

STATE OF HAWAII
HAWAII COMMUNITY DEVELOPMENT AUTHORITY
Regular General Meeting
Honolulu, Hawaii 96813

July 10, 2019

Chairperson and Members
Hawaii Community Development Authority
State of Hawaii
Honolulu, Hawaii

HCDA Board Members:

SUBJECT: Shall the authority authorize the Executive Director to expend up to \$100,000 for the study to develop and submit a plan to transfer its control of the Kakaako Community Development District to the City and County of Honolulu?

SUMMARY:

The Hawaii State Legislature is requiring that in December 2019 the Hawaii Community Development Authority (HCDA) submit a plan and proposed legislation to transfer the HCDA's control of the Kakaako Community Development District (KCDD) to the City and County of Honolulu.

The State of Hawaii Office of Planning (OP) has offered to assist HCDA in conducting a study and drafting the plan and proposed legislation. OP would contract a consultant to assist in expediting the comprehensive plan, for which the funds would be used.

AUTHORITIES:

At the August 3, 2016, General Meeting, the Board indicated it would like to review and approve all procurement requests over \$25,000. Engaging OP to conduct the study is an exempt procurement action as an inter-governmental transaction. OP would be subject to compliance with the state procurement code when contracting this study.

BACKGROUND:

For over 40 years the Hawaii Community Development Authority carried out its mission in Kakaako to join the strengths of private enterprise, public development and regulation to revitalize the urban core encouraging redevelopment and new development that provides housing opportunities to residents of all income levels, as well as commercial facilities for rent, and parks and open space for the public to use.

Although the roads and infrastructure in central Kakaako are still in need of improvement Kakaako has come a long way. With about ten thousand housing units constructed, over 1.3 million square feet of office space, and 47 acres of park space, the district has truly become a place where people can live, work and play.

On April 12, 2019, Act 005 the General Appropriations Act of 2019 was signed into law. Therein, funds were authorized to be expended by HCDA for the fiscal biennium July 1, 2019 through June 30, 2021, including funding for 13 HCDA staff positions from general funds and funding for 10 HCDA staff positions from revolving funds. Note that in the previous biennium budget all 23 HCDA staff positions were funded from the revolving funds.

Act 005 also includes a program appropriation proviso that states:

“Provided that the Hawaii community development authority shall submit a comprehensive transition plan and proposed legislation to transfer control of the authority’s Kakaako development district twenty days prior to the convening of the regular session of 2020.”

Subsequently, the Hawaii State Legislature passed SB1530 SD3 HD2 CD1. A bill for an act relating to the Hawaii Community Development Authority, which makes the conversion of the means of financing for the HCDA staff from the Hawaii Community Development Revolving Fund to the General Fund contingent upon the HCDA developing and submitting a plan to transfer its control of the Kakaako Community Development District to the City and County of Honolulu.

The bill states that General funds approved in Act 005 are not available to HCDA until:

“the Hawaii community development authority meets the requirements of paragraphs (1) to (3), then the conversion of the means of financing for the employment costs associated with the Hawaii community development authority staff from the Hawaii community development revolving fund established pursuant to section 206E-16, Hawaii Revised Statutes, to the general fund shall commence from the beginning of the ensuing fiscal quarter immediately succeeding the Hawaii community development authority meeting all the requirements of paragraphs (1) to (3).”

(1) Hawaii community development authority develops a comprehensive transition plan to transfer the control of the authority’s Kakaako community development district described in section 206E-32, Hawaii Revised Statutes, to the City and County of Honolulu;

(2) Comprehensive transition plan includes proposed enabling legislation to abolish the Hawaii community development authority’s authority over the Kakaako community development district described in section 206E-32, Hawaii Revised Statutes, and execute the transfer of control of the Kakaako community development district to the city and county of Honolulu by no later than December 31, 2023; and

(3) Plan and proposed legislation are submitted to the legislature no later than twenty days prior to the convening of the regular session of 2020.

ANALYSIS:

If HCDA meets all the requirements of SB1530 SD3 HD2 CD1 by the December deadline general funds for staff salaries could be available in January 2020.

On June 24, the Governor announced his intent to veto the bill (See Exhibit B). The deadline for the Governor to veto the bill is July 9. In a Governor's news release where he delivered the rationale for his intent to veto (See Exhibit C), he noted in part:

"HCDA is committed to developing a comprehensive transition plan to transfer control of the Kakaako Community Development District to the City and County of Honolulu and propose legislation for next year's legislative session."


