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EMPLOYEES' RETIREMENT SYSTEM  
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND  
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE  
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT

**WRITTEN ONLY**  
TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 649, H.D. 1

**February 24, 2025**  
**2:00 p.m.**  
**Room 308 and Videoconference**

RELATING TO SMALL BOAT HARBORS

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 649, H.D. 1: 1) establishes the Small Boat Harbor Commercial Vessel Special Fund (SBHCVSF) to be administered by the Department of Land and Natural Resources for improvements that benefit commercial vessels that use State small boat harbors; 2) sets the sources of revenue for the SBHCVSF, including legislative appropriations, a portion of the fees designated under Paragraph 200-10(c)(5), HRS, interest, dividends, or other sources; 3) increases the fee for vessels used for commercial purposes from 3% to an unspecified percent of the gross revenue derived from the use of the vessel; 4) mandates that an unspecified percent of the revenue collected under Paragraph 200-10(c)(5), HRS, is deposited into the SBHCVSF; and 5) authorizes the Director of Finance to issue an unspecified sum of reimbursable general obligation bonds and appropriates the funds for FY 26 for capital improvement program projects for LNR 801 - Ocean-Based Recreation, provided that the debt service be paid from unspecified special funds.

As a matter of general policy, B&F does not support the creation of any special fund, which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work, and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding H.B. No. 649, H.D. 1, it is difficult to determine whether the proposed SBHCVSF would be self-sustaining or if there is need for a new special fund when the existing Boating Special Fund can be used for this purpose.

Thank you for your consideration of our comments.

JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621  
HONOLULU, HAWAII 96809

Testimony of  
DAWN N. S. CHANG  
Chairperson

Before the House Committee on  
FINANCE

Monday, February 24, 2025  
2:00 PM  
State Capitol, Conference Room 308

In consideration of  
HOUSE BILL 649, HOUSE DRAFT 1  
RELATING TO SMALL BOAT HARBORS

House Bill 649, House Draft 1 proposes to create the small boat harbor (SBH) commercial vessel special fund; increase SBH fees for commercial ocean operators; allocate a portion of commercial fee collections to the SBH commercial vessel special fund; requires that revenue in the SBH commercial vessel special fund be used exclusively for improvements that primarily benefit commercial vessels utilizing state SBHs; and authorizes the issuance of general obligation bonds with debt service to be paid from the special funds for repairs of various SBHs. **The Department of Land and Natural Resources (Department) acknowledges the intent of this measure and offers the following comments and amendments.**

Managing the SBH program is one of the thirteen statutory mandates contained in Section 200-3, Hawaii Revised Statutes, under the jurisdiction of the Division of Boating and Ocean Recreation (DOBOR). DOBOR is currently self-funded via the Boating Special Fund (BSF) but cannot address all infrastructure needs with available funds, needing funding support for infrastructure projects through the Capital Improvement Project (CIP) budget.

The Department recognizes this measure's innovative approach to addressing the many deferred repair and maintenance projects at state SBHs and boating facilities. However, the Department notes that all slips in state SBHs are "recreational" due to how DOBOR's administrative rules are structured regarding moorings and slips. DOBOR does not issue "commercial" mooring permits. Instead, when a slip holder wishes to operate commercially, a commercial use permit (CUP) is issued as a counterpart to an existing recreational mooring permit, provided that a CUP is available and the permittee is in compliance with all laws and rules.

DAWN N.S. CHANG  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT

RYAN K.P. KANAKA'OLE  
FIRST DEPUTY

CIARA W.K. KAHAHANE  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES  
ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

If fees are allocated according to this measure (40% of revenue generated from commercial vessels allocated to the SBH commercial vessel special fund), there would be a substantial impact to DOBOR's overall operations because a large portion of BSF revenues are currently derived from commercial fee collections.

There is a total of 2,000 slips across all sixteen SBHs in the State. As of this testimony, only 323 of these 2,000 slips (roughly 16%) are used for commercial purposes; thus, most of the slips in the SBH inventory are being used for recreational purposes only. Further, the Department does not separate commercial tenants from recreational-only tenants due to SBHs accommodating vessels of varying sizes, which means that recreational-only and commercial tenants are intertwined throughout all SBHs. Therefore, it will be practically impossible to separate out improvements that will exclusively benefit commercial users, as proposed by this measure, without substantial changes to the physical layout and organization of SBHs.

Regarding the proposal to authorize issuance of general obligation (GO) bonds with debt service to be paid from special funds (MOF D), the Department prefers that any such funding be appropriated as MOF C. Requiring debt service to be paid by special funds will decrease available special fund revenues and hinder DOBOR's ability to quickly respond to sudden and catastrophic events, such as grounded vessel cleanups and SBH damage from weather events.

The Department notes that due to increased costs of supplies and labor, the lowest bids for DOBOR's infrastructure contracts, and even grounded vessel cleanup contracts, have been higher than estimated and budgeted amounts, forcing DOBOR to supplant the budgeted amounts with funds from the BSF. DOBOR previously received MOF D funding several years ago and saw a dramatic decrease in available funds during the 17-year period that it took to fully pay off the debt service. If there are unforeseen events that cause a drop in commercial fee collections, such as the COVID-19 pandemic and the Lahaina wildfires, DOBOR may be unable to make debt service payments while simultaneously being unable to address infrastructure needs.

The Department appreciates that the Legislature is exploring innovative approaches to help DOBOR with funding limitations. In the 2024 legislative session, the Department introduced House Bill 2477 as an administration measure, which proposed increased commercial fees and also provided a method for issuing CUPs where a limit was implemented. Therefore, the Department recommends replacing the contents of this measure with House Bill 2477 (2024), or alternatively amending this measure as follows:

- Removing the establishment of the new small boat harbor commercial vessel special fund;
- Removing the issuance of GO bonds with debt service paid from special funds and funding any CIP as MOF C;
- Keeping the commercial percentage fee increase on page 3, line 18 of the original measure; and
- Amending the language on page 3, lines 14 through 17 to read as follows:

(5) ~~If [a vessel is used for commercial purposes from the vessel's permitted mooring,]~~ the permittee is carrying passengers for hire, the permittee shall pay, in lieu of

the moorage fee required by paragraph (1), a monthly fee  
that shall be the greater of:

Mahalo for the opportunity to testify on this measure.

**HB-649-HD-1**

Submitted on: 2/21/2025 3:25:53 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Daniel Hazen	Holo Holo Charters, Inc.	Oppose	Remotely Via Zoom

Comments:

Aloha Chair Yamashita, Vice Chair Takenouchi, and Committee Members,

I am writing to express my **strong opposition to HB649**, as the proposed fee increases would place an undue burden on operators who are already struggling.

Currently, the fees are structured based on a business’s success, which is fair; however, given the already thin profit margins most operators are facing, any further increase in fees could jeopardize the financial viability of many small businesses across the state. This could result in layoffs, reduced services, and even closures, which would have a ripple effect, hurting local economies.

Hawai‘i relies heavily on tourism and small businesses to fuel its economy, and placing further financial strain on these operators would undermine the very foundation of our economy. These businesses employ local residents, support local suppliers, and contribute to the vibrancy of our economy. An increase in fees would impact not just operators but their employees, families, and the broader community.

Additionally, I believe the real challenge lies in the bureaucratic process that makes accessing the special fund for harbor repairs and upkeep difficult and costly. Streamlining this process could be a more effective way to address the issue without placing additional financial burdens on already struggling businesses.

I urge lawmakers to reconsider this measure. Instead of increasing fees, the focus should be on finding ways to support local operators—especially small businesses—by ensuring they can remain competitive and sustainable. The economic recovery of Hawai‘i depends on the strength of these businesses, and further financial burdens would make it even more difficult for them to thrive.

Mahalo for your time and for considering the consequences of HB649.

Daniel Hazen, Operations Manager, Holo Holo Charters Inc.

**HB-649-HD-1**

Submitted on: 2/21/2025 5:48:55 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Virginia Armstrong	Splashers Ocean Adventures DBA Kona Snorkel Trips	Oppose	Written Testimony Only

Comments:

As a small business, we already contribute significantly to Hawai‘i’s marine resources and harbors. The tourism industry remains fragile—especially on Maui, where the devastating wildfires have deeply impacted revenue. Yet, once again, agencies are turning to small businesses to shoulder additional costs without providing accountability, relief, or a sustainable plan.

**Key Concerns with HB649:**

**Small Businesses Already Pay Their Fair Share**

We already pay harbor fees, permitting fees, and contribute to the newly implemented Ocean Stewardship Special Fund, which took effect in 2024. This fund was specifically designed to support long-term sustainability for Hawai‘i’s marine environment. Now, HB649 proposes yet another fee increase—this is neither fair nor sustainable for small businesses.

**Lack of Accountability and Transparency**

There is no clear framework ensuring that the increased fees will directly benefit commercial operators or improve harbor infrastructure. Without transparency, these added costs feel more like a tax than a targeted investment. The state must first demonstrate that existing funds are being used efficiently before imposing additional financial burdens.

**No Consideration for Maui’s Recovery**

Maui’s tourism and small business sectors are still struggling to recover from the wildfires. Rather than providing relief, HB649 seeks to impose even greater financial strain. At a time when businesses need support, this bill does the opposite—making it even harder to survive.

**A Counterproductive Revenue Model**

The current harbor fee structure is already based on a percentage of gross revenue, meaning the state benefits when commercial operators succeed. Increasing this percentage from 3% to 5% does not guarantee additional revenue—it only makes it harder for businesses to reinvest in their operations, employees, and the local economy.

## **Rising Costs Hurt Local Businesses and Workers**

Small businesses cannot simply absorb or pass these costs onto consumers. Inflation and rising expenses have already pushed prices higher, making Hawai'i's tourism industry less competitive. This increase will put more pressure on businesses and their employees, forcing tough decisions on wages, hiring, and reinvestment.

## **Enough is Enough**

Small businesses are not an unlimited source of funding for government projects. If the state is truly committed to improving small boat harbors, it should first ensure that existing funds—including those from the Ocean Stewardship Special Fund—are managed responsibly before demanding more from struggling businesses.

I respectfully urge the committee to **reject HB649** and seek alternative solutions that support local businesses instead of burdening them.

Best Fishes,

Virginia

**HB-649-HD-1**

Submitted on: 2/22/2025 8:16:32 AM

Testimony for FIN on 2/24/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Alyssa Moser	Sea Sport Cruises Inc.	Oppose	Written Testimony Only

Comments:

Subject: Strong Opposition to HB649 – Increased Harbor Fees

Dear Chair and Members of the Finance Committee,

On behalf of Sea Sport Cruises, operating out of Maui, I am writing to express our strong opposition to HB649, which proposes yet another increase in harbor fees for commercial vessels.

Over the past several years, our industry has endured continuous fee increases with no visible improvements to Maui’s small boat harbors. Meanwhile, the devastating impacts of the Maui fires have severely affected tourism and the local economy. Adding further financial strain to commercial operators at this time is not only unreasonable but could push struggling businesses closer to closure.

Our industry cannot sustain another fee hike when prior increases have yielded no measurable benefits. We urge you to reconsider HB649 and provide relief to an already burdened sector rather than imposing additional costs that threaten our survival.

Sincerely,

Alyssa Moser

Vice President, Sea Sport Cruises, Inc.

Maui, Hawaii

**HB-649-HD-1**

Submitted on: 2/22/2025 8:31:53 AM

Testimony for FIN on 2/24/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Michael Bell	Body Glove Hawaii	Oppose	Written Testimony Only

Comments:

Dear Chair and Committee Members,

My name is Michael Bell, and I represent Body Glove Cruises. I’m submitting testimony in strong opposition to HB649.

As a business that operates on the water every day, we already contribute more than our fair share to support Hawai‘i’s marine resources and harbors. The tourism industry is still recovering—especially on Maui, where businesses are doing everything they can to stay afloat after the wildfires. Yet once again, small operators are being asked to cover more costs, with no clear plan on how those funds will actually improve the harbors we rely on.

**Why HB649 Doesn’t Make Sense:**

**◆ We Already Pay Plenty**

Harbor fees, permit fees, and now the Ocean Stewardship Special Fund (which just took effect in 2024) already take a significant cut from businesses like ours. This fund was created specifically to help sustain Hawai‘i’s marine environment. Now, HB649 is piling on yet another increase—it’s unsustainable.

**◆ Where’s the Accountability?**

Before asking for more money, the state needs to show that the funds they’re already collecting are being used efficiently. There’s no transparency here—this just feels like another tax on businesses trying to survive.

**◆ Maui’s Recovery Matters**

The wildfires devastated businesses and communities, and many are still struggling. Instead of offering relief, HB649 would make it even harder for them to recover. That’s not the kind of support our industry needs.

**◆ Bad for Business, Bad for Workers**

Harbor fees are already based on a percentage of revenue, so when businesses do well, the state benefits too. Raising the rate from 3% to 5% doesn’t guarantee more revenue—it just makes it harder for us to reinvest in our boats, crew, and the community. Operators can’t just pass these costs onto customers, especially with inflation already driving up prices.

Enough is enough. Small businesses aren't an endless piggy bank for government projects. If the state really wants to improve small boat harbors, it should first prove that the money it's already collecting is being put to good use before demanding more from struggling operators.

I strongly urge the committee to **reject HB649** and look for solutions that actually support Hawai'i's businesses and workers instead of squeezing them even harder.

Sincerely,  
Michael Bell  
Body Glove Cruises

**HB-649-HD-1**

Submitted on: 2/22/2025 8:51:11 AM

Testimony for FIN on 2/24/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Erik Stein	Exteneded Horizons	Oppose	Written Testimony Only

Comments:

There seems to be no shortage of funds available for projects. The issue is that the funds on hand are not being allocated to harbors. When fees went up last time I thought the issue was not enough money in the department to maintain harbors. But that is not the issue. The issue is the red tape to get things done while funds sit unused. Meanwhile Mala has broken down road leading to it. Failing trash barrels, a parking area that is filled with debris. And has been that way for decades.

**HB-649-HD-1**

Submitted on: 2/22/2025 9:04:52 AM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Zachary LaPrade	Ocean Tourism Coalition	Oppose	In Person

Comments:

**Dear Chair, Vice Chair, and Members of the Committee,**

My name is Zachary LaPrade, and I am a director at the Ocean Tourism Coalition (“OTC”). OTC represents hundreds of locally owned ocean tourism businesses statewide, many of which are family businesses. The proposed fee increases under **HB649** for commercial operators come at a time when many, especially those on Maui, are struggling with significant revenue losses due to the recent fires. Margins are already in the single digits, and raising fees now would only exacerbate these hardships.

Operators on Maui have seen revenues decline by more than 40% from pre-fire levels. Taking an additional 2% of gross receipts at this time will only make it less likely that these family businesses recover. Additionally, the current 3% fee is already percentage-based. This means that if boat businesses in Hawai‘i do better, the state does better. Simply increasing the fee to 5% doesn’t guarantee more money to the state if it causes businesses to go under. Boat operators already pay GET, the county surcharge fee, the Ocean Stewardship Fee (\$1 per passenger), the 3% DLNR fee, and all the other taxes and fees that go into running a business in Hawai‘i.

In addition, the current cost of living in Hawai‘i is \$259,000—\$59,000 more than the nearest state. Taking more money off the top just means that these companies have less money to pay their employees, who are already struggling with inflation and skyrocketing rent and mortgage costs. While harbor maintenance is essential, this bill fails to acknowledge the following issues:

1. **Small Businesses Already Pay Their Fair Share:** We already pay harbor fees, permitting fees, and contribute to the newly implemented Ocean Stewardship Special Fund, which took effect in 2024. This new fund was specifically designed to provide long-term sustainability for Hawai‘i’s marine environment. Now, HB649 is proposing yet another fee increase—this is neither fair nor sustainable for small businesses.
2. **Lack of Accountability:** There is no clear framework ensuring that the increased fees will directly benefit commercial operators. Without transparency, these additional costs feel more like a tax than an investment in our harbors. The state must first demonstrate that current funds are being efficiently allocated before imposing new financial burdens.
3. **No Consideration for Maui’s Recovery:** The fires on Maui devastated businesses and tourism, and recovery remains an uphill battle. Yet, instead of offering relief, HB649 seeks to impose even greater financial strain. The state should be supporting affected businesses, not making it harder for them to survive.

4. **A Counterproductive Revenue Model:** The current harbor fee structure is already based on a percentage of gross revenue, meaning the state benefits when commercial operators do well. Raising this percentage from 3% to 5% does not guarantee additional revenue; it only increases the financial pressure on businesses, making it harder for us to reinvest in our operations, employees, and community.
5. **Increased Costs Hurt Local Businesses and Workers:** Commercial operators cannot simply pass these added costs onto consumers. Inflation and rising expenses have already pushed prices higher, making Hawai‘i’s tourism industry less competitive. This increase will hurt both businesses and employees, as companies struggle to balance rising costs while paying fair wages.

Small businesses are not an unlimited resource for funding government projects. If the state is serious about improving small boat harbors, it should first ensure that existing funds—including those from the Ocean Stewardship Special Fund—are managed properly before demanding more from struggling businesses. I respectfully urge the committee to reject HB649 and consider alternative solutions that support local businesses rather than burden them.

Mahalo for your time and consideration.

**Sincerely,**  
**Zachary LaPrade**, Director

Ocean Tourism Coalition

**HB-649-HD-1**

Submitted on: 2/22/2025 1:02:09 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard & Holly Kersten	Sea Paradise Scuba Inc.	Oppose	Written Testimony Only

Comments:

Aloha Chairperson and Members of the Committee,

Our names are **Richard and Holly Kersten** and we are the owners of **Sea Paradise Scuba Inc.** We are submitting testimony in **strong opposition** to HB649.

As a small business, we are already contributing more than our fair share to support Hawai‘i’s marine resources and harbors. The tourism industry is still fragile—especially on Maui, where the wildfires have significantly impacted revenue. Yet, once again, agencies are **coming back to the well**, asking small businesses to shoulder additional costs without ensuring accountability or relief.

**Key Concerns with HB649:**

1. **Small Businesses Already Pay Their Fair Share:** We already pay harbor fees, permitting fees, and contribute to the newly implemented **Ocean Stewardship Special Fund**, which took effect in 2024. This new fund was specifically designed to provide long-term sustainability for Hawai‘i’s marine environment. Now, HB649 is proposing yet another fee increase—this is not fair or sustainable for small businesses.
2. **Lack of Accountability:** There is no clear framework ensuring that the increased fees will directly benefit commercial operators. Without transparency, these additional costs feel like a tax rather than an investment in our harbors. The state must first demonstrate that current funds are being efficiently allocated before imposing new financial burdens.
3. **No Consideration for Maui’s Recovery:** The fires on Maui devastated businesses and tourism, and recovery remains an uphill battle. Yet, instead of offering relief, HB649 seeks to impose even greater financial strain. The state should be **supporting** affected businesses, not making it harder for them to survive.
4. **A Counterproductive Revenue Model:** The current harbor fee structure is already based on a percentage of gross revenue, meaning the state benefits when commercial operators do well. Raising this percentage from 3% to 5% does not guarantee additional revenue—it only increases the financial pressure on businesses, making it harder for us to reinvest in our operations, employees, and community.
5. **Increased Costs Hurt Local Businesses and Workers:** Commercial operators cannot simply pass these added costs onto consumers. Inflation and rising expenses have already pushed prices higher, making Hawai‘i’s tourism industry less competitive. This increase

will **hurt both businesses and employees**, as companies struggle to balance rising costs while paying fair wages.

**Enough is enough.** Small businesses are **not** an unlimited resource for funding government projects. If the state is serious about improving small boat harbors, it should **first ensure that existing funds—including those from the Ocean Stewardship Special Fund—are being managed properly before demanding more from struggling businesses.**

We respectfully urge the committee to **reject HB649** and consider alternative solutions that support local businesses rather than burden them.

Sincerely:

Richard and Holly Kersten

**HB-649-HD-1**

Submitted on: 2/22/2025 1:54:24 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Don Prestage	Sail Maui	Oppose	Written Testimony Only

Comments:

Aloha,

My name is **Don Prestage**, and I own **Sail Maui**, a locally operated small business committed to responsible tourism and stewardship of Hawai‘i’s marine environment. I am writing to **strongly oppose HB649**, which places yet another financial burden on small commercial operators without clear accountability or consideration for the challenges we are already facing.

Small businesses like ours already pay significant harbor fees, permitting fees, and, most recently, the **Ocean Stewardship Special Fund**, which went into effect in 2024 to support the long-term health of Hawai‘i’s waters. Now, just as we are adapting to these new costs, HB649 proposes additional fee increases. At what point does the state acknowledge that small businesses cannot continue absorbing these repeated financial hits?

**Why HB649 is Unfair and Unsustainable:**

- **Small Businesses Are Already Paying Their Share** – We contribute through multiple fees and taxes, and the **Ocean Stewardship Special Fund** was specifically created to help fund marine conservation efforts. Before imposing new financial obligations, the state should demonstrate that current funds are being managed effectively and used as intended.
- **Maui’s Businesses Are Still Recovering** – The economic impact of the wildfires continues to strain local businesses, with visitor numbers down and revenue uncertain. Instead of offering support, this bill adds another hurdle for companies that are already struggling to keep their doors open and employees working.
- **No Clear Benefit to Operators or the Harbors** – There is **no guarantee** that the additional revenue from this bill will actually improve harbor infrastructure or services for commercial operators. Without a clear plan for how these funds will be used, this feels more like a tax increase than a necessary investment in the industry.
- **Raising Harbor Fees is a Short-Sighted Approach** – Commercial operators already pay fees based on **gross revenue**, meaning the state benefits when businesses succeed. Raising the rate from **3% to 5%** doesn’t ensure additional revenue—it simply makes it harder for operators to reinvest in their vessels, workforce, and community. Overburdening small businesses will only weaken the industry as a whole.
- **Higher Costs Hurt Everyone** – Small operators cannot continually pass on these rising costs to customers, especially as inflation and other expenses push prices higher. If

Hawai'i's tourism sector becomes too expensive, visitors will go elsewhere, leading to long-term economic consequences that impact both businesses and workers.

