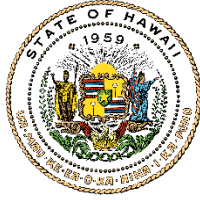


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAI'I
DEPARTMENT OF LAND AND NATURAL RESOURCES
KA 'OIHANA KUMUWAIWAI 'ĀINA

P.O. BOX 621
HONOLULU, HAWAII 96809

**Testimony of
DAWN N. S. CHANG
Chairperson**

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

**Friday, March 24, 2023
1:00 PM
State Capitol, Conference Room 229**

**In consideration of
SENATE CONCURRENT RESOLUTION 225/SENATE RESOLUTION 163
REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES'
DIVISION OF BOATING AND OCEAN RECREATION TO AMEND TITLE 13,
CHAPTER 241, HAWAII ADMINISTRATIVE RULES, TO EXPRESSLY REQUIRE
THAT ALL VESSELS REQUIRED TO OBTAIN INSURANCE IN THE STATE
REGULARLY PROVIDE PROOF OF INSURANCE AT LEAST ON AN ANNUAL
BASIS.**

Senate Concurrent Resolution 225/Senate Resolution 163 request the Division of Boating and Ocean Recreation (DOBOR) of the Department of Land and Natural Resources (Department) to amend Hawaii Administrative Rule Chapter 13-241 to require that all vessels required to obtain insurance regularly provide proof of insurance. **The Department offers the following comments.**

The Department does not have any immediate plans to amend administrative rules to require vessel owners to regularly provide proof of insurance but can consider such an amendment in the next rule package. It is a vessel owner's responsibility, and in the vessel owner's best interest, to ensure that they have adequate insurance coverage at all times. It should be noted that even when the owner of a grounded vessel has insurance, sometimes the specific policy does not cover the grounding for technical reasons or the insurance company declines to cover the incident.

The Department notes that documented vessels are under the jurisdiction of the United States Coast Guard and are therefore not obligated to provide any paperwork to the State in order to maintain or modify vessel documentation status.

Mahalo for the opportunity to comment on these measures.

DAWN N.S. CHANG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE
MANAGEMENT

LAURA H.E. KAAKUA
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



THE SENATE

THE THIRTY-SECOND LEGISLATURE
REGULAR SESSION OF 2023

COMMITTEE ON WATER AND LAND

Senator Lorraine R. Inouye, Chair

Senator Brandon J.C. Elefante, Vice Chair

NOTICE OF HEARING

DATE: Friday, March 24, 2023
TIME: 1:00 PM
PLACE: Conference Room 229 & Videoconference
State Capitol
415 South Beretania Street

**TESTIMONY OF THE OCEAN TOURISM COALITION IN SUPPORT
SCR225**

The Ocean Tourism Coalition (OTC) represents over 300 ocean tour operators statewide. SCR225 (the "Resolution") attempts to resolve a very serious problem of vessel groundings that have no insurance taking vital funding away from the Boating Special Fund. Commercial vessels must show proof of insurance to DOBOR every year to renew their permits. I thought recreational vessels had the same protocol. This would be very simple to put in place and enforce.

Sincerely,

James E. Coon, President, OTC

SCR-225

Submitted on: 3/23/2023 9:12:15 AM

Testimony for WTL on 3/24/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Thomas	Individual	Comments	Written Testimony Only

Comments:

Lot of the boat owners aren't registered with the State of Hawaii DBAR but registered with the Coast Guard so they are not required to have insurance. The Law should require them to register with the State of Hawaii all so.

SCR-225

Submitted on: 3/22/2023 9:06:03 PM

Testimony for WTL on 3/24/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Paul Miles	Individual	Support	Written Testimony Only

Comments:

I am writing in support of SCR225.

I have owned a sailboat and moored in state harbors for a decade. I believe that proof of insurance is already required to receive a mooring permit in any state harbor, and would assume it is required for commercial operations regardless of where a boat is kept if it is operating in state waters. My insurance company sends proof of insurance to the appropriate harbormaster upon renewal every year. A document check for insurance should already be conducted by DLNR staff during the annual permit renewal process. If not, it should be emphasized to DLNR staff.

Some boats sink due to abandonment or lack of maintenance. If insurance has lapsed, the state incurs the burden of salvage operations. A credit check during the initial slip permit process would prevent applicants who cannot afford to make monthly slip payments, maintain insurance, or keep their boats in seaworthy condition from being granted permits.

I don't think slip permits should go only to the rich or those with perfect credit, but there must be a balance struck between access to boating for the general public and the risk the state assumes in granting permits without first conducting a credit check. I'll leave it up to the legislature to determine how to balance those interests.

Thank you for your consideration.