

## FIFTY-FIFTH DAY

## Tuesday, April 26, 2016

The Senate of the Twenty-Eighth Legislature of the State of Hawai'i, Regular Session of 2016, convened at 11:40 a.m. with the President in the Chair.

The Roll was called showing all Senators present with the exception of Senator Slom who was excused.

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

## HOUSE COMMUNICATIONS

The following communications from the House (Hse. Com. Nos. 628 to 657) were read by the Clerk and were disposed of as follows:

Hse. Com. No. 628, informing the Senate that on April 25, 2016, the Speaker made the following changes to the conferees on the following bills:

H.B. No. 1982 (S.D. 1):

Discharged all conferees.

H.B. No. 2086, H.D. 2 (S.D. 2):

Representative Luke replaced Representative Nishimoto as a co-chair.

H.B. No. 2593, H.D. 1 (S.D. 1):

Discharged all conferees.

S.B. No. 3071, S.D. 1 (H.D. 2):

Representative Luke replaced Representative Cullen as a co-chair,

was placed on file.

Hse. Com. No. 629, informing the Senate that on April 25, 2016, the House reconsidered its action taken on March 24, 2016, in disagreeing to the amendments proposed by the Senate to H.B. No. 2448, H.D. 1 (S.D. 1), was placed on file.

Hse. Com. No. 630, informing the Senate that on April 25, 2016, the House reconsidered its action taken on March 31, 2016, in disagreeing to the amendments proposed by the Senate to H.B. No. 2295, H.D. 1 (S.D. 1), was placed on file.

Hse. Com. No. 631, informing the Senate that on April 25, 2016, the House reconsidered its action taken on April 6, 2016, in disagreeing to the amendments proposed by the Senate to the following House bills:

H.B. No. 2084, H.D. 2 (S.D. 1); and

H.B. No. 2311 (S.D. 1),

was placed on file.

Hse. Com. No. 632, informing the Senate that on April 25, 2016, the House reconsidered its action taken on April 7, 2016, in disagreeing to the amendments proposed by the Senate to the following House bills:

H.B. No. 27 (S.D. 1);

H.B. No. 1044, H.D. 1 (S.D. 1); and

H.B. No. 2082, H.D. 1 (S.D. 1).

was placed on file.

Hse. Com. No. 633, informing the Senate that on April 25, 2016, the House reconsidered its action taken on April 8, 2016, in disagreeing to the amendments proposed by the Senate to H.B. No. 1541, H.D. 1 (S.D. 1), was placed on file.

Hse. Com. No. 634, informing the Senate that on April 25, 2016, the House reconsidered its action taken on April 12, 2016, in disagreeing to the amendments proposed by the Senate to the following House bills:

H.B. No. 1705 (S.D. 1);

H.B. No. 2217, H.D. 1 (S.D. 1); and

H.B. No. 2466, H.D. 1 (S.D. 1),

was placed on file.

Hse. Com. No. 635, informing the Senate that on April 25, 2016, the House reconsidered its action taken on April 14, 2016, in disagreeing to the amendments proposed by the Senate to the following House bills:

H.B. No. 625, H.D. 1 (S.D. 1);

H.B. No. 2218, H.D. 1 (S.D. 1);

H.B. No. 2281 (S.D. 1);

H.B. No. 2293, H.D. 1 (S.D. 1); and

H.B. No. 2415 (S.D. 1),

was placed on file.

Hse. Com. No. 636, returning S.C.R. No. 7, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 637, returning S.C.R. No. 9, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 638, returning S.C.R. No. 14, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 639, returning S.C.R. No. 15, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 640, returning S.C.R. No. 16, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 641, returning S.C.R. No. 17, S.D. 1, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 642, returning S.C.R. No. 18, S.D. 1, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 643, returning S.C.R. No. 19, S.D. 1, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 644, returning S.C.R. No. 32, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 645, returning S.C.R. No. 33, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 646, returning S.C.R. No. 45, S.D. 1, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 647, returning S.C.R. No. 49, S.D. 1, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 648, returning S.C.R. No. 58, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 649, returning S.C.R. No. 59, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 650, returning S.C.R. No. 71, S.D. 1, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 651, returning S.C.R. No. 81, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 652, returning S.C.R. No. 97, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 653, returning S.C.R. No. 164, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

Hse. Com. No. 654, returning S.C.R. No. 20, S.D. 1, as amended in H.D. 1, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

By unanimous consent, action on S.C.R. 20, S.D. 1 (H.D. 1), entitled: "SENATE CONCURRENT RESOLUTION ESTABLISHING A SISTER-STATE RELATIONSHIP BETWEEN THE STATE OF HAWAII OF THE UNITED STATES OF AMERICA AND THE STATE OF GOA OF THE REPUBLIC OF INDIA," was deferred until Wednesday, April 27, 2016.

