

DAVID Y. IGE  
GOVERNOR OF HAWAII



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

**Testimony of**  
**SUZANNE D. CASE**  
**Chairperson**

**Before the Senate Committee on**  
**WATER AND LAND**

**Monday, February 4, 2019**  
**1:15 PM**  
**State Capitol, Conference Room 229**

**In consideration of**  
**SENATE BILL 1257**  
**RELATING TO USE PERMITS FOR SMALL BOAT HARBOR FACILITIES**

Senate Bill 1257 proposes to clarify that mooring and liveaboard fees for state small boat harbors and certain boating facilities be set by appraisal by a state-licensed appraiser at fair market value; and to amend the calculation of the liveaboard fee for persons using their principal habitation vessel for commercial purposes. **The Department of Land and Natural Resources (Department) strongly supports this Administration measure.**

The Department's Division of Boating and Ocean Recreation (DOBOR) is responsible for operating and maintaining 17 small boat harbors; 14 boat launch ramps; 5 piers, wharves, and docks; 3 anchoring and offshore mooring facilities; portions of Kā'anapali Beach; portions of Waikīkī Beach; and a portion of the Waika'ea Canal. DOBOR is also responsible for regulating all ocean recreation activity occurring in and on ocean waters out to three nautical miles from shore.

The State currently has a total of 164 liveaboard slips located in the Ala Wai small boat harbor (129 slips) and Ke'ehi Lagoon small boat harbor (35 slips). Liveaboard permittees pay an additional fee to reside on their vessels. This liveaboard fee has not been increased since 1991. The additional fee charged to liveaboard tenants is intended to offset the cost of providing additional services such as increased use of utilities, showers and restrooms, security, and other administrative costs.

To date, DOBOR has identified \$310 million in deferred maintenance at small boat harbors and boating facilities statewide. Being able to assess fair market value at small boat harbors and

**SUZANNE D. CASE**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

**ROBERT K. MASUDA**  
FIRST DEPUTY

**M. KALEO MANUEL**  
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

boating facilities will allow DOBOR to maximize its revenue generating potential and perform much needed repairs and maintenance on these facilities.

This measure is a much-needed first step in reducing DOBOR's deferred maintenance backlog. The Department recognizes that it is appropriate to maximize revenue generation in small boat harbors and boating facilities before making any additional funding requests to the Legislature, and DOBOR intends to use increased fee revenues to improve sanitation, maintenance, and cleanliness of boat harbor facilities.

Thank you for the opportunity to testify on this measure.



COMMITTEE ON WATER AND LAND

Senator Kaiali'i Kahele, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

NOTICE OF HEARING

DATE: Monday, February 4, 2019

TIME: 1:15 P.M.

**TESTIMONY OF THE OCEAN TOURISM COALITION WITH CONDITIONAL SUPPORT OF SB1257 RELATING TO USE PERMITS FOR SMALL BOAT HARBOR FACILITIES**

Chair Kahele, Vice Chair Keith-Agaran and Members of WTL Committee:

My name is James E. Coon, President of the Ocean Tourism Coalition (OTC), **speaking with conditional support of SB 1257 Relating to DOBOR Use Permits.**

The OTC represents over 300 small ocean tourism businesses state wide. All of them operate from State Boating Facilities managed and permitted by DLNR/DOBOR. These businesses are capital and labor intensive with small profit margins.

OTC offers the following small edit:

(7) All fees established by appraisal pursuant to this subsection shall be set at fair market value *determined in accordance with Haw.Rev. Stat . § 171-17.*

Please pass SB 1250 with the above amendment.

Sincerely

James E. Coon, President OTC

**From:** [Ikaika Mahoe](#) on behalf of [Sen. Kaiali'i Kahele](#)  
**To:** [kahele1 - Grace](#)  
**Subject:** FW: SB1257  
**Date:** Friday, February 1, 2019 11:33:45 AM

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**From:** Rick Gaffney [mailto:[rick.pacific@gmail.com](mailto:rick.pacific@gmail.com)]  
**Sent:** Friday, February 1, 2019 10:53 AM  
**To:** Sen. Kaiali'i Kahele <[senkahele@capitol.hawaii.gov](mailto:senkahele@capitol.hawaii.gov)>  
**Cc:** Sen. Lorraine R. Inouye <[seninouye@capitol.hawaii.gov](mailto:seninouye@capitol.hawaii.gov)>; Sen. Dru Mamo Kanuha <[senkanuha@capitol.hawaii.gov](mailto:senkanuha@capitol.hawaii.gov)>  
**Subject:** SB1257

Senator Kahele:

The concept of "fair market value," used to determine the value of berths in Hawaii's Small Boat Harbors, in SB1257, is not defined, and it needs to be. "Fair "compared to what? Mainland berths? Private marina berths in Hawaii? Local yacht club berths?

Please be sure the concept of fair market value is fully defined before moving this legislation forward.

Mahalo,

**Rick Gaffney**

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