023, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 1144, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 1251, H.D. 1, S.D. 2, C.D. 1;
 H.B. No. 1490, H.D. 2, S.D. 1;
 H.B. No. 1576, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 1660, H.D. 1, S.D. 2, C.D. 1;
 H.B. No. 1693, S.D. 1, C.D. 1;
 H.B. No. 1900, S.D. 1, C.D. 1;
 H.B. No. 2008, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2011, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2014, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2046, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2052, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2057, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2089, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2092, H.D. 2, S.D. 1, C.D. 1;
 H.B. No. 2103, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2112, S.D. 1, C.D. 1;
 H.B. No. 2131, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2183, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2184, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2191, H.D. 1, S.D. 1;
 H.B. No. 2202, S.D. 1, C.D. 1;
 H.B. No. 2204, H.D. 1, S.D. 1, C.D. 1;

H.B. No. 2207, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2208, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2229, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2233, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2258, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2265, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2268, S.D. 1, C.D. 1;
 H.B. No. 2273, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2280, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2281, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2287, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2288, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2290, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2293, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2294, S.D. 1, C.D. 1;
 H.B. No. 2295, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2296, H.D. 2, S.D. 1, C.D. 1;
 H.B. No. 2299, H.D. 1, S.D. 2, C.D. 1;
 H.B. No. 2301, S.D. 1, C.D. 1;
 H.B. No. 2308, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2368, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2381, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2388, H.D. 2, S.D. 1;
 H.B. No. 2424, H.D. 1, S.D. 1;
 H.B. No. 2429, S.D. 1;
 H.B. No. 2457, H.D. 2, S.D. 1;
 H.B. No. 2458, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2489, H.D. 1, S.D. 1;
 H.B. No. 2500, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2531, H.D. 1, S.D. 1;
 H.B. No. 2546, H.D. 1, S.D. 1, C.D. 2;
 H.B. No. 2582, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2608, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2611, S.D. 1;
 H.B. No. 2645, H.D. 2, S.D. 1, C.D. 1;
 H.B. No. 2649, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2751, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2787, H.D. 2, S.D. 1;
 H.B. No. 2789, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2817, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2843, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2844, S.D. 1, C.D. 1;
 H.B. No. 2864, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2865, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2876, H.D. 1, S.D. 1, C.D. 2;
 H.B. No. 2878, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2883, S.D. 1;
 H.B. No. 2884, H.D. 2, S.D. 1, C.D. 1;
 H.B. No. 2891, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2892, S.D. 1;
 H.B. No. 2895, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2896, H.D. 3, S.D. 2, C.D. 1;
 H.B. No. 2904, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2919, H.D. 1, S.D. 2, C.D. 1;
 H.B. No. 2929, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2932, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2947, H.D. 1, S.D. 1;
 H.B. No. 2950, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2960, H.D. 1, S.D. 2;
 H.B. No. 2967, H.D. 1, S.D. 2, C.D. 1;
 H.B. No. 2984, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2985, H.D. 2, S.D. 1, C.D. 1;
 H.B. No. 2986, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 2990, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 2994, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 3098, H.D. 2, S.D. 1, C.D. 1;
 H.B. No. 3111, H.D. 2, S.D. 1, C.D. 1;
 H.B. No. 3114, H.D. 2, S.D. 1, C.D. 1;
 H.B. No. 3125, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 3149, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 3176, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 3183, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 3256, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 3265, S.D. 1, C.D. 1;
 H.B. No. 3296, H.D. 2, S.D. 1, C.D. 1;
 H.B. No. 3299, H.D. 2, S.D. 2, C.D. 2;

H.B. No. 3355, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 3355, H.D. 2, S.D. 2, C.D. 1;
 H.B. No. 3380, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 3385, S.D. 1, C.D. 1;
 H.B. No. 3403, H.D. 1, S.D. 1, C.D. 1;
 H.B. No. 3410, H.D. 1, S.D. 1, C.D. 1; and
 H.B. No. 3428, S.D. 1, C.D. 1;

was placed on file.

Hse. Com. No. 870, informing the Senate that the amendments proposed by the Senate to the following House concurrent resolutions were agreed to by the House and said resolutions were finally adopted in the House of Representatives on April 30, 1990:

H.C.R. No. 13, H.D. 2, S.D. 1;
 H.C.R. No. 21, H.D. 1, S.D. 1;
 H.C.R. No. 22, H.D. 1, S.D. 1;
 H.C.R. No. 40, H.D. 1, S.D. 1;
 H.C.R. No. 60, H.D. 1, S.D. 1;
 H.C.R. No. 76, S.D. 1;
 H.C.R. No. 82, S.D. 1;
 H.C.R. No. 91, S.D. 1;
 H.C.R. No. 105, S.D. 1;
 H.C.R. No. 133, H.D. 1, S.D. 1;
 H.C.R. No. 154, H.D. 1, S.D. 1;
 H.C.R. No. 197, H.D. 1, S.D. 1;
 H.C.R. No. 223, S.D. 1;
 H.C.R. No. 224, S.D. 1;
 H.C.R. No. 239, H.D. 1, S.D. 1;
 H.C.R. No. 241, H.D. 1, S.D. 1;
 H.C.R. No. 292, S.D. 1; and
 H.C.R. No. 317, H.D. 1, S.D. 1;

was placed on file.

CONFERENCE COMMITTEE REPORTS

Senator Yamasaki, for the majority of the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House to S.B. No. 3128, S.D. 2, presented a report (Conf. Com. Rep. No. 165) recommending that S.B. No. 3128, S.D. 2, H.D. 2, C.D. 1, as amended in C.D. 2, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 165 and S.B. No. 3128, S.D. 2, H.D. 2, C.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," was deferred for a period of 48 hours.

Senator Yamasaki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House to S.B. No. 2597, S.D. 1, presented a report (Conf. Com. Rep. No. 166) recommending that S.B. No. 2597, S.D. 1, H.D. 1, as amended in C.D. 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 166 and S.B. No. 2597, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INCOME TAXATION," was deferred for a period of 48 hours.

Senator Yamasaki, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House to S.B. No. 2376, S.D. 1, presented a report (Conf. Com. Rep. No. 167) recommending that S.B. No. 2376, S.D. 1, H.D. 1, as amended in C.D. 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 167 and S.B. No. 2376, S.D. 1, H.D. 1, C.D.

1, entitled: "A BILL FOR AN ACT RELATING TO TAX CREDITS," was deferred for a period of 48 hours.

Senator A. Kobayashi, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to H.B. No. 1718, presented a report (Conf. Com. Rep. No. 213) recommending that H.B. No. 1718, S.D. 2, as amended in C.D. 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 213 and H.B. No. 1718, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," was deferred for a period of 48 hours.

Senator Yamasaki, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to H.B. No. 2258, H.D. 2, presented a report (Conf. Com. Rep. No. 214) recommending that H.B. No. 2258, H.D. 2, S.D. 2, C.D. 1, as amended in C.D. 2, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 214 and H.B. No. 2258, H.D. 2, S.D. 2, C.D. 2, entitled: "A BILL FOR AN ACT RELATING TO LEGISLATIVE MANAGEMENT," was deferred for a period of 48 hours.

At 10:19 o'clock p.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 10:41 o'clock p.m.