It's time to recognize that small businesses are not an endless source of funding for state projects. If the goal is to improve small boat harbors, the **first step should be ensuring that current funds are being spent responsibly** before demanding even more from businesses that are still recovering from economic hardships.

I urge the committee to **reject HB649** and seek solutions that support, rather than punish, small businesses in Hawai'i's maritime industry.

Mahalo for your time and consideration.

**Don Prestage**  
**Sail Maui**

My name is **David Weiss** and I am the SVP of **RED Hospitality and Leisure Hawaii, LLC**. I am submitting testimony in **strong opposition** to HB649.

As a small business on Maui we are all suffering, especially considering the devastating wildfires on the heels of the pandemic. We operate 4 vessels on Maui, 3 out of Maalaea Small Boat harbor. Although 2% alone does not seem like much, in the aggregate it will be devastating and for that reason I submit my testimony below:

## **Key Concerns with HB649:**

1. **Small Businesses Already Pay Their Fair Share:** We already pay harbor fees, permitting fees, and contribute to the newly implemented **Ocean Stewardship Special Fund**, which took effect in 2024. This new fund was specifically designed to provide long-term sustainability for Hawai'i's marine environment. Now, HB649 is proposing yet another fee increase—this is not fair or sustainable for small businesses.
2. **Lack of Accountability:** There is no clear framework ensuring that the increased fees will directly benefit commercial operators. Without transparency, these additional costs feel like a tax rather than an investment in our harbors. The state must first demonstrate that current funds are being efficiently allocated before imposing new financial burdens.
3. **No Consideration for Maui's Recovery:** The fires on Maui devastated businesses and tourism, and recovery remains an uphill battle. Yet, instead of offering relief, HB649 seeks to impose even greater financial strain. The state should be **supporting** affected businesses, not making it harder for them to survive.
4. **A Counterproductive Revenue Model:** The current harbor fee structure is already based on a percentage of gross revenue, meaning the state benefits when commercial operators do well. Raising this percentage from 3% to 5% does not guarantee additional revenue—it only increases the financial pressure on businesses, making it harder for us to reinvest in our operations, employees, and community.
5. **Increased Costs Hurt Local Businesses and Workers:** Commercial operators cannot simply pass these added costs onto consumers. Inflation and rising expenses have already pushed prices higher, making Hawai'i's tourism industry less competitive. This increase will **hurt both businesses and employees**, as companies struggle to balance rising costs while paying fair wages.

**Since the pandemic and compounded by the wildfires, our businesses are as fragile as I have witnessed in my 45 years on Maui around the commercial passenger business. If this bill passes, we all become even more fragile and become closer to losing our long standing businesses. But to stay in business cuts will have to be made, hiring paused and maintenance may suffer. If you look around Maui, it will be hard to find a more well-maintained, first-class fleet anywhere in the world. My fear, among a variety of things if HB 649 passes, is that maintenance of the fleet will suffer. There are plenty of beautiful locations where this is not the case. If our visitors want to go**

**to a beautiful location with a substandard fleet, they can always choose places like Acapulco, Cancun or Cabo.**

I respectfully urge the committee to **reject HB649** and consider alternative solutions that support local businesses rather than burden them.

Sincerely:

David Weiss

Senior Vice President

RED Hospitality & Leisure Hawaii

**HB-649-HD-1**

Submitted on: 2/22/2025 6:01:19 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Caitlin Maratea	Banyan Tree Divers Maui	Oppose	Written Testimony Only

Comments:

My name is Caitlin Maratea and I am the co-owner of Banyan Tree Divers Maui. I am submitting testimony in **strong opposition** to HB649.

While our business does not operate from a boat or harbor, we are a shoreline permit holder and this legislation sets a discouraging precedent for ocean tourism small businesses that are already contributing significant amounts of gross income to care for Hawaii's marine resources.

**Key Concerns with HB649:**

1. **Small Businesses Already Pay Their Fair Share:** We already pay harbor fees, permitting fees, and contribute to the newly implemented **Ocean Stewardship Special Fund**, which took effect in 2024. This new fund was specifically designed to provide long-term sustainability for Hawai'i's marine environment. Now, HB649 is proposing yet another fee increase—this is not fair or sustainable for small businesses.
2. **Lack of Accountability:** There is no clear framework ensuring that the increased fees will directly benefit commercial operators. Without transparency, these additional costs feel like a tax rather than an investment in our harbors. The state must first demonstrate that current funds are being efficiently allocated before imposing new financial burdens. The current state of Maui's harbors might lead one to believe that resources are not being invested adequately into their care and maintenance.
3. **No Consideration for Maui's Recovery:** The fires on Maui devastated businesses and tourism, and recovery remains an uphill battle. Yet, instead of offering relief, HB649 seeks to impose even greater financial strain. The state should be **supporting** affected businesses, not making it harder for them to survive. *As a survivor having lost my home and business in the Lahaina fire this point hits especially close to home.*
4. **A Counterproductive Revenue Model:** The current harbor fee structure is already based on a percentage of gross revenue, meaning the state benefits when commercial operators do well. Raising this percentage from 3% to 5% does not guarantee additional revenue—it only increases the financial pressure on businesses, making it harder for us to reinvest in our operations, employees, and community.
5. **Increased Costs Hurt Local Businesses and Workers:** Commercial operators cannot simply pass these added costs onto consumers. Inflation and rising expenses have already pushed prices higher, making Hawai'i's tourism industry less competitive. This increase will **hurt both businesses and employees**, as companies struggle to balance rising costs while paying fair wages.

**Enough is enough.** Small businesses are **not** an unlimited resource for funding government projects. If the state is serious about improving small boat harbors, it should **first ensure that existing funds—including those from the Ocean Stewardship Special Fund—are being managed properly before demanding more from struggling businesses.**

I respectfully urge the committee to **reject HB649** and consider alternative solutions that support local businesses rather than burden them.

**HB-649-HD-1**

Submitted on: 2/23/2025 10:31:31 AM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Monique L LeBlanc	Hula Girl Sailing	Oppose	Written Testimony Only

Comments:

My name is **Monique LeBlanc** and I am a 37 year resident of Maui County. I am submitting testimony on behalf of my friends operating in Kaanapali . I am in **strong opposition** to HB649.

As a small business, we are already contributing more than our fair share to support Hawai‘i’s marine resources and harbors. The tourism industry is still fragile—especially on Maui, where the wildfires have significantly impacted revenue. Yet, once again, agencies are **coming back to the well**, asking small businesses to shoulder additional costs without ensuring accountability or relief.

**Key Concerns with HB649:**

1. **Small Businesses Already Pay Their Fair Share:** We already pay harbor fees, permitting fees, and contribute to the newly implemented **Ocean Stewardship Special Fund**, which took effect in 2024. This new fund was specifically designed to provide long-term sustainability for Hawai‘i’s marine environment. Now, HB649 is proposing yet another fee increase—this is not fair or sustainable for small businesses.
2. **Lack of Accountability:** There is no clear framework ensuring that the increased fees will directly benefit commercial operators. Without transparency, these additional costs feel like a tax rather than an investment in our harbors. The state must first demonstrate that current funds are being efficiently allocated before imposing new financial burdens.
3. **No Consideration for Maui’s Recovery:** The fires on Maui devastated businesses and tourism, and recovery remains an uphill battle. Yet, instead of offering relief, HB649 seeks to impose even greater financial strain. The state should be **supporting** affected businesses, not making it harder for them to survive.
4. **A Counterproductive Revenue Model:** The current harbor fee structure is already based on a percentage of gross revenue, meaning the state benefits when commercial operators do well. Raising this percentage from 3% to 5% does not guarantee additional revenue—it only increases the financial pressure on businesses, making it harder for us to reinvest in our operations, employees, and community.
5. **Increased Costs Hurt Local Businesses and Workers:** Commercial operators cannot simply pass these added costs onto consumers. Inflation and rising expenses have already pushed prices higher, making Hawai‘i’s tourism industry less competitive. This increase will **hurt both businesses and employees**, as companies struggle to balance rising costs while paying fair wages.

**Enough is enough.** Small businesses are **not** an unlimited resource for funding government projects. If the state is serious about improving small boat harbors, it should **first ensure that existing funds—including those from the Ocean Stewardship Special Fund—are being managed properly before demanding more from struggling businesses.**

I respectfully urge the committee to **reject HB649** and consider alternative solutions that support local businesses rather than burden them.

Sincerely:

## TESTIMONY HB:649

### TESTIMONY OF STRONG OPPOSITION of HB 649 - Increases for Commercial Permit fees

#### Aloha Chair and Members of the Committee,

My name is **Philippe Le Blanc**, and I am a partner in Sea Maui LLC. I am submitting testimony in **strong opposition** to HB649.

As a small business owner, I can attest that we are already playing a significant role in supporting Hawai'i's marine resources and harbors. Our tourism sector, particularly on Maui, remains vulnerable—especially after the recent wildfires severely impacted revenue. Yet, agencies are once again asking us to absorb additional costs without proper accountability or relief.

#### Key Concerns Regarding HB649:

1. **Already Contributing Their Fair Share:**

We currently pay harbor and permitting fees and contribute to the Ocean Stewardship Special Fund—established in 2024 to ensure the long-term sustainability of Hawai'i's marine environment. Proposing another fee increase is neither fair nor sustainable for small businesses.

2. **Lack of Accountability:**

There is no transparent framework to guarantee that the extra fees will directly benefit commercial operators. Without clear accountability, these charges feel more like a tax than an investment. The state should first prove that existing funds are being managed effectively.

3. **Insufficient Consideration for Maui's Recovery:**

The devastation from the Maui wildfires continues to hamper local businesses and tourism. Rather than providing much-needed relief, HB649 would impose additional financial strain on those still struggling to recover.

4. **A Counterproductive Revenue Model:**

The current harbor fee is a percentage of gross revenue, meaning the state's earnings rise as businesses do well. Increasing this fee from 3% to 5% doesn't guarantee extra revenue—it only intensifies the financial pressure on businesses, making it more challenging to reinvest in operations, employees, and the community.

5. **Adverse Impact on Local Businesses and Workers:**

Commercial operators cannot simply pass these additional costs on to consumers. With inflation and rising expenses already pushing prices higher, this fee hike will further erode Hawai'i's tourism competitiveness and hurt both businesses and their employees.

Small businesses are not an unlimited resource for funding government projects. If the state is serious about enhancing small boat harbors, it must first ensure that existing funds—like those

from the Ocean Stewardship Special Fund—are managed responsibly before imposing new burdens on struggling businesses.

I respectfully urge the committee to reject HB649 and explore alternative solutions that support local businesses rather than encumber them further.

Sincerely,

Philippe Le Blanc  
Sea Maui  
(808) SEA-MAUI

## TESTIMONY HB:649

### TESTIMONY OF STRONG OPPOSITION of HB 649 - Increases for Commercial Permit fees

#### **Aloha Chair and Members of the Committee,**

As a partner at Fun Charters Inc., I'm deeply concerned by the proposed changes in HB649. Our industry is already contributing significantly to Hawai'i's marine resources and harbors, and now we're being asked to absorb even more costs despite the fragile state of our tourism sector—especially in the wake of the Maui wildfires that have hit our revenues hard.

