#### TWELFTH DAY

# Monday, February 3, 2003

The Senate of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 11:38 o'clock a.m. with the President in the Chair.

The Divine Blessing was invoked by Captain Dwayne Patterson, The Salvation Army, after which the Roll was called showing all Senators present.

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

#### MESSAGES FROM THE GOVERNOR

The following messages from the Governor (Gov. Msg. Nos. 134 to 180) were read by the Clerk and were placed on file:

Gov. Msg. No. 134, dated January 3, 2003, transmitting a Report on the Progress of Activities Between the Department of Education and the University of Hawaii Community Colleges, prepared by the Department of Education pursuant to H.C.R. No. 158 (2002).

Gov. Msg. No. 135, dated January 3, 2003, transmitting the Annual Report on the Federal Grant Search, Development, and Application Revolving Fund, prepared by the Department of Education pursuant to Section 302A-1405, HRS.

Gov. Msg. No. 136, dated January 3, 2003, transmitting the Annual Report on the Teacher Education Coordinating Committee, prepared by the Department of Education pursuant to Section 304-20, HRS.

Gov. Msg. No. 137, dated January 3, 2003, transmitting the Annual Report on the Incentive and Innovation Grant Trust Fund, prepared by the Department of Education pursuant to Section 302A-301, HRS.

Gov. Msg. No. 138, dated January 3, 2003, transmitting the Report on Personnel Expenditures for CIP, prepared by the Department of Education pursuant to Act 259, Section 98, SLH 2001

Gov. Msg. No. 139, dated January 3, 2003, transmitting a Report on Government Privatization, prepared by the Department of Education pursuant to Act 90, SLH 2001.

Gov. Msg. No. 140, dated January 3, 2003, transmitting the Annual Report on Carryover of Funds, prepared by the Department of Education pursuant to Section 37-14.5, HRS.

Gov. Msg. No. 141, dated January 3, 2003, transmitting the Report on School Rental Fees for Use of School Facilities, prepared by the Department of Education pursuant to Act 256, SLH 2000.

Gov. Msg. No. 142, dated January 3, 2003, transmitting the Report on the School-Level Minor Repairs and Maintenance Funds, prepared by the Department of Education pursuant to Act 311, SLH 2001.

Gov. Msg. No. 143, dated January 3, 2003, transmitting the Report on the DOE's Progress of Meeting the Requirements of the Felix Response Plan, prepared by the Department of Education pursuant to Act 259, Section 51, SLH 2001.

Gov. Msg. No. 144, dated January 3, 2003, transmitting the Validation Study of Educational Officers, prepared by the Department of Education pursuant to Acts 156 and 249, SLH 2002.

Gov. Msg. No. 145, dated January 3, 2003, transmitting the Report on the DOE's Progress of Meeting the Requirements of the Felix Response Plan, prepared by the Department of Education pursuant to Act 155, Section 51.1, SLH 2002.

Gov. Msg. No. 146, dated January 6, 2003, transmitting the Annual Report on Payments to the State by Electronic Funds Transfer, prepared by the Department of Taxation pursuant to Act 177, SLH 1997.

Gov. Msg. No. 147, dated January 6, 2003, transmitting the Annual Report Providing a Progress and Expenditure Report on the Redesign of the Integrated Tax Information Management Systems, prepared by the Department of Taxation pursuant to Act 273, SLH 1996 and Act 155, SLH 1999.

Gov. Msg. No. 148, dated January 8, 2003, transmitting the Department of Defense's Annual Report for Fiscal Year Ending June 30, 2002.

Gov. Msg. No. 149, dated January 8, 2003, transmitting the Report on Current and Projected Numbers Regarding the Clients in Nursing Home Without Walls and Residential Alternatives Community Care Programs, prepared by the Department of Human Services.

Gov. Msg. No. 150, dated January 8, 2003, transmitting the Report Regarding Compliance to the Health Insurance Portability and Accountability Act, prepared by the Department of Human Services.

Gov. Msg. No. 151, dated January 8, 2003, transmitting the Aloha Tower Development Corporation's Annual Report for Fiscal Year Ending June 30, 2002.

Gov. Msg. No. 152, dated January 8, 2003, transmitting the Summary of University of Hawaii Special, Revolving, and Trust Funds for the Fiscal Year Ended June 30, 2002, pursuant to Sections 304-7 and 304-8, HRS, and the Summary of University of Hawaii Special funds: Auxiliary Enterprises Facilities Use, Community Services, and Tuition and Fees for the Fiscal Year Ended June 30, 2002.

Gov. Msg. No. 153, dated January 9, 2003, transmitting the Report on the Progress of Assessing the Cultural Sites and Burial Remains in Makua Valley and the Monitoring of These Cultural Sites and Burial Sites, prepared by the Department of Land and Natural Resources pursuant to Act 259, Section 61, SLH 2001.

