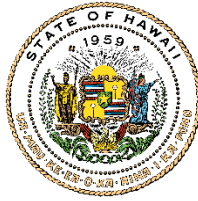


JOSH GREEN, M.D.  
GOVERNOR | KE KIA'ĀINA

SYLVIA LUKE  
LIEUTENANT GOVERNOR | KA HOPE KIA'ĀINA



STATE OF HAWAII | KA MOKU'ĀINA 'O HAWAII'  
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 House Committee on  
WATER AND LAND

Thursday, February 6, 2025  
9:00 AM  
State Capitol, Conference Room 411

In consideration of  
HOUSE BILL 649  
RELATING TO SMALL BOAT HARBORS

House Bill 649 proposes to create the small boat harbor (SBH) commercial vessel special fund; increase SBH fees for commercial ocean operators; allocate a portion of commercial fee collections to the SBH commercial vessel special fund; requires that revenue in the SBH commercial vessel special fund be used exclusively for improvements that primarily benefit commercial vessels utilizing state SBHs; and authorizes the issuance of general obligation bonds with debt service to be paid from the special funds for repairs of various SBHs. **The Department of Land and Natural Resources (Department) acknowledges the intent of this measure and offers the following comments and amendments.**

Managing the SBH program is one of the thirteen statutory mandates contained in Section 200-3, Hawaii Revised Statutes, under the jurisdiction of the Division of Boating and Ocean Recreation (DOBOR). DOBOR is currently self-funded via the Boating Special Fund (BSF) but cannot address all infrastructure needs with available funds, needing funding support for infrastructure projects through the Capital Improvement Project (CIP) budget.

The Department recognizes this measure's innovative approach to addressing the many deferred repair and maintenance projects at state SBHs and boating facilities. However, the Department notes that all slips in state SBHs are "recreational" due to how DOBOR's administrative rules are structured regarding moorings and slips. DOBOR does not issue "commercial" mooring permits. Instead, when a slip holder wishes to operate commercially, a commercial use permit (CUP) is issued as a counterpart to an existing recreational mooring permit, provided that a CUP is available and the permittee is in compliance with all laws and rules.

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

RYAN K.P. KANAKA'OLE  
FIRST DEPUTY

CIARA W.K. KAHAHANE  
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

If fees are allocated according to this measure (40% of revenue generated from commercial vessels allocated to the SBH commercial vessel special fund), there would be a substantial impact to DOBOR's overall operations because a large portion of BSF revenues are currently derived from commercial fee collections.

There is a total of 2,000 slips across all sixteen SBHs in the State. As of this testimony, only 323 of these 2,000 slips (roughly 16%) are used for commercial purposes; thus, most of the slips in the SBH inventory are being used for recreational purposes only. Further, the Department does not separate commercial tenants from recreational-only tenants due to SBHs accommodating vessels of varying sizes, which means that recreational-only and commercial tenants are intertwined throughout all SBHs. Therefore, it will be practically impossible to separate out improvements that will exclusively benefit commercial users, as proposed by this measure, without substantial changes to the physical layout and organization of SBHs.

Regarding the proposal to authorize issuance of general obligation (GO) bonds with debt service to be paid from special funds (MOF D), the Department prefers that any such funding be appropriated as MOF C. Requiring debt service to be paid by special funds will decrease available special fund revenues and hinder DOBOR's ability to quickly respond to sudden and catastrophic events, such as grounded vessel cleanups and SBH damage from weather events.

The Department notes that due to increased costs of supplies and labor, the lowest bids for DOBOR's infrastructure contracts, and even grounded vessel cleanup contracts, have been higher than estimated and budgeted amounts, forcing DOBOR to supplant the budgeted amounts with funds from the BSF. DOBOR previously received MOF D funding several years ago and saw a dramatic decrease in available funds during the 17-year period that it took to fully pay off the debt service. If there are unforeseen events that cause a drop in commercial fee collections, such as the COVID-19 pandemic and the Lahaina wildfires, DOBOR may be unable to make debt service payments while simultaneously being unable to address infrastructure needs.

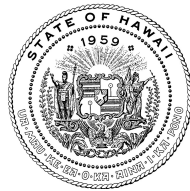
The Department appreciates that the Legislature is exploring innovative approaches to help DOBOR with funding limitations. In the 2024 legislative session, the Department introduced House Bill 2477 as an administration measure, which proposed increased commercial fees and also provided a method for issuing CUPs where a limit was implemented. Therefore, the Department recommends replacing the contents of this measure with House Bill 2477 (2024), or alternatively amending this measure as follows:

- Removing the establishment of the new small boat harbor commercial vessel special fund;
- Removing the issuance of GO bonds with debt service paid from special funds and funding any CIP as MOF C;
- Keeping the commercial percentage fee increase on page 3, line 18; and
- Amending the language on page 3, lines 14 through 17 to read as follows:

(5) ~~If [a vessel is used for commercial purposes from the vessel's permitted mooring,]~~ the permittee is carrying passengers for hire, the permittee shall pay, in lieu of

the moorage fee required by paragraph (1), a monthly fee  
that shall be the greater of:

Mahalo for the opportunity to testify on this measure.



**JOSH GREEN, M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LIEUTENANT GOVERNOR

**LUIS P. SALAVERIA**  
DIRECTOR

**SABRINA NASIR**  
DEPUTY DIRECTOR

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

**STATE OF HAWAII**  
**DEPARTMENT OF BUDGET AND FINANCE**  
*Ka 'Oihana Mālama Mo'ohelu a Kālā*  
P.O. BOX 150  
HONOLULU, HAWAII 96810-0150

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

**WRITTEN ONLY**  
TESTIMONY BY LUIS P. SALAVERIA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE HOUSE COMMITTEE ON WATER AND LAND  
ON  
HOUSE BILL NO. 649

**February 6, 2025**  
**9:00 a.m.**  
**Room 411 and Videoconference**

RELATING TO SMALL BOAT HARBORS

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill (H.B.) No. 649: 1) establishes the Small Boat Harbor Commercial Vessel Special Fund (SBHCVSF) to be administered by the Department of Land and Natural Resources for improvements that benefit commercial vessels that use State small boat harbors; 2) sets the sources of revenue for the SBHCVSF, including legislative appropriations, a portion of the fees designated under Paragraph 200-10(c)(5), HRS, interest, dividends, or other sources; 3) increases the fee for vessels used for commercial purposes from 3% to 5% of the gross revenue derived from the use of the vessel; 4) mandates that 40% of the revenue collected under Paragraph 200-10(c)(5), HRS, is deposited into the SBHCVSF; and 5) authorizes the Director of Finance to issue \$32,000,000 in reimbursable general obligation bonds and appropriates the funds for FY 26 for capital improvement program projects for LNR 801 - Ocean-Based Recreation, provided that the debt service be paid from unspecified special funds.

As a matter of general policy, B&F 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. Regarding H.B. No. 649, it is difficult to determine whether the proposed SBHCVSF would be self-sustaining or if there is need for a new special fund when the existing Boating Special Fund can be used for this purpose.

Thank you for your consideration of our comments.

House Committee on Water and Land

Chair Hashem

Vice Chair Lamosao

DATE: February 6th, 2025

TIME: 9:00 am

PLACE: Conference Room 411

**TESTIMONY IN STRONG OPPOSITION TO HB649**

Aloha Chair Hashem, Vice Chair Lamosao, and members of the committee.

The Maui and Hotel Lodging Association is providing written testimony in **STRONG OPPOSITION** to HB649. We disagree with the increase of fees from 3% to 5% of gross receipts without guarantees of immediate benefits or equitable project allocation. Fee increases threaten already struggling operators, particularly in Maui, without guarantees of timely improvements. Current fees already scale with success, and profit margins are already extremely narrow.

Mahalo for your consideration,

John Pele  
Executive Director- Maui Hotel and Lodging Association  
John.pele@mhla.org

**HB-649**

Submitted on: 2/5/2025 9:26:16 AM

Testimony for WAL on 2/6/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Zachary LaPrade	Calypso Charters	Oppose	Written Testimony Only

Comments:

**TESTIMONY IN STRONG OPPOSITION TO HB649**

**House Committee on Water & Land**

**Hearing Date: Thursday, February 6, 2025, at 9:00 AM**

**Conference Room 411 & Via Videoconference**

**Aloha Chair Hashem, Vice Chair Lamosao, and Members of the Committee,**

My name is **Zachary LaPrade**, and I am the owner of **Calypso Charters**. I am submitting testimony in **strong opposition** to HB649.

As a small business, we are already contributing more than our fair share to support Hawaii’s marine resources and harbors. The tourism industry is still fragile—especially on Maui, where the wildfires have significantly impacted revenue. Yet, once again, agencies are **coming back to the well**, asking small businesses to shoulder additional costs without ensuring accountability or relief.

**Key Concerns with HB649:**

1. **Small Businesses Already Pay Their Fair Share:** We already pay harbor fees, permitting fees, and contribute to the newly implemented **Ocean Stewardship Special Fund**, which took effect in 2024. This new fund was specifically designed to provide long-term sustainability for Hawaii’s marine environment. Now, HB649 is proposing yet another fee increase—this is not fair or sustainable for small businesses.
2. **Lack of Accountability:** There is no clear framework ensuring that the increased fees will directly benefit commercial operators. Without transparency, these additional costs feel like a tax rather than an investment in our harbors. The state must first demonstrate that current funds are being efficiently allocated before imposing new financial burdens.
3. **No Consideration for Maui’s Recovery:** The fires on Maui devastated businesses and tourism, and recovery remains an uphill battle. Yet, instead of offering relief, HB649 seeks to impose even greater financial strain. The state should be **supporting** affected businesses, not making it harder for them to survive.
4. **A Counterproductive Revenue Model:** The current harbor fee structure is already based on a percentage of gross revenue, meaning the state benefits when commercial operators do well. Raising this percentage from 3% to 5% does not guarantee additional revenue—

it only increases the financial pressure on businesses, making it harder for us to reinvest in our operations, employees, and community.

5. **Increased Costs Hurt Local Businesses and Workers:** Commercial operators cannot simply pass these added costs onto consumers. Inflation and rising expenses have already pushed prices higher, making Hawaii's tourism industry less competitive. This increase will **hurt both businesses and employees**, as companies struggle to balance rising costs while paying fair wages.

**Enough is enough.** Small businesses are **not** an unlimited resource for funding government projects. If the state is serious about improving small boat harbors, it should **first ensure that existing funds—including those from the Ocean Stewardship Special Fund—are being managed properly before demanding more from struggling businesses.**

I respectfully urge the committee to **reject HB649** and consider alternative solutions that support local businesses rather than burden them.