Hse. Com. No. 655, returning S.C.R. No. 96, S.D. 2, as amended in H.D. 1, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

By unanimous consent, action on S.C.R. 96, S.D. 2 (H.D. 1), entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF AN ALI'I MEMORIAL ART ADVISORY TASK FORCE," was deferred until Wednesday, April 27, 2016.

Hse. Com. No. 656, returning S.C.R. No. 125, S.D. 1, as amended in H.D. 1, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

By unanimous consent, action on S.C.R. 125, S.D. 1 (H.D. 1), entitled: "SENATE CONCURRENT RESOLUTION EXPRESSING ENDORSEMENT AND SUPPORT FOR A UNIQUE AND AGGRESSIVE APPROACH BY THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO USE DURABLE AND TEMPORARY GEO-SYNTHETIC MATERIALS AS NECESSARY FOR THE PROTECTION OF THE KAA NAPALI BEACH WALK FROM SHORELINE HAZARDS UNTIL THE BEACH NOURISHMENT PROGRAM AT KAA NAPALI BEACH CAN BE COMPLETED," was deferred until Wednesday, April 27, 2016.

Hse. Com. No. 657, returning S.C.R. No. 138, as amended in H.D. 1, which was adopted by the House of Representatives on April 25, 2016, was placed on file.

By unanimous consent, action on S.C.R. 138 (H.D. 1), entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE TAX REVIEW COMMISSION TO EVALUATE THE IMPACTS OF GENERAL EXCISE AND USE TAX INCREASES PROPOSED DURING THE REGULAR SESSION OF 2016 AND GENERAL EXCISE TAX PYRAMIDING AS APPLIED TO TRANSIENT ACCOMMODATIONS," was deferred until Wednesday, April 27, 2016.

#### SENATE RESOLUTION

The following resolution (S.R. No. 127) was read by the Clerk and was disposed of as follows:

S.R. No. 127 "SENATE RESOLUTION AMENDING RULE 3 OF THE RULES OF THE SENATE OF THE TWENTY-EIGHTH LEGISLATURE, REGULAR SESSION OF 2016, OF THE STATE OF HAWAII."

Offered by: Senator Kim.

The Chair announced:

"If there are no objections from the members, Senate Rule 87 is hereby waived so we may vote on this matter immediately."

On motion by Senator Green, seconded by Senator English and carried, S.R. No. 127 was adopted.

#### CONFERENCE COMMITTEE REPORTS

Senator Nishihara, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House to S.B. No. 2121, S.D. 1, presented a report (Conf. Com. Rep. No. 2-16) recommending that S.B. No. 2121, S.D. 1, H.D. 1, as amended in C.D. 1, pass Final Reading.

In accordance with Article III, Section 15 of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 2-16 and S.B. No. 2121, S.D. 1, H.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC AGENCY MEETINGS AND RECORDS," was deferred for a period of 48 hours.

Senator Chun Oakland, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to H.B. No. 2350, H.D. 2, presented a report (Conf. Com. Rep. No. 3-16) recommending that H.B. No. 2350, H.D. 2, S.D. 1, as amended in C.D. 1, pass Final Reading.

In accordance with Article III, Section 15 of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 3-16 and H.B. No. 2350, H.D. 2, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FOSTER CHILDREN," was deferred for a period of 48 hours.

Senator Chun Oakland, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to H.B. No. 2343, H.D. 2, presented a report (Conf. Com. Rep. No. 4-16) recommending that H.B. No. 2343, H.D. 2, S.D. 1, as amended in C.D. 1, pass Final Reading.

In accordance with Article III, Section 15 of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 4-16 and H.B. No. 2343, H.D. 2, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO REQUIREMENTS FOR CHILD CARE PROVIDERS," was deferred for a period of 48 hours.

Senator Baker, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House to S.B. No. 2395, S.D. 1, presented a report (Conf. Com. Rep. No. 5-16) recommending that S.B. No. 2395, S.D. 1, H.D. 2, as amended in C.D. 1, pass Final Reading.

In accordance with Article III, Section 15 of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 5-16 and S.B. No. 2395, S.D. 1, H.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TELEHEALTH," was deferred for a period of 48 hours.

Senator Nishihara, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House to S.B. No. 2583, presented a report (Conf. Com. Rep. No. 6-16) recommending that S.B. No. 2583, H.D. 1, as amended in C.D. 1, pass Final Reading.

In accordance with Article III, Section 15 of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 6-16 and S.B. No. 2583, H.D. 1, C.D. 1, entitled: "A BILL FOR AN

ACT RELATING TO COMPOSTING TOILETS," was deferred for a period of 48 hours.

Senator Gabbard, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to H.B. No. 2501, H.D. 2, presented a report (Conf. Com. Rep. No. 7-16) recommending that H.B. No. 2501, H.D. 2, S.D. 2, as amended in C.D. 1, pass Final Reading.

In accordance with Article III, Section 15 of the Constitution of the State of Hawai'i, action on Conf. Com. Rep. No. 7-16 and H.B. No. 2501, H.D. 2, S.D. 2, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WATER RIGHTS," was deferred for a period of 48 hours.

#### STANDING COMMITTEE REPORTS

Senator Shimabukuro, for the Committee on Hawaiian Affairs, presented a report (Stand. Com. Rep. No. 3708) recommending that the Senate advise and consent to the nominations to the Island Burial Council, Islands of Kaua'i and Niihau of the following:

RICHARD NESMITH, in accordance with Gov. Msg. No. 878;

KEITH YAP, in accordance with Gov. Msg. No. 880;

KEITH YAP, in accordance with Gov. Msg. No. 881;

THEODORE BLAKE, in accordance with Gov. Msg. No. 882;

THEODORE BLAKE, in accordance with Gov. Msg. No. 883; and

SANDRA QUINSAAT, in accordance with Gov. Msg. No. 884.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 3708 and Gov. Msg. Nos. 878, 880, 881, 882, 883, and 884 was deferred until Wednesday, April 27, 2016.

Senator Keith-Agaran, for the Committee on Judiciary and Labor, presented a report (Stand. Com. Rep. No. 3709) recommending that the Senate consent to the nomination of DARIEN W.L. CHING NAGATA to the District Court of the Third Circuit, in accordance with Jud. Com. No. 8.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 3709 and Jud. Com. No. 8 was deferred until Wednesday, April 27, 2016.

Senator Keith-Agaran, for the Committee on Judiciary and Labor, presented a report (Stand. Com. Rep. No. 3710) recommending that the Senate advise and consent to the nomination of LINDA KRIEGER to the Civil Rights Commission, in accordance with Gov. Msg. No. 603.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 3710 and Gov. Msg. No. 603 was deferred until Wednesday, April 27, 2016.

Senator Keith-Agaran, for the Committee on Judiciary and Labor, presented a report (Stand. Com. Rep. No. 3711) recommending that the Senate advise and consent to the nominations to the Hawai'i Workforce Development Council of the following:

ALAN HAYASHI, in accordance with Gov. Msg. No. 638; and

KAREN ELIZABETH WHITEHEAD, in accordance with Gov. Msg. No. 661.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 3711 and Gov. Msg. Nos. 638 and 661 was deferred until Wednesday, April 27, 2016.

Senator Keith-Agaran, for the Committee on Judiciary and Labor, presented a report (Stand. Com. Rep. No. 3712) recommending that the Senate advise and consent to the nominations to the Commission to Promote Uniform Legislation of the following:

KEVIN SUMIDA, in accordance with Gov. Msg. No. 697; and

PETER HAMASAKI, in accordance with Gov. Msg. No. 698.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 3712 and Gov. Msg. Nos. 697 and 698 was deferred until Wednesday, April 27, 2016.

