

Honolulu, Hawaii  
FEB 16 , 2024

RE: H.B. No. 2477  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Water & Land, to which was referred H.B. No. 2477 entitled:

"A BILL FOR AN ACT RELATING TO COMMERCIAL OCEAN RECREATION OPERATIONS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Revise the fees applicable to commercial ocean operators and the way some of these fees are assessed;
- (2) Prevent commercial use permits from being transferred upon the change in legal ownership of a permitted business entity, except for transfers to spouses and first-generation lineal descendants;
- (3) Allow the Department of Land and Natural Resources to issue new commercial use permits by public auction; and
- (4) Allow the Department of Land and Natural Resources to use the public auction process to reduce commercial use permit counts in Ocean Recreation Management Areas or state boating facilities where an applicable permit limit is exceeded.



Your Committee received testimony in support of this measure from the Department of Land and Natural Resources. Your Committee received testimony in opposition to this measure from Lahaina Divers Inc.; Island View Hawaii; Sea Quest Hawaii; Tantrum; Aquatic Life Divers; Legend Sportfishing Inc.; North Shore Sailing Adventure; Trilogy Excursions; Explore Kauai Scuba, LLC; Hawaii Shark Encounters Inc.; Kona Seafari Inc.; Maui Classic Charters, Inc.; Kaimana Ocean Safari; Deep Blue Eco Tours; Kohala Blue Sail Hawaii; Da Warrior Sportfishing, Inc.; North Shore Shark Adventures; Extended Horizons Inc.; To The Max Charters; Komohana Charters LLC; Maui Adventure Cruises; Redline Rafting; Holo Holo Charters Inc.; Kenui Charters; Sea Paradise Scuba Inc.; Oahu Ocean Adventures; Hawaii Ocean Rafting; Teralani Sailing Adventures; Save The Ocean; Ocean Tourism Coalition; Anini Fishing Charters & Tours, LLC; Sailing Maui Inc.; Quicksilver Charters; Ocean Outfitters Hawaii; Hula Girl Sailing Charters; Splashers Ocean Adventures DBA Kona Snorkel Trips; Skillet Sportfishing; Gemini Charters; Sea Genie Inc.; Na Pali Experience; Sail Maui; Hawaii Adventure Diving; Malolo Charters; Makana Lani Fishing; All Hawaii Cruises; Kohala Divers; Hawaiian Rafting Adventures Inc.; The Kona Boat Club Inc.; GungHo Sailing; Manta Ray Dives of Hawaii; Kaua'i Chamber of Commerce; Liquid Hawaii; Blue Water Maui LLC; South Pacific Ocean Tours, Inc.; Activities and Attractions Association of Hawaii; Modern Geographic Sailing; North Shore Sportfishing; Waikoloa Coast Divers LLC; Kona Sailing Charters; Hanalei Charters, Inc.; Kona Ocean Activities DBA Hawaii Marine Life LLC; Starn O'Toole Marcus & Fisher; Pursuit Sportfishing, Kona; Hawaii Fishing & Boating Association; Big Island Divers; Fair Wind, Inc.; Husk Til Dusk; Li'i Makau, Inc.; Best Big Island Tours LLC; Kohala Blue LLC; Xtreme Parasail Inc.; Diamond Head Parasail Inc.; Blue Ocean Hawaii LLC; Capt. Trips Sport Fishing II; Hawaii Marlin Tournament Series; Pacific Marlin Club; Coral Reef Adventures; Jack's Diving Locker; Kona Honu Divers; Captain Steve's Rafting; Brilliant Charters; UFO Parasail & Adventures a.k.a. UFO Chuting of Hawaii, Inc.; Lady Laura Fishing Charters LLC; Liquid Cosmos Divers, LLC; North Shore Catamaran Charters; Hawaii Ocean Adventure Tours; Kelley Family of Companies; Snorkel Big Island; High Noon Charters Inc.; Open Sea Sports Fishing Inc.; Maui Molokai Sea Cruises & Maalaea Sportsfishing Inc.; Hawaii Yacht Sales; Maggi Joe Sport Fishing; and numerous individuals. Your Committee received comments on this measure from one individual.



Your Committee finds that this measure seeks to improve the protection of Hawaii's marine resources by providing better management tools.

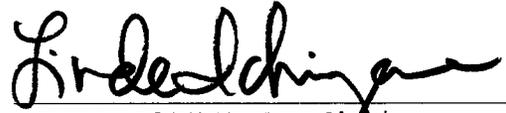
Your Committee has amended this measure by:

- (1) Modifying the conditions under which a permittee must pay fees and deleting the fee increases;
- (2) Deleting provisions that would have prohibited the transfer of a commercial use permit to any person other than a spouse or first-generation lineal descendant;
- (3) Deleting provisions that would have disallowed, within an Ocean Recreation Management Area or state boating facility where the Department of Land and Natural Resources has implemented rules setting a limit on the number of commercial use permits that can be issued at any one time, existing permittees for the area or facility from renewing their commercial use permits, if the number of commercial use permits issued exceeds the relevant limit;
- (4) Specifying that except under certain circumstances, all new commercial use permits issued for commercial ocean recreation activity occurring in an Ocean Recreation Management Area that are not renewals of commercial use permits must be issued by public auction, instead of unsealed public auction;
- (5) Changing its effective date to July 1, 3000, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Water & Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2477, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2477, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on  
behalf of the members of the  
Committee on Water & Land,

  
LINDA ICHIYAMA, Chair



