

## THIRTY-FIFTH DAY

Wednesday, March 20, 1996

The Senate of the Eighteenth Legislature of the State of Hawaii, Regular Session of 1996, convened at 11:37 o'clock a.m. with the President in the Chair.

The Divine Blessing was invoked by Pastor Bruce Betker, St. Mark Lutheran Church, after which the Roll was called showing all Senators present with the exception of Senator Fernandes Salling who was excused.

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

Senator McCartney introduced Kahuku High School senior, Emily Shumway, a national finalist in the Voice of Democracy Audio Essay Scholarship Competition. Emily was accompanied by her parents, Eric and Carolyn Shumway, and representatives from the Veterans of Foreign Wars and the Voice of Democracy. A Senate certificate and leis were presented to all of the guests.

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

The Senate reconvened at 12:00 o'clock noon.

## STANDING COMMITTEE REPORTS

Senator Fernandes Salling, for the Committee on Transportation and Government Affairs, presented a report (Stand. Com. Rep. No. 2275) recommending that H.B. No. 2433, H.D. 2, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Communications and Public Utilities.

On motion by Senator Ihara, seconded by Senator Liu and carried, the report of the Committee was adopted and H.B. No. 2433, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR CARRIERS," passed Second Reading and was referred to the Committee on Communications and Public Utilities.

Senator Fernandes Salling, for the Committee on Transportation and Government Affairs, presented a report (Stand. Com. Rep. No. 2276) recommending that H.B. No. 2957, as amended in S.D. 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Senator Ihara, seconded by Senator Liu and carried, the report of the Committee was adopted and H.B. No. 2957, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY," passed Second Reading and was referred to the Committee on Judiciary.

Senator Fernandes Salling, for the Committee on Transportation and Government Affairs, presented a report (Stand. Com. Rep. No. 2277) recommending that H.B. No. 3274 pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Ihara, seconded by Senator Liu and carried, the report of the Committee was adopted and H.B. No. 3274, entitled: "A BILL FOR AN ACT RELATING TO REGISTRATION OF NEW MOTOR VEHICLES," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Fernandes Salling, for the Committee on Transportation and Government Affairs, presented a report (Stand. Com. Rep. No. 2278) recommending that H.B. No. 3383, as amended in S.D. 1, pass Second

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

By unanimous consent, action on Stand. Com. Rep. No. 2278 and H.B. No. 3383, S.D. 1, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS AND MAKING AN APPROPRIATION FOR THE REIMBURSEMENT OF THE AIRPORT REVENUE FUND," was deferred until Thursday, March 21, 1996.

Senator Fernandes Salling, for the Committee on Transportation and Government Affairs, presented a report (Stand. Com. Rep. No. 2279) recommending that H.B. No. 3562, H.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Ihara, seconded by Senator Liu and carried, the report of the Committee was adopted and H.B. No. 3562, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COLLECTION OF DELINQUENT TAXES," passed Second Reading and was referred to the Committee on Ways and Means.

Senators Iwase and Kanno, for the Committee on Planning, Land and Water Use Management and the Committee on Agriculture, Labor, and Employment, presented a joint report (Stand. Com. Rep. No. 2280) recommending that H.B. No. 3293, H.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Ihara, seconded by Senator Liu and carried, the joint report of the Committees was adopted and H.B. No. 3293, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Iwase, for the Committee on Planning, Land and Water Use Management, presented a report (Stand. Com. Rep. No. 2281) recommending that H.B. No. 3769, H.D. 3, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Ihara, seconded by Senator Liu and carried, the report of the Committee was adopted and H.B. No. 3769, H.D. 3, entitled: "A BILL FOR AN ACT RELATING TO PERSONS DISPOSSESSED OR DISPLACED BY VOLCANIC ERUPTIONS," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Iwase, for the Committee on Planning, Land and Water Use Management, presented a report (Stand. Com. Rep. No. 2282) recommending that H.B. No. 3916, H.D. 1, pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Ihara, seconded by Senator Liu and carried, the report of the Committee was adopted and H.B. No. 3916, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Second Reading and was referred to the Committee on Ways and Means.

Senators Iwase and Aki, for the Committee on Planning, Land and Water Use Management and the Committee on Hawaiian Affairs, presented a joint report (Stand. Com. Rep. No. 2283) recommending that S.R. No. 3, as amended in S.D. 1, be referred to the Committee on Ways and Means.

On motion by Senator Ihara, seconded by Senator Liu and carried, the joint report of the Committees was adopted and S.R. No. 3, S.D. 1, entitled: "SENATE RESOLUTION REQUESTING A STUDY OF THE MANAGEMENT AND THE VALUE OF THE AHUPUA'A O' KAHANA (KAHANA STATE PARK)," was referred to the Committee on Ways and Means.

Senators Iwase and Aki, for the Committee on Planning, Land and Water Use Management and the Committee on Hawaiian Affairs, presented a joint report (Stand. Com. Rep. No. 2284) recommending that S.C.R. No. 7, as amended in S.D. 1, be referred to the Committee on Ways and Means.

On motion by Senator Ihara, seconded by Senator Liu and carried, the joint report of the Committees was adopted and S.C.R. No. 7, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING A STUDY OF THE MANAGEMENT AND THE VALUE OF THE AHUPUA'A O' KAHANA (KAHANA STATE PARK)," was referred to the Committee on Ways and Means.

