

STAND. COM. REP. NO. 2487

Honolulu, Hawaii

MAR 01 2012

RE: S.B. No. 2850
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Water, Land, and Housing, to which was referred S.B. No. 2850 entitled:

"A BILL FOR AN ACT RELATING TO GROUNDED VESSELS,"

begs leave to report as follows:

The purpose and intent of this measure is to shorten from seventy-two hours to twenty-four hours the length of time within which an owner of a vessel grounded on coral reef or in imminent danger of breaking apart must remove the vessel before the Department of Land and Natural Resources may assume control of the vessel.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Ocean Tourism Coalition.

Your Committee finds that vessels grounded on coral reefs are likely to cause extensive and irreparable damage to the State's precious ocean environment if not disposed of in a timely manner. If left unattended, grounded vessels may also break apart and cause marine pollution and other hazards due to wave action. Thus, it is important to dispose of these vessels in a timely manner. However, your Committee understands that it is important to protect the rights of the owner as some of the vessels may be worth millions of dollars.

Accordingly, your Committee has amended this measure by adding language to:

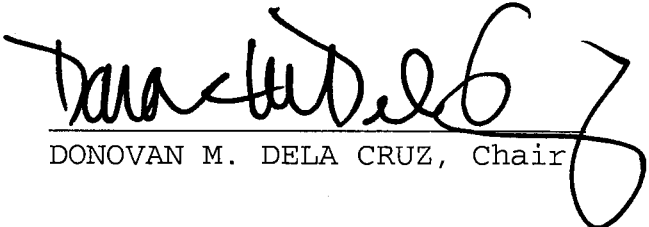
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- (1) Allow owners the first right to salvage their grounded vessels if the owners are able to initiate efforts to salvage their grounded vessels within twenty-four hours of grounding; and
- (2) After the twenty-four-hour period has expired, allow owners to continue as the primary agent in salvaging their vessels if the owners provide proof of:
 - (A) A marine insurance policy listing the State as an additional insured for at least \$1,000,000; and
 - (B) Actively and effectively initiating a salvage effort with reasonable evidence that the grounded vessel can be saved within seventy-two hours of grounding or, if the Department of Land and Natural Resources determines that no additional environmental damage exists, beyond seventy-two hours.

As affirmed by the record of votes of the members of your Committee on Water, Land, and Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2850, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2850, S.D. 1, and be placed on the calendar for Third Reading.

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


DONOVAN M. DELA CRUZ, Chair



Record of Votes
Committee on Water, Land and Housing
WLH

*Only one measure per Record of Votes