

STAND. COM. REP. NO.

787

Honolulu, Hawaii

March 2, 2017

RE: H.B. No. 314
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 314 entitled:

"A BILL FOR AN ACT RELATING TO UNMANNED AERIAL VEHICLES,"

begs leave to report as follows:

The purpose of this measure is to increase individual privacy and public and private safety protections by establishing statutory regulations for the operation and use of unmanned aerial vehicles (UAVs) that complement federal laws and regulations.

The Hawaii Emergency Management Agency, Hawaii State Fire Council, Hawaii State Association of Counties, Councilmember from District 8 of the Honolulu City Council, Chair of the Kauai County Council, Honolulu Fire Department, Department of Emergency Management of the City and County of Honolulu, Department of Information Technology of the City and County of Honolulu, Honolulu Police Department, Kauai Fire Department, and several concerned individuals testified in support of this measure. The Department of Land and Natural Resources, University of Hawaii, and Property Casualty Insurers Association of America testified in support of the intent of this measure. The Department of Business, Economic Development and Tourism, Department of Transportation, Hawaiian Electric Company, Maui Electric Company, Hawaii Electric Light Company, Drone Services Hawaii, Motion Picture Association of America, Consumer Technology Association, U

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Hawaii, and several concerned individuals testified in opposition to this measure. The Department of Commerce and Consumer Affairs, Nature Conservancy of Hawaii, State Farm Mutual Automobile Insurance Company, and two concerned individuals provided comments.

Your Committee finds that several states have enacted baseline legislation for UAVs, more commonly known as drones, in the areas of restricted and permissible uses by the public, law enforcement, and state and county government agencies. Your Committee finds that this legislation has attempted to preserve freedom of the skies and the ability to develop this nascent industry into jobs and economic growth, along with other benefits. While many of Hawaii's existing laws already provide protections for the general public, like in the areas of privacy, your Committee finds that some additional legislation is necessary to cover areas of concern for specific locations and situations, as has been done by other states, while preserving the legal operations of drones under Federal Aviation Administration licensing regulations.

Your Committee recognizes, as have other states that have taken a similar approach, that because of the changing landscape of federal regulations, as well as of the technology itself, the establishment of a permanent UAV task force is essential to ensure that Hawaii is ready to react to changes in federal law or changes in technology. Your Committee notes that a permanent task force on drones can also coordinate with other permanent state task forces or working groups to better harmonize state laws and create a unified voice with the federal government for suggested changes to federal laws and regulations.

Your Committee further finds that because of Executive Order 13771, entities and states are lobbying the federal government to remove UAV rules promulgated by the Federal Aviation Administration in order to preserve more important rules in the areas of environmental protection and public safety. It is because of potential UAV deregulation that may occur over the next four years that this permanent task force will not be endlessly studying the issue of UAV regulation, but rather will be a panel of stakeholders and others to advise the Legislature on any impact these changes may have on State laws.



Your Committee has amended this measure by:

- (1) Removing language establishing the powers and duties of the Director of Commerce and Consumer Affairs and establishing a civil cause of action and remedies for violations;
- (2) Amending the prohibitions against operation of UAVs by individuals to apply to:
 - (A) Operation of a UAV in violation of any Federal Aviation Administration regulation or any other federal or state law;
 - (B) Operation in a manner that interferes with law enforcement, firefighter, or emergency services operations; or
 - (C) Operation to intentionally photograph or loiter over a critical facility without written consent,and establishing criminal penalties for violations;
- (3) Deleting language establishing civil and criminal restrictions on the use of personal data and information collected by individuals through operation of a UAV and use of a UAV for purposes that would constitute a violation of privacy;
- (4) Prohibiting a county from enacting any ordinance, policy, or rule that regulates or relates to the ownership or operation of a UAV or UAV system unless the unmanned aerial vehicle or system is owned by the county;
- (5) Providing an exemption from UAV operational and use prohibitions for use in compliance with Federal Aviation Administration authorization or permission;
- (6) Specifying warrant requirements for use of a UAV for law enforcement purposes and specifying restrictions, documentation requirements, and information requirements for use of UAVs and information gained through a UAV by law enforcement agencies;



- (7) Clarifying permissible uses of a UAV by public agencies other than law enforcement agencies;
- (8) Specifying that law enforcement agencies are included in general prohibitions against equipping a UAV with weapons;
- (9) Establishing a permanent task force to study and make recommendations for the regulation of UAVs; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 314, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 314, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-ninth Legislature

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Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 314	Committee Referral: CPC	Date: 02/28/17		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. ICHIYAMA, Linda (VC)				/
3. AQUINO, Henry J.C.				/
4. ITO, Ken	/			
5. SAY, Calvin K.Y.	/			
6. TAKAYAMA, Gregg	/			
7. TODD, Chris	/			
8. YAMANE, Ryan I.	/			
9. FUKUMOTO, Beth	/			
TOTAL (9)	7	0	0	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="margin-left: 200px;"><small>committee acronym(s)</small></div>				
Vice Chair's or designee's signature: [Signature]				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				