

THIRTY-EIGHTH DAY

Monday, March 25, 2019

The Senate of the Thirtieth Legislature of the State of Hawai'i, Regular Session of 2019, convened at 11:31 a.m. with the President in the Chair.

The Roll was called showing all Senators present.

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

At this time, on behalf of Senator Kim and himself, Senator Rhoads welcomed a group of constituents who were touring the State Capitol with State Representative Takashi Ohno: Benjamin Bruch, Dam Bui, Ruby Chan, Richard Chang, Grace Kodama, Selina Kuni, Randall Lum, Dominique Mccier, Noel Murata, Carol Murata, Paul Ogawa-Lerman, Hazel Ogawa-Lerman, Greg Okamura, Alfredo Pasatiempo, Ellen Sato-Lum, Gwen Tamaru, Mike Tamaru, Susan Wagner, and Anne Wheelock.

Senator Wakai congratulated the 19th Annual HVCA awardees, and presented the following remarks:

"Members, last week, we celebrated Education Week; today is Business Hoopla Day. Many of our children who we saw last week who are going to be changing the world in innovation in the future are going to be set with job opportunities and the pathways set forward by some of the luminaries we have here to be recognized this morning. Today, we honor the winners of the 2019 Hawaii Venture Capital Association Entrepreneur and Deal of the Year awards. We have seven of them here with us on the floor of the Senate. The Hawaii Venture Capital Association stands as a nexus for entrepreneurs, capital foundation, and networking opportunities. The association strives to foster entrepreneurship through education and exposure to members of the business community. HVCA's Entrepreneur and Deal of the Year awards are held annually to honor achievements in the local venture community.

"Today's first honoree is Robert Hennessy, who is representing FloWater. FloWater was this year's recipient of the Deal of the Year award. This award recognizes the Startup Paradise company that received the largest financial deal during the year. FloWater is a water refill station company that aims to transform ordinary tap water into advanced hydration. By developing these refill stations in nearly all 50 states amongst hotels, schools, residences, and even here in our State Capitol—you might see them on the third and fourth floors of this building—the company hopes to eliminate single-use plastic bottles and provide the best-tasting water to consumers. To date, FloWater has eliminated more than 100 million plastic bottles and is well on its way to eliminating 1 billion plastic bottles by 2022. Congratulations to Robert and FloWater. Now, Mr. President, I'd like to yield the floor to the senator from Waimānalo."

The Chair wished Senator Thielen a happy birthday.

Senator Thielen then rose to present the following remarks:

"I'd like to introduce today Steve Haumschild, the CEO and founder of Lanikai Brewing Company. Steve was awarded the Entrepreneur of the Year, which is given to an individual who has gone above and beyond the expectations of their company and serves as an example for other entrepreneurs. Since its inception, Lanikai Brewing Company has partnered with company stakeholders and community stakeholders, including farmers and artists, to deliver authentic Hawaiian craft beers and to take care of the environment—good for you, Steve. Farmers give the company fruit while Lanikai Brewing donates

pallets to farmers and artists for fences and works of art. As the company's visionary, Steve has been at the forefront of these efforts and poured his heart and soul into producing high-quality products, even foraging in nature to collect their ingredients. This hard work has paid off as people around the globe have recognized the unique flavors of made-in-Hawai'i beer and traveled all the way to Kailua to taste this one-of-a-kind product. This is only the beginning for Steve and Lanikai Brewing Company, and I want to tell you that my brother is offering to get this special beer for my birthday as well. Congratulations, Steve, and now I'd like to yield the floor to the senator from Hawai'i Kai."

Senator Chang rose to present the following remarks:

"I'd like to recognize Brynn Foster, founder of Voyaging Foods. She is represented today by Meli James. Brynn was honored as the Island Innovator of the Year, which is given to those whose efforts have helped our island state. This award celebrates an innovator who has demonstrated leadership and commitment to tackling a significant problem in the islands. Brynn tackled the issues of sustainability, food security, and health stability, which are certainly problems in the islands. Following the birth of her son, Brynn created allergy-free teething biscuits using homemade taro powder after realizing no sugar-free or gluten-free products existed on the market. This passion to create healthy food for her child grew into a full-fledged business with healthy, gluten-free, and locally grown products offered online, in Whole Foods, and other wholesale retailers. Through Voyaging Foods, Brynn hopes to see the islands become more self-reliant and return to Aloha 'Āina, or love for the land. The company's success is proof that Hawai'i can return to these roots. Congratulations to Brynn and Meli. I'd now like to yield the floor to the senator from Salt Lake."

Senator Wakai rose to present the following remarks:

"On behalf of Senator Harimoto, I'd like to recognize now Rose Wong, founder of Kolohe Ocean Gems and also a triple major in entrepreneurship, marketing, and finance at UH Mānoa. Rose was awarded Student Entrepreneur of the Year, which is given to younger members of the innovative community who have a passion for learning new things, the tenacious spirit of entrepreneurship, and a potential for growth. Entrepreneurship has always been in Rose's blood: Before even graduating from Kaiser High School, she had been designing, crafting, and selling jewelry to friends and family. Realizing she liked being her own boss and working on her own time, 16-year-old Rose set out to create her very own jewelry. Her hard work and determination paid off as her business has since expanded to include fine jewelry, gemstones, and diamonds. Additionally, her products can also be found in upscale retail stores and trade shows as well as online. Congratulations to Rose Wong. Mr. President, I'd now like to yield the floor to the senator from Kāne'ohe."

Senator Keohokalole rose to present the following remarks:

"I'm proud to introduce our next awardee, Josiah 'Ākau, founder and president of Kinai 'Eha. Josiah was named Social Impact Entrepreneur of the Year. This award is given to an individual who has shown leadership, innovation, and commitment to solving our state's toughest problems. Kinai 'Eha is an educational and occupational skills training program that aims to empower non-high school graduates to become leaders and change-makers in their community. The organization renovates homes to make them accessible for the physically challenged while providing training in construction trades and personal development for youth who did not necessarily fit in to traditional schools. Participants in the

program remark that Kinai 'Eha made it possible for them to be anything and everything. Thanks to Josiah, many of these individuals have now found their way. Congratulations, Josiah. Colleagues, also in the gallery, I'd like to take a moment and introduce several of the mentors who have helped Josiah and Kinai 'Eha in their efforts. Up in the gallery, we have Uncle Earl Kawa'a; also, I believe I see Stacy Ferreira and Samson Malani; and then, finally, I have several of their names, but I know there are a number of the young men who have participated in the program, so can I please have all of you folks, young men, please rise and be recognized by the Hawai'i State Senate? Mr. President, I'd now like to yield the floor to the senator from Kapolei."

Senator Gabbard rose to present the following remarks:

"Colleagues and guests, I'd like to introduce Andrew Fowers, founder of the mobile app Shaka Guide, who's also my constituent. Andrew has been named Tech Entrepreneur of the Year, which is given to those whose work has created new technology and innovation to make our lives more efficient, fun, and better. Shaka Guide combines an audio tour with a curated driving route in one mobile app to offer visitors an insider's look into Hawai'i's best routes and sights, complete with entertainment, trivia, and history. Shaka Guide's story began when Andrew was a senior at BYUH; watching tourists miss the best scenic spots around the island inspired him to seek a solution. Andrew and his wife, Rita, researched locals' favorite spots around the island and launched Circle Island Oahu Audio Tour. However, the CD did not sell. Rather than give up, Andrew and Rita persevered and partnered with car rental companies to offer tours in English, Japanese, and Korean. The couple then focused on mobile apps after noticing the shift to mobile apps from GPS and, thus, Shaka Guide was born. The app remains popular, with thousands of five-star reviews, and is only poised to grow bigger and branch out to Japanese and mainland markets. Congratulations, Andrew. And now I'd like to yield the floor to the senator from the North Shore."

Senator Riviere rose to present the following remarks:

"President, colleagues, guests: Today, I have the privilege of introducing to you Karl Fooks. Karl is the president of the Hawaii Strategic Development Corporation, and he's a proud resident of our great North Shore. Karl was named this year's Startup Paradise Champion, and this is an award that recognizes an individual who supports, promotes, and builds a successful startup culture and ecosystem in Hawai'i. Under Karl's leadership, HSDC has invested in private sector venture capital partnerships that support startups, such as Blue Startups, Elemental Excelsior, GVS Transmedia Accelerator, and XLR8UH. From 2010 to 2018, these efforts have directed nearly \$250 million in funding for Hawai'i startups as well as created opportunities for locals and nurtured the business environment throughout the islands. Nearly all companies in Hawai'i have benefited either directly or indirectly from HSDC's investments, and this is due to Karl's hard work as its president. Congratulations, Karl. Mr. President, I now yield the floor back to the senator from Salt Lake."

