
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]~~ Three
17 times the moorage fee assessed per month for a
18 recreational vessel of the same size, if the
19 permittee is a state resident; and

20 (B) ~~[\$7.80 a foot of vessel length a month]~~ Three and
21 one-half times the moorage fee assessed per month



1 for a recreational vessel of the same size, if

2 the permittee is a nonresident;

3 provided that the liveaboard fees established by this

4 paragraph may be increased by the department at the

5 rate of the annual cost-of-living index, but not more

6 than five per cent in any one year, beginning

7 January 1 of each year; [~~and~~]

8 (4) If a vessel having a commercial permit is used for

9 commercial purposes from its permitted mooring, the

10 permittee shall pay, in lieu of the moorage and

11 liveaboard fee, a fee based on three per cent of the

12 gross revenues derived from the use of the vessel or

13 two times the moorage fee assessed for a recreational

14 vessel of the same size, whichever is greater~~[-]~~; and

15 (5) If a vessel is used for commercial fishing activity

16 from its permitted mooring, the permittee shall pay,

17 in lieu of the moorage and liveaboard fee, a fee that

18 is two times the moorage fee assessed for a

19 recreational vessel of the same size.

20 (d) The department shall not renew or issue a permit to a

21 person who is not the owner of the vessel which is moored or

22 which the person desires to moor in a state small boat harbor.



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

11 For the purposes of this section, "person" means any
12 individual, firm, partnership, corporation, trust, association,
13 joint venture, organization, institution, or any other legal
14 entity, and "owner" includes the legal owner of a vessel where
15 there is no security interest held by anyone on the vessel, a
16 buyer under a purchase money security interest, a debtor under
17 any security interest, a demise charterer of a vessel, or a
18 lessee or charterer of a vessel under a lease or charter which
19 provides the lessee or charterer with exclusive right to
20 possession of the vessel to the exclusion of the lessor or the
21 person from whom the vessel is chartered. No permittee shall be
22 allowed to moor a leased vessel in a berth unless the terms of



1 the lease are set at fair market value. A "legal owner"
2 includes a person who holds unencumbered title to a vessel or is
3 a secured party under a security interest in the vessel. An
4 owner who is issued a permit to moor a vessel in a state small
5 boat harbor shall notify the department in writing of a transfer
6 of interest or possession in the vessel within seven days of
7 transfer.

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

16 (1) The corporation or business entity has been engaged in
17 the same commercial vessel activity, as defined in
18 section 200-9, for a minimum of one year; and

19 (2) The seller shall pay the department a business
20 transfer fee based on the passenger-carrying capacity
21 of the vessels owned or operated by the corporation or



1 business entity as provided by rules adopted by the
2 chairperson pursuant to chapter 91.

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

6 (e) Any person owning an interest in a corporation or
7 other business entity operating a commercial fishing vessel may
8 make a one-time transfer of any or all stock or other interest
9 to another person without terminating the right of the
10 corporation or business entity to retain or renew its mooring
11 permit or any other permit issued to it by the department;
12 provided that the person to whom the transfer is made is not an
13 employee, shareholder, officer of the corporation, or member of
14 that person's immediate family; provided further that:

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

19 (2) The owner of the vessel used for commercial fishing
20 has declared this activity with the department and has
21 paid commercial fishing vessel mooring fees; and



1 (3) The person transferring the interest in the
2 corporation or business entity pays the department a
3 business transfer fee of \$2,500, or a higher fee as
4 provided by rules adopted by the chairperson pursuant
5 to chapter 91.

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

8 (1) Whose owner possesses:

9 (A) Valid commercial fishing registration documents;

10 (B) Other business licenses and permits required by
11 law with respect to the vessel; and

12 (C) Income tax returns that verify that fifty-one per
13 cent or more of the business involving the vessel
14 is generated through the sale of fish or
15 permitted coral;

16 (2) That is operated by an individual holding a valid
17 commercial marine license; and

18 (3) Whose owner can prove that at least \$15,000 in income
19 has been earned with respect to the vessel in the most
20 recent taxable year applicable to a permit
21 application.



1 ~~(e)~~ (g) The department may designate moorage space
2 within state small boat harbors to accommodate commercial
3 fishing vessels and transient vessels.

4 ~~(f)~~ (h) All revenues from the foregoing operations shall
5 be deposited in the boating special fund."

6 SECTION 2. Statutory material to be repealed is bracketed
7 and stricken. New statutory material is underscored.

8 SECTION 3. This Act shall take effect on July 1, 2050.



Report Title:

Small Boats; Commercial Permit; Mooring Permit; Liveaboard Fees

Description:

Adjusts fees for permittees of vessels that are used for a place of principal habitation in state small boat harbors; 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; and defines "commercial fishing activity". Effective 7/1/2050.

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