Even if SB1530 SD3 HD2 CD1 does not become law, Act 005 also requires HCDA to submit a comprehensive plan transitioning Kakaako to the City by December 2019, but does not restrict the use of funds.

The Office of Planning (OP) has the expertise and experience to conduct such a study and draft the plan and proposed legislation in a timely manner. With OP as the author, the plan will avoid any taint of bias. Approval of this item now is timely because a comprehensive study will take some time to research as well as develop findings and recommendations. This will allow the Executive Director to engage with the OP to work on preliminary issues.

RECOMMENDATION:


Authorize the Executive Director to expend up to \$100,000 for a study to develop and submitting a plan to transfer its control of the Kakaako Community Development District to the City and County of Honolulu.

Respectfully submitted,



Francine Murray
Acting Compliance Assurance and
Community Outreach Officer

APPROVED FOR SUBMITTAL:



Aedward Los Banos, Executive Director

Attachments

Exhibit A: Senate Bill 1530

Exhibit B: Governor's Message 1202

Exhibit C: Office of the Governor News Release

A BILL FOR AN ACT

RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Provided that of the funds appropriated for
2 BED150 during the 2019 regular session, the conversion of the
3 means of financing for the Hawaii community development
4 authority staff from the Hawaii community development revolving
5 fund established pursuant to section 206E-16, Hawaii Revised
6 Statutes, to the general fund may be executed if the:

7 (1) Hawaii community development authority develops a
8 comprehensive transition plan to transfer the control
9 of the authority's Kakaako community development
10 district described in section 206E-32, Hawaii Revised
11 Statutes, to the city and county of Honolulu;

12 (2) Comprehensive transition plan includes proposed
13 enabling legislation to abolish the Hawaii community
14 development authority's authority over the Kakaako
15 community development district described in section
16 206E-32, Hawaii Revised Statutes, and execute the
17 transfer of control of the Kakaako community



1 development district to the city and county of

2 Honolulu by no later than December 31, 2023; and

3 (3) Plan and proposed legislation are submitted to the

4 legislature no later than twenty days prior to the

5 convening of the regular session of 2020.

6 If the Hawaii community development authority meets the
7 requirements of paragraphs (1) to (3), then the conversion of
8 the means of financing for the employment costs associated with
9 the Hawaii community development authority staff from the Hawaii
10 community development revolving fund established pursuant to
11 section 206E-16, Hawaii Revised Statutes, to the general fund
12 shall commence from the beginning of the ensuing fiscal quarter
13 immediately succeeding the Hawaii community development
14 authority meeting all the requirements of paragraphs (1) to (3).

15 SECTION 2. This Act shall take effect upon its approval.



Report Title:

HCDA; Means of Financing Conversion; Kakaako Community
Development District; Transfer Plan; City and County of Honolulu

Description:

Makes the conversion of the means of financing for the Hawaii
Community Development Authority staff from the Hawaii community
development revolving fund to the general fund contingent upon
the Hawaii Community Development Authority developing and
submitting a plan to transfer its control of the Kakaako
Community Development District to the City and County of
Honolulu. (CD1)

*The summary description of legislation appearing on this page is for informational purposes only and is
not legislation or evidence of legislative intent.*





EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 24, 2019

GOV. MSG. NO. 1202

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawaii 96813

The Honorable Scott K. Saiki, Speaker
and Members of the House
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

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

Pursuant to the notice requirement of Section 16 of Article III of the Constitution of the State of Hawaii, I am transmitting herewith 20 proclamations giving notice of my plan to return the following bills with my objections:

HB290	RELATING TO THE UNIFORM CONTROLLED SUBSTANCES ACT.
HB323	RELATING TO MOTOR VEHICLE REGISTRATION.
HB407	RELATING TO EDUCATION.
HB629	RELATING TO MEDICAL RELEASE.
HB655	RELATING TO HEALTH.
HB702	RELATING TO SATELLITE NAVIGATION TECHNOLOGY.
HB748	RELATING TO PROPERTY FORFEITURE.
HB1032	RELATING TO STATE BOATING FACILITIES.