Senator Keith-Agaran, for the Committee on Judiciary and Labor, presented a report (Stand. Com. Rep. No. 3713) recommending that the Senate advise and consent to the nomination of MARIE LADERTA to the Labor and Industrial Relations Appeals Board, in accordance with Gov. Msg. No. 742.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 3713 and Gov. Msg. No. 742 was deferred until Wednesday, April 27, 2016.

Senator Keith-Agaran, for the Committee on Judiciary and Labor, presented a report (Stand. Com. Rep. No. 3714) recommending that the Senate advise and consent to the nominations to the Hoisting Machine Operators Advisory Board of the following:

TRISTAN ALDEGUER, in accordance with Gov. Msg. No. 844; and

JOHN MIHLBAUER, JR., in accordance with Gov. Msg. No. 845.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 3714 and Gov. Msg. Nos. 844 and 845 was deferred until Wednesday, April 27, 2016.

Senator Keith-Agaran, for the Committee on Judiciary and Labor, presented a report (Stand. Com. Rep. No. 3715) recommending that the Senate advise and consent to the nomination of J MUSTO to the Hawai'i Labor Relations Board, in accordance with Gov. Msg. No. 855.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 3715 and Gov. Msg. No. 855 was deferred until Wednesday, April 27, 2016.

#### ORDER OF THE DAY

##### ADVISE AND CONSENT

Stand. Com. Rep. No. 3705 (Gov. Msg. Nos. 791 and 792):

Senator Gabbard moved that Stand. Com. Rep. No. 3705 be received and placed on file, seconded by Senator Nishihara and carried.

Senator Gabbard then moved that the Senate advise and consent to the nominations to the Board of Directors of the Agribusiness Development Corporation of the following:

LETITIA UYEHARA, term to expire June 30, 2020 (Gov. Msg. No. 791); and

DENISE ALBANO, term to expire June 30, 2020 (Gov. Msg. No. 792),

seconded by Senator Nishihara.

The motion was put by the Chair and carried on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Slom).

Stand. Com. Rep. No. 3706 (Gov. Msg. Nos. 745, 746, and 783):

Senator Gabbard moved that Stand. Com. Rep. No. 3706 be received and placed on file, seconded by Senator Nishihara and carried.

Senator Gabbard then moved that the Senate advise and consent to the nominations to the Kahana Valley Living Park Planning Council of the following:

KAHIAU WALLACE, term to expire June 30, 2020 (Gov. Msg. No. 745);

BENJAMIN SHAFER, term to expire June 30, 2019 (Gov. Msg. No. 746); and

MAY AU, term to expire June 30, 2017 (Gov. Msg. No. 783), seconded by Senator Nishihara.

The motion was put by the Chair and carried on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Slom).

Stand. Com. Rep. No. 3707 (Gov. Msg. Nos. 778, 838, 839, 840, and 841):

Senator Shimabukuro moved that Stand. Com. Rep. No. 3707 be received and placed on file, seconded by Senator English and carried.

Senator Shimabukuro then moved that the Senate advise and consent to the nominations to the Island Burial Council, Islands of Maui and Lanai of the following:

EVALINA WATANABE, term to expire June 30, 2017 (Gov. Msg. No. 778);

KAHELEONOLANI DUKELOW, term to expire June 30, 2019 (Gov. Msg. No. 838);

LEIANE PACI, term to expire June 30, 2019 (Gov. Msg. No. 839);

KALANI HO-NIKAIDO, term to expire June 30, 2019 (Gov. Msg. No. 840); and

SOLOMON CHURCH, term to expire June 30, 2017 (Gov. Msg. No. 841),

seconded by Senator English.

The motion was put by the Chair and carried on the following showing of Ayes and Noes:

Ayes, 24. Noes, none. Excused, 1 (Slom).

#### ADOPTION OF A RESOLUTION

##### MATTER DEFERRED FROM MONDAY, APRIL 25, 2016

Stand. Com. Rep. No. 3704 (S.R. No. 18, S.D. 1):

On motion by Senator Green, seconded by Senator English and carried, the report of the Committee was adopted and S.R. No. 18, S.D. 1, entitled: "SENATE RESOLUTION URGING UNITED STATES CITIZENSHIP AND IMMIGRATION SERVICES TO IMMEDIATELY RESUME BIOMETRIC INTAKE AND INTERVIEWS ON THE COUNTIES OF HAWAII, MAUI, AND KAUAI," was adopted.

#### RECONSIDERATION OF ACTIONS TAKEN

S.B. No. 2878, S.D. 1 (H.D. 1):

Senator Chun Oakland moved that the Senate reconsider its action taken on April 14, 2016, in disagreeing to the

amendments proposed by the House to S.B. No. 2878, S.D. 1, seconded by Senator Green and carried.

In accordance with the Conference Committee Procedures agreed upon by the Senate and the House of Representatives, the managers on the part of the Senate recommended that the Senate agree to the amendments proposed by the House to S.B. No. 2878, S.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Chun Oakland, Taniguchi, Ruderman). Noes, none. Excused, 1 (Keith-Agaran).

Senator Chun Oakland then moved that the Senate agree to the amendments proposed by the House to S.B. No. 2878, S.D. 1, seconded by Senator Green.

Senator Chun Oakland noted:

"Thank you, Mr. President. Senate Bill 2878, Senate Draft 1, House Draft 1, Relating to Youth Transitioning from Foster Care, expands the availability of higher education stipends by increasing the age of eligibility from 21 to 26 years old and permits its use for any costs related to higher education. The Senate conferees agreed to House Draft 1, as it clarifies that DHS and a young adult who chooses to participate in the Young Adult Voluntary Foster Care Program shall enter into a voluntary care agreement requiring the young adult to meet all requirements of the program for the duration of the agreement. Thank you."

The motion was put by the Chair and carried, the Senate agreed to the amendments proposed by the House to S.B. No. 2878, S.D. 1, and S.B. No. 2878, S.D. 1, H.D. 1, entitled: "A BILL FOR AN ACT RELATING TO YOUTH TRANSITIONING FROM FOSTER CARE," was placed on the calendar for Final Reading on Wednesday, April 27, 2016.

At this time, Senator Thielen rose to speak on a point of personal privilege as follows:

"Colleagues, I just wanted to take a couple minutes today to talk about the importance of our state beaches. Unlike any other state in the nation that's along the coastline, Hawai'i has a long tradition where our beaches are public lands and access to them is guaranteed. This tradition and culture in Hawai'i was handed down directly from the Native Hawaiians, who lived here before us. And it was embraced in our state laws when Chief Justice Richardson was dealing with a complaint where the Waikiki hotels were basically walling off Waikiki Beach, and he said, 'If these beaches are public lands, that includes access to those public lands,' and issued an order that the hotels had to provide public access through their lobbies to the beaches.

"When I was chair of DLNR, the number one complaint that I received was complaints from residents saying that commercial businesses were taking over recreational places. We had a problem with the beach weddings – presetting chairs, altars, tents, taking over areas, asking people to move – and so we went around the state with some new rules and requirements that if you were going to have a permit to do a wedding on the beach, that you couldn't have stuff. And we were sued by a number of wedding operators who claimed that it was their First Amendment right, freedom of religion, for people to be able to lay out the wedding the way they wanted to on the beach. And they took the matter to federal court because they knew that the state court was going to uphold our state customs and traditions. And in one of his last decisions, Judge Sam King came out with this beautiful decision that said the state has a compelling interest to keep our beaches open to the public.

"When we talk about trying to do enforcement to maintain this state tradition and custom and law, I'd ask you to remember that we have about 140 DOCARE officers across the entire state, yet we have hundreds of thousands of acres of beaches

and adjacent state wilderness areas: Lipoa Point, Turtle Bay, Ka Iwi, and – hopefully in the future – Kapu‘a.

“In the twenty-first century, our latest threat to our public beaches and recreational spaces is overnight accommodations through programs like Airbnb. In the twenty-first century, this *[holds up smartphone]* is all I need to set up an Airbnb host account, where I can take pictures and videos of a beach, type in what I’m going to be offering, give my contact information – phone number, email – and start renting overnight accommodations on beaches.