Senators Iwase and Ige, for the Committee on Planning, Land and Water Use Management and the Committee on Higher Education, Culture, and Arts, presented a joint report (Stand. Com. Rep. No. 2285) recommending that H.B. No. 3446, 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 Ihara, seconded by Senator Liu and carried, the joint report of the Committees was adopted and H.B. No. 3446, H.D. 3, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII - WEST OAHU," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Iwase, for the Committee on Planning, Land and Water Use Management, presented a report (Stand. Com. Rep. No. 2286) recommending that H.B. No. 3522, 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 Ihara, seconded by Senator Liu and carried, the report of the Committee was adopted and H.B. No. 3522, H.D. 1, S.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 Friday, March 22, 1996.

Senator Iwase, for the Committee on Planning, Land and Water Use Management, presented a report (Stand. Com. Rep. No. 2287) recommending that H.B. No. 3523, 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 Ihara, seconded by Senator Liu and carried, the report of the Committee was adopted and H.B. No. 3523, H.D. 1, S.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 Friday, March 22, 1996.

#### ORDER OF THE DAY

##### RE-REFERRAL OF HOUSE BILLS

The President re-referred the following House bills that were received:

House Bill Referred to:

No. 3153, H.D. 2 Committee on Judiciary, then to the Committee on Ways and Means

No. 3427, H.D. 2 Jointly to the Committee on Consumer Protection and the Committee on Ways and Means

##### RE-REFERRAL OF SENATE CONCURRENT RESOLUTIONS

The President re-referred the following Senate concurrent resolutions that were offered:

Senate  
Concurrent  
Resolution Referred to:

No. 144 Jointly to the Committee on Education and the Committee on Higher Education, Culture, and Arts, then to the Committee on Ways and Means

No. 172 Jointly to the Committee on Higher Education, Culture, and Arts and the Committee on Economic Development, then to the Committee on Ways and Means

##### RE-REFERRAL OF SENATE RESOLUTIONS

The President re-referred the following Senate resolutions that were offered:

Senate  
Resolution Referred to:

No. 113 Jointly to the Committee on Education and the Committee on Higher Education, Culture, and Arts, then to the Committee on Ways and Means

No. 136 Jointly to the Committee on Higher Education, Culture, and Arts and the Committee on Economic Development, then to the Committee on Ways and Means

Senator Grauly, chairman of the Committee on Judiciary, requested a waiver of the 72-hour Notice of a Public Hearing on H.B. No. 3153, and the Chair granted the waiver.

Senator Fukunaga, chairman of the Committee on Communications and Public Utilities, also requested a waiver of the 72-hour Notice of a Public Hearing on the following resolutions: S.C.R. No. 66, S.C.R. No. 168, S.C.R. No. 187, S.C.R. No. 195, S.C.R. No. 203, S.C.R. No. 245, S.C.R. No. 246, S.C.R. No. 247, S.R. No. 132, S.R. No. 147, S.R. No. 154, S.R. No. 161, S.R. No. 197, S.R. No. 198 and S.R. No. 199, and the Chair granted the waiver.

Senator Holt, chairman of the Committee on Consumer Protection, also requested a waiver of the 72-hour Notice of a Public Hearing on H.B. No. 2857 and H.B. No. 4142, and the Chair granted the waiver.

Senator Ikeda rose on a point of personal privilege as follows:

"Mr. President, I would like to rise on a point of personal privilege.

"Mr. President, I'd like to comment on the very long editorial that was in this morning's Advertiser, entitled 'No-fault woes' -- 'Let's return to the basics'. It's a rather interesting dissertation and if I may quote from it, it makes a recommendation regarding what the Legislature should do on this subject. And I quote:

'Make existing medical insurance, with its safeguards and buying power, the primary recourse for those injured in vehicle accidents.

'One critical point, however: Resulting savings on car insurance premiums must not be shifted to employers who pay the bulk of most health insurance premiums today. Drivers who save on auto premiums should pick up whatever costs shift to their health policies.

'Using the health insurance system as a base, a simple auto insurance system can be built.'

"Mr. President, it sounds very simple; it sounds very logical. I think what this body needs to be aware of, however, is that we do have a communication from the Director of the Department of Labor and Industrial Relations. An inquiry was made about ERISA and the potential impact of medical cost due to shifting coverage of automobile accidents to the Prepaid Health Care Act. As you know, this state has an exemption from ERISA in order to sustain the Prepaid Health Care Act. The Prepaid Health Care Act has been very effective in terms of providing health care coverage for the majority of the people of our state.

"The Director writes: 'Our current ERISA exemption requires that we do not substantially change our laws. The courts have also applied the standard to nonstatutory administrative changes. This change may therefore be considered a substantive change. The impact on PHC, meaning prepaid health care, premiums is another issue to be considered. We have heard quotes from 3 percent to 10 percent increases in premiums. Because employers will be required to pay a portion of this increase in insurance premiums, they may challenge this shifting in coverage as a substantive change.'

"My point, Mr. President, is that while it seems reasonable, it's extremely complicated because we will be risking what we have enjoyed for a number of years, namely, prepaid health care coverage for the majority of the citizens of this state. But, Mr. President, your committees will be looking at alternatives as we draft this law, hopefully to produce the same kinds of results.

"Thank you, Mr. President."

#### ADJOURNMENT

At 12:12 o'clock p.m., on motion by Senator Ihara, seconded by Senator Anderson and carried, the Senate adjourned until 11:30 o'clock a.m., Thursday, March 21, 1996.