Senate President Kouchi
House Speaker Saiki
June 24, 2019
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HB1133	RELATING TO MARINE LIFE CONSERVATION DISTRICTS.
HB1276	RELATING TO EDUCATION.
SB33	RELATING TO ECONOMIC DEVELOPMENT.
SB92	RELATING TO POLICE REPORTS.
SB301	RELATING TO TAXATION OF REAL ESTATE INVESTMENT TRUSTS.
SB551	RELATING TO CONDOMINIUMS.
SB1292	RELATING TO TRANSIENT ACCOMMODATIONS.
SB1353	RELATING TO INDUSTRIAL HEMP.
SB1405	RELATING TO ELECTRONIC SMOKING PRODUCTS.
SB1423	RELATING TO PAYMENT OF BAIL.
SB1459	RELATING TO THE STATE SURFING COMMISSION.
SB1530	RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.

Sincerely,



DAVID Y. IGE
Governor, State of Hawaii

P R O C L A M A T I O N

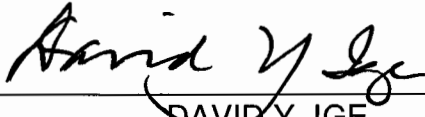
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 290, entitled "A Bill for an Act Relating to the Uniform Controlled Substances Act," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 290, is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return House Bill No. 290, with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.



DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

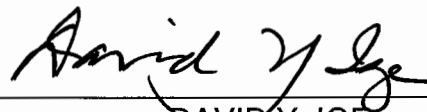
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 323, entitled "A Bill for an Act Relating to Motor Vehicle Registration," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 323, is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return House Bill No. 323, with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.

A handwritten signature in black ink, appearing to read "David Y. Ige", is written over a horizontal line.

DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 407, entitled "A Bill for an Act Relating to Education," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 407, is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return House Bill No. 407, with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.



DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 629, entitled "A Bill for an Act Relating to Medical Release," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 629, is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return House Bill No. 629, with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.



DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

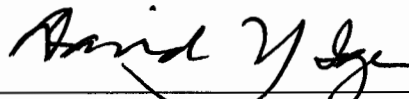
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 655, entitled "A Bill for an Act Relating to Health," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Draft 1 of House Bill No. 655 is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return Senate Draft 1 of House Bill No. 655 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.

A handwritten signature in black ink, appearing to read "David Y. Ige", is written over a horizontal line.

DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

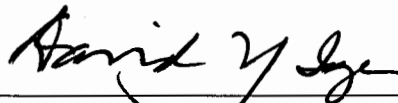
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 702, entitled "A Bill for an Act Relating to Satellite Navigation Technology," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 702, is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return House Bill No. 702, with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.

A handwritten signature in black ink, appearing to read "David Y. Ige", is written over a horizontal line.

DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

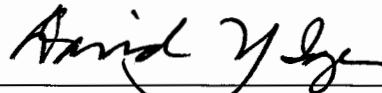
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 748, entitled "A Bill for an Act Relating to Property Forfeiture," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 748 is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return House Bill No. 748 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
day of June, 2019.



DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

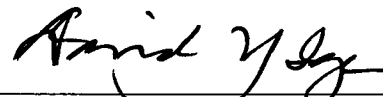
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1032, entitled "A Bill for an Act Relating to State Boating Facilities," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 1032, is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return House Bill No. 1032, with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.



DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

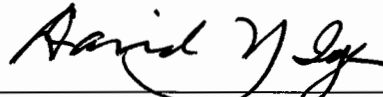
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1133, entitled "A Bill for an Act Relating to Marine Life Conservation Districts," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 1133, is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return House Bill No. 1133, with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.

A handwritten signature in black ink, appearing to read "David Y. Ige", is written over a horizontal line.

DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

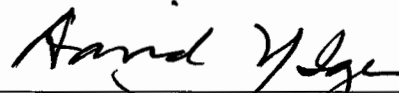
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 1276, entitled "A Bill for an Act Relating to Education," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 1276, is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return House Bill No. 1276, with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.

A handwritten signature in black ink, appearing to read "David Y. Ige", is written over a horizontal line.

DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

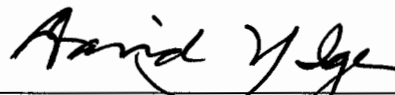
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 33, entitled "A Bill for an Act Relating to Economic Development," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 33 is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return Senate Bill No. 33 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.

A handwritten signature in black ink, appearing to read "David Y. Ige", is written over a horizontal line.

DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

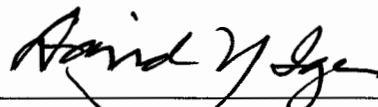
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 92, entitled "A Bill for an Act Relating to Police Reports," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 92 is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return Senate Bill No. 92 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.



DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

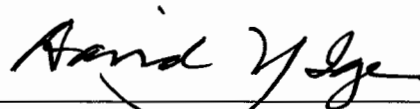
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 301, entitled "A Bill for an Act Relating to Taxation of Real Estate Investment Trusts," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 301 is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return Senate Bill No. 301 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.

A handwritten signature in black ink, reading "David Y. Ige", written over a horizontal line.

DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N


WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 551, entitled "A Bill for an Act Relating to Condominiums," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 551 is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return Senate Bill No. 551 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.



DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

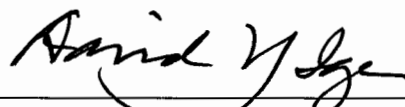
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 1292, entitled "A Bill for an Act Relating to Transient Accommodations," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 1292 is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return Senate Bill No. 1292 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.

A handwritten signature in black ink, reading "David Y. Ige", written over a horizontal line.

DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

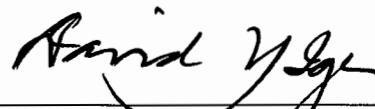
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 1353, entitled "A Bill for an Act Relating to Industrial Hemp," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 1353 is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return Senate Bill No. 1353 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.



DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

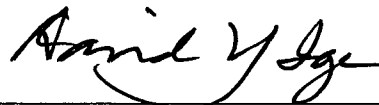
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 1405, entitled "A Bill for an Act Relating to Electronic Smoking Products," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 1405 is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return Senate Bill No. 1405 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.

A handwritten signature in black ink, reading "David Y. Ige", is positioned above a horizontal line.

DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

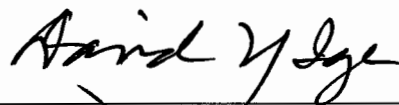
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 1423, entitled "A Bill for an Act Relating to Payment of Bail," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 1423 is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return Senate Bill No. 1423 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.



DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

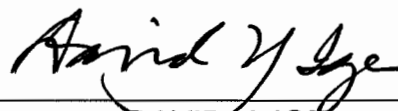
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 1459, entitled "A Bill for an Act Relating to the State Surfing Commission," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 1459 is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return Senate Bill No. 1459 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.

A handwritten signature in black ink, reading "David Y. Ige", written over a horizontal line.

DAVID Y. IGE
Governor of Hawai'i

P R O C L A M A T I O N

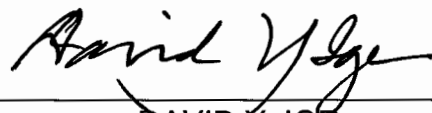
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawai'i, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, Senate Bill No. 1530, entitled "A Bill for an Act Relating to the Hawaii Community Development Authority," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, Senate Bill No. 1530 is unacceptable to the Governor of the State of Hawai'i;

NOW, THEREFORE, I, DAVID Y. IGE, Governor of the State of Hawai'i, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawai'i, giving notice of my plan to return Senate Bill No. 1530 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,
State of Hawai'i, this 24th day
of June, 2019.

A handwritten signature in black ink, appearing to read "David Y. Ige", is written over a horizontal line.

DAVID Y. IGE
Governor of Hawai'i



**DAVID Y. IGE
GOVERNOR**

Airbnb among 20 bills on Governor Ige's Intent to Veto List

FOR IMMEDIATE RELEASE

June 24, 2019

HONOLULU – Gov. David Ige notified legislative leaders and key lawmakers of his Intent to Veto the following 20 measures. The Hawai'i State Constitution requires the governor to notify the Legislature of the bills he intends to veto no later than the 35th day after adjournment, which is June 24.

The governor must either sign or veto bills by July 9. If no action is taken on a bill it becomes law without his signature.

INTENT TO VETO LIST:

[HB290](#)

RELATING TO THE UNIFORM CONTROLLED SUBSTANCES ACT.

This measure authorizes qualifying patients or out-of-state patients to transport medical cannabis between islands for their personal medical use.

Rationale: Marijuana, including medical cannabis, remains illegal under federal law. Both the airspace and certain areas of water fall within the exclusive jurisdiction of the federal government. This bill may lead travelers, acting in reliance on this provision, to erroneously believe they are immune from federal prosecution. Additionally, there are a number of operational concerns for both the State Department of Transportation and the State Department of Public Safety.