AGREE/DISAGREE

MATTERS DEFERRED FROM EARLIER ON THE CALENDAR

S.C.R. No. 51, S.D. 1, H.D. 1 (Hse. Com. No. 843):

On motion by Senator Crozier, seconded by Senator Fernandes Salling and carried, the Senate agreed to the amendments proposed by the House to S.C.R. No. 51, S.D. 1, and S.C.R. No. 51, S.D. 1, H.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE AUDITOR TO CONDUCT AN EXAMINATION OF EXECUTIVE BRANCH PROCEDURES AND MECHANISMS TO ENSURE THAT HAWAIIAN BENEFICIARY PROGRAMS RECEIVE THEIR FULL REVENUE ENTITLEMENTS FROM THE UTILIZATION AND DISPOSITION OF CULTIVATED SUGARCANE LANDS AND CEDED LANDS," was finally adopted.

S.C.R. No. 241, S.D. 1, H.D. 1 (Hse. Com. No. 844):

On motion by Senator Chang, seconded by Senator Tungpalan and carried, the Senate agreed to the amendments proposed by the House to S.C.R. No. 241, S.D. 1, and S.C.R. No. 241, S.D. 1, H.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY OF THE LEGAL FRAMEWORK THAT WOULD MAXIMIZE THE UTILIZATION OF OPTICAL DATA STORAGE TECHNOLOGY," was finally adopted.

FINAL READING

S.B. No. 1985, S.D. 1, H.D. 2:

On motion by Senator Yamasaki, seconded by Senator A. Kobayashi and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 1985, S.D. 1, and S.B. No. 1985, S.D. 1, H.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII

BISHOP RESEARCH INSTITUTE," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none..

Conf. Com. Rep. No. 163 (S.B. No. 3128, S.D. 2, H.D. 2, C.D. 1):

By unanimous consent, Conf. Com. Rep. No. 163 and S.B. No. 3128, S.D. 2, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," were recommitted to the Committee on Conference.

Conf. Com. Rep. No. 164 (S.B. No. 1719, S.D. 1, H.D. 2, C.D. 1):

By unanimous consent, action on Conf. Com. Rep. No. 164 and S.B. No. 1719, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," was deferred until Friday, May 4, 1990.

Conf. Com. Rep. No. 209 (H.B. No. 1148, S.D. 1, C.D. 2):

Senator Yamasaki moved that Conf. Com. Rep. No. 209 be adopted and H.B. No. 1148, S.D. 1, C.D. 2, having been read throughout, pass Final Reading, seconded by Senator Holt.

Senator George rose to speak in support of the measure as follows:

"Mr. President, in our earlier observations on this particular measure which has to do with the TAT, I made some remarks about the discrepancies in the per capita benefits rained on the recipients. I was about to start my remarks on this by saying when I make a mistake I make a beaut, but then I decided that perhaps that this good Adlai Stevenson quote ought to be reserved for greater goofs.

"I would, however, like to say that while the TAT distributions to the counties are full of inequities and there are considerable discrepancies among the various counties, the figures that I gave on the floor were not accurate. I do have the accurate figures. I'll be happy to share the numbers with anyone who wants to see them. Thank you, Mr. President."

Senator Blair rose to speak against the measure and said:

"Mr. President, until Oahu is treated fairly, which I define as receiving the money raised on this island, I cannot support the measure. Thank you."

Senator Holt spoke in support of the measure and remarked:

"Mr. President, I listened with great interest to the previous speakers, not only today but previously, as they discussed the distribution of the transient accommodations tax (TAT) to the counties. As chairman of the subject matter committee to which TAT legislation is normally referred, I would like to say a few words to place this matter in proper perspective.

"Since the 1987 legislative session when I became chairman of the Tourism, Recreation and Planning Committee, I have introduced legislation to distribute revenues from the transient accommodations tax to the counties. During this time, I've also held hearings on a number of other bills with the same or similar purpose. As a result, I have learned that the greatest area of

disagreement has always been the formula for the distribution of revenues.

"More specifically, Mr. President, the administration, the industry, and the counties have never arrived at a consensus regarding the distribution of the TAT revenues. Their positions on this issue, however, have been amazingly consistent over the years. The administration, for example, has always been opposed to earmarking, while the industry, on the other hand, was supportive provided the funds are earmarked for the convention center and tourism marketing and promotion. The counties, on the other hand, have never agreed on an acceptable formula. They have, instead, always shifted the focus of attention to individual county needs, rather than a fair and equitable distribution.

