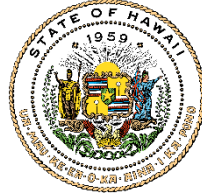


JOSH GREEN, M.D.
GOVERNOR | KE KIA'ĀINA

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

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CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
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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

Testimony of
DAWN N. S. CHANG
Chairperson

Before the Senate Committees on
AGRICULTURE AND ENVIRONMENT
and
WATER AND LAND

Monday, January 30, 2023
1:00 p.m.

State Capitol, Conference Room 224 & Videoconference

In consideration of
SENATE BILL 115
RELATING TO AQUACULTURE

Senate Bill 115 proposes to establish an aquacultural lease program within the Department of Agriculture for the purpose of promoting economic development. **The Department of Land and Natural Resources (Department) offers the following comments:**

The Department appreciates that SECTION 2, which would add a new section to Chapter 141, Hawaii Revised Statutes (HRS), entitled **Aquaculture area lease program**, states that Department may lease aquaculture areas *provided that the lessee obtains all necessary federal, state, and county permits to establish and conduct the proposed aquaculture activities in the aquacultural area, including a conservation district use permit issued by the board of land and natural resources pursuant to section 183C-6 or 190D-11, as applicable, if the aquaculture area includes lands within the state land use conservation district or state marine waters* (page 3, lines 1 to 8).

The Department has been supportive of permits for open ocean aquaculture facilities when the environmental reviews required under Chapter 183C or 190D, HRS, have shown that the project will have no significant impact, or if those impacts have been mitigated.

We are concerned with potential ambiguity in a proposed amendment found later in the proposed bill that would add language to Section 190D-2, HRS, stating *unless otherwise provided, the provisions of this chapter shall not apply to leases administered by the department of agriculture for the aquacultural lease area program pursuant to section 141-* (page 23 lines 9-12). The Department would appreciate

clarification that lease areas under the program will continue to be subject to the permitting and environmental review requirements contained in Sections 183C-6, HRS, or 190D-11, HRS, when the leased area lies within the State Land Use Conservation District.

The Department also finds that the bill is unclear as to the impact to the authority and oversight of the Board of Land and Natural Resources (Board) over leasing under Chapter 190D, HRS, or ocean dispositions under Chapter 171¹, HRS. In the event the bill divests or circumvents the Board's authority and oversight over ocean leasing or disposition as aforesaid, then the Department would not be in support of this bill.

Thank you for the opportunity to comment on this measure.

¹ For lands owned by the State through the Board of Land and Natural Resources (BLNR), Section 171-11, HRS, requires a government agency to obtain a Governor's executive order set-aside for the use of the land with BLNR approval. Additionally, Section 171-53, HRS, generally requires legislative and Governor's approval to lease submerged lands. While subsection 171-53(c), HRS, exempts leases issued under Chapter 190D, HRS, from the legislative approval requirement, the current bill provides that Chapter 190D, HRS, does not apply to leases issued under the bill. Accordingly, there is ambiguity in this bill as to whether DOA is required to obtain a Governor's executive order for a lease of submerged lands and whether the lease requires legislative approval.

JOSH GREEN, M.D.
Governor

SYLVIA LUKE
Lt. Governor



SHARON HURD
Chairperson, Board of Agriculture

MORRIS M. ATTA
Deputy to the Chairperson

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**TESTIMONY OF SHARON HURD
CHAIRPERSON, BOARD OF AGRICULTURE**

**BEFORE THE SENATE COMMITTEES ON AGRICULTURE AND ENVIRONMENT
AND WATER AND LAND**

**JANUARY 30, 2023
1:00 PM
CONFERENCE ROOM 224**

**SENATE BILL NO. 115
RELATING TO AQUACULTURE**

Chairpersons Gabbard and Inouye and Members of the Committees:

Thank you for the opportunity to testify on Senate Bill 115. The bill establishes within the Department of Agriculture, an Aquacultural Area Lease Program for the purpose of identifying state facilities, state lands, and state marine waters that are suitable for use and lease as commercial aquacultural areas; allows agencies having control and management of identified aquacultural areas to lease the facilities, lands, and waters for the purposes of the Act; allows the program to use the moneys in the Aquaculture Development Special Fund to carry out the purposes of the Act and requires the revenues obtained from aquacultural area leases to be deposited into the Aquaculture Development Special Fund; imposes penalties and civil and criminal liabilities; and exempts the program from being subject to the Hawaii Ocean and Submerged Lands Leasing Act. The Department supports this bill.

The bill would promote the State's economic development by allowing the Department to have active oversight of aquaculture operations through the leasing function. Using a science-based approach, the Department would create a pro-



development framework that minimizes negative effects on the environment through monitoring and reporting. Concurrently, the Department will amend relevant Hawaii Administrative Rules to provide uniform administrative procedures.

As such, the Department supports this measure, provided it does not impact the Department's priorities identified in the Executive Budget request. Thank you for the opportunity to testify on this measure.



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January 30, 2023

HEARING BEFORE THE
SENATE COMMITTEE ON AGRICULTURE AND ENVIRONMENT

TESTIMONY ON SB 115
RELATING TO AQUACULTURE

Conference Room 224 & Videoconference
1:00 PM

Aloha Chair Gabbard, Vice-Chair Richards, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawai'i Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawai'i's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawai'i Farm Bureau supports SB 115, which establishes within the Department of Agriculture, an Aquacultural Area Lease Program for the purpose of identifying state facilities, state lands, and state marine waters that are suitable for use and lease as commercial aquacultural areas.

The Legislature acknowledged the importance of Hawai'i's aquaculture industry by revitalizing the Aquaculture Development Program (ADP) through Act 63, SLH 2019, and in SLH 2022 provided funding for 4 positions for ADP. Supporting local aquacultural production can help the State move toward greater food sustainability and economic diversification. There is significant growth potential for the aquaculture industry in Hawai'i.

Hawai'i's aquaculture industry continues to be one of the fastest-growing segments of Hawai'i agriculture and has become an important source of seafood and other products for local sale and export. The state currently imports about 63 percent of its seafood driven by high resident and tourist demand and limited local fishery landings. HFB believes that for our aquaculture sector to flourish and reach its full potential our farmers need access to land, marine waters, and state facilities with long-term leases at affordable and predictable lease rental rates.

We need to identify state facilities, state lands, and state marine waters that are suitable for use and lease as commercial aquacultural areas to increase the availability of aquacultural sites under the State's control to provide farmers with long-term leases that will enhance the economic viability of Hawai'i's aquacultural industry.

Thank you for the opportunity to testify on this important matter.