

Honolulu, Hawaii

FEB 26 2010

RE: S.B. No. 2019
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committees on Economic Development and Technology and Water, Land, Agriculture, and Hawaiian Affairs, to which was referred S.B. No. 2019 entitled:

"A BILL FOR AN ACT RELATING TO THE MAXIMUM TERM OF COMMERCIAL USE AND OPERATOR PERMITS FOR THRILL CRAFT AND PARASAILING,"

beg leave to report as follows:

The purpose of this measure is to delete the requirement that permits for commercial thrill craft and parasailing activities:

- (1) May not exceed twenty years; and
- (2) Upon expiration of the twenty-year period, may be offered for public auction.

Testimony in support of this measure was submitted by the Ocean Tourism Coalition; Hawaiian Parasail, Inc.; X-Treme Parasail, Inc.; Diamond Head Parasail, Inc.; Diamond Head Parasail & Watersports, Inc.; Aloha Ocean Sports; and five individuals. Three individuals submitted testimony in opposition. The Department of Land and Natural Resources submitted comments.

Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that commercial thrill craft and parasail operators that have been issued a commercial use permit by the Department of Land and Natural Resources Division of



Boating and Ocean Recreation are the only commercial permittees issued five-year permits, and that may have their commercial use permits offered at public auction after twenty years. All other commercial use permits are issued on a year-to-year basis and are renewed annually as long as the permittee has remained in compliance with all federal, state, and county laws.

Your Committees have heard that the current public auction requirement is a hardship for owners of these permits, making long-range planning difficult and limiting access to financial resources, such as investors and loans.

Your Committees have also heard community concerns regarding the safety of thrill craft and parasailing operations and their impact in specific ocean waters with issues of competing usage. Your Committees would point out that this measure addresses only the length of the permit and the disposal of the permit after twenty years. However, your Committees are supportive of community involvement in the Department's determination regarding renewal of a thrill craft or parasailing permit.

Your Committees have amended this measure to address these issues by:

- (1) Changing the five-year permit period to a one-year permit with an annual renewal;
- (2) Adding as a condition for renewal that the permit holder be in compliance with any conditions required by the Department of Land and Natural Resources in response to community or other complaints filed with the Department; and
- (3) Amending the effective date to July 1, 2040, for the purpose of encouraging further discussion.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Water, Land, Agriculture, and Hawaiian Affairs that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2019, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2019, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committees on Economic
Development and Technology and
Water, Land, Agriculture, and
Hawaiian Affairs,



CLAYTON IEE, Chair



CAROL FUKUNAGA, Chair



The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Economic Development and Technology
EDT

Bill / Resolution No.:* SB 2019	Committee Referral: EDT/WTL	Date: 2/19/2010		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
BAKER, Rosalyn H. (VC)				✓
HEE, Clayton	✓			
IGE, David Y.	✓			
SLOM, Sam	✓			
TOTAL	4			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align: center; font-family: cursive; font-size: 1.2em;">David Y. Ige</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Water, Land, Agriculture and Hawaiian Affairs
WTL

Bill / Resolution No.:* SB 2019	Committee Referral: EDT / WTL	Date: 2/19/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
HEE, Clayton (C)	/			
TOKUDA, Jill N. (VC)				/
BUNDA, Robert				/
FUKUNAGA, Carol	/			
KOKUBUN, Russell S.	/			
TAKAMINE, Dwight Y.				/
HEMMINGS, Fred	/			
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Russell S. Kohu</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes