

S.B. NO. 2903

JAN 27 2016

A BILL FOR AN ACT

RELATING TO TRANSFERABILITY OF MOORING PERMITS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 200-10, Hawaii Revised Statutes, is
2 amended by amending subsection (d) to read as follows:

3 "(d) The department shall not renew or issue a permit to a
4 person who is not the owner of the vessel which is moored or
5 which the person desires to moor in a state small boat harbor.
6 No use permit may be transferred unless specifically provided by
7 law.

8 Any person possessing a mooring permit shall be allowed to
9 transfer the mooring permit to the new vessel owner upon sale of
10 the vessel by satisfaction of the following conditions:

11 (1) The sale price of the vessel shall be established by
12 appraisal from a state licensed surveyor, provided
13 that the vessel shall not be sold for more than the
14 appraised value and the terms of the sale shall be set
15 at fair market value; and

16 (2) The seller shall pay to the department a transfer fee
17 of \$100 per foot of vessel length overall upon

approval of the mooring permit transfer to the new
vessel owner.

Any individual who is an owner of a vessel used for commercial purposes, including commercial fishing as a principal means of livelihood, and possesses a valid mooring permit or commercial permit, or both, in accordance with the rules adopted by the chairperson pursuant to chapter 91, may transfer ownership of the vessel from personal ownership to corporate or other business ownership without terminating the right to moor or operate the vessel under the permit or permits. The existing permit or permits shall be reissued in the name of the transferee corporation or other business entity."

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval.

INTRODUCED BY:

Ann N. M.

BY REQUEST

Report Title:

Mooring Permits; Transfer

Description:

Allows a holder of a mooring permit within state small boat harbors to transfer the mooring permit to the new vessel owner under certain terms and conditions.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

JUSTIFICATION SHEET

DEPARTMENT: Land and Natural Resources

TITLE: A BILL FOR AN ACT RELATING TO
TRANSFERABILITY OF MOORING PERMITS.

PURPOSE: To allow a holder of a mooring permit within
state small boat harbors to transfer the
mooring permit to the new vessel owner under
certain terms and conditions.

MEANS: Amend section 200-10(d), Hawaii Revised
Statutes.

JUSTIFICATION: Currently, no use permit for state small
boat harbors issued by the Department is
transferrable unless provided for by law.
As such, there is no law allowing the
transfer of mooring permits that are
presently issued by order of seniority from
a waitlist. This method of issuance limits
the ability of vessel owners to sell their
vessels because the potential buyer of the
vessel may not already have a place to berth
the vessel. The proposed amendment would
establish a procedure to allow a mooring
permit to be transferred to the next vessel
owner by way of sale of the vessel.

Requiring that the vessel be sold at fair
market value ensures that the sale price of
vessels will not be unreasonably inflated in
order to profit from the transfer of a
mooring permit.

Impact on the public: There have been
several instances where individuals have
suffered economic loss from the inability to
sell their vessel because of the difficulty
for potential purchasers in procuring a
mooring permit for the vessel. The proposed
amendment would establish a procedure
whereby vessels could be more easily bought
and sold.

Impact on the department and other agencies:
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: LNR 801.

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: Upon approval.