

July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith HB1147 SD1 CD1, without my approval and with the statement of objections relating to the measure.

HB1147 SD1 CD1

RELATING TO THE STATE BUDGET.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 1147

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, House Bill No. 1147, entitled "A Bill for an Act Relating to the State Budget."

The purposes of this bill are to:

- Appropriate general funds for the fiscal year 2022-2023 to the
 Department of Business, Economic Development, and Tourism;
- Appropriate special funds for fiscal year 2022-2023 out of the Convention Center Enterprise Special Fund; and
- Appropriate general funds for fiscal year 2022-2023 to the University of Hawaii.

This bill is objectionable because, pursuant to <u>League of Women Voters of Honolulu v. State</u>, 150 Hawai'i 182, 499 P.3d 382 (2021), it suffers from a germaneness problem, as the bill has been changed substantially from its original form to its final form in Conference Draft 1.

The original form of this bill was to appropriate moneys for capital improvement projects for the fiscal biennium 2021-2023. In Conference Draft 1, the bill was amended to delete the capital improvement projects and in its place, inserted operating appropriations for various State agencies. We note that this amendment does not fall outside the scope of the subject of the bill as expressed by its title, "Relating to the State Budget." However, this amendment fundamentally changes the original bill's general purpose, which was to appropriate moneys for capital improvement projects.

STATEMENT OF OBJECTIONS HOUSE BILL NO. 1147 Page 2

For the foregoing reasons, I am returning House Bill No. 1147 without my approval.

Respectfully,

DAVID Y. IGE

Governor of Hawai'i



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The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith HB1567 HD1 SD1 CD1, without my approval and with the statement of objections relating to the measure.

HB1567 HD1 SD1 CD1

RELATING TO CRIMINAL PRETRIAL REFORM.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 1567

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, House Bill No. 1567, entitled "A Bill for an Act Relating to Criminal Pretrial Reform."

The purpose of this bill is to eliminate the use of monetary bail and require the courts to release defendants on their own recognizance for traffic offenses, violations, nonviolent petty misdemeanor offenses, nonviolent misdemeanor offenses, and nonviolent class C felony offenses, subject to certain exclusions.

This bill is objectionable because there has not been sufficient time since the Legislature made changes by Act 179, Session Laws of Hawaii 2019, to the State's criminal pretrial system to fully assess the effect of the changes; the bill does not adequately address a number of important interests, including the need to secure the appearance of defendants; and the addition of class C felony offenses to the list of offenses for which release is mandated under the bill poses a potential threat to the safety of the public.

For the foregoing reasons, I am returning House Bill No. 1567 without my approval.

Respectfully,

DAVID Y. IĞE

Governor of Hawai'i

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The Honorable Ronald D. Kouchi,
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The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith HB1570 HD1 SD2, without my approval and with the statement of objections relating to the measure.

HB1570 HD1 SD2

RELATING TO THE YOUTH VAPING EPIDEMIC.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 1570

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, House Bill No. 1570, entitled "A Bill for an Act Relating to the Youth Vaping Epidemic."

The purpose of this bill is to prohibit the sale or distribution of all flavored tobacco products, including menthol, and prohibit the mislabeling of products as nicotine-free.

This bill is objectionable because of an amendment that was inserted late in the session that would benefit the tobacco and vaping industries and that would cede, without principled reason, the State's authority to enact and enforce a flavor ban to protect Hawaii's youth from the scourge of vaping and nicotine addiction. Further, the amendment would prevent effective enforcement by the State of the prohibitions against flavored tobacco products that were originally intended by this bill. In addition, the bill contains subjects that go beyond its title in violation of article III, section 14, of the Constitution of the State of Hawai'i.

For the foregoing reasons, I am returning House Bill No. 1570 without my approval.

Respectfully,

Governor of Hawaiʻi



July 12, 2022

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Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith HB1705 HD1 SD1, without my approval and with the statement of objections relating to the measure.

HB1705 HD1 SD1

RELATING TO AGRICULTURAL PARK LEASES.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 1705

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, House Bill No. 1705, entitled "A Bill for an Act Relating to Agricultural Park Leases."

The purpose of this bill is to authorize the Department of Agriculture to extend the term of an agricultural park lease with a remaining term of fifteen years or less for an additional thirty years, provided that the land covered by the lease is twenty-five acres or less and located in a county with a population of less than 500,000.

This bill is objectionable because it would significantly diminish one of the main purposes of the agricultural park program, which is to make affordable agricultural lands suitable for farming available to new farmers and other small farm operations to assist them in becoming commercially established. The existing maximum lease term incentivizes established farmers to expand their operations to larger properties and supports the growth of new farmers by making affordable lots available for lease. There are currently 243 interested farmers seeking to lease the State's limited agricultural park lands. The lease extension provided by this bill could potentially allow current lessees to remain on the land indefinitely through unlimited extensions in thirty-year increments, precluding others from having a fair opportunity to seek and enjoy this public benefit.

STATEMENT OF OBJECTIONS HOUSE BILL NO. 1705 Page 2

For the foregoing reasons, I am returning House Bill No. 1705 without my approval.

Respectfully,

DAVID Y. IG

Governor of Hawai'i



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State Capitol, Room 409
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The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith HB1789 HD2 SD1, without my approval and with the statement of objections relating to the measure.

HB1789 HD2 SD1

RELATING TO COLLECTIVE BARGAINING.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 1789

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, House Bill No. 1789, entitled "A Bill for an Act Relating to Collective Bargaining."

The purpose of this bill is to amend the procedure by which the Governor selects and appoints the representative of labor on the Hawaii Labor Relations Board (HLRB), which is composed of three members who represent management, labor, and the public. Section 89-5(b)(2), Hawaii Revised Statutes (HRS), currently allows the Governor to appoint the labor representative from a list of three nominees submitted by mutual agreement from a majority of the exclusive representatives of the collective bargaining units.

This bill amends section 89-5(b)(2), HRS, to require the Governor to appoint the single nominee selected by a simple majority of the exclusive representatives of the collective bargaining units as the representative of labor on the HLRB. The bill also provides that if the Governor fails to appoint the person within twenty days after the exclusive representatives submit the name of the person to the Governor, then the exclusive representatives shall transmit the person's name directly to the Senate for confirmation.

This bill is objectionable because it is silent on whether or not the confirmation by the Senate effectuates an appointment without any further action by the Governor, creating ambiguity in the appointment process.

This bill is also objectionable because of the cost of a potential special session. This bill is silent on what would happen if a vacancy in the position of the representative of labor occurs when the Senate is not in session. For this provision to

STATEMENT OF OBJECTIONS HOUSE BILL NO. 1789 Page 2

be implemented when the Legislature is not in session, when the exclusive representatives submit to the Governor their single nominee, the Governor either would have to convene a special session of the Senate or would have to make an interim appointment of the representative of labor pursuant to Section 6 of Article V of the Hawaii Constitution and submit that person's name for confirmation during the next session of the Senate.

Furthermore, this bill is objectionable because it diminishes the Governor's authority to select the labor representative to the HLRB by requiring the Governor to appoint the single nominee selected by the exclusive representative of the collective bargaining units instead of from a list of three nominees.

For the foregoing reasons, I am returning House Bill No. 1789 without my approval.

Respectfully,

Governor of Hawai'i



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The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith HB1980 HD2 SD2 CD1, without my approval and with the statement of objections relating to the measure.

HB1980 HD2 SD2 CD1

RELATING TO TELEPHONIC SERVICES.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 1980

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, House Bill No. 1980, entitled "A Bill for an Act Relating to Telephonic Services."

The purpose of this bill is to permit the State's Medicaid managed care and fee-for-services programs, health insurers, mutual benefit societies, and health maintenance organizations to cover telephonic behavioral health services when: (1) telehealth services are technologically unavailable at the time the patient is scheduled to receive a behavioral health service; (2) the behavioral health service is a medically necessary covered health care service; and (3) the health care provider has provided the patient with an in-person behavioral health service within the twelve months preceding the telephone service. Also, the bill clarifies that telephonic services do not constitute telehealth.

This bill is objectionable because there is a potential for a negative impact on the well-being of individuals who need behavioral health services. Although the bill clarifies when telephonic services may be covered, and provides guidance to health insurance providers, the final bill may be interpreted to strictly limit insurance coverage for telephonic services. Specifically, health insurance providers may use the provision to restrict or exclude coverage of telephonic services unless the service meets the three criteria listed in the bill, whereas the current law does not have a restriction. This bill would then have the unintended consequence of restricting access to necessary behavioral health services, inconsistent with the goal of promoting continued broad access to behavioral health services for individuals in remote areas, or individuals without access to technology. Vetoing this bill will allow for additional discussion and

STATEMENT OF OBJECTIONS HOUSE BILL NO. 1980 Page 2

clarification on a bill in the next session that would align with expanding access to behavioral health services, with a workable framework for health insurance providers.

For the foregoing reasons, I am returning House Bill No. 1980 without my approval.

Respectfully,

DAVID Y: IGE

Governor of Hawai'i



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State Capitol, Room 409
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The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith HB2424 HD1 SD2 CD2, without my approval and with the statement of objections relating to the measure.

HB2424 HD1 SD2 CD2

RELATING TO CHILD WELFARE SERVICES.

Sincerely,

DAVID Y. IGË

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 2424

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, House Bill No. 2424, entitled "A Bill for an Act Relating to Child Welfare Services."

The purposes of this bill are to expand the investigative powers and responsibilities of the Department of Human Services (DHS) Child Welfare Services Branch to include inspection of families who have adopted or taken guardianship of former foster children, establish a Malama Ohana working group to recommend transformative changes to the child welfare system, and appropriate funds for contracted services to support and monitor families receiving permanency assistance for former foster children.

This bill is objectionable because it seeks to monitor and investigate families that have adopted or taken guardianship of former foster children and who receive permanency assistance for that child, in ways that would violate the Constitutional rights of those familes. The monitoring would include unlimited investigations of these families if at any time there had been a complaint filed with DHS about that family, without regard to the merits of the complaint, and regardless of whether or not the complaint was ever substantiated. These investigations would be allowed for the length of the child's minority, even when the Family Court found the legal relationship to be in the best interests of the child and approved the adoption or other permanent legal relationship between the child and the family. The objection is that this bill will expand the State's duties to monitor and interfere with permanent family relationships in a way that will violate the Consitutional rights of those families, without any evidence of harm or threatened harm to the child that is in the family. It would allow

overreach by the State to interfere with safe, stable families, and allow the DHS to monitor and surveil families that have adopted or taken guardianship of former foster children, so that the families can never live free of government intrusion in their lives, a right which all other families take for granted.

Although the trauma experienced by the community over the loss of a former foster child is real and cannot be dismissed, the solution cannot and should not violate the constitutional privacy rights and basic dignity of every family that has taken in and provided love and stability to a former foster child. For example, the expanded authority to DHS could be used by a child's abusive biological parent to initiate unwarranted and repeated investigations of the child's new family, in an effort to disrupt the child's adoptive home, thereby preventing the child from ever feeling safe and stable in their new home.

In addition, the amendment of the bill in conference committee, without the opportunity to obtain public input, by adding a large, well-funded working group to recommend transformative changes to the child welfare system is subject to challenge. The working group would have twenty-one members and be co-chaired by two identified members who are vendors that contract with DHS to provide services to DHS clients. Another twelve members would be members of or be designated by one of these co-chairs. One co-chair would be the executive director of Effective Planning and Innovative Communications, Inc. (EPIC 'Ohana) or their designee. The other co-chair would be the executive Officer of Hale Kipa, Inc., or their designee. Both EPIC 'Ohana and Hale Kipa, Inc. are vendors that contract with DHS to provide services to DHS clients.

Four members of the working group would be members of "Na Kama a Haloa", which is a program or project of EPIC 'Ohana. Eight members of the working group are meant to represent different constituencies of the Child Welfare Services branch including foster youth, birth parents, and resource caregivers. All eight of those members would be identified by Na Kama a Haloa. In total, thirteen of twenty-one

STATEMENT OF OBJECTIONS HOUSE BILL NO. 2424 Page 3

members of the working group would include five members who are part of Epic 'Ohana, including a co-chair, and an additional eight members who are identified by Epic 'Ohana or its associated program, Na Kama a Haloa.

Having two-thirds of the working group comprised of contracted vendors or their designees is especially problematic because the bill specifically exempts the members of the working group from chapter 84, HRS. Chapter 84, HRS, creates standards of conduct that are normally in place to prevent conflicts of interest and promote public transparency and accountability. This means that the majority of the working group, who will be making recommendations about the services DHS provides to its clients will have a current financial interest in the provision of those services, and will be exempted from the ethics standards that prohibit financial conflicts of interest.

For the foregoing reasons, I am returning House Bill No. 2424 without my approval.

Respectfully,

DAVID Y. IGE
Governor of Hawai'i



DAVID Y. IGE

July 12, 2022

The Honorable Ronald D. Kouchi,
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Thirty-First State Legislature
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The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith HB2466 HD2 SD1 CD1, without my approval and with the statement of objections relating to the measure.

HB2466 HD2 SD1 CD1

RELATING TO TARO.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 2466

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, House Bill No. 2466, entitled "A Bill for an Act Relating to Taro."

The purpose of this bill is to create stronger economic incentives for new taro farmers, improve the livelihoods of existing taro farmers, and reduce the cost of poi for local residents.

This bill is objectionable because it is not an effective way to achieve the bill's purpose of helping taro farmers by lowering cultivation and production costs through the proposed exemption as a way to reduce the cost of poi for local consumers. The bill's exemption would not apply to "bulk buyers or shippers of raw or value-added taro products, supermarkets, or big box stores" (see bill at page 5, lines 10-12). This was apparently to limit the exemption to taro farmers in the cultivation and production of unprocessed taro, and not to allow retailers and wholesalers to claim the exemption on retail sales of poi and taro products. However, the wording of the bill will still allow certain retail sellers such as drug stores, convenience stores, and restaurants to also claim the exemption from a general excise tax (GET). The exemption will give these retailers a commercial advantage over supermarkets and big box stores that are not entitled to claim the exemption. A more effective way to help taro farmers and avoid the unintended tax benefit to just certain retailers, would be through the provision of direct grants to taro farmers as opposed to the GET exemption in this bill.

STATEMENT OF OBJECTIONS HOUSE BILL NO. 2466 Page 2

For the foregoing reasons, I am returning House Bill No. 2466 without my approval.

Respectfully,

DAVID Y. IGE

Governor of Hawai'i



July 12, 2022

The Honorable Ronald D. Kouchi,
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The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB1297 SD1 HD1 CD1, without my approval and with the statement of objections relating to the measure.

SB1297 SD1 HD1 CD1

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST MAUIGROWN COFFEE, INC.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 1297

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 1297, entitled "A Bill for an Act Relating to the Issuance of Special Purpose Revenue Bonds to Assist MauiGrown Coffee, Inc."

The purpose of this bill is to extend to June 30, 2025, the authorization to issue special purpose revenue bonds to assist MauiGrown Coffee, Inc.

This bill is objectionable because it is ineffective in authorizing the extension of the lapse date. Act 116, Session Laws of Hawaii 2017, originally authorized, pursuant to part X of chapter 39A, Hawaii Revised Statutes, the issuance of these special purpose revenue bonds effective on July 1, 2017. Section 5 of Act 116 specified that the authorization to issue the subject special purpose revenue bonds would expire on June 30, 2022, five years later. Section 39A-317, which is in part X of chapter 39A, provides that "no authorization shall be made for a period exceeding five years of its enactment." This bill attempts to extend the bond authorization lapse date beyond five years in violation of section 39A-317, Hawaii Revised Statutes.

For the foregoing reasons, I am returning Senate Bill No. 1297 without my approval.

Respectfully,

DAVID Y. IGE

Governor of Hawai'i

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July 12, 2022

The Honorable Ronald D. Kouchi,
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The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB2032 SD2 HD2 CD1, without my approval and with the statement of objections relating to the measure.

SB2032 SD2 HD2 CD1

RELATING TO GENETIC INFORMATION PRIVACY.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2032

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 2032, entitled "A Bill for an Act Relating to Genetic Information Privacy."

The purpose of this bill is to regulate direct-to-consumer genetic testing products to protect the privacy and confidentiality of consumers' genetic data. This bill requires direct-to-consumer genetic testing companies to adhere to certain requirements pertaining to the collection, use, and disclosure of genetic data.

This bill is objectionable because while the bill's purpose to protect the consumers' privacy and confidentiality is admirable, the enforcement mechanism provided in the bill appears to be problematic. Specifically, the bill requires the Office of Consumer Protection (OCP) to bring actions to enforce violations through the Attorney General, thereby depriving OCP of its independent authority under section 487-5, Hawaii Revised Statutes (HRS), to initiate actions for the violation of laws enacted for the purpose of consumer protection. In addition, it is not clear whether a consumer would retain the right to file a claim for an unfair and deceptive trade practice under chapter 480, HRS, for a violation of the prohibitions or requirements set forth in the bill. The lack of clarity may inadvertently and undesirably deter consumers from filing their own claims against direct-to-consumer genetic testing companies under chapter 480, HRS.

STATEMENT OF OBJECTIONS SENATE BILL NO. 2032 Page 2

For the foregoing reasons, I am returning Senate Bill No. 2032 without my approval.

Respectfully,

DAVID Y. IGE

Governor of Hawai'i



July 12, 2022

The Honorable Ronald D. Kouchi,
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The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB2091 SD1 HD2 CD1, without my approval and with the statement of objections relating to the measure.

SB2091 SD1 HD2 CD1

RELATING TO EXECUTIVE PARDONS.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2091

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 2091, entitled "A Bill for an Act Relating to Executive Pardons."

The purpose of this bill is to establish a comprehensive application process for executive pardons by adding a new section to chapter 801, Hawaii Revised Statutes, titled "Rights of Accused." In addition to the information previously required when submitting a pardon application, this bill requires that the prosecutors in the counties where the criminal convictions sought to be pardoned occurred be informed of the pardon application and be given time to submit their recommendations. This bill also requires the county prosecutors to notify victims or victims' families of the pardon application and give the victims or the victims' families time to submit their recommendations.

This bill is objectionable because it adds layers of bureaucracy that would cause delays in what is a straightforward process. The increased amount of information submitted regarding each pardon application would also require additional staff time and resources to review, causing delays and impacting government budgets.

STATEMENT OF OBJECTIONS SENATE BILL NO. 2091 Page 2

For the foregoing reasons, I am returning Senate Bill No. 2091 without my approval.

Respectfully,

DAVID Y. 16E

Governor of Hawai'i



July 12, 2022

The Honorable Ronald D. Kouchi,
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The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB2142 SD1 HD1 CD1, without my approval and with the statement of objections relating to the measure.

SB2142 SD1 HD1 CD1

RELATING TO COMPUTER SCIENCE.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2142

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 2142, entitled "A Bill for an Act Relating to Computer Science."

The purposes of this bill are to (1) allow Department of Education students to fulfill graduation requirements by taking world language, fine arts, career and technical education, or computer science courses; (2) establish a scholarship at the University of Hawaii to encourage students majoring in education to take a computer science course; (3) require the University of Hawaii to establish computer science pathways for students majoring in education; (4) require teacher licensing and certification to include computer science; and (5) appropriate funds for the computer science in teaching scholarship program at the University of Hawaii.

