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STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

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Testimony of
SUZANNE D. CASE
Chairperson

Before the Senate Committee on
WATER AND LAND

Wednesday, February 7, 2018
2:46 PM
State Capitol, Conference Room 224

In consideration of
SENATE BILL 3105
RELATING TO ENVIRONMENTAL CONSERVATION

Senate Bill 3105 proposes to: (1) Authorize the Department of Land and Natural Resources (Department) to assess a \$1.00 fee to each visitor accessing Lipoa Point by a maritime commercial vessel; (2) Authorize the Department to adopt rules to carry out the section; and (3) Create the Lipoa Point Management Special Fund for the management of the Lipoa Point area and educate visitors on how funding is used for the management of the Lipoa Point area. **The Department supports the intent of this measure, and offers the following suggestions and comments.**

Pursuant to Act 241, Session Laws of Hawai'i 2013, the Department acquired the property identified by Tax Map Key No. (2) 4-1-001:010, from Maui Land & Pineapple Company, Inc. The parcel became part of the public trust, and Act 241 required the Department to manage the parcel without providing any commensurate funding to do so. The Department understands the need for funding to support the management of the land at the newly acquired Lipoa Point area, though planning efforts are still underway and the Department is uncertain about the actual use and future jurisdiction of the area.

While the Department appreciates the creative method to generate funding, if the funds are intended to manage the land area, the Department respectfully suggests that charging a visitor fee of \$1.00 for each paying passenger of a commercial vessel engaging in commercial activity in the marine area may not relate sufficiently to land-based impacts at Lipoa Point. There are approximately four commercial operators that engage in commercial activities in Honolua Bay, which is a Marine Life Conservation District located near Lipoa Point. All four of the commercial operators do not embark or disembark on the shore or access the land at Lipoa Point.

Thank you for the opportunity to comment on this measure.



**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

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EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY LAUREL A. JOHNSTON
ACTING DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WATER AND LAND
ON
SENATE BILL NO. 3105

**February 7, 2018
2:46 p.m.
Room 224**

RELATING TO ENVIRONMENTAL CONSERVATION

Senate Bill No. 3105 establishes a visitor fee for passengers of maritime commercial vessels crossing by Lipoa Point to support the management of the area and apprise visitors of the activities funded by the visitor fee. The bill creates the Lipoa Point Management Special Fund for these efforts that would generate revenues through legislative appropriations, a \$1 fee for maritime commercial vessel passengers travelling near Lipoa Point, grants, gifts, and interest earnings. Senate Bill No. 3105 does not specify who will administer and expend moneys from the special fund, nor does it appropriate any funds.

While the Department of Budget and Finance takes no position on management efforts at Lipoa Point, as a matter of general policy, the department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits

sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. In regards to Senate Bill No. 3105, it is unclear whether the proposed fund would be self-sustaining or demonstrates a clear nexus between the benefits sought and charges made upon users.

Thank you for your consideration of our comments.

SB-3105

Submitted on: 2/3/2018 4:27:43 PM

Testimony for WTL on 2/7/2018 2:46:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Benton Kealii Pang, Ph.D.	Hawaiian Civic Club of Honolulu	Support	No

Comments: