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GOVERNOR OF HAWAII



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

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WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

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HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

**Testimony of
WILLIAM J. AILA, Jr.
Chairperson**

**Before the Senate Committees on
HAWAIIAN AFFAIRS
and
WATER AND LAND**

**Thursday, February 13, 2014
1:15 PM
State Capitol, Conference Room 225**

**In consideration of
SENATE BILL 2661
RELATING TO UNDERGROUND WATER**

Senate Bill 2661 proposes to amend the State Water Code, Hawaii Revised Statutes ("Haw. Rev. Stat.") §174C-5.5 (b) (2) and §174C-61, and the Hawaiian Homes Commission Act, §213(e) to establish a Hawaiian home lands water use permit fee to be deposited into the Hawaiian home operating fund. The fee would be collected from any person or entity, except a public agency, that is issued a water use permit to withdraw ground water from Hawaiian home lands (not from other public land). **The Department of Land and Natural Resources and the Commission on Water Resource Management (Commission) strongly oppose this measure.**

First, this measure is unnecessary. The Department of Hawaiian Home Lands ("DHHL") already has the authority to collect lease rent from its own tenants and other entities (particularly commercial lessees) seeking to use Hawaiian home lands. The Department of Hawaiian Home Lands can manage its own lands through its own regulations and policies. Senate Bill 2661 only applies to Hawaiian home lands. If the goal is more funds from commercial lessees, charge a higher lease rent. The proposed amendments to the State Water Code are both unnecessary and inappropriate.

Second, the Commission only issues water use permits in designated water management areas. Currently, only Molokai, Oahu (except the Waianae coast), and Iao (Maui) are ground water management areas. Thus, Senate Bill 2661 would only apply on DHHL lands in those areas. No other areas of the State would be included.

Third, it makes no sense for the Commission to collect a fee for activities on Hawaiian home lands when DHHL already controls the leases on its own lands.

Fourth, the Commission charges fees related to its own administrative costs and to the conservation and protection of the water resource. The Commission does not charge or collect fees in the nature of a lease rent for revenue *per se*. Water is a shared use public trust resource. The implication of charging a water use fee for pure revenue purposes has far reaching implications for ground water use throughout the State. It is inappropriate and should not be done.

The Department and the Commission strongly oppose this measure. This bill should be held.

Thank you for the opportunity to testify on this measure.



**STATE OF HAWAII
DEPARTMENT OF HAWAIIAN HOME LANDS**

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TESTIMONY OF JOBIE M. K. MASAGATANI, CHAIRMAN
HAWAIIAN HOMES COMMISSION
BEFORE THE SENATE COMMITTEE ON HAWAIIAN AFFAIRS &
COMMITTEE ON WATER AND LAND
IN SUPPORT OF

SB 2661, RELATING TO UNDERGROUND WATER

February 13, 2014

Aloha Chair Shimabukuro, Chair Solomon, and Members of the Committees:

The Department of Hawaiian Home Lands (DHHL) supports the intent of this bill which establishes a Hawaiian home lands water use permit fee collected from any person or entity that has a water use permit to withdraw ground water from Hawaiian home lands.

DHHL welcomes this source of revenue to the department's operating fund; this fund is used for construction, operation, and maintenance of revenue-producing improvements intended to serve principally occupants of Hawaiian home lands, including acquisition or lease therefor of real property and interests therein, such as water rights or other interests. In light of the diminishing revenue DHHL receives from 30% of the State water licenses pursuant to Article XII of the Constitution, this revenue stream can supplement this resource.

We believe the intent of this bill is to protect DHHL rights to and revenue from the private commercial use of water, and we support this intent, but we recognize that there may be technical concerns

with the language as written. The bill, in its current form, may not necessarily achieve the entirety of this intent because it only includes water developed in designated water management areas and because the identified fees are unrelated to the volume of water used or the end use.

Thank you for your consideration of our testimony.

From: mailinglist@capitol.hawaii.gov
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Cc: cgarso7@gmail.com
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Date: Wednesday, February 12, 2014 5:32:30 PM

SB2661

Submitted on: 2/12/2014

Testimony for HWN/WTL on Feb 13, 2014 13:15PM in Conference Room 225

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Ramos	Individual	Support	No

Comments:

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