

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

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAI'I | KA MOKU'ĀINA 'O HAWAI'I  
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**

**Tuesday, February 28, 2023  
10:00 A.M.  
State Capitol, Conference Room 308**

**In consideration of  
HOUSE BILL 1090, HOUSE DRAFT 1  
RELATING TO OCEAN RECREATION COMMERCIAL PERMITS**

House Bill 1090, House Draft 1 proposes to specify the methods by which the Department of Land and Natural Resources (Department) can issue new ocean recreation commercial permits and renew existing ocean recreation commercial permits; and specify that for renewal of existing permits in ocean recreation management areas and facilities where a permit limit is implemented, the ability to renew a commercial permit will be based on seniority until the limit is reached. **The Department strongly supports this measure and offers a recommendation.**

The Department is currently in the process of addressing the rampant commercial marine activity taking place in the State near-shore waters. This will require limiting the number of commercial use permits for high use areas. In cases where commercial operating area use permits are being limited for a particular area, the Department believes the fairest way to issue those permits is to businesses that have been operating with a valid permit the longest. Once the permits are issued, the Department would like to issue any new operating permits by public auction.

When the Department proposes to implement a permit limit through administrative rules for an area that previously did not have any type of permit limit, the Department must issue permits to all those who apply and qualify for permits until the limit is finalized. Due to the rulemaking process taking months and even years, this means many people can obtain permits while the Department works to implement the limit. This "run on permits" is the reason that many areas have permit counts that exceed limits, and this measure will help the Department to bring the permit counts down to the appropriate limits established in rule.

The Department recommends that the working group be removed from this measure. When a working group is codified or implemented through administrative rules, the working group must

DAWN N.S. CHANG  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE  
MANAGEMENT  
LAURA H.E. KAAKUA  
FIRST DEPUTY  
M. KALEO MANUEL  
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

meet Sunshine Law requirements, such as having quorum, publishing meeting notices, and reporting on meetings. Without adequate support, these requirements hinder the activities of working groups because it is difficult to coordinate schedules of working group members and to prepare notices and meeting minutes that satisfy Sunshine Law requirements. The Department does not have adequate staffing to support the activities of this type of working group and prefers to establish its working groups informally to allow the working group to function more effectively. The Department's Division of Boating and Ocean Recreation (DOBOR) has created working groups for Ala Wai Small Boat Harbor and Waikiki Ocean Waters in this manner, and these working groups have provided recommendations to DOBOR for administrative rules and managerial functions.

Mahalo for the opportunity to provide testimony in strong support of this measure.



COMMITTEE ON FINANCE

Rep. Kyle T. Yamashita, Chair

Rep. Lisa Kitagawa, Vice Chair

NOTICE OF HEARING

DATE: Tuesday, February 28, 2023

TIME: 10:00 a.m.

PLACE: VIA VIDEOCONFERENCE

Conference Room 308

State Capitol

415 South Beretania Street

**TESTIMONY OF THE OCEAN TOURISM COALITION IN SUPPORT OF HB1090**

The Ocean Tourism Coalition (OTC) represents over 300 ocean tour operators throughout the state. HB1090 (the "Bill") aims to address an issue in various Ocean Recreation Management Areas in the state, where DLNR-DOBOR has issued more commercial permits than allowed by the administrative rules.

OTC worked with DLNR-DOBOR to resolve this issue through a seniority-based system, which will issue permits to operators who have been operating the longest and have likely invested the most in the area. DLNR-DOBOR has stated that the only alternative to this solution would be to randomly select names. Therefore, a seniority-based solution seems more equitable.

OTC has had further discussions with DLNR-DOBOR on the Bill and believe that the best course of action is to amend the Bill and return it to its original form. The task force language is appreciated; however, OTC agrees with DLNR-DOBOR that the situation requires the Bill to implement the seniority based system as soon as possible to avoid any undue hardship on long standing operators.

We thank DLNR-DOBOR for reaching out to us to find a solution to this difficult problem and humbly ask that the Bill be passed in its original form to implement a seniority-based system.

Sincerely,

Denver S. Coon

Director

OTC

**HB-1090-HD-1**

Submitted on: 2/27/2023 9:28:53 AM

Testimony for FIN on 2/28/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jim Coon	Trilogy Excursions	Comments	Remotely Via Zoom

Comments:

Because there are hot spots that need to be resolved now that cannot wait another year to resolve and after discussions with DOBOR we believe that the best course of action is to amend the bill and return to its original form.

**HB-1090-HD-1**

Submitted on: 2/27/2023 7:44:56 PM

Testimony for FIN on 2/28/2023 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Chris Barzman	Individual	Support	Written Testimony Only

Comments:

Working families pay 15% of their incomes in state and local taxes; incomes that are already deeply strained by the high cost of living here. (By contrast, the wealthiest earners pay only 9% of their abundant incomes.) When you are barely making ends meet, that 15% doesn't leave a whole lot leftover. The EITC is a great way to help working families keep more of what they've earned through their hard work and boost the economy at the same time.