

JAN 20 2010

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# A BILL FOR AN ACT

RELATING TO VESSELS.

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

1           SECTION 1. Chapter 290, Hawaii Revised Statutes, is  
2 amended by adding a new part to be appropriately designated and  
3 to read as follows:

4           "PART . VESSELS ABANDONED ON PUBLIC ROADWAYS AND STREETS

5           §290-       Disposition by counties of certain abandoned  
6 vessels and trailers. The counties may cause a vessel, as  
7 defined in section 200-23, or its trailer that has been  
8 abandoned on a public highway, roadway, or street, as those  
9 terms are defined in section 291C-1, to be taken into custody  
10 and disposed of. For the purposes of this section, a vessel or  
11 trailer is "abandoned" if it has been left unattended for a  
12 continuous period of not less than        hours.

13          §290-       Notice to owner, lien holder, or operator. Upon  
14 taking custody of any vessel or trailer, a written notice shall  
15 immediately be posted on the vessel or trailer and a duplicate  
16 original sent by registered or certified mail, with a return  
17 receipt requested, to the registered owner with the department



1 of land and natural resources or documented by the United States  
2 Coast Guard or any lien holder or operator of the vessel or  
3 trailer on record with the department or the United States Coast  
4 Guard at the owner, lien holder, or operator's last known  
5 address on record with the department or the United States Coast  
6 Guard. The notice shall contain a brief description of the  
7 vessel or trailer, the location of custody, and the intended  
8 disposition of the vessel or trailer if not repossessed within  
9 twenty days after the mailing of the notice. The owner, lien  
10 holder, or operator, of the vessel or trailer shall have ten  
11 days after receipt of the mailed notice to request in writing an  
12 administrative hearing. This administrative hearing is solely  
13 for the purpose of allowing the owner, lien holder, or operator  
14 of an impounded vessel or trailer to contest the basis given by  
15 the county for the impoundment of the vessel or trailer. The  
16 hearing shall be held within five working days of the county's  
17 receipt of the written request for an administrative hearing.

18 §290- Public auction. If the vessel or trailer is not  
19 repossessed within twenty days after the mailing of the notice,  
20 the vessel or trailer shall be disposed of by public auction,  
21 through oral tenders, or by sealed bids, after at least one  
22 public notice has been given; provided that the public auction



1 shall not be held less than five days after the public notice is  
2 given. Where no bid is received, the vessel or trailer may be  
3 sold by negotiation, disposed of as junk, or donated to any  
4 governmental agency.

5       **§290- Possession by interested party.** Any person having  
6 an interest in the vessel or trailer may take possession of the  
7 vessel or trailer prior to the date of public auction upon  
8 payment to the county of all use fees, towing, handling and  
9 storage charges, appraisal and advertising expenses, and any  
10 other expenses incurred in connection with the vessel or  
11 trailer. If the person taking possession of the vessel or  
12 trailer is not the registered or documented owner, the person,  
13 prior to taking possession of the vessel or trailer, shall pay  
14 the foregoing expenses and post satisfactory security that shall  
15 not exceed the value of the vessel or trailer. The security, if  
16 not forfeited, shall be returned to the person posting it within  
17 two years after its receipt by the county.

18       **§290- When public auction not required.** Public auction  
19 shall not be required when the appraised value of any vessel or  
20 trailer is less than \$5,000, as determined by an independent  
21 appraiser who has at least one year of experience in the sale or  
22 purchase of vessels or trailers. Upon that determination, after



1 at least one public notice of intended disposition has been  
2 given, the vessel or trailer may be sold by negotiation,  
3 disposed of as junk, or donated to any governmental agency.

4       **§290- Effect of sale.** The transfer of interest by sale  
5 hereunder shall be evidenced by a bill of sale from the county,  
6 shall be considered a transfer by operation of law, and shall be  
7 governed by provisions applicable thereto.

8       **§290- Disposition of proceeds.** The county shall deposit  
9 that portion of the proceeds of the sale of a vessel or trailer  
10 that represents expenses, fees, and charges due the county for  
11 expenses under this part, the expenses of the auction, and any  
12 other expense incurred in taking into custody and disposing of  
13 an abandoned vessel or trailer into the general fund of the  
14 county. The owner may recover any balance of the proceeds from  
15 the county only if the owner files a claim for the balance with  
16 the county within one year after the execution of the bill of  
17 sale. If no claim is made within the year allowed, the money  
18 shall become a county realization. A lien holder shall receive  
19 priority in payment from the balance of the proceeds to the  
20 extent of the lien holder's lien on the vessel or trailer. If  
21 the proceeds of the sale are insufficient to cover the expenses,  
22 fees, and charges, the expenses of the auction, and the other



1 expenses incurred in taking into custody and disposing of the  
 2 vessel or trailer, the county may bring an action for the  
 3 deficiency in a court of appropriate jurisdiction against the  
 4 registered or documented owner or any person who had an interest  
 5 in the vessel or trailer when custody was taken by the county."

6 SECTION 2. Chapter 290, Hawaii Revised Statutes, is  
 7 amended by amending its title to read as follows:

8 "CHAPTER 290

9 ABANDONED VEHICLES AND VESSELS"

10 SECTION 3. New statutory material is underscored.

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

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INTRODUCED BY:

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**Report Title:**

Abandoned Vessels on Public Roadways; County Authority

**Description:**

Authorizes the counties to cite, seize, and dispose of abandoned vessels on public highways, roadways, and streets.