#### **Primary Issues with HB649:**

**1. Existing Contributions:**

We already cover harbor and permitting fees and contribute to the Ocean Stewardship Special Fund, which was set up in 2024 to safeguard the long-term sustainability of Hawai'i's marine environment. Introducing another fee hike is neither equitable nor viable for small businesses like ours.

**2. Transparency and Accountability:**

There is currently no clear system to ensure that any additional fees directly benefit commercial operators. Without such accountability, these extra charges come off as a burdensome tax rather than a targeted investment in our infrastructure. Before imposing new fees, the state should demonstrate that existing funds are being managed effectively.

**3. Overlooking Maui's Recovery Needs:**

The impact of the wildfires on Maui has been devastating, leaving local businesses and the tourism sector in a precarious position. Rather than alleviating the pressure on those still recovering, HB649 would only add further financial strain at a critical time.

**4. Inefficient Revenue Model:**

Our current fee structure is tied to a percentage of gross revenue, meaning that the state's income rises in tandem with our business success. Raising this percentage from 3% to 5% isn't a guaranteed way to boost revenue; it merely intensifies the financial challenges we face, limiting our ability to reinvest in our operations and community.

**5. Negative Impact on Local Workforce and Competitiveness:**

Additional fees cannot simply be shifted onto consumers. With inflation and operational costs already high, this proposed increase will undermine our competitiveness and hurt both our business and the livelihoods of our employees.

Small businesses like ours are not an endless source of funding for government projects. If Hawai'i is truly committed to enhancing our small boat harbors, the state must first ensure that current funds—such as those from the Ocean Stewardship Special Fund—are being used wisely before further financial burdens are imposed on struggling enterprises.

I urge the committee to reject HB649 and to seek out alternative measures that support and strengthen our local maritime community rather than weaken it.

Sincerely,

Phil Le Blanc  
Partner, Fun Charters Inc.

(808) 344-5887

## TESTIMONY HB:649

### TESTIMONY OF STRONG OPPOSITION of HB 649 - Increases for Commercial Permit fees

#### **Aloha Chair and Members of the Committee,**

My name is **Jamie Sweet**, and I am a manager at Sea Maui LLC. I am submitting testimony in **strong opposition** to HB649.

As a manager at Sea Maui, I want to emphasize that small businesses like ours are already significantly contributing to Hawai'i's marine resources and harbors. Despite the ongoing fragility of the tourism industry—especially on Maui, where recent wildfires have severely impacted revenue—we're now being asked to shoulder additional costs without proper accountability or relief.

#### **Key Concerns Regarding HB649:**

- 1. We're Already Paying Our Fair Share:**  
We already pay harbor and permitting fees, in addition to contributing to the Ocean Stewardship Special Fund established in 2024 for long-term marine sustainability. An additional fee increase under HB649 places an unfair burden on small businesses.
- 2. Lack of Accountability:**  
There is no transparent framework to ensure that any extra fees directly benefit commercial operators. Without clear oversight, these costs feel more like an unjust tax than a strategic investment. The state must demonstrate efficient management of existing funds before imposing new financial obligations.
- 3. No Consideration for Maui's Recovery:**  
The devastating wildfires on Maui have left local businesses and tourism struggling. Instead of offering necessary relief, HB649 would only add further financial strain during a critical recovery period.
- 4. A Counterproductive Revenue Model:**  
The current harbor fee is based on a percentage of gross revenue, meaning the state benefits when businesses perform well. Raising this percentage from 3% to 5% doesn't guarantee additional revenue—it simply increases the financial pressure on businesses, hindering our ability to reinvest in our operations, employees, and community.
- 5. Increased Costs Harm Local Businesses and Workers:**  
Additional fees cannot simply be passed onto consumers. With inflation and rising operational expenses already challenging our competitiveness, this fee increase will further strain both businesses and employees, making it even harder to maintain fair wages and invest in our future.

Small businesses are not an endless resource for funding government projects. If the state is serious about improving small boat harbors, it must first ensure that existing funds—like those

from the Ocean Stewardship Special Fund—are managed responsibly before asking struggling businesses to take on even more burdens.

I respectfully urge the committee to reject HB649 and to consider alternative solutions that genuinely support local businesses.

Sincerely,

Jamie Sweet  
Manager, Sea Maui  
(808) SEA-MAUI

## TESTIMONY HB:649

### TESTIMONY OF STRONG OPPOSITION of HB 649 - Increases for Commercial Permit fees

#### Aloha Chair and Members of the Committee,

I am Gabe Miranda, General Manager of Sea Maui Surf, and I am writing to express my strong opposition to HB649. Our business—and others like ours—has long been a dedicated supporter of Hawai'i's marine resources and harbors. Yet now, despite our significant contributions, we face the prospect of further financial burdens at a time when our industry is still recovering, particularly after the devastating wildfires on Maui.

#### Major Concerns with HB649:

1. **Already Contributing Significantly:**

We currently pay harbor fees, permit charges, and contribute to the Ocean Stewardship Special Fund—established in 2024 to ensure the long-term health of Hawai'i's marine environment. Adding another fee hike is neither equitable nor sustainable.

2. **Insufficient Transparency and Accountability:**

There is no clear mechanism ensuring that any additional fees will benefit the commercial operators directly. Without strict oversight, these extra costs resemble a tax rather than a well-targeted investment in our marine infrastructure. The state should first prove that current funds are managed efficiently.

3. **Overlooking Maui's Ongoing Recovery:**

The wildfires on Maui have left many businesses and the local tourism sector struggling to bounce back. Instead of offering relief, HB649 imposes more financial strain during a critical recovery phase.

4. **A Revenue Model That May Backfire:**

Our existing harbor fee is tied to a percentage of gross revenue, aligning the state's earnings with our business success. Increasing this percentage from 3% to 5% does not guarantee additional revenue—it only escalates the financial pressure on operators, making it harder for us to reinvest in our operations and community.

5. **Negative Impact on Local Businesses and Employees:**

The additional costs cannot simply be shifted to consumers. With inflation and rising operational expenses already a major concern, this fee increase will further erode our competitiveness and undermine the livelihoods of our employees.

Small businesses like ours are not an inexhaustible source of funding for government initiatives. If the state is genuinely committed to improving our small boat harbors, it should first ensure that current funds—such as those from the Ocean Stewardship Special Fund—are effectively managed before demanding more from struggling enterprises.

I respectfully urge the committee to reject HB649 and consider alternative solutions that truly support our local marine community.

Sincerely,

Gabe Miranda  
General Manager, Sea Maui Surf

(808) SEA-MAUI ext 2

**HB-649-HD-1**

Submitted on: 2/23/2025 1:01:13 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sands Dyer	Sailing Shipp, LTD.	Oppose	Written Testimony Only

Comments:

My name is Sands Dyer and I am the owner of Sailing Shipp, LTd. DbA Gemini charters. I am submitting testimony in **strong opposition** to HB649.

As a small business, we are already contributing more than our fair share to support Hawai‘i’s marine resources and harbors. The tourism industry is still fragile—especially on Maui, where the wildfires have significantly impacted revenue. Yet, once again, agencies are **coming back to the well**, asking small businesses to shoulder additional costs without ensuring accountability or relief.

**Key Concerns with HB649:**

1. **Small Businesses Already Pay Their Fair Share:** We already pay harbor fees, permitting fees, and contribute to the newly implemented **Ocean Stewardship Special Fund**, which took effect in 2024. This new fund was specifically designed to provide long-term sustainability for Hawai‘i’s marine environment. Now, HB649 is proposing yet another fee increase—this is not fair or sustainable for small businesses.
2. **Lack of Accountability:** There is no clear framework ensuring that the increased fees will directly benefit commercial operators. Without transparency, these additional costs feel like a tax rather than an investment in our harbors. The state must first demonstrate that current funds are being efficiently allocated before imposing new financial burdens.
3. **No Consideration for Maui’s Recovery:** The fires on Maui devastated businesses and tourism, and recovery remains an uphill battle. Yet, instead of offering relief, HB649 seeks to impose even greater financial strain. The state should be **supporting** affected businesses, not making it harder for them to survive.
4. **A Counterproductive Revenue Model:** The current harbor fee structure is already based on a percentage of gross revenue, meaning the state benefits when commercial operators do well. Raising this percentage from 3% to 5% does not guarantee additional revenue—it only increases the financial pressure on businesses, making it harder for us to reinvest in our operations, employees, and community.
5. **Increased Costs Hurt Local Businesses and Workers:** Commercial operators cannot simply pass these added costs onto consumers. Inflation and rising expenses have already pushed prices higher, making Hawai‘i’s tourism industry less competitive. This increase will **hurt both businesses and employees**, as companies struggle to balance rising costs while paying fair wages.

**Enough is enough.** Small businesses are **not** an unlimited resource for funding government projects. If the state is serious about improving small boat harbors, it should **first ensure that existing funds—including those from the Ocean Stewardship Special Fund—are being managed properly before demanding more from struggling businesses.**

I respectfully urge the committee to **reject HB649** and consider alternative solutions that support local businesses rather than burden them.

Sincerely:

Sands Dyer



# MAUI

CHAMBER OF COMMERCE

**VOICE OF BUSINESS**

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE  
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308  
Monday, February 24, 2025 AT 2:00 P.M.**

To The Honorable Representative Kyle T. Yamashita, Chair  
The Honorable Representative Jenna Takenouchi, Vice Chair  
Members of the Committee on Finance

## **OPPOSE HB649 HD1 RELATING TO SMALL BOAT HARBORS**

The Maui Chamber of Commerce **OPPOSES HB649 HD1** which increases harbor fees for commercial vessels, and requires that revenue from the fee increase be used by the Department of Land and Natural Resources for improvements that primarily benefit commercial vessels that utilize state small boat harbors.

The Chamber notes that, particularly in Maui County, most commercial small boat operations are small, family-run businesses. While we understand the need for a special fund to support commercial vessel operations in small boat harbors, we believe that increasing mooring fees from 3% to 5% of gross revenue represents a 60% increase in costs. Such an increase would place a significant financial burden on businesses that are already highly regulated and struggling to remain viable.

We also urge that, if this measure passes, the percentage of revenue from moorage fees deposited into the fund be increased from 40% to at least 75%. It is only fair that, if a special fund is established to support commercial small boat operations, the funds should directly benefit these businesses rather than being absorbed into general administrative expenses.

For these reasons we **OPPOSE HB649 HD1** and respectfully ask that it be deferred.

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

## TESTIMONY HB:649

### TESTIMONY OF STRONG OPPOSITION of HB 649 - Increases for Commercial Permit fees

#### **Aloha Chair and Members of the Committee,**

I am Danna Reyes, Operations Manager at Sea Maui, and I am writing to express my deep concerns regarding HB649. Our company has long supported Hawai'i's marine resources and harbors, yet we are now being asked to bear additional financial burdens at a time when our industry is still recovering—especially following the recent wildfires on Maui.

#### **Primary Concerns with HB649:**

##### **• Current Contributions:**

We already pay harbor and permitting fees, and we contribute to the Ocean Stewardship Special Fund established in 2024 to safeguard Hawai'i's marine environment. Introducing another fee increase is neither fair nor sustainable.