"The main reason for this, Mr. President, is the fact that total county needs and the demands of the tourism industry for dedicated funding have always exceeded the sum of TAT revenues. It is, therefore, fairly evident that a distribution of the TAT is also in essence a distribution of the shortfall between total projected revenues and needs. Faced with this situation, it is fairly obvious that some or all of the counties may not be completely satisfied with their formula share of revenues.

"At the present time, however, I am convinced that there is no alternative formula that is more fair, more equitable or more reasonable than that which was agreed to by the House and Senate conferees. I would like to point out, Mr. President, that the conference committee was aware of this fact and reflected their concern in Conference Committee Report No. 207. At this time I would like to read a portion of that report for the record:

'Since your Committee intends this measure to be an equitable plan to distribute funds, your Committee notes that the Legislature may re-examine this TAT sharing mechanism if the county uses its present real property taxing powers to selectively impose a heavier burden on one industry over other industries who are currently paying the nonresidential real property tax rate.'

I would also like to point out that Conference Committee report also reaffirms the Legislature's commitment for the funding of the convention center authority and for tourism marketing and promotion.

"It is clear to me, Mr. President, that the Conference Committee has more than adequately addressed the concerns of those who disagree with the formula for the distribution of the TAT revenues as reflected in this bill. I'm therefore voting in favor of this measure and urge all my colleagues to do so. Thank you."

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

"Mr. President, I would like to point out that back in 1978 the State Plan was passed and made into law. In the State Plan provisions, the emphasis of the state was to redirect the growth of the state to the neighbor islands, rather than to concentrate entirely on this City and County of Honolulu. As a result, over the years, the state has supported the growth and economic activity of the neighbor islands. And for these reasons we have seen a tremendous growth in the neighbor islands, in all of the counties of Hawaii, Maui and Kauai, and including Molokai. Therefore, the allocation of transient accommodations tax revenues has been based on this criteria.

"In the 1989 session, we did make some changes to the allocation which we thought was a fair one. The Hawaii

State Association of Counties brought some recommendations before us and to other committees. After reviewing the recommendations of the Hawaii State Association of Counties, we added to the County of Hawaii and also to the County of Kauai additional revenues so that it would be equitable to support the needs of these two counties. Therefore, we have continued to support the neighbor island counties by continuing with the same formula that we established in 1989.

"I would like to ask all of you to continue to support the economic growth of this State of Hawaii, to the neighbor islands, as reflected by the allocation of TAT revenues in this bill. Thank you."

Senator Blair spoke against the measure and remarked:

"Mr. President, I appreciate the remarks of the previous speakers and there is some logic to what they said. However, the difference between this measure and previous decisions made on an annual basis to give additional support to the neighbor islands is that this bill carves these allocations in stone. Once these percentages are enacted it will be very difficult to change them. It's not ad hoc decision making with respect to the special needs of the neighbor islands. Therefore, if we're going to make a permanent allocation amongst the counties, we have to have a reasonable basis. I don't think a reasonable basis has been stated which justifies the permanency of this allocation. Thank you."

Senator McCartney rose to speak in support of the bill and stated:

"Mr. President, I would like to echo the 'positive' about this bill. I think it's a very positive measure that we are sharing revenue with the counties and that we are sharing the hotel room tax with the counties. I believe that it is a positive position and we need to focus in on that.

"It's healthy that we are looking at the 90s as the years of decentralization or the years of home rule. This is the first step in the right direction and I think that the 90s are going to be years and the decade of decentralization.

"There are other measures in the future that we can look at, like transferring the public service tax, by giving general excise tax credits to the counties, which will balance these formulas out. When we add those things on, people are going to start complaining about all these formulas again and say that other counties aren't getting money. Rather than complain about the formula, we should be proud and happy that we are giving the counties a source of revenue. Then, come back next year and look at some measures that can provide resources to the counties.

