

A Bill for an Act Relating to Use Permits for Small Boat Facilities.

*Be It Enacted by the Legislature of the State of Hawaii:*

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

“(f) Any person ~~[owning]~~ who owns an interest in a corporation or other business entity or is part of a controlled group possessing a valid commercial permit issued by the department, in accordance with rules adopted by the chairperson pursuant to chapter 91, may transfer any or all stock or other interest to another person without terminating the right of the corporation or business entity to retain or renew its commercial permit or any other permit issued to it by the department; provided that:

- (1) The corporation or business entity has been engaged in the same commercial vessel activity, as defined in section 200-9, for a minimum of one year;
- (2) The seller shall pay the department a business transfer fee based on the passenger-carrying capacity of the vessels owned or operated by the corporation or business entity as provided by rules adopted by the chairperson pursuant to chapter 91, except for transfers of stock or interest in a corporation or other business entity between spouses or first-generation lineal descendants; and
- (3) In the case of a controlled group, the transferee ~~[must]~~ shall retain eighty per cent control of the transferor.

Any person possessing a commercial permit shall be required to meet minimum revenue standards, as a condition of retaining or renewing the commercial permit.

When an application for renewal of a commercial permit is made at least sixty days prior to expiration of the commercial permit, the department shall review the application and, within thirty days of receipt of the application, shall renew the permit or notify the applicant that the application is incomplete or cannot be renewed and explain any reasons for nonrenewal. Within thirty days of receipt of the applicant’s amended application, the department shall either renew the permit or notify the applicant that the permit will not be renewed.

If the holder of a commercial permit fails to timely obtain renewal of a commercial permit, the holder of the permit shall automatically be granted a thirty-day extension from the date of the existing permit’s expiration to obtain a permit renewal.”

SECTION 2. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved July 6, 2016.)