[HB323](#)

RELATING TO MOTOR VEHICLE REGISTRATION.

This bill would classify certain former military vehicles as special interest vehicles and enable owners to apply for registration of these motor vehicles. The change would allow specific pre-1995 vehicles including Humvees, Pinzgauers, Kaiser Jeep M715s, and DUKWs ("Ducks") to operate on the public roadways.

Rationale: The original intent of the special interest vehicle legislation was to address the needs of collector enthusiasts who invest in acquiring, restoring and maintaining pre-1968 vehicles by allowing them to be showcased. Classifying these military vehicles as "special interest vehicles" will result in the violation of Federal Motor Safety Standards and allow vehicles that do not pass emission testing standards on our roadways.

[HB407](#) **RELATING TO EDUCATION.**

This bill requires that Board of Education approval be obtained prior to the termination of a Department of Education complex area superintendent.

Rationale: The Board of Education already has the authority to establish a policy allowing the Board to approve the termination of a complex area superintendent. Moreover, this bill may impact the Board's role as an appellate body as well as the appeal rights of complex area superintendents.

[HB629](#) **RELATING TO MEDICAL RELEASE.**

This bill creates a formal medical release program within the Hawai'i Paroling Authority (HPA) to allow inmates with terminal or debilitating diseases or illnesses to be released from custody before the expiration of their sentence. The Director of Public Safety, an inmate or an inmate's representative may submit a written request for medical release. The bill also sets forth specific requirements for both HPA and the Public Safety Department (PSD) to follow when establishing and implementing the medical release program.

Rationale: A Medical Release Program has been in existence in PSD and HPA policies since December 2014. This bill mandates that PSD and HPA complete certain tasks within short periods of time, but does not provide more funding for more staff. There are also concerns that this bill opens the referral process for medical release to an inmate or an inmate representative, who may or may not be medically trained. The PSD Health Care Division would be required to provide a detailed, comprehensive medical assessment within 20 days of receipt of each referral.

[HB655](#) **RELATING TO HEALTH.**

This measure designates the month of September as "Suicide Prevention and Awareness Month" to increase public awareness of suicide prevention education, resources, and support available in Hawaii.

Rationale: HB655 HD1 SD1 should be vetoed because it was erroneously transmitted to the Governor. The Governor firmly believes in the merits of the bill and will designate September of this year as "Suicide Prevention and Awareness Month" by executive order. Additionally, he will work with the legislature to make the necessary legislative fixes so September will be properly designated next session.

[HB702](#) **RELATING TO SATELLITE NAVIGATION TECHNOLOGY.**

This measure prohibits the sale or offering for sale of location data that is recorded or collected by a satellite navigation technology-equipped device without the explicit consent of the individual who is the primary user of the device.

Rationale: This measure attempts to regulate a complex national industry without sufficient and appropriate wording to ensure consistent compliance and enforcement. There are concerns about unintended consequences if this measure becomes law.

[HB748](#) **RELATING TO PROPERTY FORFEITURE.**

This bill would prohibit civil asset forfeiture unless there is a felony conviction of the owner of the property. The bill also would also change the distribution of forfeiture proceeds from the state and local law enforcement agencies to the state general fund.

Rationale: Civil asset forfeiture is an effective and critical law enforcement tool that prevents the economic benefits of committing a crime from outweighing consequential criminal penalties and punishment. This measure

would also abolish civil asset forfeiture related to serious misdemeanor and petty misdemeanor crimes that negatively impact our society, natural resources, and environment. Furthermore, safeguards presently exist in Hawaii's asset forfeiture statutes that prevent the abuses cited in the bill.

[HB1032](#) **RELATING TO STATE BOATING FACILITIES.**

This measure would establish a state boating facility lease pilot program within the Department of Land and Natural Resources (DLNR) to be implemented and managed by the Division of Boating and Ocean Recreation (DOBOR). DLNR would be able to lease Manele Small Boat Harbor in its entirety, to include fast lands and submerged lands within it, for the private development, management, and operation of its facilities.

Rationale: Although DLNR had sought general authorization for public-private partnerships of small boat harbors, this measure designates Manele Small Boat Harbor as a pilot program without public input.