##### **• Lack of Transparency:**

There is no established framework to ensure that extra fees will directly benefit the operators who are already contributing significantly. Without clear oversight, these additional charges feel more like an unjust tax than a targeted investment.

##### **• Ignoring Maui's Recovery Needs:**

The financial impact of the wildfires on Maui continues to affect local businesses and the tourism sector. Instead of providing necessary relief during this critical period, HB649 would only add further strain.

##### **• Potentially Counterproductive Revenue Model:**

The current fee structure, based on a percentage of gross revenue, aligns state earnings with business success. Increasing this percentage from 3% to 5% does not necessarily generate additional revenue—it simply escalates the financial pressure on businesses, limiting our ability to reinvest in our operations and community.

##### **• Adverse Effects on Local Workforce and Competitiveness:**

Rising costs cannot simply be passed on to consumers. With inflation and operational expenses already high, this proposed fee increase would undermine our competitiveness and negatively impact both our employees and our overall business health.

Our local businesses are not an endless reservoir for funding government projects. If Hawai'i is truly committed to improving our small boat harbors, the state must first demonstrate that existing funds—such as those from the Ocean Stewardship Special Fund—are managed effectively before imposing further financial burdens on struggling enterprises.

I respectfully urge the committee to reject HB649 and to explore alternative solutions that provide genuine support for our local marine community.

Sincerely,

Danna Reyes  
Operations Manager, Sea Maui

(808) SEA-MAUI ex 1



TESTIMONY OF TRIOLOGY EXCURSIONS IN OPPOSITION TO HB649 HD1

Aloha Chair Yamashita, Vice Chair Takenouchi, and Members of the Committee,

My name is Denver Coon and I am testifying on behalf of our family business, Trilogy Excursions. I am submitting testimony in opposition to HB649 HD1, which seeks to increase fees on commercial operators. While we recognize the need for investment in harbor infrastructure, we are opposed to a fee increase currently.

**Maui's Tourism Industry Is Down**

The economic reality on Maui must be considered before imposing additional financial burdens on businesses. Since the Lahaina Fire, visitor arrivals to Maui have dropped by more than 40%, and many local businesses—including those in the ocean tourism industry—are operating at significantly reduced capacity.

Increasing fees on commercial operators at this time only makes it harder for businesses to survive in an already challenging environment.

**Lahaina Harbor Must Be Reopened First**

For Maui's recovery to truly begin, Lahaina Harbor must be prioritized for reopening. Before increasing costs on commercial operators, the state should first focus on restoring critical harbor infrastructure that supports the industry and the local economy. Lahaina Harbor was a vital hub for ocean tourism, inter-island transportation, and local commerce, and its closure has made economic recovery even more difficult.

**Fee Increases Should Be Delayed Until Maui Recovers**

Once Lahaina Harbor is fully reopened and visitor numbers return to pre-fire levels, a fee increase may be more manageable for businesses. At that point, operators will be in a better financial position to contribute toward necessary infrastructure improvements without it becoming a burden.

**Conclusion**

While we support investment in harbor infrastructure, we urge the Legislature to prioritize the reopening of Lahaina Harbor and allow Maui's economy time to stabilize before considering fee increases.

Mahalo.

A handwritten signature in black ink, appearing to read "Denver S. Coon", written over a horizontal line.

Denver S. Coon  
Trilogy Excursions, Owner

**HB-649-HD-1**

Submitted on: 2/23/2025 1:58:05 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
George F. Garnes III	Sailing Shipps Ltd	Oppose	Written Testimony Only

Comments:

Aloha, My name is George Garnes and I am one of the co-owners of Geinin Charters. I STRONGLY OPPOSE this bill as the few of us tour operators that survived the Lahaina Fires are not making any revenue currently due to the down turn in tourism. In normal times, I would be all about helping fund the dlnr, but not this session.

Mahalo

George

## TESTIMONY HB:649

### TESTIMONY OF STRONG OPPOSITION of HB 649 - Increases for Commercial Permit fees

#### Aloha Chair and Members of the Committee,

My name is Ivy Vinayaga, and I am a member in Café Jai, LLC. I am submitting testimony in **strong opposition** to HB649.

As a small business owner, I can attest that we are already weighing down visitors with high costs, fees and taxes. They already contribute in so many ways and I don't want us to start losing our visitors that are just coming back from the fires by burdening them with more excessive fees and taxes.

#### Key Concerns Regarding HB649:

1. **Already Contributing Their Fair Share:**

We currently pay harbor and permitting fees and contribute to the Ocean Stewardship Special Fund—established in 2024 to ensure the long-term sustainability of Hawai'i's marine environment. Proposing another fee increase is neither fair nor sustainable for small businesses.

2. **Lack of Accountability:**

There is no transparent framework to guarantee that the extra fees will directly benefit commercial operators. Without clear accountability, these charges feel more like a tax than an investment. The state should first prove that existing funds are being managed effectively.

3. **Insufficient Consideration for Maui's Recovery:**

The devastation from the Maui wildfires continues to hamper local businesses and tourism. Rather than providing much-needed relief, HB649 would impose additional financial strain on those still struggling to recover.

4. **A Counterproductive Revenue Model:**

The current harbor fee is a percentage of gross revenue, meaning the state's earnings rise as businesses do well. Increasing this fee from 3% to 5% doesn't guarantee extra revenue—it only intensifies the financial pressure on businesses, making it more challenging to reinvest in operations, employees, and the community.

5. **Adverse Impact on Local Businesses and Workers:**

Commercial operators cannot simply pass these additional costs on to consumers. With inflation and rising expenses already pushing prices higher, this fee hike will further erode Hawai'i's tourism competitiveness and hurt both businesses and their employees.

Small businesses are not an unlimited resource for funding government projects. If the state is serious about enhancing small boat harbors, it must first ensure that existing funds—like those from the Ocean Stewardship Special Fund—are managed responsibly before imposing new burdens on struggling businesses.

I respectfully urge the committee to reject HB649 and explore alternative solutions that support local businesses rather than encumber them further.

Sincerely,

Ivy Vinayaga  
Cafe Jai, LLC  
808 9377286

**HB-649-HD-1**

Submitted on: 2/23/2025 3:54:19 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kevin Ford	Maui Classic Charters	Oppose	Written Testimony Only

Comments:

My name is Kevin Ford and I am with Maui Classic Charters. I am submitting testimony in opposition of HB649.

For years small businesses in the commercial boating industry have been paying 3% of all gross earnings to maintain our harbors and for years there have been very little improvements that have been made.

Just recently we were hit with the Ocean Stewardship Fee, which is a significant amount of money to the state and now this bill arises trying to raise our gross payments by another 2%? For many of us still struggling from the impact of the wildfires last year 2% can be detrimental to our companies especially to our employees.

I urge the committee to reject this bill.

## **Testimony in Strong Opposition to HB649 – Relating to Small Boat Harbors**

Aloha Chair and Members of the Committee,

I am submitting this testimony in strong opposition to HB649.

The proposed fee increases for commercial operators could not come at a worse time, particularly for those in Maui who are still grappling with major revenue losses following the recent wildfires. Many businesses are already operating on thin margins, and raising fees without ensuring timely harbor improvements places an unsustainable burden on operators.

While maintaining and improving small boat harbors is important, this bill fails to address key concerns:

1. **Accountability** – There are no clear assurances that the additional revenue from increased fees will be used effectively or that improvements will directly benefit the businesses paying these higher costs.
2. **No Consideration for Maui Operators** – Instead of imposing higher fees, the state should be focusing on providing aid to restore Lahaina’s boating infrastructure for both the Harbor and Ka’anapali permits to further increase the fees collected by the state.
3. **Revenue Growth Already Exists** – The current percentage-based fee structure means that as commercial operators succeed, the state inherently benefits. Increasing the fee from 3% to 5% does not guarantee more revenue. More specifically if Chapter 343 is applied and operators are forced to shut down, there will be no gross receipts to apply the percentage fee.
4. **Impact on Business Viability and Employees** – Commercial operators cannot simply absorb or pass on these costs to customers. Within the last few years we have passed on the county surcharge and the cost of inflation to customers. In addition the boating industry has experienced significant increases in insurance premiums. Higher fees pose a concern for the viability of businesses that are already burdened with the high cost to operate well maintained vessels and retain highly skilled personnel. These costs are vital to safely operate and comply to the various regulatory authorities in the State of Hawaii.

For these reasons, I urge the committee to reject HB649 and consider alternative measures that support local businesses rather than imposing additional financial hardships.

Mahalo for your time and consideration.

Sincerely,  
Alexis Akeo

**HB-649-HD-1**

Submitted on: 2/21/2025 3:38:00 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Blake Moore	Individual	Oppose	Written Testimony Only

Comments:

**Aloha Chair and Members of the Committee,**

I am submitting testimony in **strong opposition** to **HB649** due to its detrimental impact on commercial operators, particularly in **Maui**, where businesses are still recovering from significant revenue losses following the recent wildfires. Increasing fees at this time, without guaranteeing timely harbor improvements, places an **unreasonable burden** on already struggling operators.

While maintaining and improving small boat harbors is important, this bill **fails to address critical concerns**:

1. **Lack of Accountability** – There are no clear assurances that increased revenue from higher fees will be used effectively or that improvements will directly benefit the businesses funding them.
2. **Disregard for Maui Operators** – Instead of raising fees, the state should focus on restoring **Lahaina’s boating infrastructure**, including **Ka‘anapali permits**, to enhance revenue collection sustainably.
3. **Revenue Growth Already Exists** – The percentage-based fee structure means the state benefits as businesses succeed. Raising the fee from **3% to 5%** does not guarantee more revenue, especially if **Chapter 343** forces operators to shut down, eliminating gross receipts entirely.
4. **Threat to Business Viability & Employment** – Commercial operators cannot continue absorbing costs. Businesses have **already passed on county surcharges and inflation-related increases** to customers while facing skyrocketing **insurance premiums**. Additional fees jeopardize the ability to **maintain vessels, retain skilled staff, and operate safely** in compliance with regulatory authorities.

For these reasons, I urge the committee to **reject HB649** and consider **alternative solutions** that support local businesses rather than imposing further financial hardships.

**Mahalo for your time and consideration.**

**HB-649-HD-1**

Submitted on: 2/21/2025 4:38:54 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Peter o riordan	Individual	Oppose	Written Testimony Only

Comments:

My name is Peter O Riordan and I am the owner of **Sea Maui LLC** I am submitting testimony in **strong opposition** to HB649.

As a small business, we are already contributing more than our fair share to support Hawai‘i’s marine resources and harbors. The tourism industry is still fragile—especially on Maui, where the wildfires have significantly impacted revenue. Yet, once again, agencies are **coming back to the well**, asking small businesses to shoulder additional costs without ensuring accountability or relief.

I am also a Lahaina fire survivor that has lost everything, my pets , my house , my belongings, my children lost their home , their grandmother lost her home. This is all I have left and it's very insensitive and short sighted to propose this on people like me (which is a huge amount of operators here).

