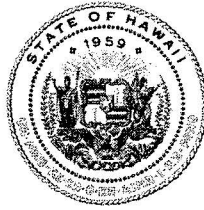
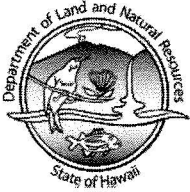


LINDA LINGLE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
POST OFFICE BOX 621
HONOLULU, HAWAII 96809

LAURA H. THIELEN
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

RUSSELL Y. TSUJI
FIRST DEPUTY

KEN C. KAWAHARA
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

Department of Land and Natural Resources Testimony Transmittal Cover Sheet

Date Submitted: February 17, 2010

Testifier's Name/Title: Ed Underwood, Division of Boating and Ocean Recreation
Administrator

Committee Name: HOUSE COMMITTEE ON FINANCE (FIN)

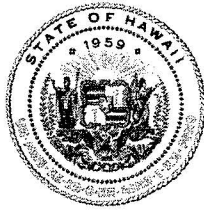
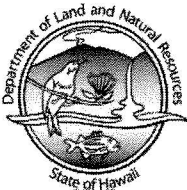
Day and Date: Thursday, February 18, 2010

Time/Location: 5:00 PM, Conference Room 308

Measure Number: HB 2741 – RELATING TO SMALL BOAT HARBORS

Requested Copies: 2 (including original) to Room 306 in the State Capitol

LINDA LINGLE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
LAURA H. THIELEN
Chairperson**

**Before the House Committee on
FINANCE**

**Thursday, February 18, 2010
5:00 PM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 2741
RELATING TO SMALL BOAT HARBORS**

House Bill 2741 proposes to clarify that commercial fishing corporations can transfer ownership without losing necessary permits. The Department of Land and Natural Resources (Department) has reservations with this measure as presently drafted and prefers a onetime transfer of any existing commercial fishing corporation with the provision that these permits would no longer be transferable after the onetime transfer and the law would sunset after five years.

However, should the Legislature decide to allow for fishing corporations to be transferred in perpetuity, commercial fishing and fishing as a primary means of livelihood needs to be defined in order for the Department to determine whether an applicant applying to transfer or create a fishing corporation is valid or not. The Department recommends the following minimum standards be met prior to authorizing the transfer of any fishing corporations:

- Define "Primary means of livelihood" to mean 51% or more of the yearly income of the stock holders is derived from the sale of fish as shown on corporate tax returns;
- Fishing corporations must meet the same requirements as commercial businesses and vessels as stated in Chapter 13, Hawaii Administrative Rules (HAR);
- Fishing corporations shall pay the same transfer fee as defined for all other commercial vessels in Chapter 13, HAR;
- Commercial fishing corporation vessels moored in small boat harbors must be in compliance with the Federal Code of Regulations as they apply to commercial fishing vessels;
- Hold a commercial fishing license and submit monthly catch reports as required by the Department;
- Fishing corporations shall be required to have commercial fishing insurance naming the State as additional insured;
- Fishing corporation vessels shall not carry passengers for hire.

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HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 17, 2010 12:28 PM
To: FINTestimony
Cc: Hossellman@aol.com
Subject: Testimony for HB2741 on 2/18/2010 5:00:00 PM

Testimony for FIN 2/18/2010 5:00:00 PM HB2741

Conference room: 308
Testifier position: comments only
Testifier will be present: No
Submitted by: Jeff Hossellman
Organization: Individual
Address: 3081 Wailani Rd. Honolulu, HI 96813
Phone: 225 7173
E-mail: Hossellman@aol.com
Submitted on: 2/17/2010

Comments:
Honorable Committee Members;

A law which would permit all slip holders to sell their boat with the slip on a one time basis would benefit boating. Now when a person tires of his boat he just lets it rot in the slip because it is too hard to sell without a slip. Thus the large number of semi abandoned boats in the Ala Wai. Let the State charge a large transfer fee of say \$100 per foot of boat's length. Now the slips are often transferred under the table too with no fee to State. A 60 foot boat would pay \$6,000 to the State for this feature. Annual revenue would probably be in the range of \$300,000 if there is a 10% turnover. Plus the marine industry would benefit as new owners always go overboard on restorations!

Sincerely,

Jeff Hossellman

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, February 17, 2010 3:03 PM
To: FINTestimony
Cc: rick.pacific@gmail.com
Subject: Testimony for HB2741 on 2/18/2010 5:00:00 PM

Testimony for FIN 2/18/2010 5:00:00 PM HB2741

Conference room: 308
Testifier position: support
Testifier will be present: No
Submitted by: Rick Gaffney
Organization: Hawaii Fishing & Boating Assn.
Address: 73-1062 Ahikawa Street Kailua-Kona, HI 96740
Phone: 808 960-6767
E-mail: rick.pacific@gmail.com
Submitted on: 2/17/2010

Comments:
Re: HB2741 HD1
Testimony In Favor

HB 2741 seeks to correct a gross inequity, raises additional revenue for the State of Hawaii and the Boating Special Fund, and should therefore be passed.

Well over a decade ago, a previous legislature saw fit to create a special category of transferable berths for Hawaii's commercial fishermen, apparently recognizing that a harbor berth can be an essential asset for a commercial fishing business.

When that was arbitrarily changed by the new DOBOR administrator, with no knowledge of the previous legislative initiatives, over 60 small commercial fishing businesses statewide, lost their right to transfer the berths that are essential to their business, and in many cases, to recoup the substantial investment they made when they first acquired the berth.

HB 2741 corrects an arbitrary administrative reversal; allows commercial fishermen who acquired their berths, the opportunity to recoup their investments; allows for the transfer of commercial fishing business berths in an orderly way; and, most importantly, generates additional revenue for the State of Hawaii, due to the imposition of new fee structures for commercial fishing businesses and their transfers.

Please pass this important and necessary bill out of the Finance Committee.

Mahalo,
Rick Gaffney
Hawaii Fishing & Boating Association

February 16, 2010

In Support of HB 2741
House Committee on Finance
On Thursday, 18 February 2010 in room 308 at 1700

Chair Oshiro and Respected Members of the Committee;

My name is Reg White. I have worked in the commercial boating enterprises of Hawaii for the past 36 years. In all that time it has seemed very unfair to me that the passenger carrying commercial vessels had to carry all the expense incurred to provide commercial berths and their attendant required services, parking, water, cleaning, rubbish collection, etc., for the entire commercial fleet of the state. This bill begins to level the playing field for all commercial operations by increasing the fees paid by commercial fishing boats about half way to those of the passenger operators. Commercial passenger operators pay two times the basic slip rental or 3% of their gross revenue, whichever is greater. This bill will have the commercial fishing boats pay one and one half times the basic slip rental fee with no percentage of their gross income. This is a vast improvement over the present fee structure and will help the department to maintain and service the marinas of the state.

Please support this bill.

Aloha,

Reg White