[HB1133](#) **RELATING TO MARINE LIFE CONSERVATION DISTRICTS.**

This measure would limit the number of commercial use permits for the Molokini Shoal marine life conservation district (MLCD) to no more than 40 and prohibit the Department of Land and Natural Resources (DLNR) from issuing new permits. It would also limit access at any given time to 50 percent of the current number of permit holders.

Rationale: This measure is unnecessary as DLNR already limits the number of Molokini Shoal MLCD commercial use permits to 40. The language that limits access to 50 percent of the current number of permits at any given time is actually counter-productive to DLNR's efforts to address overcrowding. DLNR is in the process of working with the commercial use permit holders to adjust the operating schedules to coordinate access to better manage the impact of commercial activity on this precious natural resource.

[HB1276](#) **RELATING TO EDUCATION.**

This bill would establish a working group to develop best practices for collaborative teacher preparation time and expanded learning time for students in public schools. Some of the items to be considered are the establishment of collaborative teacher preparation time, the placement of classroom desks to facilitate group learning, and the rotation of principals among the public schools. The working group would submit a report of findings to the legislature, superintendent of education and all complex area superintendents.

Rationale: While this bill is well-intentioned, it would encourage the development of a "one-size-fits-all" approach to schools. Issues involving planning and expanding learning time are best left to the specific schools to address, as these matters must consider the distinct needs of a particular school as well as the unique needs of our students. Furthermore, planning and learning time are matters better left to the Board of Education, as they fit squarely within its statutory and constitutional authority.

[SB33](#) **RELATING TO ECONOMIC DEVELOPMENT.**

This measure would increase the annual rolling cap for the motion picture, digital media and film production income tax credit from \$35 million to \$50 million. It would further require the University of Hawai'i and Hawai'i Technology Development Corporation (HTDC) to execute a memorandum of understanding for a no-cost lease agreement that would include a provision requiring the title be transferred to HTDC within six years.

Rationale: The administration supports the growth of Hawai'i's thriving film industry. Unfortunately, this bill infringes on the University of Hawai'i's constitutional autonomy. Article X, section 6 of the Hawai'i Constitution gives the University Board of Regents "exclusive jurisdiction over the internal structure, management, and operation of the university."

[SB92](#)

RELATING TO POLICE REPORTS.

This bill would allow surviving immediate family members of murder or manslaughter victims to receive a copy of the closing police report at the conclusion of all related criminal and civil proceedings for the offenses of murder and manslaughter.

Rationale: Immediate family members of victims of all crimes already have the right to receive closing police reports, which makes this bill unnecessary. Furthermore, restricting this right to immediate family members of only murder or manslaughter victims may lead to a narrow interpretation of the law, leaving family members of victims of other crimes without access to closing police reports. Under current law, members of the general public can obtain copies of any police report after the conclusion of criminal and civil proceedings, provided certain conditions are met in accordance with the Uniform Information Practices Act.

[SB301](#)

RELATING TO TAXATION OF REAL ESTATE INVESTMENT TRUSTS.

This measure would not allow “dividends paid deductions” for real estate investment trusts (REITs).

Rationale:

This measure could discourage the business community from investing in Hawai‘i. Disallowing dividends paid deduction for REITs could potentially stifle economic development and scare away investment capital to address our aging infrastructure. From an economic development perspective, REITs provide stable economic growth and long-term benefits - including job creation - that will extend the supply chain into rental and commercial properties.

The benefits of continuing with this federally established legislation are clear and quantifiable. REITs are an important investment vehicle for all types of investments in Hawai‘i. If the state corporate income tax is imposed on a REIT, there may be negative impacts to the state’s economic health and business climate, such as the reduction of general excise, property and state income taxes.

Overall, the unintended consequences of imposing a corporate tax on REITs, are not worth the potential benefits. Hawai‘i needs to be a place that is able to attract investment capital in order to create jobs and a sustainable economy.

[SB551](#)

RELATING TO CONDOMINIUMS.

This measure clarifies the right of condominium associations to conduct non-judicial foreclosures, even if the governing documents do not have an explicit power of sale provision. The bill also requires the foreclosing association to offer mediation with any notice of default and intention to foreclose and the prescribed procedure when mediation is chosen by the consumer.

Rationale: This legislation includes a retroactive application that may present constitutional concerns.

[SB1292](#)

RELATING TO TRANSIENT ACCOMMODATIONS.

This bill would require hosting platforms that collect fees for booking services, to register as tax collection agents and collect general excise and transient accommodation taxes for transient accommodation bookings from operators and plan managers.

Rationale: The state’s taxation of transient accommodations through hosting platforms should complement the counties’ regulation of transient accommodations. While the taxation of illegal transient accommodation uses would not legalize these operations, there is concern that the collection of taxes on illegal transient accommodations could be viewed as legitimizing these operations.

Additionally, the recent passage of Bill 89 (2018) by the Honolulu City Council, which is pending signature by Mayor Kirk Caldwell, is an example of a county that has enacted specific enforcement provisions governing transient accommodations and hosting platforms. These measures, and other such county measures, raise significant issues for the Department of Taxation that were not fully contemplated by the Legislature when it passed SB 1292.

Both the federal Internal Revenue Service and the State Tax Department are obligated to collect taxes on business activity, whether legal or illegal, as affirmed by the U.S. Constitution (16th Amendment) and a hundred years of court decisions. While SB 1292 may make tax collection more efficient, the recent passage of Bill 89 (2018) by the Honolulu City Council could affect certain logistics in the collection of those taxes. Further review is required to ensure there are no adverse unintended consequences that were not fully contemplated by the Legislature or DOTAX when the bill was debated during the Legislative Session.

[SB1353](#) **RELATING TO INDUSTRIAL HEMP.**

This measure establishes an industrial hemp licensing program requiring the Department of Agriculture to create an industrial hemp plan to be approved by the United States Department of Agriculture (USDA). The bill also makes various statutory changes, including removing from criminal regulation the cultivation, possession or sale of either licensed or unlicensed industrial hemp.

Rationale: There are concerns that this bill creates a licensing structure that cannot be enforced, will not meet USDA requirements for an approved industrial hemp program, and creates practical problems in the enforcement of existing medical cannabis.

[SB1405](#) **RELATING TO ELECTRONIC SMOKING PRODUCTS.**

This bill requires public school teachers or educators to confiscate e-cigarettes or electronic smoking devices (ESDs) from students; requires the Department of Health to create a safe harbor program for disposing ESDs; and increases the fines from \$10 to \$100 for any person under the age of 21 who violates laws relating to electronic smoking devices.

Rationale: There are considerable implementation concerns and unknown costs relating to certain provisions in this bill. This measure does not include a definition for an “electronic cigarette”. A definition is necessary to provide teachers, educators and students with an understanding of what items are subject to confiscation. Furthermore, confiscating and destroying evidence of a crime may hinder prosecution of those individuals responsible for selling or furnishing electronic cigarettes to persons under the age of 21. It should be noted that the costs to plan for and to create a safe harbor program, store and destroy ESDs, including the hazardous nicotine waste contained in these devices, are unknown and unfunded.

[SB1423](#) **RELATING TO PAYMENT OF BAIL.**

This bill allows defendants for whom a monetary amount of bail has been set, to pay the bail amount seven-days-a-week on a twenty-four-hour basis and be released from custody upon posting or payment of bail.

Rationale: This bill is redundant to bail reform provisions within HB1552 Relating to Public Safety and is unnecessary. It requires the Department of Public Safety to establish a process to collect bail funds on a 24/7 basis without additional funding to staff and support this new mandate.

[SB1459](#) **RELATING TO THE STATE SURFING COMMISSION.**

This bill establishes a temporary State Commission on Surfing within the Department of Accounting and General Services (DAGS) to promote surfing internationally and within the state.

Rationale: While the Administration supports the promotion of surfing, the purpose of the commission is clearly outside of DAG's mission of delivering quality support services in the areas of physical, financial and technical infrastructure support for state departments and agencies. Additionally, no funds were appropriated for this bill, making it extremely difficult for the commission to operate. Legislation can be introduced next session to establish the commission in a more appropriate department and provide the necessary funding to successfully operate the commission.

SB1530 **RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY.**

This measure would convert the means of financing for the Hawai'i Community Development Authority (HCDA) staff from the Hawai'i Community Development revolving fund to the general fund. This is contingent upon HCDA developing a plan to transfer control of the Kaka'ako Community Development District to the City and County of Honolulu.

Rationale: The tight timeline to complete the required work to meet the conversion requirements could potentially threaten funding for 13 HCDA positions in the third quarter of the upcoming fiscal year. This could cause instability over the biennium and force a temporary reduction in force. HCDA is committed to developing a comprehensive transition plan to transfer control of the Kaka'ako Community Development District to the City and County of Honolulu and propose legislation for next year's legislative session.

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