**Mahalo for your time and consideration.**

Sincerely,  
**Zachary LaPrade**  
Owner, Calypso Charters





**TESTIMONY OF THE OCEAN TOURISM COALITION IN STRONG OPPOSITION OF  
HB649.**

---

Dear Chair Hashem, Vice Chair Lamosao, and Members of the Committee on Water and Land:

My name is Denver Coon. I am the president of the Ocean Tourism Coalition (“OTC”). OTC represents hundreds of locally owned ocean tourism businesses statewide, many being family businesses. HB649’s proposed fee increases for commercial operators come at a time when many, especially those on Maui, are struggling with significant revenue losses due to the recent fires. Margins are already in the single digits, and raising fees at this time would cause greater hardship.

Operators on Maui are down more than 40% from pre-fire levels. Taking an additional 2% of gross receipts at this time will only make it less likely that these family businesses recover. Additionally, the current 3% fee is already percentage based. Meaning that if boat businesses in Hawaii do better, the state does better. Simply increasing the fee to 5% doesn’t guarantee more money to the state if it causes businesses to go under. Boat operators already pay GET, County surcharge fee, the Ocean Stewardship Fee (\$1 per passenger), the 3% DLNR fee, and all the other taxes and fee that go into running a business in Hawaii.

In addition, the current cost of living in Hawaii is \$259k, \$59k more than the nearest state. Taking more money off the top, just means that these companies have less money to pay their employees who are already struggling under the inflation and skyrocketing rent and mortgages.

While harbor maintenance is essential, this bill fails to acknowledge the following:

1. **A Rising Tide:** The fee is already percentage based. Meaning that if commercial operators do better, the State will also do better. Increasing the fee from 3% to 5% does not guarantee the State with additional revenue.
2. **Cost of Living:** Commercial operators cannot simply pass this increase on to consumers. Inflation has already forced operators to raise prices, making them less competitive in the global markets. Inflation has been hard on both our business and our employees. Increasing the 3% to 5% will only make it harder for businesses to pay employees a livable wage while also paying increased operating costs.

I urge the committee to reject HB649 and consider alternatives that help local businesses instead of simply taking more.

Sincerely,

Denver S. Coon

President, Ocean Tourism Coalition

**HB-649**

Submitted on: 2/5/2025 11:58:35 AM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Michael Bell	Body Glove Hawaii	Oppose	Written Testimony Only

Comments:

I am writing as the General Manager of Body Glove Cruises, a long-standing business in Kailua Kona that serves both residents and visitors, to express my strong opposition to HB649. This bill proposes increased harbor fees for commercial vessels and reallocates revenue into a new special fund dedicated solely to commercial vessel improvements. While I support responsible investment in our harbors, HB649 unfairly places the financial burden on businesses like mine without considering the broader implications for the local economy and community.

One of my primary concerns is that HB649 would significantly raise fees for commercial vessels mooring at state small boat harbors. The proposed increase—raising the percentage of gross revenues collected and imposing a higher per-passenger fee—would create a severe financial strain on tour operators, fishing charters, and other maritime businesses. Many of us are still recovering from the economic impacts of the pandemic, and additional financial burdens could force businesses to reduce services, lay off employees, or even shut down.

Additionally, the bill's provision to direct these increased revenues exclusively toward commercial vessel improvements fails to address the broader maintenance needs of our harbors. Small boat harbors serve not just commercial operators but also local fishermen, recreational boaters, and the community at large. A balanced approach is necessary to ensure that all stakeholders benefit from harbor improvements, not just one segment of users.

The maritime industry is a critical part of Hawaii's economy, providing jobs, supporting tourism, and contributing to the local community. HB649 threatens the sustainability of this industry by imposing disproportionate costs on businesses that help drive economic activity. I urge you to consider alternative funding mechanisms that do not unfairly target small businesses and instead promote a fair and comprehensive strategy for harbor maintenance and development.

I respectfully request that you vote against HB649 and work toward a more equitable solution that supports all harbor users. I appreciate your time and consideration and welcome the opportunity to discuss this matter further.

Sincerely,

Michael Bell

**HB-649**

Submitted on: 2/5/2025 12:17:39 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Richard Kersten	Sea Paradise Scuba Inc.	Oppose	Written Testimony Only

Comments:

Aloha Chair and Members of the Committee,

I am Richard Kersten and I oppose HB649

**HB649 Increases fee from 3% to 5% of gross receipts.** Fee increases threaten already struggling operators, particularly in Maui, where current fees already scale with success, and margins are already razor-thin. All ocean operating businesses struggle to pay the current 3% fees each month, an increase in fees would most likely put many small ocean operators out of business.

Please Kill HB649!

Mahalo for your consideration,

Richard Kersten

President

Sea Paradise Scuba Inc.

**HB-649**

Submitted on: 2/5/2025 12:31:35 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Don Prestage	Sail Maui	Oppose	Written Testimony Only

Comments:

Aloha Chair and Members of the Committee,

On behalf of **Sail Maui**, we respectfully submit this testimony in strong opposition to HB649. This bill proposes an increase in fees from 3% to 5% of gross receipts, a change that poses a significant threat to small businesses like ours, particularly in Maui, where operators are already struggling to stay afloat.

Fee increases of this magnitude place an undue burden on businesses operating with razor-thin margins. The current fee structure already scales with the success of a business, ensuring that contributions are proportional to revenue. Additional increases, however, risk undermining the very viability of operations that contribute to the local economy, provide jobs, and support the tourism sector.

In Maui, where the economic recovery from recent challenges has been slow, many businesses are still grappling with the impacts of reduced tourism, increased operational costs, and the lingering effects of natural disasters. This proposed fee hike could force some operators to cut back services, reduce staff, or even close their doors entirely.

We urge the committee to consider the broader economic implications of this bill. Maintaining the current fee structure supports not only small businesses but also the overall health of Maui's economy. We respectfully request that you oppose HB649 to help preserve the sustainability of our operations and the livelihoods of those who depend on them.

Thank you for your consideration.

Sincerely,

**Don Prestage**  
**President**  
**Sail Maui**  
**don@sailmaui.com**



**TESTIMONY Regarding HB649**  
**TESTIMONY Firmly against HB659 – Concerning Small Boat Harbors**

February 5, 2025

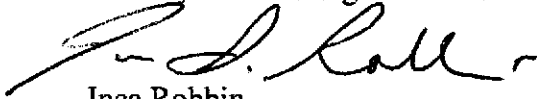
Honorable Chair and Committee Members:

I, Inca Julie Robbin, am wholeheartedly against and oppose HB649. Harbor rebuild and maintenance is critical but efficient management of the existing fees and keeping a small percentage on hand locally at each district for regular and inevitable maintenance would actually help to address those funding issues. Please consider: Increasing fees/charges but offering less is commonly considered bad business practice. Some individuals and families through FEMA and Red Cross have been provided supplemental living arrangements, but businesses of all types are left to fend for themselves with no tangible assistance towards recovery. The cost for everything necessary to operate a business has increased dramatically. Adding a new increase in fees only puts us at further disadvantage and chases away more potential customers, thus leading to less gross revenue to even accrue fees for the State at all. Please consider supporting small, local businesses who would prefer to be able to increase wages to our employees, ensuring that they can keep trying to afford the high cost of living in Hawaii and please vote NO on HB649. Instead, please look for ways to help small business out of these desperate times.

This proposed almost double increase, or any increase at all, at a time when all operators on Maui continue to suffer from the destruction of Lahaina and Lahaina Harbor is devastating to even consider. Tourism came to a complete stop from August 2023 – November 2023, 2024 tourism dropped to record lows in over 50 years of chartering in West Maui. Our company is struggling to keep the doors open, retaining enough employees who can afford the housing costs and keeping operations going. In fact we moved 3 fire victim employees and their families to our house, where they live rent free in order to continue working for us. Even the Ma'alea operators are experiencing an ongoing drop in hotel occupancy and tourism to Maui.

Facing these adversities is a struggle and now a submittal to raise fees from 3% to 5% worsens the hardship. At the start of the year each ocean operator agreed to and has begun paying a new fee of \$1.00 per passenger on top of the 3% that goes to State Agencies. Kaanapali operators in West Maui have no harbor, have no source of water, electricity, safe harbor from storms, and until just recently had no source of fuel. We continue to pay the 3% harbor fee with no resources from the state. To increase this to 5% would be a hardship that many small operators like us would not be able to endure.

Thank you for taking the time to consider my testimony,

A handwritten signature in black ink, appearing to read "Inca Robbin". The signature is fluid and cursive, with a long horizontal stroke at the end.

Inca Robbin  
Sailing Maui Inc.  
808-870-3673

**HB-649**

Submitted on: 2/5/2025 1:00:58 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Christopher Kasper	Calypso Charters	Oppose	Written Testimony Only

Comments:

Aloha,

I strongly oppose this bill. We already have plenty of government oversight. Our boating operations contribute beyond their fair share. We have thin margins and we do not want to add more fees to a visitors already sky high cost of vacationing on Maui.

Mahalo

**HB-649**

Submitted on: 2/5/2025 1:19:38 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Manu Powers	Sea Quest Hawaii	Oppose	Written Testimony Only

Comments:

**Draft Testimony for HB658**

**Subject:** Testimony in Strong Support of HB658 – Relating to Environmental Review

**Aloha Chair and Members of the Committee,**

I, Manu Powers, strongly oppose HB649. My family & I have owned and operated our business for 10 years. We were both born & raised on Hawaii Island and are raising our children here. I cannot emphasize enough how difficult it is to maintain and operate a small business in the State of Hawaii while providing a living wage to our staff. Raising the fee we pay on our gross receipts from 3% to 5% will hurt us immensely and will significantly hurt small family businesses like ours and in turn, our staff and community. I implore you to oppose HB649.

Mahalo for considering this testimony.

Sincerely,

Manu Powers



**HB-649**

Submitted on: 2/5/2025 2:33:24 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Gabriel Lucy	Capt. Andy's Sailing Inc.	Oppose	Written Testimony Only

Comments:

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Gabriel Lucy, and I am the General Manager of Captain Andy’s Sailing Adventures. For over 40 years, we have been part of the Kaua‘i community, providing unforgettable experiences on the water while supporting local jobs and sustainable tourism. I am writing to express our strong opposition to H.B. No. 649.

The proposed increase in the gross receipt fee from 3% to 5% is deeply concerning. Many operators, especially those on Maui who are still recovering from recent economic hardships, are struggling to stay afloat. Current fees already scale with a business’s success, and margins are razor-thin in our industry. An increase of this magnitude will push many small operators to the brink of closure, as we are already burdened with high costs for maintenance, fuel, labor, and moorage.

