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# A BILL FOR AN ACT

RELATING TO SMALL BOAT HARBORS.

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

1 SECTION 1. Section 200-10, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§200-10 Permits and fees for state small boat harbors.

4 (a) No person shall moor a vessel in a state small boat harbor  
5 without:

6 (1) First obtaining a use permit from the department; and

7 (2) Being the owner of the vessel.

8 (b) [~~In order to~~] To obtain a permit or a permit renewal,  
9 the owner of a vessel shall provide, at the owner's own expense:

10 (1) A marine surveyor's inspection no more than two years  
11 old, certifying that the surveyor has inspected the  
12 vessel and considers it to fulfill the requirements  
13 set by the department; and

14 (2) Documentation that the person is the owner of the  
15 vessel. The documentation shall meet requirements  
16 established by the department.

17 (c) The permittee shall pay moorage fees to the department  
18 for the use permit that shall be based on[7] but not limited



1 to[7] the use of the vessel, its effect on the harbor, use of  
2 facilities, and the cost of administering this mooring program;  
3 and, furthermore:

4 (1) Moorage fees shall be established by the department  
5 and shall be higher for nonresidents;

6 (2) An application fee shall be collected when applying  
7 for moorage in state small boat harbors and shall  
8 thereafter be collected annually when the application  
9 is renewed. The application fee shall be:

10 (A) Set by the department; and

11 (B) Not less than \$100 for nonresidents;

12 (3) If a recreational vessel is used as a place of  
13 principal habitation, the permittee shall pay, in  
14 addition to the moorage fee, a liveaboard fee that  
15 shall be calculated at a rate of:

16 (A) \$5.20 a foot of vessel length a month if the  
17 permittee is a state resident; and

18 (B) \$7.80 a foot of vessel length a month if the  
19 permittee is a nonresident;

20 provided that the liveaboard fees established by this  
21 paragraph may be increased by the department at the  
22 rate of the annual cost-of-living index, but not more



1 than five per cent in any one year, beginning  
2 January 1 of each year; [~~and~~]

3 (4) If a vessel having a commercial permit is used for  
4 commercial purposes from its permitted mooring, the  
5 permittee shall pay, in lieu of the moorage and  
6 liveaboard fee, a fee based on three per cent of the  
7 gross revenues derived from the use of the vessel or  
8 two times the moorage fee assessed for a recreational  
9 vessel of the same size, whichever is greater[~~-~~]; and

10 (5) If a vessel is used for commercial fishing activity  
11 from its permitted mooring, the permittee shall pay,  
12 in lieu of the moorage and liveaboard fee, a fee that  
13 is two times the moorage fee assessed for a  
14 recreational vessel of the same size.

15 (d) The department shall not renew or issue a permit to a  
16 person who is not the owner of the vessel which is moored or  
17 which the person desires to moor in a state small boat harbor.  
18 Any individual who is an owner of a vessel used for commercial  
19 purposes, including commercial fishing as a principal means of  
20 livelihood, and possesses a valid mooring permit or commercial  
21 permit, or both, in accordance with the rules adopted by the  
22 chairperson pursuant to chapter 91, may transfer ownership of



1 the vessel from personal ownership to corporate or other  
2 business ownership without terminating the right to moor or  
3 operate the vessel under the permit or permits. The existing  
4 permit or permits shall be reissued in the name of the  
5 transferee corporation or other business entity.

6 For the purposes of this section, "person" means any  
7 individual, firm, partnership, corporation, trust, association,  
8 joint venture, organization, institution, or any other legal  
9 entity, and "owner" includes the legal owner of a vessel where  
10 there is no security interest held by anyone on the vessel, a  
11 buyer under a purchase money security interest, a debtor under  
12 any security interest, a demise charterer of a vessel, or a  
13 lessee or charterer of a vessel under a lease or charter which  
14 provides the lessee or charterer with exclusive right to  
15 possession of the vessel to the exclusion of the lessor or the  
16 person from whom the vessel is chartered. No permittee shall be  
17 allowed to moor a leased vessel in a berth unless the terms of  
18 the lease are set at fair market value. A "legal owner"  
19 includes a person who holds unencumbered title to a vessel or is  
20 a secured party under a security interest in the vessel. An  
21 owner who is issued a permit to moor a vessel in a state small  
22 boat harbor shall notify the department in writing of a transfer



1 of interest or possession in the vessel within seven days of  
2 transfer.

3 Any person owning an interest in a corporation or other  
4 business entity possessing a valid commercial permit issued by  
5 the department, in accordance with rules adopted by the  
6 chairperson pursuant to chapter 91, may transfer any or all  
7 stock or other interest to another person without terminating  
8 the right of the corporation or business entity to retain or  
9 renew its commercial permit or any other permit issued to it by  
10 the department; provided that:

- 11 (1) The corporation or business entity has been engaged in  
12 the same commercial vessel activity, as defined in  
13 section 200-9, for a minimum of one year; and
- 14 (2) The seller shall pay the department a business  
15 transfer fee based on the passenger-carrying capacity  
16 of the vessels owned or operated by the corporation or  
17 business entity as provided by rules adopted by the  
18 chairperson pursuant to chapter 91.

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



1       (e) Any person owning an interest in a corporation or  
2 other business entity operating a commercial fishing vessel may  
3 transfer any or all stock or other interest to another person  
4 without terminating the right of the corporation or business  
5 entity to retain or renew its mooring permit or any other permit  
6 issued to it by the department; provided that:

7       (1) The corporation or business entity has been engaged in  
8 the same commercial fishing activity for a minimum of  
9 three years or for a minimum of one year if the  
10 mooring permit was acquired by a previous transfer;

11       (2) The owner of a vessel used for commercial fishing has  
12 declared this activity with the department and has  
13 paid commercial fishing vessel mooring fees; and

14       (3) The seller shall pay the department a business  
15 transfer fee of \$2,500, or a higher fee as provided by  
16 rules adopted by the chairperson pursuant to chapter  
17 91.

18       (f) For purposes of this section, "commercial fishing  
19 activity" means fishing activity using a vessel:

20       (1) Whose owner possesses:

21       (A) Valid commercial fishing registration documents;



- 1            (B) Other business licenses and permits required by  
2            law with respect to the vessel; and
- 3            (C) Income tax returns that verify that fifty-one per  
4            cent or more of the business involving the vessel  
5            is generated through the sale of fish or  
6            permitted coral;
- 7            (2) That is operated by an individual holding a valid  
8            commercial marine license; and
- 9            (3) Whose owner can prove that at least \$15,000 in income  
10           has been earned with respect to the vessel in the most  
11           recent taxable year applicable to a permit  
12           application.

13           [~~e~~] (g) The department may designate moorage space  
14 within state small boat harbors to accommodate commercial  
15 fishing vessels and transient vessels.

16           [~~f~~] (h) All revenues from the foregoing operations shall  
17 be deposited in the boating special fund."

18           SECTION 2. Statutory material to be repealed is bracketed  
19 and stricken. New statutory material is underscored.

20           SECTION 3. This Act shall take effect on July 1, 2020.



**Report Title:**

Small Boats; Commercial Permit; Mooring Permit

**Description:**

Requires a permittee of certain commercial fishing vessels to pay a fee two times the moorage fee of a recreational vessel. Allows a person to transfer stock or interest in a corporation or business entity operating a commercial fishing vessel while allowing the corporation or business entity to retain its mooring permit under certain circumstances. Defines "commercial fishing activity." Effective July 1, 2020. (HB2741 HD1)

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