Gov. Msg. No. 154, dated January 9, 2003, transmitting the 2002 Annual Report on Home Property Liens, prepared by the Department of Human Services pursuant to Section 346-29.5, HRS.

Gov. Msg. No. 155, dated January 9, 2003, transmitting the Report on Operations of the Filing Office for Financing Statements Under the Uniform Commercial Code, Secured Transactions, prepared by the Department of Land and Natural Resources pursuant to Section 490:9-527, HRS.

Gov. Msg. No. 156, dated January 9, 2003, transmitting a Report on the Identification of Rivers and Streams Worthy of Protection, prepared by the Department of Land and Natural Resources, Commission on Water Resource Management, pursuant to Section 174C-31, HRS.

Gov. Msg. No. 157, dated January 9, 2003, transmitting the Six-Year Plan for School Repair and Maintenance, prepared by the Department of Accounting and General Services, Central Services Division.

Gov. Msg. No. 158, dated January 9, 2003, transmitting the Criteria for the Establishment and Continuance of Administratively Established Accounts and Funds Report, prepared by the Department of Land and Natural Resources, pursuant to Section 37-52.5, HRS.

Gov. Msg. No. 159, dated January 9, 2003, transmitting the Annual Reports on All Special, Trust, and Revolving Fund Transactions Carried Out Over the Previous Fiscal Year and the Report on Criteria for the Establishment and Continuance of Administratively Established Accounts and Funds, prepared by the Department of Land and Natural Resources pursuant to H.C.R. No 125 (1993) and Section 37-52.5, HRS.

Gov. Msg. No. 160, dated January 9, 2003, transmitting the Project-Funded Staff Services Budget Report, prepared by the Department of Land and Natural Resources pursuant to Act 259, SLH 2001.

Gov. Msg. No. 161, dated January 9, 2003, transmitting the Report on Land Dispositions Made of Public Lands for Calendar Year 2002, prepared by the Department of Land and Natural Resources pursuant to Section 171-29, HRS.

Gov. Msg. No. 162, dated January 9, 2003, transmitting the Annual Report for the Implementation of Chapter 190D, Hawaii Revised Statutes, Ocean and Submerged Lands Leasing, prepared by the Department of Land and Natural Resources and the Department of Agriculture pursuant to Act 176, SLH 1999.

Gov. Msg. No. 163, dated January 9, 2003, transmitting the Interim Report on the Use of Alternative Energy Sources to Address Energy Needs on the Island of Kahoolawe, prepared by the Department of Land and Natural Resources and the Kahoolawe Island Reserve Commission in conjunction with the Kahoolawe Island Reserve Alternative Energy Task Force, pursuant to S.C.R. No. 101 (2002).

Gov. Msg. No. 164, dated January 9, 2003, transmitting the Final Report and Recommendations Regarding Act 273, SLH 2001, prepared by the Department of Human Services.

Gov. Msg. No. 165, dated January 9, 2003, transmitting a Report Addressing the Concerns of Kokee State Park Lessees With Expiring Leases, prepared by the Department of Land and Natural Resources pursuant to S.C.R. No. 136 (2002).

Gov. Msg. No. 166, dated January 9, 2003, transmitting the Status Report from the Task Force on Beach and Water Safety, prepared by the Department of Land and Natural Resources in conjunction with the Task Force on Beach and Water Safety pursuant to Act 170, SLH 2002.

Gov. Msg. No. 167, dated January 10, 2003, transmitting a report prepared by the Public Utilities Commission pursuant to S.R. No. 105 (2002), requesting the formation of the Power Quality Task Force to study issues relating to responsibility over power quality in Hawaii.

Gov. Msg. No. 168, dated January 13, 2003, transmitting the Annual Report of the Research Corporation of the University of Hawaii, pursuant to Chapter 307, HRS.

Gov. Msg. No. 169, dated January 13, 2003, transmitting the Progress Report on State Irrigation Program's Self-Sufficiency, prepared by the Department of Agriculture pursuant to Act 259, Section 6, SLH 2001.

Gov. Msg. No. 170, dated January 15, 2003, transmitting the State of Hawaii Program Memoranda, prepared by the Department of Budget and Finance, Budget, Program Planning and Management Division, pursuant to Section 37-70, HRS.

Gov. Msg. No. 171, dated January 16, 2003, transmitting the Report on Expenditures to Pay Unemployment Compensation Claims of Former State Employees, prepared by the Department of Human Resources Development pursuant to Act 259, Section 83, SLH 2001.

Gov. Msg. No. 172, dated January 17, 2003, transmitting a Report Relating to Project-Funded Staff Services Budget, prepared by the Department of Transportation pursuant to Act 177, Sections 93, 94 and 95, SLH 2002.

Gov. Msg. No. 173, dated January 17, 2003, transmitting Special Maintenance Reports, prepared by the Department of Transportation pursuant to Act 177, Sections 8, 11 and 15, SLH 2002.

