July 6, 2021

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

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

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

I am transmitting herewith SB263 SD2 HD2 CD1, without my approval and with the statement of objections relating to the measure.

SB263 SD2 HD2 CD1 RELATING TO ECONOMIC DEVELOPMENT.

Sincerely,

[Signature]

DAVID Y. IGE
Governor, State of Hawai‘i
STATEMENT OF OBJECTIONS TO SENATE BILL NO. 263

Honorable Members
Thirty-First Legislature
State of Hawai‘i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai‘i, I am returning herewith, without my approval, Senate Bill No. 263, entitled "A Bill for an Act Relating to Economic Development." The purposes of this bill are to establish a "Hawaii Made" program in the Department of Business, Economic Development, and Tourism (DBEDT) and to appropriate $150,000 for the "Hawaii Made" program out of the American Rescue Plan Act of 2021 (ARPA), Pub. L. No. 117-2, § 9901, 135 Stat. 4, 223 (2021). This bill further adds Hawaii-made product labeling requirements under the jurisdiction of DBEDT that are almost identical to Hawaii-made product labeling requirements under the jurisdiction of the Department of Agriculture (DOA).

This bill is objectionable because the labeling requirements would result in duplicative jurisdiction over the same labeling regulation between DBEDT and DOA. Moreover, while DOA has statutory means of enforcement, DBEDT has none and would have no means to enforce these labeling requirements.

For the foregoing reasons, I am returning Senate Bill No. 263 without my approval.

Respectfully,

DAVID Y. IGE
Governor of Hawai‘i
A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

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

SECTION 1. Chapter 201, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§201-   "Hawaii Made" program for manufactured products oversight; "Hawaii Made" trademark. (a) The department of business, economic development, and tourism shall administer and oversee a "Hawaii Made" program for manufactured products and shall hold ownership of the "Hawaii Made" trademark.

(b) For purposes of this section, the department of business, economic development, and tourism shall:

(1) Promote consumer demand for "Hawaii Made" products;

(2) Coordinate manufacturing of "Hawaii Made" products;

(3) Coordinate and promote distribution channels for "Hawaii Made" products;

(4) Ensure that appropriate patents and copyrights are acquired for "Hawaii Made" products; and

(5) Identify new funding opportunities to promote the expansion of "Hawaii Made" products.
(c) No person shall:

(1) Keep, offer, display or expose for sale, or solicit for the sale of any item, product, souvenir, or other merchandise that:

(A) Is labeled "Hawaii Made"; or

(B) By any other means, represents the origin of the item as being from any place within the State; or

(2) Use the phrase "Hawaii Made" as an advertising or media tool, for any item that has not been manufactured, assembled, fabricated, or produced within the State and that has not had at least fifty-one per cent of its wholesale value added by manufacture, assembly, fabrication, or production within the State, including Hawaii-sourced goods, services, and intellectual property."

SECTION 2. There is appropriated out of the funds received by the State of Hawaii from the American Rescue Plan Act of 2021, Public Law 117-2 (Section 9901), the sum of $150,000 or so much thereof as may be necessary for fiscal year 2021-2022 to be used for the oversight and administration of the "Hawaii Made" program for manufactured products and for the department of
1 business, economic development, and tourism to promote the
2 "Hawaii Made" brand.
3 The sum appropriated shall be expended by the department of
4 business, economic development, and tourism for the purposes of
5 section 1 of this Act.
6 SECTION 3. New statutory material is underscored.
7 SECTION 4. This Act shall take effect upon its approval.

APPROVED this day of , 2021

GOVERNOR OF THE STATE OF HAWAII
THE SENATE OF THE STATE OF HAWAI‘I

Date: April 27, 2021
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the Senate of the Thirty-First Legislature of the State of Hawai‘i, Regular Session of 2021.

[Signature]
President of the Senate

[Signature]
Clerk of the Senate
SB No. 263, SD 2, HD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date:  April 27, 2021
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirty-First Legislature of the State of Hawaii, Regular Session of 2021.

Scott K. Saiki
Speaker
House of Representatives

Brian L. Takeshita
Chief Clerk
House of Representatives