"In that light, Mr. President, I ask my colleagues to support the measure."

The motion was put by the Chair and carried, Conf. Com. Rep. No. 209 was adopted and H.B. No. 1148, S.D. 1, C.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 23. Noes, 2 (Blair, Cobb).

Conf. Com. Rep. No. 210 (H.B. No. 3095, H.D. 2, S.D. 2, C.D. 2):

On motion by Senator Yamasaki, seconded by Senator Holt and carried, Conf. Com. Rep. No. 210 was adopted

and H.B. No. 3095, H.D. 2, S.D. 2, C.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TOURISM," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 211 (H.B. No. 2871, H.D. 2, S.D. 1, C.D. 2):

On motion by Senator Yamasaki, seconded by Senator Menor and carried, Conf. Com. Rep. No. 211 was adopted and H.B. No. 2871, H.D. 2, S.D. 1, C.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Conf. Com. Rep. No. 212 (H.B. No. 3357, H.D. 2, S.D. 1, C.D. 2):

On motion by Senator Yamasaki, seconded by Senator A. Kobayashi and carried, Conf. Com. Rep. No. 212 was adopted and H.B. No. 3357, H.D. 2, S.D. 1, C.D. 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR MEDICAID OPTIONS," having been read throughout, passed Final Reading on the following showing of Ayes and Noes:

Ayes, 25. Noes, none.

Senator George rose on a point of inquiry as follows:

"Mr. President, I have some curiosity and I suppose I rise to ask you a question about it.

"On Monday, we passed H.B. 1576, providing for a \$1 tax credit, the last bill on our agenda. Tonight, we have before us and clocking Conference Committee Report 167 for Senate Bill 2376, with a \$60 credit. How are we going to handle two bills with the same title and the same subject matter, Mr. President?"

The Chair responded:

"I would hope that when the bill reaches the governor's desk that he will make an intelligent choice. (Laughter.)

"Senator George, thank you for your inquiry. I don't mean to belabor the point. I think it was a serious inquiry but I'm at a quandary as to whether to recall the bill. Rather than do that I'd just as soon ask the governor to veto one of the measures."

Senator George interjected:

"Mr. President, couldn't we have \$61?" (Laughter.)

The Chair answered:

"We might. The governor might change his mind."

Senator Cobb then rose on a point of personal privilege as follows:

"Mr. President, on Friday, we're going to be voting on the train and the tax.

"Earlier this year, several of us wanted to put a stop to the move out of the State Capitol for the reason of asbestos. And since I just received this communication from DAGS, I'd like to share with you and members of

the Senate just how the best laid plans of mice and men can go astray.

"When the asbestos removal was touted before this Legislature last year, we were told that it would be a two-year move; we'd be out and back by 1992. Prediction: that would not come true. Now comes the reality. We will be moving out of the State Capitol in May of 1991, after the 1991 session, and will not return until the beginning of May 1994. And the move back will not be completed until November 1994. So what was two years has now become three; what was 1990 to 1992 has now become 1991 to 1994, and the only other question I have is what is going to be the cost overrun of this project from what it was initially budgeted.

"We'll have further discussion on this Friday evening, Mr. President, but I wanted to share with you and all of the members just the reality of what was planned on, what was voted on is not even going to happen; it's going to be worse. Thank you."

At this time, Senator Blair recognized Governor Waihee, seated in the gallery, as follows:

"Mr. President, I thought that the administration had run for cover, but I note that we have in the gallery our foremost citizen, Governor John David Waihee III. If he will please stand to be recognized."

ADJOURNMENT

AT 10:58 o'clock p.m., on motion by Senator Blair, seconded by Senator Reed and carried, the Senate adjourned until 7:00 o'clock p.m., Friday, May 4, 1990.