“So, what does this have to do with House Bill 1850? According to communications we’ve all received from Airbnb, that’s just a tax collection measure. Airbnb is promoting House Bill 1850 because it favors their business model; it gives them a competitive advantage. The amendments that this body passed in Senate Draft 3 would ask Airbnb to assure that their business model doesn’t violate, and honors, our state laws, customs, and traditions when it comes to our public beaches and our public lands. Airbnb sent us a response – April 21st, a letter that we received by email: ‘Airbnb is an open platform, meaning we do not prescreen or control the listings posted by hosts.’ If you go online, the *Wall Street Journal* has a recent article: Airbnb put out a venture capital raising effort in November, and the company, which is privately held, is estimated to have a current valuation of \$25 billion – **\$25 billion**, with a ‘b.’ Their estimated revenues for 2015 alone is \$900 million.

“Now, I want to compare that to Outrigger Hotels and Resorts, our local company that respects our local values. You know what their mission statement is? ‘Working as a family in harmony with the culture and environment of the places where we do business.’ Isn’t that beautiful? It’s a corporate responsibility to work as a family in harmony with the culture and environment of the places where we do business. Outrigger, in order to do business in Hawai‘i, employs local people, gives them careers, scholarships. They’re a good member of the community. And, oh, by the way, they manage a number of the timeshares that they own in their resort communities for people who have bought into them, and when they rent them out on behalf of those people, they remit the TAT and GET. They’re good members of the community.

“Airbnb, in contrast, I guess, believes being an open platform means that they have a free pass from any type of corporate responsibility. They’re telling us that they’re not going to prescreen to make sure that people don’t post as hosts of public lands for camping, but apparently, they will ask us to trust them that they will remove these postings in the future after this legislation is passed. Well, if they’re going to dedicate people to removing the postings, I’m not quite sure why they cannot put in an algorithm in their computer program so that when people use terms like ‘camping’ and ‘sleeping bags’ and things like that, it posts a red flag and that they can shut those down and not allow them to be posted in the first place. I’m not sure why they’re not taking some responsibility for their \$25 billion valuation business model and use some of the \$900 million annual revenues to make sure that they respect our customs and traditions and laws.

“I don’t trust them, and I also don’t trust the traveling entrepreneurs, who may come through Hawai‘i and say, ‘Hey, this is cool! I’m going to set up as a host.’ And how are we going to enforce that? We have to find their guests? We have to get them to testify in court at a trial that’s going to be held a month later, that they’ve, beyond a reasonable doubt, violated the laws?

“We need to get into the twenty-first century ourselves. If Airbnb is asking us to pass a law that favors their business model, it’s going to allow them to grow from a \$25 billion company to a \$30 billion, \$40 billion, \$50 billion company, and

from \$900 million in annual revenues to \$1 billion and more, on the grounds that they’re renting places out here in Hawai‘i through their hosts, then we need to have provisions in this bill that ensure that their business model respects, honors, and enforces our state customs and traditions and laws regarding our public lands. S.D. 3 has amendments in it that will assure that; there are other amendments that can be put in to assure that. And I’m asking that the conference committee members respect the will of the majority of the Senate and to protect our recreational lands from being commercialized. Thank you.”

Senator Wakai introduced, on behalf of Senator Chun Oakland and Senator Kim, a group of eleventh- and twelfth-grade students from Governor Wallace Rider Farrington High School, who were present in the gallery.

#### APPOINTMENT OF CONFEREES

S.B. No. 979, S.D. 2 (H.D. 1):

In accordance with the disagreement of the Senate to the amendments proposed by the House to S.B. No. 979, S.D. 2, and the request for a conference on the subject matter thereof, the President appointed Senators Chun Oakland, chair; Riviere, co-chair; Ruderman as manager on the part of the Senate at such conference.

S.B. No. 2647, S.D. 1 (H.D. 2):

In accordance with the disagreement of the Senate to the amendments proposed by the House to S.B. No. 2647, S.D. 1, and the request for a conference on the subject matter thereof, the President appointed Senators Gabbard, chair; Keith-Agaran, co-chair; Galuteria as manager on the part of the Senate at such conference.

H.B. No. 1527, H.D. 1 (S.D. 1):

In accordance with the disagreement of the House to the amendments proposed by the Senate to H.B. No. 1527, H.D. 1, and the request for a conference on the subject matter thereof, the President appointed Senators Tokuda, chair; English, Wakai as managers on the part of the Senate at such conference.

#### ADJOURNMENT

At 11:55 a.m., on motion by Senator Green, seconded by Senator English and carried, the Senate adjourned until 11:30 a.m., Wednesday, April 27, 2016.