This increase is not just another small adjustment, it could be the breaking point for local operators. Unlike larger corporations with the ability to absorb these costs, small, locally owned businesses like ours will have to pass on the cost to customers or scale back operations, reducing job opportunities and economic benefits for our community.

Furthermore, the current fee structure already ensures that successful businesses contribute more to harbor maintenance and improvements. Imposing further increases without addressing underlying financial inefficiencies in harbor management unfairly penalizes operators instead of creating a sustainable and equitable funding model.

We respectfully urge the committee to reject this fee increase and instead work with local operators to find alternatives that ensure harbors remain well-maintained without jeopardizing the survival of small businesses that have served the community for decades.

Mahalo for your consideration,  
Gabriel Lucy  
General Manager  
Captain Andy’s Sailing Adventures

**HB-649**

Submitted on: 2/5/2025 3:30:37 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Daniel Hazen	Holo Holo Charters, Inc.	Oppose	Written Testimony Only

Comments:

Aloha,

I strongly oppose HB649, as the proposed fee increases would place an additional burden on operators who are already struggling, particularly in Maui. Current fees are already scaled based on business success, and with profit margins already razor-thin, any further increase would jeopardize the viability of many small businesses.

I urge lawmakers to reconsider this measure, as it could have significant negative impacts on local businesses and the economy. The focus should be on supporting operators, not adding to their financial challenges.

Mahalo for your time,

Daniel Hazen

Operations Manager

Holo Holo Charters, Inc.

**HB-649**

Submitted on: 2/5/2025 3:33:20 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Chandra Bertsch	Holo Holo Charters	Oppose	Written Testimony Only

Comments:

Aloha,

I oppose HB649 as written. It is very concerning to see the fee increases proposed when I have heard personally that DLNR DOBOR is very well-funded but their issue is in all the bureaucracy it takes to spend their money. By the time they finally get approval for a long-overdue project, something else is needed, and they must start over in the process. Our harbors are consistently run down and inadequate across the state. We would all appreciate better upkeep but asking operators to foot the bill when we don't see how the current funds are spent is inappropriate.

Thank you for doing your diligence to not approve a fee increase until an audit of DOBOR spending and procurement processes is completed.

Mahalo,

Chandra Bertsch

Co-Owner & General Manager

Holo Holo Charters

**HB-649**

Submitted on: 2/5/2025 3:51:47 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kevin Ford	Maui Classic Charters.	Oppose	Written Testimony Only

Comments:

Aloha,

We completely are in opposition of this bill. Commercial tour operators are struggling and going out of business more and more every day even, particularly in Maui, even with the current 3% fee on gross revenues. Adding an additional 2% will most likely be detrimental to a number of operators that are barely making ends meet.

Please do not pass HB649



**TESTIMONY Regarding HB649**  
**TESTIMONY FIRMLY AGAINST HB649 – Concerning Small Boat Harbors**

February 5, 2025

Honorable Chair and Committee Members:

I, Peter Wood, am absolutely against and oppose HB649. As I read HB649 the direction is to almost double the fees for commercial operators. This increase, or any increase, while all operators on Maui have suffered and continue to suffer from the obliteration of Lahaina and Lahaina Harbor is simply unreasonable. West Maui operators have been the hardest hit, in fact harder than ever before in their business' lives. Even operators at a seemingly less impacted harbor such as Ma'alaea are feeling the ongoing drop in hotel occupancy and tourism to Maui. Taking these hardships and now a submittal to raise from 3% to 5% as the proposed fee worsens the hardship. Occupancies in hotels and therefore boating and ocean activities have dropped drastically. As of early this year each ocean operator agreed to and has begun paying a new fee of \$1.00 per passenger on top of the 3% that goes to State Agencies. Operators in West Maui have no harbor, no source of water and until just recently had no source of fuel. Ka'anapali operators still have no access to any services and struggle through Maui occupancy challenges.

Of course, Harbor rebuild, and maintenance is critical however this fee increase related to HB649 does not:

- a) Recognize Maui's Ocean recreation community and the hardships that have and continue to occur. In fact, it adds to those hardships.
- b) Provide for any benefit guidelines for end users other than the proposal to nearly double fees from 3% to 5% while not increasing services, in fact currently none or very little services exist.
- c) Consider that rather than increasing fees, the State could offer some form of aid, reduction or assistance with lower fees. Individuals and some families through FEMA and Red Cross have been allowed and given supplemental living arrangements while businesses of all types are left to fend for themselves with no tangible assistance towards recovery.

d) Costs for everything necessary to operate a business have gone substantially up. Wages and items such as fuel, maintenance, marketing, dry docks, mooring repairs, supplies, catering as well as insurance have never been higher. In fact, insurance which is difficult and only getting harder to obtain may by itself force otherwise profitable and competent businesses to close their doors. Adding a new increase in fees only puts us at a bigger disadvantage and chases away more potential customers when we're fighting for every single one, we can attract.

Please consider supporting one of the backbones of our community and society: small businesses and those that endeavor to provide services and make a living. These activities encourage education, ocean awareness and marine conservation efforts. I'm asking you to vote **NO** on HB649 and to instead seek out ways to aid small businesses out of these desperate times rather than compounding them.

Mahalo for your help in trying to understand our plight.

Captain Peter Wood  
808 870-3672

**HB-649**

Submitted on: 2/5/2025 4:21:52 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Richard Haviland	Outfitters Kauai Ltd	Oppose	Written Testimony Only

Comments:

We oppose.

Respectfully,

Rick Haviland

President

**HB-649**

Submitted on: 2/5/2025 4:42:13 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Tony Coscia	Captain Andy's Sailing Inc	Oppose	Written Testimony Only

Comments:

Aloha Committee Members,

I urge the committee to reject HB649 and consider the impact that additional financial strain would have on Hawaii’s tourism industry, especially at a time when many businesses are still recovering.

Instead of increasing fees, we should be focused on finding ways to support local businesses and provide sustainable jobs for the many residents who rely on the tourism industry. Raising fees would only place a heavier burden on tour operators, many of whom are already facing significant economic challenges. This added cost would make it even more difficult for operators to sustain their businesses, retain employees, and contribute to the local economy.

The current percentage-based structure means fees naturally adjust with revenue, and many businesses are already operating with razor-thin margins. HB649’s proposed increase from 3% to 5% of gross receipts would exacerbate the financial pressure on operators, further jeopardizing their ability to remain viable.

Mahalo for your time and consideration.

Sincerely,  
Tony Coscia



**HB-649**

Submitted on: 2/5/2025 7:44:48 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nick Croft	Explore Kauai Scuba, LLC	Oppose	Written Testimony Only

Comments:

Aloha Chair and Members of the Committee,

My name is Nick Croft, and I strongly oppose HB649. A similar bill was introduced last year, and now it's back again. Increasing fees will threaten businesses across the state, nearly doubling the current fees. At a time when we're still recovering from the impacts of COVID and the Lahaina fire, these increased fees will have a negative effect. The current fee structure already scales with a company's success, meaning the more a business earns, the more money the state receives. With these constant attacks on small businesses, many will be forced to shut their doors.

I feel like I am endlessly stressing about these harmful bills, and it's taking a toll on my health. When does it stop? Please, help by opposing HB649.

Mahalo for considering this testimony.

Sincerely,

Nick Croft

**HB-649**

Submitted on: 2/5/2025 8:11:06 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
jessie croft	Explore Kauai Scuba, LLC.	Oppose	Written Testimony Only

Comments:

Aloha Chair and Members of the Committee,

My name is Jessie Croft, and I strongly oppose HB649. Increasing fees will threaten businesses across the state, nearly doubling the current fees. Hawai'i is becoming too expensive for tourists as is. They are finding other beautiful places to travel within their price range. We added the OSF last year. Now, we are adding more harbor tax too? The state of Hawai'i already has the highest hotel tax in the country. Are we taxing our tourists so much that they will stop coming to visit? Mahalo for considering this testimony.

Sincerely,

Jessie Croft

## TESTIMONY Regarding HB649

### TESTIMONY Firmly against HB659 – Concerning Small Boat Harbors

Honorable Chair and Committee Members:

I, Michael T. Kelley fully and completely am against and oppose **HB649**.

As I read HB649 the direction is nearly double the fees for commercial operators. This increase, or any increase, while many, all operators on Maui have suffered and continue to suffer from the obliteration of Lahaina and Lahaina Harbor is simply unreasonable. West Maui operators have been the hardest hit, in fact harder than ever before in their businesses. Even operators at a seemingly less impacted harbor such as Ma'alaea are feeling the ongoing drop in hotel occupancy and tourism to Maui. Taking these hardships and now a submittal to raise from 3% to 5% the proposed fee just magnifies the hardship. Even passing through new fees to clients is a mistake in a time when occupancies on hotels and therefore boating and ocean activities have dropped drastically. Additionally, each ocean operator agreed to and has begun paying a new fee of \$1.00 per passenger on top of the 3% that goes to State Agencies. Operators in West Maui have no harbor, have no source of water and until just recently have no source of fuel. Ka'anapali operators still have no access to any services and struggle through thin margins and occupancy challenges.

Of course, Harbor rebuild, and maintenance is critical however this fee increase related to HB649 does not:

- a) Recognize Maui's Ocean recreation community and the hardships that have and continue to occur. In fact, it builds on those hardships.
- b) Provide for any benefit guidelines for end users other than the proposal to nearly double fees from 3% to 5% while not increasing services rather decreasing as currently none or very little exists
- c) Consider that rather than increasing fees the State could offer some form of aid, reduction or assistance with lower fees. Individuals and some families through FEMA and Red Cross have been allowed and given supplemental living arrangements while businesses of all types are left to fend for themselves with no tangible assistance towards recovery
- d) Costs for everything necessary to operate a business have skyrocketed. Wages and items such as fuel, maintenance, marketing, catering as well as game changing new costs such as insurance have never been higher. In fact, insurance which is difficult and only getting harder to obtain may by itself force otherwise profitable and competent businesses to close. Adding a new increase in fees only puts us at further disadvantage and chases away more potential customers when we're fighting for every single one, we can attract.

Please consider supporting one of the backbones of our community and society which is small business and those that endeavor to provide services and make a living. I'm asking you to vote NO on HB649 and rather look for ways to aid small business out of desperate times rather than compounding them.

*Thank you for your help!*

Sincerely,

Michael T. Kelley

808-385-5595

**HB-649**

Submitted on: 2/5/2025 12:02:04 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Erik Stein	Individual	Oppose	Written Testimony Only

Comments:

The existing fee structure already supports Harbors. However the monies generated by the fees does not flow back to the boating community. This increase is excessive and regressive to the struggling ocean tours operating on Maui. The customer is already paying Excise fees and Stewardship fees and CUP fees. This increase is unjust. Too much taxation already without basic services and support. I oppose this bill strongly

**HB-649**

Submitted on: 2/5/2025 12:08:17 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
dave C weiss	Individual	Oppose	Written Testimony Only

Comments:

**Increasing the fees from 3% to 5% may not seem like much, but it would be devastating to our already struggling businesses on Maui.** Current fees already scale with success, and our margins in the boating business on Maui are already razor-thin. Since the Lahaina fires, all of us are barley making it. Please vote this one down

Dave Weiss

**HB-649**

Submitted on: 2/5/2025 1:14:04 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Ali Grimes	Individual	Oppose	Written Testimony Only

Comments:

We oppose HB649 which increases commercial operator fees from 3% to 5%. As a small commercial operator (one vessel, 6 people) who lost our vessel and our home in the Lahaina Fire, I am earning 25% of my pre-fire income. This has been a huge struggle for our 'Ohana and we are working very hard to survive until we can resume full operations at Lahaina Harbor. The state already does not maintain their harbors at an acceptable level and our voices requesting to fix condemned slips and dredge waterways have historically fallen on deaf ears. The 3% that Lahaina Harbor generates in gross receipts goes into the general fund. It is not spent on our harbor or any of the others in the state as it should be. Further taxing struggling small commercial businesses is not fair at this juncture. Ali Grimes and Keahi Ho.

**HB-649**

Submitted on: 2/5/2025 1:15:22 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Keahi Ho	Individual	Oppose	Written Testimony Only

Comments:

We oppose HB649 which increases commercial operator fees from 3% to 5%. As a small commercial operator (one vessel, 6 people) who lost our vessel and our home in the Lahaina Fire, we are earning 25% of our pre-fire income. This has been a huge struggle for our ‘Ohana and we are working very hard to survive until we can resume full operations at Lahaina Harbor. The state already does not maintain their harbors at an acceptable level and our voices requesting to fix condemned slips and dredge waterways have historically fallen on deaf ears. The 3% that Lahaina Harbor generates in gross receipts goes into the general fund. It is not spent on our harbor or any of the others in the state as it should be. Further taxing struggling small commercial businesses is not fair at this juncture. Keahi Ho and Ali Grimes.



**HB-649**

Submitted on: 2/5/2025 1:29:27 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Ginger Lucy	Individual	Oppose	Written Testimony Only

Comments:

TESTIMONY IN OPPOSITION TO HB649

Aloha Chair, Vice Chair, and Members of the Committee,

My name is Ginger Lucy, and I am both an owner and a hands-on employee of Trilogy Excursions, a small, family-owned sailing business based in Lahaina, Maui. For the past 50 years, Trilogy has been more than just a business—it has been our family's life, our passion, and our way of giving back to the island and community that we cherish. Today, I write with heartfelt concern to oppose HB649.

Trilogy Excursions was founded on a simple belief: sharing Maui' Nui's waters with respect, sustainability, and aloha. Over the last 52 years, we've grown from a single sailboat to a thriving small business, employing local residents, supporting countless families, and contributing to our island's economy. We've weathered storms, both literal and economic, but what has kept us afloat is our deep connection to the community and the ocean we love.

HB649 proposes to increase fees from 3% to 5% of gross receipts. While this might seem like a modest adjustment on paper, for small, family-run businesses like ours, it represents a significant financial burden. Unlike large corporations with vast resources, we operate with razor-thin margins. Every dollar counts, not just for maintaining our boats and equipment, but for paying our hardworking crew, all of whom live on Maui and are striving to build a life here, supporting themselves and their families amidst the island's high cost of living.

Our current fee structure already scales with our success, ensuring that we contribute more when we do well. This balance allows us to invest in sustainable practices, maintain our vessels, and support our employees even during challenging times. Increasing these fees disrupts that balance, potentially forcing us to make difficult decisions—reducing staff hours, limiting community programs, or cutting back on environmental initiatives that are core to our mission.

Moreover, the timing of this proposed increase is particularly troubling. Many businesses in Maui are still recovering from the economic impacts of all the recent challenges, including the pandemic and the devastating August 8th fires. We are still striving to rebuild, support our employees, and contribute to the community's resilience. A sudden fee hike feels less like shared responsibility and more like an added obstacle when we are just finding our footing again.

This isn't just about numbers on a balance sheet. It's about people—our crew members who greet guests with aloha, the local suppliers we work with, and the families who rely on Trilogy for their livelihoods. It's about preserving the spirit of small, family-owned businesses that are a big part of the heart and soul of Maui's economy and culture.

I respectfully urge you to reconsider HB649. Please support local businesses that have been the backbone of Maui for generations, businesses that are deeply committed to our island, our people, and our environment.

Mahalo for your time and consideration.

With deepest respect and aloha,

Ginger Lucy  
Owner & Employee, Trilogy Excursions  
Lahaina, Maui

**HB-649**

Submitted on: 2/5/2025 1:55:25 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Shelley Carey	Individual	Oppose	Written Testimony Only

Comments:

I oppose HB 649. The existing 3% is more than enough to manage small boat harbors. If the department cannot manage small boat harbors with a \$366,285,801.00 budget, then maybe congress should look to privatizing these responsibilities. The mismanagement of these funds should not fall onto commercial operators. In the past 3 years, there have been increases from 2% to 3%, plus the mandate of the ocean stewardship fee of \$1.00 per passenger. You cannot tax your way to prosperity.

**HB-649**

Submitted on: 2/5/2025 2:40:10 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Peter o riordan	Individual	Oppose	Written Testimony Only

Comments:

**TESTIMONY Regarding HB649**

TESTIMONY Firmly against HB659 – Concerning Small Boat Harbors

Honorable Chair and Committee Members:

I, Peter Anthony O’Riordan fully and completely am *against and oppose* **HB649**.

As I read HB649 the direction is nearly double the fees for commercial operators. This increase, or any increase, while many, all operators on Maui have suffered and continue to suffer from the obliteration of Lahaina and Lahaina Harbor is simply unreasonable. West Maui operators have been the hardest hit, in fact harder than ever before in their businesses. Even operators at a seemingly less impacted harbor such as Ma’alaea are feeling the ongoing drop in hotel occupancy and tourism to Maui. Taking these hardships and now a submittal to raise from 3% to 5% the proposed fee just magnifies the hardship. Even passing through new fees to clients is a mistake in a time when occupancies on hotels and therefore boating and ocean activities have dropped drastically. Additionally, each ocean operator agreed to and has begun paying a new fee of \$1.00 per passenger on top of the 3% that goes to State Agencies. Operators in West Maui have no harbor, have no source of water and until just recently have no source of fuel. Ka’anapali operators still have no access to any services and struggle through thin margins and occupancy challenges.

Of course, Harbor rebuild, and maintenance is critical however this fee increase related to HB649 does not:

1. Recognize Maui’s Ocean recreation community and the hardships that have and continue to occur. In fact, it builds on those hardships.
2. Provide for any benefit guidelines for end users other than the proposal to nearly double fees from 3% to 5% while not increasing services rather decreasing as currently none or very little exists

3. Consider that rather than increasing fees the State could offer some form of aid, reduction or assistance with lower fees. Individuals and some families through FEMA and Red Cross have been allowed and given supplemental living arrangements while businesses of all types are left to fend for themselves with no tangible assistance towards recovery
4. Costs for everything necessary to operate a business have skyrocketed. Wages and items such as fuel, maintenance, marketing, catering as well as game changing new costs such as insurance have never been higher. In fact, insurance which is difficult and only getting harder to obtain may by itself force otherwise profitable and competent businesses to close. Adding a new increase in fees only puts us at further disadvantage and chases away more potential customers when we're fighting for every single one, we can attract.

Please consider supporting one of the backbones of our community and society which is small business and those that endeavor to provide services and make a living. I'm asking you to vote NO on HB649 and rather look for ways to aid small business out of desperate times rather than compounding them.

*Thank you for your help!*

Sincerely,

Peter O Riordan

808-446-6121

**HB-649**

Submitted on: 2/5/2025 3:09:55 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jim Walsh	Individual	Oppose	Written Testimony Only

Comments:

Aloha Water and Land Committee

My name is Jim Walsh, and I **Strongly Oppose HB649.**

Well, here we are again fighting to keep our taxes down. I am opposed to gross revenue tax going up from 3% to 5%. Inflation went to 9% a few years ago and hasn't come down, it just keeps going up. Should the state increase this tax, my marge goes down. Should this tax go up, that is money that goes to the government instead of my employees.

I realize that the state of our harbors are bad, very bad, and in need of capital improvements. I'd like to see the state become good stewards of the 3% we give them now before an increase is granted. I have worked and played in our harbors for the past 35 years and there is little to no maintenance done. Items remain broken and in disrepair with no ongoing maintenance done. So this just goes until it becomes a major capital request to fix. It makes no sense.

Establish a proper maintenance program before asking the users to pay more money. I'm not opposed to paying more, but if the current attitude on maintenance doesn't change, it will be just a big waste of money.

Thank you for the opportunity to testify.

Kind regards,

Jim Walsh

**HB-649**

Submitted on: 2/5/2025 6:00:51 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Anita Sweet	Individual	Oppose	Written Testimony Only

Comments:

House Committee on Water and Land

Chair Mark Hashem

Vice Chair Lamosao

Date: February 6th, 2024

Time: 9:00am in Room 411

Place: State Capitol

415 South Beretania Street

Honolulu, Hawaii

**TESTIMONY IN STRONG OPPOSITION OF HB649**

Aloha Chair Hashem, Vice Chair Lamosao, and Members of the Committee,

Thank you for the opportunity to provide testimony in **strong opposition to HB649**.

HB649 proposes fee increases based on gross receipts, posing a significant financial burden on Maui's already struggling operators.

These increases are especially concerning for businesses on Maui, where many are still working to recover from the Lahaina fire. Current fees already scale with revenue, and profit margins remain extremely thin for our companies. Additional financial strain could jeopardize the viability of these operations, further impacting the local economy.

I respectfully urge you to support our community by **rejecting this bill**.

Anita Sweet

PO BOX 13112

Lahaina, HI 96761

anita\_88@yahoo.com



**HB-649**

Submitted on: 2/5/2025 8:01:27 PM

Testimony for WAL on 2/6/2025 9:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Rita Maloney	Individual	Oppose	Written Testimony Only

Comments:

Fee increases threaten already struggling operators, particularly in Maui, Current fees already scale with success, and margins are already razor-thin.