**Key Concerns with HB649:**

1. **Small Businesses Already Pay Their Fair Share:** We already pay harbor fees, permitting fees, and contribute to the newly implemented **Ocean Stewardship Special Fund**, which took effect in 2024. This new fund was specifically designed to provide long-term sustainability for Hawai‘i’s marine environment. Now, HB649 is proposing yet another fee increase—this is not fair or sustainable for small businesses.
2. **Lack of Accountability:** There is no clear framework ensuring that the increased fees will directly benefit commercial operators. Without transparency, these additional costs feel like a tax rather than an investment in our harbors. The state must first demonstrate that current funds are being efficiently allocated before imposing new financial burdens.
3. **No Consideration for Maui’s Recovery:** The fires on Maui devastated businesses and tourism, and recovery remains an uphill battle. Yet, instead of offering relief, HB649 seeks to impose even greater financial strain. The state should be **supporting** affected businesses, not making it harder for them to survive.
4. **A Counterproductive Revenue Model:** The current harbor fee structure is already based on a percentage of gross revenue, meaning the state benefits when commercial operators do well. Raising this percentage from 3% to 5% does not guarantee additional revenue—it only increases the financial pressure on businesses, making it harder for us to reinvest in our operations, employees, and community.

5. **Increased Costs Hurt Local Businesses and Workers:** Commercial operators cannot simply pass these added costs onto consumers. Inflation and rising expenses have already pushed prices higher, making Hawai'i's tourism industry less competitive. This increase will **hurt both businesses and employees**, as companies struggle to balance rising costs while paying fair wages.

**Enough is enough.** Small businesses are **not** an unlimited resource for funding government projects. If the state is serious about improving small boat harbors, it should **first ensure that existing funds—including those from the Ocean Stewardship Special Fund—are being managed properly before demanding more from struggling businesses.**

I respectfully urge the committee to **reject HB649** and consider alternative solutions that support local businesses rather than burden them.

Sincerely:

Peter O'Riordan

**HB-649-HD-1**

Submitted on: 2/22/2025 9:43:59 AM

Testimony for FIN on 2/24/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Byron Kay	Individual	Oppose	Written Testimony Only

Comments:

This fee increase will put even more strain on an already stressed and stretched tourism economy. This power grab to milk even more money from the tourism industry will lead to even higher prices. The more you tax the less you're going to get. If you want to kill the tourism industry this is a great bill. Hawaii has little to offer the world other than it's natural beauty. Tourism is by far it's largest export. If you want to shrink the economy and put more people out of work then this bill is a GREAT IDEA.

**HB-649-HD-1**

Submitted on: 2/22/2025 1:41:08 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Shari Sicsko	Individual	Oppose	Written Testimony Only

Comments:

This is Shari Sicsko. I am strongly opposing HB649. Tourism in the state of Hawaii is already strained. We're still recovering from the damage COVID did to our economy here in Hawaii. This is another potential hit to small business just trying to survive. Small businesses can't just simply raise prices to make up for these increases. This is going to price people out of coming here. This is not the solution.

**HB-649-HD-1**

Submitted on: 2/22/2025 1:55:45 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Faith Elizabeth Hale	Individual	Oppose	Written Testimony Only

Comments:

My name is **Faith Elizabeth Hale**, and I am a crew member at Kona Snorkel Trips. I am submitting testimony in **strong opposition** to HB649.

As a small business, we are already contributing more than our fair share to support Hawai'i's marine resources and harbors. The tourism industry is still fragile—especially on Maui, where the wildfires have significantly impacted revenue. Yet, once again, agencies are **coming back to the well**, asking small businesses to shoulder additional costs without ensuring accountability or relief.

## **HB-649-HD-1**

Submitted on: 2/23/2025 10:25:17 AM

Testimony for FIN on 2/24/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Toni Colombo	Individual	Oppose	Written Testimony Only

Comments:

My name is **Toni** and I am staff member of **Hawaii Ocean Rafting**. I am submitting testimony in **strong opposition** to HB649.

As a small business, we are already contributing more than our fair share to support Hawai‘i’s marine resources and harbors. The tourism industry is still fragile—especially on Maui, where the wildfires have significantly impacted revenue. Yet, once again, agencies are **coming back to the well**, asking small businesses to shoulder additional costs without ensuring accountability or relief.

### **Key Concerns with HB649:**

1. **Small Businesses Already Pay Their Fair Share:** We already pay harbor fees, permitting fees, and contribute to the newly implemented **Ocean Stewardship Special Fund**, which took effect in 2024. This new fund was specifically designed to provide long-term sustainability for Hawai‘i’s marine environment. Now, HB649 is proposing yet another fee increase—this is not fair or sustainable for small businesses.
2. **Lack of Accountability:** There is no clear framework ensuring that the increased fees will directly benefit commercial operators. Without transparency, these additional costs feel like a tax rather than an investment in our harbors. The state must first demonstrate that current funds are being efficiently allocated before imposing new financial burdens.
3. **No Consideration for Maui’s Recovery:** The fires on Maui devastated businesses and tourism, and recovery remains an uphill battle. Yet, instead of offering relief, HB649 seeks to impose even greater financial strain. The state should be **supporting** affected businesses, not making it harder for them to survive.
4. **A Counterproductive Revenue Model:** The current harbor fee structure is already based on a percentage of gross revenue, meaning the state benefits when commercial operators do well. Raising this percentage from 3% to 5% does not guarantee additional revenue—it only increases the financial pressure on businesses, making it harder for us to reinvest in our operations, employees, and community.
5. **Increased Costs Hurt Local Businesses and Workers:** Commercial operators cannot simply pass these added costs onto consumers. Inflation and rising expenses have already pushed prices higher, making Hawai‘i’s tourism industry less competitive. This increase will **hurt both businesses and employees**, as companies struggle to balance rising costs while paying fair wages.

**Enough is enough.** Small businesses are **not** an unlimited resource for funding government projects. If the state is serious about improving small boat harbors, it should **first ensure that existing funds—including those from the Ocean Stewardship Special Fund—are being managed properly before demanding more from struggling businesses.**

I respectfully urge the committee to **reject HB649** and consider alternative solutions that support local businesses rather than burden them.

Sincerely:

Toni

**HB-649-HD-1**

Submitted on: 2/23/2025 10:36:45 AM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kate Gilligan	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

My name is Kate Gillian and I **strongly oppose HB649**.

I support small businesses, and work in the boating community. We are trying to recover and rebuild since the Lahaina fire and this bill makes it extremely difficult to move forward.

Please oppose HB649.

Thank you for your time, -Kate

**HB-649-HD-1**

Submitted on: 2/23/2025 10:41:31 AM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Peter Colombo	Individual	Oppose	Written Testimony Only

Comments: My name is Peter Colombo and I am the owner of Hawaii Ocean Rafting. I am submitting testimony in strong opposition to HB649. As a small business, we are already contributing more than our fair share to support Hawai‘i’s marine resources and harbors. The tourism industry is still fragile—especially on Maui, where the wildfires have significantly impacted revenue. Yet, once again, agencies are coming back to the well, asking small businesses to shoulder additional costs without ensuring accountability or relief. Key Concerns with HB649: Small Businesses Already Pay Their Fair Share: We already pay harbor fees, permitting fees, and contribute to the newly implemented Ocean Stewardship Special Fund, which took effect in 2024. This new fund was specifically designed to provide long-term sustainability for Hawai‘i’s marine environment. Now, HB649 is proposing yet another fee increase—this is not fair or sustainable for small businesses. Lack of Accountability: There is no clear framework ensuring that the increased fees will directly benefit commercial operators. Without transparency, these additional costs feel like a tax rather than an investment in our harbors. The state must first demonstrate that current funds are being efficiently allocated before imposing new financial burdens. No Consideration for Maui’s Recovery: The fires on Maui devastated businesses and tourism, and recovery remains an uphill battle. Yet, instead of offering relief, HB649 seeks to impose even greater financial strain. The state should be supporting affected businesses, not making it harder for them to survive. A Counterproductive Revenue Model: The current harbor fee structure is already based on a percentage of gross revenue, meaning the state benefits when commercial operators do well. Raising this percentage from 3% to 5% does not guarantee additional revenue—it only increases the financial pressure on businesses, making it harder for us to reinvest in our operations, employees, and community. Increased Costs Hurt Local Businesses and Workers: Commercial operators cannot simply pass these added costs onto consumers. Inflation and rising expenses have already pushed prices higher, making Hawai‘i’s tourism industry less competitive. This increase will hurt both businesses and employees, as companies struggle to balance rising costs while paying fair wages. Enough is enough. Small businesses are not an unlimited resource for funding government projects. If the state is serious about improving small boat harbors, it should first ensure that existing funds—including those from the Ocean Stewardship Special Fund—are being managed properly before demanding more from struggling businesses. I respectfully urge the committee to reject HB649 and consider alternative solutions that support local businesses rather than burden them. Sincerely: Peter Colombo

**HB-649-HD-1**

Submitted on: 2/23/2025 11:06:52 AM

Testimony for FIN on 2/24/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kayla Bush	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

Thank you for allowing me to testify in OPPOSITION of HB649. I live on Maui and work for a Maui charter boat. We have faced many difficulties since the Lahaina fire. Please vote to oppose HB649, this is not the time to make our small local businesses struggle even more.

Thank you for your time, Kayla Bush

**HB-649-HD-1**

Submitted on: 2/23/2025 11:29:44 AM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Drew Hopfauf	Individual	Oppose	Written Testimony Only

Comments:

Aloha,

I appreciate the opportunity to testify in OPPOSITION to HB649. As a Maui resident working for a local charter boat, I have witnessed firsthand the challenges our community has faced since the Lahaina fire. Passing HB649 would only add to the hardships of small local businesses during this difficult time. **I urge you to vote against it.**

Mahalo for your time and consideration.

Drew Hopfauf

**HB-649-HD-1**

Submitted on: 2/23/2025 11:49:46 AM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
G. R. Karpowitz	Individual	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair and Members,

Thank you for the chance to testify in **opposition** to HB649.

As a Maui resident, I felt the need to send in my testimony on this subject.

This bill would make things even harder for us at a time when we're just trying to recover from the Lahaina fire. Small businesses are the heart of our community, and we need support—not more obstacles. Please vote **against HB649** and help us keep moving forward.

**Mahalo for your time and consideration.**

**Rich Karpowitz**

**Lahaina, Maui resident**

**HB-649-HD-1**

Submitted on: 2/23/2025 12:23:38 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Michelle Fallon	Individual	Oppose	Written Testimony Only

Comments:

My name is Michelle Fallon and I am the owner of Eison Enterprises Inc. I am submitting testimony in **strong opposition** to HB649.

As a small business myself and having worked on the boats for over ten years, it is my belief that the boats are already contributing more than their fair share to support Hawai'i's marine resources and harbors. The tourism industry is still fragile—especially on Maui, where the wildfires have significantly impacted revenue. Yet, once again, agencies are **coming back to the well**, asking small businesses to shoulder additional costs without ensuring accountability or relief. Please do not pass HB649 as this will only continue to hurt small business, further potentially putting them out of business.

Thank you for your time.