Gov. Msg. No. 174, dated January 17, 2003, transmitting a Report Relating to the Use of Motorized Devices on Sidewalks, Highways, and Public Areas, prepared by the Department of Transportation pursuant to S.C.R. No. 116 (2002).

Gov. Msg. No. 175, dated January 17, 2003, transmitting a Report Relating to Government Operations, prepared by the Department of Transportation pursuant to Act 100, Section 7, SI H 1999

Gov. Msg. No. 176, dated January 17, 2003, transmitting a Report Relating to Security at Hawaii Airports, prepared by the Department of Transportation pursuant to Act 177, Section 9.1, SLH 2002.

Gov. Msg. No. 177, dated January 22, 2003, transmitting a Report Relating to Privatization, prepared by the Department of Human Services, Office of Youth Services, pursuant to Act 90, SLH 2001

Gov. Msg. No. 178, dated January 23, 2003, transmitting a Report on the Examination of State Regulation of Death Care Providers, prepared by the Death Care Provider Task Force, the Department of Health, and the Department of Commerce and Consumer Affairs pursuant to H.C.R. No. 53 (2002).

Gov. Msg. No. 179, dated January 16, 2003, transmitting the Report on the Establishment of the Hydrogen Public/Private Partnership to Support and Promote Hydrogen use in Hawaii's Energy Economy, pursuant to Act 283, SLH 2001.

Gov. Msg. No. 180, letter dated January 31, 2003, transmitting proposed changes to the General Appropriations Act, S.B. No. 355.

# DEPARTMENTAL COMMUNICATION

Dept. Com. No. 24, from the State Auditor dated January 24, 2003, transmitting the revised copy of the overview for the report, "New Century Charter School Allocations Project – FY 2002-2003," (Report No. 03-01), was read by the Clerk and was placed on file.

At 11:43 o'clock a.m., the Senate stood in recess subject to the call of the Chair.

The Senate reconvened at 11:46 o'clock a.m.

# STANDING COMMITTEE REPORTS

Senator Kim, for the majority of the Committee on Tourism, presented a report (Stand. Com. Rep. No. 1) recommending that S.B. No. 38 pass Second Reading and be referred jointly to the Committee on Judiciary and Hawaiian Affairs and the Committee on Ways and Means.

On motion by Senator Kawamoto, seconded by Senator Hogue and carried, the report of the majority of the Committee was adopted and S.B. No. 38, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," passed Second Reading and was referred jointly to the Committee on Judiciary and Hawaiian Affairs and the Committee on Ways and Means.

Senator Kim, for the Committee on Tourism, presented a report (Stand. Com. Rep. No. 2) recommending that S.B. No. 377 pass Second Reading and be referred to the Committee on Ways and Means.

On motion by Senator Kawamoto, seconded by Senator Hogue and carried, the report of the Committee was adopted and S.B. No. 377, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Second Reading and was referred to the Committee on Ways and Means.

Senator Taniguchi, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 3) recommending that H.B. No. 1, H.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Kawamoto, seconded by Senator Hogue and carried, the report of the Committee was adopted and H.B. No. 1, H.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS TO PROVIDE FOR THE EXPENSES OF THE LEGISLATURE, THE LEGISLATIVE AUDITOR, THE LEGISLATIVE REFERENCE BUREAU, AND THE OMBUDSMAN," passed Second Reading and was placed on the calendar for Third Reading on Tuesday, February 4, 2003.

# ORDER OF THE DAY

#### RE-REFERRAL OF SENATE BILLS

The Chair re-referred the following Senate bills that were introduced:

Senate Bill Referred to:

No. 660 Jointly to the Committee on Economic Development and the Committee on Education, then to the Committee on Ways and Means

No. 842 Jointly to the Committee on Commerce, Consumer Protection and Housing, the Committee on Science, Arts, and Technology and the Committee on Transportation, Military Affairs, and Government Operations, then to the Committee on Ways and Means

No. 1286 Jointly to the Committee on Human Services and the Committee on Commerce, Consumer Protection and Housing, then to the Committee on Ways and Means

No. 1491 Jointly to the Committee on Transportation, Military Affairs, and Government Operations and the Committee on Economic Development, then to the Committee on Ways and Means

No. 1619 Jointly to the Committee on Transportation, Military Affairs, and Government Operations and the Committee on Economic Development, then to the Committee on Ways and Means

Senator Kawamoto rose on a point of personal privilege and said:

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

"At the adjournment of today's session, I'd like to close with a rising vote in honor of the seven astronauts who died in the Columbia space shuttle tragedy."

The Chair so ordered.

#### **ADJOURNMENT**

At 11:49 o'clock a.m., on motion by Senator Kawamoto, seconded by Senator Hogue and carried, the Senate adjourned until 11:30 o'clock a.m., Tuesday, February 4, 2003, on a rising vote, observing a moment of silence in memory of the seven crew members of the space shuttle Columbia.

Respectfully submitted,

Clerk of the Senate

Approved:

President of the Senate