STAND. COM. REP. NO.

Honolulu, Hawaii

MAR 2 1 2023

RE: H.B. No. 1090

> H.D. 1 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred H.B. No. 1090, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO OCEAN RECREATION COMMERCIAL PERMITS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- Amend the methods by which the Department of Land and Natural Resources can issue new commercial use permits for ocean recreation activity occurring in an ocean recreation management area and renew existing commercial use permits; and
- (2) Establish an Ocean Recreation Commercial Permits Working Group within the Division of Boating and Ocean Recreation of the Department of Land and Natural Resources to study viable methods for issuing and renewing commercial use permits for ocean recreation activity in high use areas with limited permits.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Ocean Tourism Coalition, and Hui Maka'ainana O Makana. Your Committee received testimony in opposition to this measure from Anelakai Adventures.

Your Committee finds that the Department of Land and Natural Resources has been struggling to address the rampant amount of commercial marine activity taking place in near-shore waters. Consequently, the Department believes that limiting the total number of commercial use permits for ocean recreation activity occurring in an ocean recreation management area to be an effective and practical solution. Your Committee finds that under a proposed limited commercial permit system, the Department believes that the fairest way to issue permits is to award them to businesses that have been operating with a valid permit the longest and that once the maximum number of permits is reached, any new operating permits should be awarded via public auction. Therefore, this measure authorizes the Department to implement its proposed seniority and auction-based commercial use permit program. Separately, this measure will also establish a working group to study whether other viable methods to fairly and efficiently issue commercial use permits in high use areas with limited permits can be implemented in lieu of the proposed seniority and auction-based program.

Your Committee has heard the testimony of the Department of Land and Natural Resources, attesting that the Department has met with stakeholders as well as the House Committee on Water and Land and that all are in agreement that the Ocean Recreation Commercial Permits Working Group is no longer needed.

Therefore, your Committee has amended this measure by:

- (1) Deleting the proposed Ocean Recreation Commercial Permits Working Group; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1090, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1090, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

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Respectfully submitted on behalf of the members of the Committee on Water and Land,

LORRAINE R. NOUYE, Chair

The Senate Thirty-Second Legislature State of Hawai'i

Record of Votes Committee on Water and Land WTL

Bill / Resolution No.:*	Committee Referral:			Date:	
HB 1090, HD1	WTL,	IL, JDC/WAM		3/15/23	
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WF	R) Nay	Excused
INOUYE, Lorraine R. (C)					
ELEFANTE, Brandon J.C. (VC)		V			
CHANG, Stanley		V			
MCKELVEY, Angus L.K.		✓			
FEVELLA, Kurt		/			
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TOTAL		5	$ \phi $	$ \phi $	$\mid \phi \mid$
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

^{*}Only one measure per Record of Votes