Michelle Fallon

## TESTIMONY HB:649

### TESTIMONY OF STRONG OPPOSITION of HB 649 - Increases for Commercial Permit fees

#### Aloha Chair and Members of the Committee,

I am Phil Quinn, Fleet Master of Sea Maui, and I am writing to express my strong opposition to HB649. Over the years, I have witnessed firsthand the vital role small maritime businesses play in sustaining Hawai'i's marine resources and harbors. At a time when our industry is still recovering from the recent wildfires on Maui, the proposal to increase fees places an undue burden on us.

#### Key Issues with HB649:

- 1. Substantial Existing Contributions:**  
Our business already pays harbor fees, permits, and contributes to the Ocean Stewardship Special Fund—created in 2024 to protect Hawai'i's marine environment. An additional fee hike is neither equitable nor sustainable.
- 2. Lack of Accountability:**  
There is no clear system in place to ensure that any extra fees directly benefit the operators who support our harbors. Without proper oversight, these added charges resemble an extra tax rather than a strategic investment.
- 3. Disregard for Maui's Recovery:**  
The financial hardships following the Maui wildfires continue to affect our community. Instead of providing necessary support during this critical recovery period, HB649 would further strain an already fragile industry.
- 4. Inefficient Revenue Model:**  
Currently, harbor fees are calculated as a percentage of gross revenue, linking state earnings to our success. Increasing this rate from 3% to 5% does not necessarily generate additional revenue; rather, it intensifies the financial pressure on our operations, hindering our ability to reinvest in our fleet and services.
- 5. Negative Impact on Our Workforce and Local Economy:**  
With rising operational costs, any additional fees cannot simply be passed on to our customers without consequences. This increase would further erode our competitiveness and could jeopardize the livelihoods of our crew and the broader local economy.

Small businesses are not an unlimited resource for funding government projects. If Hawai'i is genuinely committed to improving small boat harbors, it should first demonstrate that existing funds—such as those from the Ocean Stewardship Special Fund—are managed effectively before imposing new financial burdens.

I respectfully urge the committee to reject HB649 and consider alternative measures that truly support and strengthen our marine community.

Sincerely,

Phil Quinn  
Fleet Master, Sea Maui

**HB-649-HD-1**

Submitted on: 2/23/2025 1:09:52 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kerri Smith	Individual	Oppose	Written Testimony Only

Comments:

Aloha Committee Members;

I appreciate the chance to share my **STRONG OPPOSITION** to **HB649**. I live on Maui, and like so many small businesses here, we're still trying to recover from the Lahaina fire.

This bill would just make things even tougher for my community at the worst possible time. Small businesses are the heart of our community, and we need support, not more challenges. Please vote **against HB649** and help us get back on our feet.

Mahalo for your time, Kerri Smith

**HB-649-HD-1**

Submitted on: 2/23/2025 1:10:54 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Morgan Kraver	Individual	Oppose	Written Testimony Only

Comments:

My name is **Morgan Kraver**. I am submitting testimony in **strong opposition** to HB649.

As a small business manager working for Salty Dog Sailing, we are already contributing more than our fair share to support Hawai‘i’s marine resources and harbors. The tourism industry is still fragile—especially on Maui, where the wildfires have significantly impacted revenue. Yet, once again, agencies are **coming back to the well**, asking small businesses to shoulder additional costs without ensuring accountability or relief.

**Key Concerns with HB649:**

- 1. Small Businesses Already Pay Their Fair Share:** We already pay harbor fees, permitting fees, and contribute to the newly implemented **Ocean Stewardship Special Fund**, which took effect in 2024. This new fund was specifically designed to provide long-term sustainability for Hawai‘i’s marine environment. Now, HB649 is proposing yet another fee increase—this is not fair or sustainable for small businesses, especially since the majority of our small businesses operating out of Ka'anapali Beach, and the workers they employ, were victims of the Lahaina Fires.
- 2. Lack of Accountability:** There is no clear framework ensuring that the increased fees will directly benefit commercial operators. Without transparency, these additional costs feel like a tax rather than an investment in our harbors. The state must first demonstrate that current funds are being efficiently allocated before imposing new financial burdens.
- 3. No Consideration for Maui’s Recovery:** The fires on Maui devastated businesses and tourism, and recovery remains an uphill battle. Yet, instead of offering relief, HB649 seeks to impose even greater financial strain. The state should be **supporting** affected businesses, not making it harder for them to survive.
- 4. A Counterproductive Revenue Model:** The current harbor fee structure is already based on a percentage of gross revenue, meaning the state benefits when commercial operators do well. Raising this percentage from 3% to 5% does not guarantee additional revenue—it only increases the financial pressure on businesses, making it harder for us to reinvest in our operations, employees, and community.
- 5. Increased Costs Hurt Local Businesses and Workers:** Commercial operators cannot simply pass these added costs onto consumers. Inflation and rising expenses have already pushed prices higher, making Hawai‘i’s tourism industry less competitive. This increase will **hurt both businesses and employees**, as companies struggle to balance rising costs while paying fair wages.

**Enough is enough.** Small businesses are **not** an unlimited resource for funding government projects. If the state is serious about improving small boat harbors, it should **first ensure that existing funds—including those from the Ocean Stewardship Special Fund—are being managed properly before demanding more from struggling businesses.**

I respectfully urge the committee to **reject HB649** and consider alternative solutions that support local businesses rather than burden them.

Sincerely:  
Morgan Kraver

## TESTIMONY HB:649

### TESTIMONY OF STRONG OPPOSITION of HB 649 - Increases for Commercial Permit fees

#### Aloha Chair and Members of the Committee,

I am Kayle Fancher, Business Manager of Sea Maui, and I am writing to express my concerns regarding HB649. Our company has consistently supported Hawai'i's marine resources and harbors, yet we now face the prospect of additional financial burdens at a time when our industry is still recovering.

#### Key Issues with HB649:

1. **Existing Financial Commitments:**

Our business already contributes through harbor fees, permit charges, and payments to the Ocean Stewardship Special Fund established in 2024. An additional fee increase is not only inequitable but also unsustainable for our operations.

2. **Transparency and Accountability Concerns:**

There is a noticeable absence of a clear mechanism to ensure that any extra fees will directly benefit those contributing to our harbors. Without proper oversight, these added costs feel like an unwarranted tax rather than an investment in our shared infrastructure.

3. **Impact on Maui's Recovery:**

The recent wildfires on Maui have had a severe impact on our community and tourism sector. Imposing further fees during this critical recovery phase only exacerbates the challenges faced by local businesses.

4. **Questionable Revenue Strategy:**

With the current harbor fee structured as a percentage of gross revenue, an increase from 3% to 5% does not necessarily translate into proportional gains. Instead, it intensifies financial pressure on businesses, limiting our ability to reinvest in growth and community support.

5. **Adverse Effects on Local Competitiveness:**

Additional costs cannot simply be passed on to consumers. With inflation and rising operational expenses, this fee hike would diminish our competitive edge and place further strain on our workforce.

Our local businesses are not an endless source of funding for government projects. If Hawai'i is genuinely committed to enhancing its small boat harbors, it should first demonstrate that current funds—such as those from the Ocean Stewardship Special Fund—are managed effectively before imposing new financial burdens.

I respectfully urge the committee to reject HB649 and to consider alternative solutions that truly support our local maritime community.

Sincerely,

Kayle Fancher  
Business Manager, Sea Maui

**HB-649-HD-1**

Submitted on: 2/23/2025 1:15:15 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Anita Sweet	Individual	Oppose	Written Testimony Only

Comments:

**Aloha Chair, Vice-Chair and Members of the Committee,**

Thank you for the opportunity to testify in **OPPOSITION** to HB649. I am a resident of Maui for 19 years and work as a manager for a local charter boat company based off of Ka'anapali Beach, and I have seen firsthand the immense challenges our community has faced in the wake of the Lahaina fire. The devastating impact of the fire has already placed an enormous strain on small businesses, including those in the maritime and tourism industries, which are vital to our local economy.

HB649 would further burden small businesses like ours, making it even more difficult to recover and sustain our operations. Many of us are already struggling with financial losses, operational setbacks, and the ongoing effort to rebuild and support our employees. Now is not the time to introduce legislation that could add further obstacles to our recovery.

I urge you to **oppose HB649** and stand with Maui's small businesses as we work to rebuild and restore our livelihoods.

**Mahalo for your time and consideration.**

Anita Sweet



## TESTIMONY Regarding HB649

### TESTIMONY Firmly against HB659 – Concerning Small Boat Harbors

Honorable Chair and Committee Members:

I, Michael T. Kelley fully and completely am against and oppose **HB649**.

As I read HB649 the direction is nearly double the fees for commercial operators. This increase, or any increase, while many, all operators on Maui have suffered and continue to suffer from the obliteration of Lahaina and Lahaina Harbor is simply unreasonable. West Maui operators have been the hardest hit, in fact harder than ever before in their businesses. Even operators at a seemingly less impacted harbor such as Ma'alaea are feeling the ongoing drop in hotel occupancy and tourism to Maui. Taking these hardships and now a submittal to raise from 3% to 5% the proposed fee just magnifies the hardship. Even passing through new fees to clients is a mistake in a time when occupancies on hotels and therefore boating and ocean activities have dropped drastically. Additionally, each ocean operator agreed to and has begun paying a new fee of \$1.00 per passenger on top of the 3% that goes to State Agencies. Operators in West Maui have no harbor, have no source of water and until just recently have no source of fuel. Ka'anapali operators still have no access to any services and struggle through thin margins and occupancy challenges.

Of course, Harbor rebuild, and maintenance is critical however this fee increase related to HB649 does not:

- a) Recognize Maui's Ocean recreation community and the hardships that have and continue to occur. In fact, it builds on those hardships.
- b) Provide for any benefit guidelines for end users other than the proposal to nearly double fees from 3% to 5% while not increasing services rather decreasing as currently none or very little exists
- c) Consider that rather than increasing fees the State could offer some form of aid, reduction or assistance with lower fees. Individuals and some families through FEMA and Red Cross have been allowed and given supplemental living arrangements while businesses of all types are left to fend for themselves with no tangible assistance towards recovery
- d) Costs for everything necessary to operate a business have skyrocketed. Wages and items such as fuel, maintenance, marketing, catering as well as game changing new costs such as insurance have never been higher. In fact, insurance which is difficult and only getting harder to obtain may by itself force otherwise profitable and competent businesses to close. Adding a new increase in fees only puts us at further disadvantage and chases away more potential customers when we're fighting for every single one, we can attract.

Please consider supporting one of the backbones of our community and society which is small business and those that endeavor to provide services and make a living. I'm asking you to vote NO on HB649 and rather look for ways to aid small business out of desperate times rather than compounding them.

*Thank you for your help!*

Sincerely,

Michael T. Kelley



## TESTIMONY HB:649

### TESTIMONY OF STRONG OPPOSITION of HB 649 - Increases for Commercial Permit fees

#### **Aloha Chair and Members of the Committee,**

I am Capt. James Nelson, Vessel Master of Sea Maui II, and I am writing to voice my concerns about HB649. Our business has long played an essential role in supporting Hawai'i's marine resources and harbors. Now, at a time when our industry is still recovering—especially following the recent wildfires on Maui—we are being asked to shoulder even more financial burdens.

#### **Main Concerns with HB649:**

##### **• Current Contributions Already Substantial:**

We are already responsible for harbor fees, permit costs, and our share in the Ocean Stewardship Special Fund established in 2024 to secure the long-term health of Hawai'i's marine environment. Introducing another fee increase is both inequitable and unsustainable.