This bill is objectionable because it imposes a new admissions requirement on the University of Hawaii (UH), which will be applicable to all campuses. As written, this bill would require that applicants for admission have successfully completed a world language, fine arts, career and technical education, or computer science class. This requirement would effectively preclude many adults from entering the UH Community College system. Approximately one-third of all community college applicants are over the age of 25 and would not have met the proposed admissions requirement. In addition, UH's Community Colleges work hard to provide opportunities to those who did not complete high school. The new admissions requirement set forth in this bill would create a barrier to public higher education that could impact thousands of potential adult learners.

STATEMENT OF OBJECTIONS SENATE BILL NO. 2142 Page 2

Furthermore, this bill diminishes the power of the Board of Education (BOE) to formulate statewide educational policy, as established by Section 3 of Article X of the Hawai'i Constitution. The BOE already has a policy regarding high school graduation requirements; under the constitution, any revisions to those requirements should be made by the BOE, and not by the Legislature.

For the foregoing reasons, I am returning Senate Bill No. 2142 without my approval.

Respectfully,

DAVID Y. IGE

Governor of Hawai'i

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July 12, 2022

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The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB2347 SD1 HD1 CD1, without my approval and with the statement of objections relating to the measure.

SB2347 SD1 HD1 CD1

RELATING TO CONSTITUTIONAL AMENDMENTS.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2347

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 2347, entitled "A Bill for an Act Relating to Constitutional Amendments."

The purpose of this bill is to amend section 11-118.5, Hawaii Revised Statutes, to provide that a constitutional ratification question printed on a ballot must be "simple, concise, and direct to the extent practicable." This bill also amends section 602-5(a), Hawaii Revised Statutes, to authorize the Hawai'i Supreme Court to issue, upon a written request by the Senate President and/or the Speaker of the House of Representatives, a written opinion (1) stating whether a proposed constitutional amendment and the corresponding constitutional ratification question are "simple concise, and direct to the extent practicable" and (2) if they are not, providing a detailed and specific explanation of the reasons for the court's conclusion. The Supreme Court is to respond within fifteen days of the date of the written request and its opinion shall not be appealable.

This bill is objectionable because it raises a separation of powers issue with respect to the Legislature and the Judiciary. See Schwab v. Ariyoshi, 58 Haw. 25, 564 P.2d 135 (1977) (the doctrine of separation of powers prohibits any branch of government from unduly interfering with the constitutional functions of the other branches). Also, this bill is objectionable because it authorizes the presiding officers of the Legislature to request that the Hawaii Supreme Court issue an improper advisory opinion (1) stating whether a proposed constitutional amendment and the corresponding constitutional ratification question are "simple, concise, and direct to the extent practicable" and (2) if they are not, providing a detailed explanation of the reasons for

STATEMENT OF OBJECTIONS SENATE BILL NO. 2347 Page 2

the court's conclusion. Advisory opinions generally do not have a detailed factual record or the benefit of prior legal analysis or advocacy from adverse interests regarding the issues that a proposed constitutional amendment often presents. Further, insofar as this bill requires that the Supreme Court respond to the Legislature within fifteen days of the Legislature's written request, it does not afford the Supreme Court with reasonable time to fully consider and research a proposed amendment and issue its opinion, which will not be appealable.

For the foregoing reasons, I am returning Senate Bill No. 2347 without my approval.

Respectfully,

DAVID Y. IGE



July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB2510 SD2 HD1 CD1, without my approval and with the statement of objections relating to the measure.

SB2510 SD2 HD1 CD1

RELATING TO RENEWABLE ENERGY.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2510

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 2510, entitled "A Bill for an Act Relating to Renewable Energy."

The purposes of this bill are to diversify the State's renewable energy profile and reduce the State's reliance on fossil fuels by requiring (1) the Office of Planning and Sustainable Development (OPSD) to update the state energy plan; and (2) to amend the economy and energy plans in the Hawaii State Planning Act to, among other things, require a minimum of 33.33 percent of renewable energy to be generated by firm renewable generation on each island, and to limit the percentage of any one type of renewable energy source to 45 percent of all generation for each island, except for geothermal energy. The bill provides that the percentages may be updated by concurrent resolution.

This bill is objectionable because without robust factual support or comprehensive cost analysis it prematurely establishes arbitrary percentages that will render at least the County of Kauai out of compliance due to that county's advancements in promoting solar energy. Fixing numerical limits that do not consider the different circumstances on each island is problematic. The bill also pits different renewable technologies against each other based upon a dichotomy between firm and intermittent energy sources that is becoming obsolete. As a result, it imposes additional regulatory obstacles that may impede opportunities to find a more cost-effective mix of renewable technologies or to develop new innovative technologies that do not fall within the definition of firm power. The attached "Summary: Estimated current compliance with the requirements of SB2510, by island" summarizes some of my concerns.

Additionally, the bill appears to supersede a Public Utility Commission's stakeholder-based process to update energy-efficiency portfolio standard framework, which has been in effect since 2012, in favor of a new process with OPSD as the single decision-maker and an appeal to the Governor's Office. In addition, the bill misuses chapter 226, Hawaii Revised Statutes (HRS), which function is to establish state goals and objectives, in an effort to create a regulatory scheme that would be more appropriately created through chapter 269, HRS, which currently provides a statutory framework for renewable portfolio standards.

Further, Section 14 of Article III of the Constitution of the State of Hawai'i states in relevant part: "[n]o law shall be passed except by bill." An amendment to statutory provisions is a law that requires the passage of a bill. Accordingly, an attempt to amend provisions in the bill by adoption of a concurrent resolution would likely be found legally invalid for not meeting the requirement under Section 14 of Article III of the Constitution of the State of Hawai'i.

For the foregoing reasons, I am returning Senate Bill No. 2510 without my approval.

Respectfully,

SUMMARY: Estimated current compliance with the requirements of SB2510, by island

2020 data. The complete final set of 2021 data is not yet available. More recent data also supports the conclusions illustrated by the table below. Contracts currently in place and projects under construction may be subject to immediate cancellation if SB2510 is enacted.

1. Requirement that "Firm renewable generation shall be a minimum of 33.33 per cent of renewable energy generation for each island."

		Percen	itage of ren	Percentage of renewable energy that was "firm" (2020)	gy that w.	as "firm" ((2020)	4 possible	4 possible calculation methods
Unit		Kaua'i	O'ahu	Moloka'i	Mani	Lāna'i	Hawai'i	(SB2510 is unclea	(SB2510 is unclear as to which would be used):
Σ	Firm renewable							A. Capacity of utility-scale	If method A is used (capacity, utility-scale
	capacity as percent of utility-scale	7%	31%	%0	%0	%0	45%	customer-sited generation)	out of compliance with the "33% firm"
	renewable energy								requirement, even using 2020 numbers.
Σ	Firm renewable							B. Capacity of all grid-	If method B is used (capacity, including
	capacity as percent					ò	740	connected generation	customer-sited generation), all islands
	of renewable energy	2%	15%	%	%0	Š	%17	(including customer-sited generation)	with the "33% firm" requirement, even
	(including customer-								using 2020 numbers.
4 V								C. Cumulative gigawatt-hours	If method C is used (annual production,
								(GWh) of renewable	utility-scale only), most islands would
	generation as	21%	42%	%0	%0	%0	13%	electricity generated in	"23% firm" requirement even using 2020
	percent of utility-	277	2					2020 by utility-scale	שייישיים ובקחוובוויניוני ביכיו שיייש בכבי
	scale renewable							facilities (not including	numbers.
	energy GWh							customer-sited generation)	
GWh	Firm renewable							D. Cumulative gigawatt-hours	If method D is used (annual production,
	annual energy							(GWh) of renewable	including customer-sited generation), will
	generation as	170/	21%	28	% U	%0	2%	electricity generated in	Islands Would Illillediately be out of
	percent of renewable	0//T	217	3				2020 by all grid-connected	compilative With the 35% Junio
	energy (including							facilities (including	ובלחוובווובוול בעבון חשווא בסבס וומוויברים:
	customer-sited) GWh							customer-sited generation)	

SB2510 requirement: above 33%. Those below 33% would be out of compliance. Islands "out of compliance" are indicated by red numbers and shading.

SUMMARY: Estimated current compliance with the requirements of SB2510, by island

currently in place and projects under construction may be subject to immediate cancellation if SB2510 is enacted. Current solar percentages are higher than the 2020 values 2020 data. The complete final set of 2021 data is not yet available. More recent data also supports the conclusions illustrated by the table below. Contracts shown in the table, and projected to increase significantly with the interconnection of projects under development.

Requirement to "Limit the percentage of any one type of renewable energy source to forty-five per cent of all generation for each island, except for geothermal generated energy." 7

(SB2510 is unclear as to

			Percentage o	Percentage of renewable energy from solar (2020)*	energy from	solar (2020)*		6 possible calculation methods (S
		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	, de, 0	Moloka'i	Z.		Hawai'i	Which Would be
Unit		Kana i		BUODA				A Capacity of utility-scale
× ×	Percent generation capacity of each renewable source as	37%	%6	%0	5%	10%	1%	
79797	O O Local (acting) Scare Comp.	32%	7%	%0	1%	%6	1%	B. Capacity of all grid-connected
M	of any one renewable source	(utility)	(utility)	(utility)	(utility)	(utility)	(utility)	generation (including
	as % of total (including	14%	20%	16%	27%	11%	72%	customer-sited generation)
	customer-sited)	(customer	(customer	(customer	(customer	(customer	(customer	
		sited)	sited)	sited)	sited)	sited)	sited)	
Σ	Percent generation capacity of any one renewable source					ò	ò	C. Capacity of all grid-connected generation including customer-sited generation,
	as % or total (combining utility-scale and customersited solar)	46%	27%	16%	78% 78%	20%	76%	combining utility and customer solar
GWh	Percent of annual utility-							D. Cumulative gigawatt-hours
	scale renewable GWh from							clockrighty generated in 2020
	any one renewable source	78%	%9	%0	1%	3%	%0	by utility-scale facilities (not
								including customer-sited
GWh	Percent of annual renewable	75%	% <u>r</u>	%0	1%	7%	%0	E. Cumulative gigawatt-hours
	GWh (including customer-	(utility)	(utility)	(utility)	(utility)	(utility)	(utility)	(GWN) OI renewable
	sited) from any one	12%	13%	11%	19%	7%	15%	by all grid-connected facilities
	renewable source	(customer	(customer	(customer	(customer	(customer	(customer	(including customer-sited
		sited)	sited)	sited)	sited)	sited)	sited)	generation)
GWh	Percent of annual renewable							F. Cumulative gigawatt-hours
: :	GWh from any one							(GWh) of renewable
	renewable source	37%	18%	11%	20%	%6	15%	electricity including customer-
	(combining utility-scale and		2.3					sited generation, combining
	customer-sited solar)							utility and customer solar
		SB2510 requirement: each renewable source, other than geothermal, below 45%.	nt: each rene	wable source	, other than	geothermal,	below 45%.	

the "45% limit," even

immediately be out of compliance with

used, Kauai would

If this method is

using 2020 numbers.

SB2510 requirement: each renewable source, other than geothermal, below 45%. Islands "out of compliance" are indicated by red numbers and shading.

*Percentages from other renewable resources were also calculated but only solar approached the 45% level.



July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB2511 SD2 HD2 CD1, without my approval and with the statement of objections relating to the measure.

SB2511 SD2 HD2 CD1

RELATING TO TAXATION.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2511

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 2511, entitled "A Bill for an Act Relating to Taxation."

The purposes of this bill are to expand the Renewable Energy
Technologies Income Tax Credit (RETITC) to include new categories of renewable
energy technology systems that are eligible for the RETITC and to impose caps on the
amount of credit that may be claimed by a taxpayer and the total amount of tax credits
for certain renewable energy technology systems that may be claimed in a taxable year.
The bill would apply to taxable years after December 31, 2021.

This bill is objectionable for several reasons. First, this bill has a significant administrative flaw in that it creates an aggregate \$20 million cap without designating a certifying agency to ensure that the aggregate cap is not exceeded. Further, the bill requires tax credits to be prorated if the cap is exceeded, but because the tax credits are processed when received, taxpayer's claims for credit after the cap is exceeded will have to be denied, prorated, or adjusted due to the aggregate cap having been exceeded, and those taxpayers may incur a tax liability with penalties and interest. The uncertainty about whether a credit will actually be available when claimed could have a chilling effect on the willingness of the public to install new renewable energy systems. Second, while the measure attempts to define what a "system" is for purposes of calculating the credit, the Department of Taxation has indicated a problem with calculating the allowable credit for "storage systems" because it is to be calculated based on output as opposed to storage capacity. Finally, even though the bill's intention appears to incentivize installation of firm renewable energy systems and long-duration

STATEMENT OF OBJECTIONS SENATE BILL NO. 2511 Page 2

renewable energy storage systems, it retroactively applies to the entire tax year of 2022. As a result, the bill would allow a taxpayer who already installed a renewable energy technology system before the enactment of this bill to also receive the tax credit, thus failing to incentivize installation of additional systems.

For the foregoing reasons, I am returning Senate Bill No. 2511 without my approval.

Respectfully,

DAVID Y. IGE



July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB2623 SD2 HD2 CD1, without my approval and with the statement of objections relating to the measure.

SB2623 SD2 HD2 CD1

RELATING TO THE HAWAIIAN HOMES COMMISSION ACT.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2623

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 2623, entitled "A Bill for an Act Relating to the Hawaiian Homes Commission Act."

The purpose of this bill is to amend sections 208 and 209 of the Hawaiian Homes Commission Act, 1920 (HHCA), to prohibit a lessee of, or successor to, a Department of Hawaiian Home Lands (DHHL) homestead lease who has sold or transferred the interest in the lease for personal gain, from being placed on any waiting list maintained by DHHL for an award of a homestead lease under section 207, HHCA.

This bill is objectionable because data collected by DHHL indicate that less than one-half of one percent of pastoral and agricultural homestead applications, and less than four percent of residential homestead applications, were submitted by beneficiaries who previously held a lease, and the majority of those were made to a family member without remuneration. Only a small number of applicants had transferred their lease for a fee or other personal gain and then applied for a subsequent lease. The bill therefore would not have an appreciable impact on other waiting list applicants' ability to receive homestead lease awards. The additional restrictions imposed by this bill could have unintended consequences for other beneficiaries. Further, DHHL's administrative rules already prioritize for new lease awards, those applicants who have not previously held homestead leases.

STATEMENT OF OBJECTIONS SENATE BILL NO. 2623 Page 2

For the foregoing reasons, I am returning Senate Bill No. 2623 without my approval.

Respectfully,

DAVID Y.TGE



July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB2707 SD1 HD1 CD1, without my approval and with the statement of objections relating to the measure.

SB2707 SD1 HD1 CD1

RELATING TO COLLECTIVE BARGAINING.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2707

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 2707, entitled "A Bill for an Act Relating to Collective Bargaining."

The purposes of this bill are to require the employer to initiate negotiations on repricing of classes within a bargaining unit within thirty days of the employer's receipt of the exclusive representative's written request to negotiate and to establish that an employer's failure to initiate the requested negotiations within such time frame or the parties' failure to reach an agreement within ninety days of the exclusive representative's written request to negotiate or by January 31 of a year in which the collective bargaining agreement is due to expire, whichever is earlier, constitutes an impasse to which the impasse procedures in section 89-11, Hawaiii Revised Statutes (HRS), shall apply.

This bill is objectionable because it creates a very short timeline within which to negotiate and agree on repricing. Because repricing is a highly technical and often contentious matter, this bill may result in inability to reach agreement within the new timelines, thus necessitating a resolution of an impasse by an arbitration panel. Mandating unresolved repricing requests to the impasse procedures would jeopardize an employer's ability to create and maintain a pay structure and pay relationships that are equitable for all classes of work by evaluating jobs based on a consistent set of criteria. If multiple arbitration panels make repricing determinations, there will no longer be a consistent application of repricing criteria.

This bill undermines the current classification and pricing system, eliminates the employer's discretion in repricing matters, and will lead to costly

arbitration. An arbitration panel, which might lack the necessary repricing expertise, could render a decision that could impact not only the classes of work for which negotiations had been demanded, but could also impact other related classes of work, thereby significantly altering and potentially weakening the current system of job evaluation and pricing relationships.

The existing negotiated repricing process already provides the unions with the opportunity to submit negotiated repricing requests, and they can also choose to submit these requests to arbitration in accordance with section 89-11, HRS, in its current form without this bill.

Additionally, while current impasse procedures under chapter 89, HRS, are lengthy, expensive, and unpredictable, they only occur every few years. Such would not be the case with this bill.

Finally, the bill is not clear on when the repricing requests may be submitted, or who would pay any additional arbitrator's fees.

For the foregoing reasons, I am returning Senate Bill No. 2707 without my approval.

Respectfully,

DAVID Y. IGE



July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB2824 SD1 HD1 CD1, without my approval and with the statement of objections relating to the measure.

SB2824 SD1 HD1 CD1

RELATING TO THE BOARD OF EDUCATION.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2824

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 2824, entitled "A Bill for an Act Relating to the Board of Education."

The purpose of this bill is to amend the minimum qualifications for Board of Education nominees. The bill amends section 302A-126, Hawaii Revised Statutes, to (1) add a new qualification relating to relevant experience – i.e., that "the board collectively shall have knowledge, experience, and proven expertise in as many of the following fields as possible, including education, workforce development, critical industries to the State, emerging fields, energy, advanced manufacturing, health care, business, technology, entrepreneurship, real estate, finance, or organizational management[;]" and (2) clarify that the understanding of best practices, one of the existing minimum qualifications, should come through "organizations such as the National Association of State Boards of Education or similar organizations[.]"

This bill is objectionable because it poses a threat of corporatizing public education, undermining deeper public educational goals, and devaluing professional expertise in education and childhood development. Industry-track academies and Career and Technical Education programs are already present and thriving in our public schools, due to collaboration between educators and the private sector. These programs demonstrate that workforce development does not require changing the professional composition of the Board of Education (BOE). Section 3 of article X of the Hawaii Constitution provides, in pertinent part, that the BOE "shall have the power, as provided by law, to formulate statewide educational policy[.]" Decisions about Hawaii's

education system should be made by professionals with experience and expertise in developing life-long learners. I believe that diversifying the BOE is important in creating a statewide school governance structure, but the diversity of backgrounds in this bill is unbalanced and does not include other important backgrounds such as culture, arts, international education, parents, and even student representation. Additionally, experts in the private sector fields referenced in this bill may not have the experience and expertise needed to make nuanced policy decisions around standards, curriculum-development, and teacher training.

Furthermore, this bill undermines the autonomy and decision-making power of this office. The bill requires the BOE to collectively have knowledge, experience, and proven expertise for thirteen areas, where only eleven positions are available. Education is only one of the thirteen areas listed in the bill; the other twelve areas of expertise are corporate-focused and unrelated to the oversight of a statewide public education system. Compliance with this bill would virtually guarantee that educational experts will be far outnumbered in the BOE's composition and could be excluded from consideration for appointment altogether.

For the foregoing reasons, I am returning Senate Bill No. 2824 without my approval.

Respectfully,

DAVID Y. IGE



July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB2989 SD1 HD1 CD1, without my approval and with the statement of objections relating to the measure.

SB2989 SD1 HD1 CD1

RELATING TO AGRICULTURE.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 2989

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 2989, entitled "A Bill for an Act Relating to Agriculture."

The purpose of this bill is to create a Healthy Soils Program (Program) to improve soil health and increase carbon sequestration. It requires the Department of . Agriculture (Department) to: (1) create a statewide soil health assessment; (2) provide farmers with education and technical assistance; (3) establish standards that apply to the Program; and (4) subject to available funding, issue financial incentives to implement farm management practices.

This bill is objectionable because the Department does not possess the elements of a science-based soil management and education program. The bill does not provide the resources or guidance to create what would amount to a new division within the Department. Senate Bill No. 2056, which this Legislature passed in the 2022 Legislative Session, and which I enacted as Act 189, requires the Office of Planning and Sustainable Development, along with the Department, to undertake a soil classification study for the future regulation of agricultural lands. That study should be completed before a bill such as this is enacted. In addition, improving the capacity of existing programs such as the Greenhouse Gas Sequestration Task Force, which was established by Act 15, Session Laws of Hawaii 2018, and the initiation of the Hawaii Carbon Smart Land Management Assistance Pilot program in Senate Bill No. 3325, which this Legislature also passed this session, and which I enacted as Act 185, will lead to better outcomes.

STATEMENT OF OBJECTIONS SENATE BILL NO. 2989 Page 2

For the foregoing reasons, I am returning Senate Bill No. 2989 without my approval.

Respectfully,

DAVID Y IGE



July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB3089 SD2 HD2 CD1, without my approval and with the statement of objections relating to the measure.

SB3089 SD2 HD2 CD1

RELATING TO EMERGENCY MANAGEMENT.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 3089

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 3089, entitled "A Bill for an Act Relating to Emergency Management."

The purpose of this bill is to amend chapter 127A, Hawaii Revised Statutes (HRS), to: (1) clarify that powers granted for emergency purposes shall not be construed as permitting actions inconsistent with the State Constitution; (2) provide for greater clarity and specificity regarding the scope of suspensions of law; (3) require that Hawaii's emergency management system include coordination between state and county emergency management functions, where appropriate; (4) add the definition of the term "severe warning" in section 127A-30, HRS; (5) authorize the Legislature, by an affirmative vote of two-thirds of the members to which each house is entitled, to terminate a state of emergency, in part or in whole, declared by the Governor, but to also authorize the Governor to re-declare the existence of a state of emergency that has been terminated; and (6) clarify the legal framework governing the extension and termination of emergency periods.

This bill is objectionable because a premature termination of a state of emergency will create an impossible situation where county mayors will have to rely on their limited emergency powers to respond to an emergency without State assistance. This latter situation, if allowed, could jeopardize federal assistance, which generally requires the State to provide assistance before counties receive federal assistance. Additionally, because the county mayors lack the authority to suspend state laws, their emergency responses during a local state of emergency are still confined by state laws,

STATEMENT OF OBJECTIONS SENATE BILL NO. 3089 Page 2

including the laws that regulate driver's license expiration dates and gun registration deadlines. A gubernatorial state of emergency needs to be in place to suspend state laws that may affect counties' ability to effectively respond to emergencies. A premature termination of a state of emergency may significantly impede counties' emergency management capabilities.

The authority given to the Legislature in the bill to terminate a state of emergency would severely interfere with the Governor's duties and legal obligations to provide for the public health, safety, and welfare by limiting the Governor's ability to determine the duration of a state of emergency or disaster within the State if the circumstances giving rise to the state of emergency continue.

For the foregoing reasons, I am returning Senate Bill No. 3089 without my approval.

Respectfully,

DAVID Y. IGE

Governor of Hawai'i

Amil y Sy



July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB3172 SD1 HD2 CD1, without my approval and with the statement of objections relating to the measure.

SB3172 SD1 HD2 CD1

RELATING TO PUBLIC AGENCY MEETINGS.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 3172

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 3172, entitled "A Bill for an Act Relating to Public Agency Meetings."

The purposes of this bill are to (1) require any electronic audio or visual recording of a board meeting to be maintained indefinitely as a public record on the board's website or an appropriate State or county website, even if written minutes of the meeting are posted; (2) require that the written minutes contain time stamps linked to the recording, if the meeting was recorded; and (3) repeal the option for boards to provide recordings with accompanying written summaries with time stamps in lieu of written minutes.

This bill is objectionable because it ultimately reduces public access to timely information regarding board actions by eliminating the incentive, under current law, for boards to record their meetings. Under current law, if a board records its meeting, it has the option to post the recording together with a document summarizing the meeting discussions and containing time-stamps for each discussion item, or the board can prepare and post written minutes. If the board records the meeting to aid in the preparation of written minutes, the board is not required to retain the recording once the written minutes are posted.

Recordings consume considerable data storage space and most boards share a limited amount of data storage space on their department's website. This bill would require a board to maintain the recordings indefinitely, make the recordings publicly available on the board's website, <u>and</u> would also require the board to prepare and post written minutes containing time stamps linked to the recordings. The new

STATEMENT OF OBJECTIONS SENATE BILL NO. 3172 Page 2

requirements under this bill would discourage rather than incentivize boards to record their meetings. The unintended result of this bill would be delays in posting of written minutes, particularly for boards with a small staff or for boards with no staff and only volunteers.

Finally, this bill is an unfunded mandate as it will result in increased personnel costs to comply with the new requirements, increased data storage and website configuration expenses to store all the recordings indefinitely, and the potential for increased litigation expenses relating to the indefinite period of the recording retention requirement as well as accessibility claims under the Americans with Disabilities Act about the format of the recordings posted on State websites. These anticipated increased agency costs were not funded in this bill.

For the foregoing reasons, I am returning Senate Bill No. 3172 without my approval.

Respectfully,

Amd Y &g.
DAVID Y. IGE



July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB3201 SD1 HD1 CD1, without my approval and with the statement of objections relating to the measure.

SB3201 SD1 HD1 CD1

RELATING TO NONPROFIT ORGANIZATIONS.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 3201

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 3201, entitled "A Bill for an Act Relating to Nonprofit Organizations."

The purpose of this bill is "to align the state general excise tax with the federal income tax law by exempting from the State's general excise tax, the fundraising income generated by a tax-exempt nonprofit organization, while retaining the general excise tax for gross income derived from any 'unrelated trade or business', as defined by the Internal Revenue Code." This bill has an effective date of January 1, 2023; provided that, if this bill becomes an act, on December 31, 2027, the act shall be repealed and section 237-23, Hawaii Revised Statutes, shall be reenacted in its previous form.

This bill is objectionable because it may lead to undesirable consequences that go beyond the intended purpose of the bill, which is solely to exempt certain nonprofit organization fundraising income from the general excise tax (GET). The Department of Taxation notes that the bill will have the unintended consequence of making certain types of income currently exempt from the GET, such as passive income, subject to tax. Thus, enacting this bill would negatively impact the general public, public entities, and nonprofit organizations.

Moreover, the Department of Taxation estimates that this measure will result in a general fund decrease of \$1,400,000 in fiscal year 2022-2023; \$3,500,000 in fiscal year 2023-2024; \$3,600,000 in fiscal year 2024-2025; \$3,600,000 in fiscal year

STATEMENT OF OBJECTIONS SENATE BILL NO. 3201 Page 2

2025-2026; \$3,700,000 in fiscal year 2026-2027; and \$3,800,000 in fiscal year 2027-2028.

For the foregoing reasons, I am returning Senate Bill No. 3201 without my approval.

Respectfully,

DAVID Y. IGE



July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB3229 SD2 HD2 CD1, without my approval and with the statement of objections relating to the measure.

SB3229 SD2 HD2 CD1

RELATING TO GEOTHERMAL ROYALTIES.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 3229

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 3229, entitled "A Bill for an Act Relating to Geothermal Royalties."

The purposes of this bill are to cap the amount of geothermal royalties that are to be distributed to the State and to the county in which the geothermal royalties are to be located and to provide that the remaining geothermal royalties shall be deposited into the University Innovation and Commercialization Initiative Special Fund.

This bill is objectionable because of the concern that the proposed cap would divert funds from critical Department of Land and Natural Resources programs that regulate certain aspects of geothermal development and energy. There is a concern that the proposed cap would result in the Department of Land and Natural Resources receiving geothermal royalties in an amount significantly less than the operating costs for the Department's programs that regulate geothermal development and energy. In the State's work to combat climate change and the effects of global warming, we want to ensure that the departments critical to the effort have sufficient funding.

For the foregoing reasons, I am returning Senate Bill No. 3229 without my approval.

Respectfully,

DAVID Y. IGE

Governor of Hawai'i

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July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB3252 SD2 HD2 CD1, without my approval and with the statement of objections relating to the measure.

SB3252 SD2 HD2 CD1

RELATING TO PUBLIC RECORDS.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 3252

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 3252, entitled "A Bill for an Act Relating to Public Records."

The purpose of this bill is to impose a cap on the costs charged for copying certain government records; waive duplication costs for requesters seeking government records in electronic format; and set a cap on search, review, and segregation fees, which are to be set forth through administrative rules adopted by the Office of Information Practices (OIP), with a waiver of search, review, and segregation fees for requests for government records when the public interest is served by the disclosure of the record(s).

This bill is objectionable because it will have a significant adverse impact upon government agency operations. The full waiver of search, review and segregation fees for virtually all records requests acts as a disincentive for records requesters to narrow the scope of their requests, thus resulting in the consequential increase in overbroad requests. Agencies, the majority of whom do not have dedicated personnel responding to records requests, will be vulnerable to UIPA lawsuits, which will increase costs to government agencies through awards of attorneys' fees and costs to plaintiffs filing those lawsuits. As a result, agencies may be forced to prioritize responding to records requests over the agencies' primary functions. Eleven government agencies testified with concerns or in opposition to this bill due to the adverse effects of the waiver of search/review and segregation fees upon agencies.

STATEMENT OF OBJECTIONS SENATE BILL NO. 3252 Page 2

For the foregoing reasons, I am returning Senate Bill No. 3252 without my approval.

Respectfully,

DAVID Y. IGE



July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB3311 SD2 HD2, without my approval and with the statement of objections relating to the measure.

SB3311 SD2 HD2

RELATING TO TRANSPORTATION.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 3311

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 3311, entitled "A Bill for an Act Relating to Transportation."

The purposes of this bill are to (1) establish long-term goals to reduce greenhouse emissions and achieve zero emissions transportation in Hawai'i and abroad to reduce and eliminate transportation emissions; (2) establish an Interisland Transportation Working Group comprised of government agencies, expert stakeholders, and other relevant stakeholders recommended by the working group, to develop plans and recommendations for achieving zero emissions interisland transportation; and (3) establish an Electric Vehicle Sales Growth Working Group comprised of government agencies, expert stakeholders, and other relevant stakeholders recommended by the working group, to develop plans to ensure sufficient support for the growing use of electric vehicles in the State.

While I support efforts to reduce greenhouse gas emissions and improve the sustainability of Hawaii's future, this bill is objectionable because its intent is already being fulfilled through current collaboration between state agencies and industry and public stakeholders. The bill establishes two working groups, both of whose work would

STATEMENT OF OBJECTIONS SENATE BILL NO. 3311 Page 2

be duplicative of current initiatives to support clean transportation and to achieve Hawaii's clean energy goals.

Furthermore, there is no funding allocated to lead these working groups, support their work, and produce annual reports to the Hawaii Climate Change Mitigation and Adaptation Commission. Neither the Department of Transportation nor the Hawaii State Energy Office has the additional resources to support these working groups. Implementation of this bill will have a negative fiscal impact on these agencies.

For the foregoing reasons, I am returning Senate Bill No. 3311 without my approval.

Respectfully,

DAVID Y. IGE



July 12, 2022

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki, Speaker and Members of the House of Representatives Thirty-First State Legislature State Capitol, Room 431 Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

I am transmitting herewith SB3335 SD1 HD1 CD1, without my approval and with the statement of objections relating to the measure.

SB3335 SD1 HD1 CD1

RELATING TO THE CIVIL AIR PATROL.

Sincerely,

DAVID Y. IGE

STATEMENT OF OBJECTIONS TO SENATE BILL NO. 3335

Honorable Members Thirty-First Legislature State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, Senate Bill No. 3335, entitled "A Bill for an Act Relating to the Civil Air Patrol."

The purpose of this bill is to make an appropriation of \$150,000 to "fund the operational expenses of the Hawaii Wing - Civil Air Patrol."

This bill is objectionable because the appropriation is "to fund operational expenses" but there is no indication how the appropriation is constitutionally valid. Section 4 of Article VII of the Constitution of the State of Hawaii, requires that "[n]o grant of public money or property shall be made except pursuant to standards provided by law." The bill does not contain any standards and the Hawaii Wing - Civil Air Patrol is ineligible for a grant under the standards for grants made to private organizations by the Legislature in chapter 42F, Hawaii Revised Statutes (HRS), as there is no record of the Hawaii Wing - Civil Air Patrol having applied to the Legislature for a grant, and it is not incorporated under the laws of the State. Even if the Legislature intended for the Department of Defense to procure the services by contract, it does not appear that any exception to the requirements of chapter 103D, HRS, exist under these circumstances.

For the foregoing reasons, I am returning Senate Bill No. 3335 without my approval.

Respectfully,

DAVID Y. IGE