Senator Wakai rose and stated:

"Congratulations to the honorees on the floor today, but this is just half of the group. There are six more individuals who will be honored in the House gallery, and I'd like to point them out to all of you here this morning. Also honored are: Louis Conato from Carbon Lighthouse, the Agriculture / Clean Tech Entrepreneur of the Year; Dylan Butterbaugh of Mānoa Chocolate, the Consumer Packaged Goods Entrepreneur of the Year; Peter Fukunaga of Hui Car Share, Corporate Intrapreneur of the Year; Keoki Tavares of Aloha Elixir, People's Choice Startup of the Year; Henk Rogers of Blue Startups, Investor of the Year; and a special recognition to Zachary Hester and

Lawrence Hester of FareHarbor. It's due to these individuals as well as those on the floor that Hawai'i's business ecosystem continues to thrive. Congratulations to all of you here today."

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

The Senate reconvened at 11:53 a.m.

CONFERENCE COMMITTEE REPORT

Senator Dela Cruz, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate to H.B. No. 2, H.D. 1, presented a report (Conf. Com. Rep. No. 1) recommending that H.B. No. 2, H.D. 1, 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. 1 and H.B. No. 2, H.D. 1, S.D. 1, C.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," was deferred for a period of 48 hours.

STANDING COMMITTEE REPORTS

Senator Keohokalole, for the Committee on Technology, presented a report (Stand. Com. Rep. No. 1526) recommending that the Senate advise and consent to the nominations to the Enhanced 911 Board of the following:

ALLISON BLAKE, in accordance with Gov. Msg. No. 548;

ELLIOTT KE, in accordance with Gov. Msg. No. 549; and

FRANCIS ALUETA, in accordance with Gov. Msg. No. 550.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 1526 and Gov. Msg. Nos. 548, 549, and 550 was deferred until Wednesday, March 27, 2019.

Senator Keohokalole, for the Committee on Technology, presented a report (Stand. Com. Rep. No. 1527) recommending that the Senate advise and consent to the nomination of DOUGLAS G. MURDOCK as Chief Information Officer of the Department of Accounting and General Services, in accordance with Gov. Msg. No. 581.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 1527 and Gov. Msg. No. 581 was deferred until Wednesday, March 27, 2019.

Senator Dela Cruz, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1528) recommending that the Senate advise and consent to the nomination of LINDA CHU TAKAYAMA as Director, Department of Taxation, in accordance with Gov. Msg. No. 602.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 1528 and Gov. Msg. No. 602 was deferred until Wednesday, March 27, 2019.

Senator Dela Cruz, for the Committee on Ways and Means, presented a report (Stand. Com. Rep. No. 1529) recommending that the Senate advise and consent to the nomination of DAMIEN A. ELEFANTE as Deputy Director of the Department of Taxation, in accordance with Gov. Msg. No. 603.

In accordance with Senate Rule 37(6), action on Stand. Com. Rep. No. 1529 and Gov. Msg. No. 603 was deferred until Wednesday, March 27, 2019.

Senator Baker, for the Committee on Commerce, Consumer Protection, and Health, presented a report (Stand. Com. Rep. No. 1530) recommending that S.C.R. No. 200, as amended in S.D. 1, be referred to the Committee on Ways and Means.

On motion by Senator Kahele, seconded by Senator Fevella and carried, the report of the Committee was adopted and

S.C.R. No. 200, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE PUBLIC UTILITIES COMMISSION TO CONSIDER REASONABLE RATEMAKING TREATMENT AND COST-EFFECTIVE SOLUTIONS TO LESSEN THE BURDEN OF ENERGY COSTS ON LOW- AND LIMITED-INCOME AND SPECIAL MEDICAL NEEDS CUSTOMERS," was referred to the Committee on Ways and Means.

Senator Baker, for the Committee on Commerce, Consumer Protection, and Health, presented a report (Stand. Com. Rep. No. 1531) recommending that H.B. No. 68, H.D. 1, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Kahele, seconded by Senator Fevella and carried, the report of the Committee was adopted and H.B. No. 68, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION," passed Second Reading and was placed on the calendar for Third Reading on Wednesday, March 27, 2019.

Senator Baker, for the Committee on Commerce, Consumer Protection, and Health, presented a report (Stand. Com. Rep. No. 1532) recommending that H.B. No. 314, H.D. 1, as amended in S.D. 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Senator Kahele, seconded by Senator Fevella and carried, the report of the Committee was adopted and H.B. No. 314, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GIFT CERTIFICATES," passed Second Reading and was placed on the calendar for Third Reading on Wednesday, March 27, 2019.

ADJOURNMENT

At 11:54 a.m., on motion by Senator Kahele, seconded by Senator Fevella and carried, the Senate adjourned until 11:30 a.m., Wednesday, March 27, 2019.