##### **• Lack of Clear Accountability:**

There isn't a transparent system in place to ensure that the additional fees directly benefit those of us operating in the maritime sector. Without rigorous oversight, these extra charges come off as an unnecessary levy rather than a strategic investment in our harbors.

##### **• Overlooking the Recovery Needs of Maui:**

The aftermath of the wildfires on Maui continues to challenge local businesses and the tourism industry. Instead of providing support during this crucial recovery period, HB649 would only add further financial strain.

##### **• Questionable Revenue Approach:**

The current fee model, which is based on a percentage of gross revenue, ties state earnings to our success. Increasing this rate from 3% to 5% doesn't guarantee additional revenue—it simply amplifies the financial pressures on operators, limiting our ability to reinvest in our vessels and community.

##### **• Negative Impact on Local Workforce and Competitiveness:**

Given the rising operational costs, it isn't feasible to pass these fees directly to customers without repercussions. This proposed fee hike could erode our competitive edge and further endanger the livelihoods of those who depend on our industry.

Our local maritime businesses are not an unlimited funding source for government projects. If Hawai'i is truly committed to improving small boat harbors, the state must first demonstrate that current resources—like those managed under the Ocean Stewardship Special Fund—are being used effectively before imposing new financial burdens.

I respectfully urge the committee to reject HB649 and to explore alternative solutions that support and strengthen our marine community.

Sincerely,

Capt. James Nelson  
Vessel Master, Sea Maui II

## TESTIMONY HB:649

### TESTIMONY OF STRONG OPPOSITION of HB 649 - Increases for Commercial Permit fees

#### **Aloha Chair and Members of the Committee,**

I am Capt. Linda of Sea Maui, and I am writing to express my strong concerns regarding HB649. As someone who has spent many years navigating Hawai'i's waters, I have witnessed firsthand how small maritime businesses support our state's marine resources and harbors. At a time when our industry is still recovering—particularly after the recent wildfires—we cannot shoulder additional financial burdens.

#### **Key Concerns with HB649:**

##### **• Existing Financial Contributions:**

We already pay harbor fees, permit charges, and contribute to the Ocean Stewardship Special Fund established in 2024 to protect Hawai'i's marine environment. Adding another fee increase is both unfair and unsustainable for our operations.

##### **• Lack of Transparency:**

There is no clear mechanism to ensure that any extra fees will directly benefit those operating in our industry. Without proper oversight, these added charges resemble an extra tax rather than a meaningful investment in our infrastructure.

##### **• Insufficient Support for Maui's Recovery:**

The recent wildfires have left a lasting impact on our local community and the tourism sector. Instead of offering relief during this critical recovery period, HB649 would only compound the financial strain on businesses like ours.

##### **• An Impractical Revenue Model:**

Our current fee structure ties charges to a percentage of gross revenue, meaning that as we succeed, the state benefits. However, increasing this percentage from 3% to 5% does not guarantee proportional gains and only intensifies the financial pressures on our operations.

##### **• Negative Impact on Local Competitiveness:**

With rising operational costs, the burden of extra fees cannot simply be passed on to consumers. This fee hike risks undermining our competitiveness and jeopardizing the livelihoods of those who depend on our maritime services.

Our local businesses are not an unlimited source for government funding. If Hawai'i is truly committed to enhancing small boat harbors, the state must first demonstrate that existing funds—such as those from the Ocean Stewardship Special Fund—are managed effectively before imposing new financial obligations.

I respectfully urge the committee to reject HB649 and to consider alternative measures that genuinely support and strengthen our marine community.

Sincerely,

Capt. Linda  
Sea Maui

**HB-649-HD-1**

Submitted on: 2/23/2025 1:51:03 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tamara Fondovila	Individual	Oppose	Written Testimony Only

Comments:

My name is Tamara Fondovila and I am crew of **Hula Girl**. I am submitting testimony in **strong opposition** to HB649.

As a small business, we are already contributing more than our fair share to support Hawai‘i’s marine resources and harbors. The tourism industry is still fragile—especially on Maui, where the wildfires have significantly impacted revenue. Yet, once again, agencies are **coming back to the well**, asking small businesses to shoulder additional costs without ensuring accountability or relief.

**Key Concerns with HB649:**

1. **Small Businesses Already Pay Their Fair Share:** We already pay harbor fees, permitting fees, and contribute to the newly implemented **Ocean Stewardship Special Fund**, which took effect in 2024. This new fund was specifically designed to provide long-term sustainability for Hawai‘i’s marine environment. Now, HB649 is proposing yet another fee increase—this is not fair or sustainable for small businesses.
2. **Lack of Accountability:** There is no clear framework ensuring that the increased fees will directly benefit commercial operators. Without transparency, these additional costs feel like a tax rather than an investment in our harbors. The state must first demonstrate that current funds are being efficiently allocated before imposing new financial burdens.
3. **No Consideration for Maui’s Recovery:** The fires on Maui devastated businesses and tourism, and recovery remains an uphill battle. Yet, instead of offering relief, HB649 seeks to impose even greater financial strain. The state should be **supporting** affected businesses, not making it harder for them to survive.
4. **A Counterproductive Revenue Model:** The current harbor fee structure is already based on a percentage of gross revenue, meaning the state benefits when commercial operators do well. Raising this percentage from 3% to 5% does not guarantee additional revenue—it only increases the financial pressure on businesses, making it harder for us to reinvest in our operations, employees, and community.
5. **Increased Costs Hurt Local Businesses and Workers:** Commercial operators cannot simply pass these added costs onto consumers. Inflation and rising expenses have already pushed prices higher, making Hawai‘i’s tourism industry less competitive. This increase will **hurt both businesses and employees**, as companies struggle to balance rising costs while paying fair wages.

**Enough is enough.** Small businesses are **not** an unlimited resource for funding government projects. If the state is serious about improving small boat harbors, it should **first ensure that existing funds—including those from the Ocean Stewardship Special Fund—are being managed properly before demanding more from struggling businesses.**

I respectfully urge the committee to **reject HB649** and consider alternative solutions that support local businesses rather than burden them.

Sincerely:

Tamara Fondovila

**HB-649-HD-1**

Submitted on: 2/23/2025 1:54:47 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Andrew Weight	Individual	Oppose	Written Testimony Only

Comments:

Aloha to the committee regarding HB649;

My name is Andrew Weight, and I have been a home owner on Maui for the past 17 and have worked those years full time as a Captain on Ka'anapali based charter boats. I **STRONGLY OPPOSE HB649.**

Please oppose HB649 as it makes it harder to operate local small businesses on Maui. My employer is already struggling from the Lahaina fire.

Thank you for your tiime and for allowing me to testify, - Andrew Weight

**HB-649-HD-1**

Submitted on: 2/23/2025 1:55:49 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Alicia Mohondro	Individual	Oppose	Written Testimony Only

Comments:

I oppose this house bill #649

**TESTIMONY HB:649**

**TESTIMONY OF STRONG OPPOSITION of HB 649 - Increases for Commercial Permit fees**

**Aloha Chair and Members of the Committee,**

I am Capt. Carrie Pouring of Sea Maui, and I write to express my deep concerns about HB649. Having dedicated years to navigating Hawai'i's waters, I have seen firsthand the indispensable role small maritime businesses play in supporting our state's marine infrastructure. At a time when our industry is still reeling from the recent wildfires on Maui, the proposed fee increases threaten to impose yet another financial strain on us.

**Key Concerns with HB649:**

**• Already Significant Contributions:**

We currently shoulder harbor fees, permit charges, and contribute to the Ocean Stewardship Special Fund—established in 2024 to safeguard Hawai'i's marine environment. An additional fee hike is neither fair nor sustainable.

**• Lack of Clear Accountability:**

There is no transparent mechanism to ensure that any extra fees directly benefit those of us operating on the water. Without proper oversight, these costs appear more like an extra tax rather than a strategic investment in our marine community.

**• Overlooking Maui's Recovery:**

The aftermath of the wildfires on Maui continues to challenge local businesses and tourism. Rather than offering support during this critical recovery period, HB649 risks further destabilizing an already fragile industry.

**• Inefficient Revenue Model:**

Our current fee structure is tied to a percentage of gross revenue, aligning the state's earnings with our success. However, raising this rate from 3% to 5% only increases our operating costs, limiting our ability to reinvest in our vessels, crew, and services.

**• Adverse Impact on Competitiveness:**

With rising expenses across the board, additional fees cannot simply be passed on to customers without repercussions. This proposal could weaken our competitive edge and negatively affect the livelihoods of those employed within our sector.

Our maritime businesses are not an endless source of funding for government projects. If Hawai'i is truly committed to enhancing small boat harbors, it must first ensure that existing funds—such as those from the Ocean Stewardship Special Fund—are managed effectively before imposing further financial burdens.

I respectfully urge the committee to reject HB649 and consider alternative solutions that truly support and strengthen our marine community.

Sincerely,

Capt. Carrie Pouring  
Sea Maui

**HB-649-HD-1**

Submitted on: 2/23/2025 2:27:24 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Meredith Lins	Individual	Oppose	Written Testimony Only

Comments:

Hello,

I am reaching out to regarding HB649. I am opposed to this bill moving forward. My name is Meredith Lins, and I work for a Ka'anapali catamaran boat company and also work for a Maui photography company. Both are local small businesses. I am **STONGLY OPPOSED** to this bill going forward as I am concerned how the businesses on the west side of Maui will be able to continue with the taxes being increased so substantially. Thank you for allowing me to testify on this matter. Regards, Meredith Lins

**HB-649-HD-1**

Submitted on: 2/23/2025 7:21:16 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kristy Ford	Individual	Oppose	Written Testimony Only

Comments:

There is not enough transparency on where the increase will go! We haven't even seen what they do with the current raise to 3%!

I strongly oppose this bill.

**HB-649-HD-1**

Submitted on: 2/23/2025 7:36:29 PM

Testimony for FIN on 2/24/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Philip akeo	Individual	Oppose	Written Testimony Only

Comments:

Testimony in Strong Opposition to [649]

Aloha Chair and Members of the Committee,

My name is Philip Akeo, and I am submitting this testimony in strong opposition to HB 649. I work in Hawaii's tourism industry, living paycheck to paycheck, and this bill threatens my ability to make ends meet.

For many of us in the industry, every dollar counts. We are not wealthy corporate business owners—we are deckhands, maintenance workers, customer service staff, and other hardworking individuals who rely on this industry to survive. The proposed fee increases will devastate small operators, forcing them to either cut jobs or shut down entirely. If that happens, workers like me will have nowhere to turn.

Hawaii is already one of the most expensive places to live. Rent, groceries, gas—everything costs more here. Many of us cannot afford another financial hit. If commercial operators are forced to raise prices, tourists may book fewer trips, meaning fewer hours for us, fewer tips, and an even tighter budget to cover basic necessities.

This bill does not consider the real impact on the working-class people who keep this industry running. The state should be focused on helping businesses recover and grow, not driving them out of operation.

I urge you to reject this bill and consider policies that support workers, not put our jobs at risk.

Mahalo for your time and consideration.