

NEIL ABERCROMBIE  
GOVERNOR OF HAWAII



**STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES**

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**Testimony of  
WILLIAM J. AILA, JR.  
Chairperson**

**Before the House Committee on  
FINANCE**

**Thursday, April 4, 2013  
2:00 P.M.  
State Capitol, Conference Room 308**

**In consideration of  
SENATE BILL 1161, SENATE DRAFT 1, HOUSE DRAFT 1  
RELATING TO VESSELS**

Senate Bill 1161, Senate Draft 1, House Draft 1, proposes to clarify that all costs and expenses associated with the impoundment and disposal of an unauthorized vessel by the Department of Land and Natural Resources (Department) shall be borne by the vessel owner and clarifies circumstances when no vessel registration shall be renewed or transferred. House Draft 1 also directs the Department to implement income withholding as an additional means of collecting fees owed by a vessel owner. **The Department strongly supports this Administration measure.**

Currently, Section 200-16, Hawaii Revised Statutes, as interpreted by *Brown v. Thompson*, 91 Haw. 1, 979 P.2d 586 (1999), places the burden, along with the costs and expenses of disposal of all impounded unauthorized vessels, on the Department when the vessel owner does not repossess the impounded vessel prior to disposition. This process is both costly and time-consuming for the Department. Under *Brown v. Thompson*, 91 Haw. 1, 979 P.2d 586 (1999), the State is also not entitled to recover mooring fees incurred by the vessel owner prior to impoundment. The Department believes that in the case of a vessel owner who is in violation of mooring within a state small boat harbor or offshore mooring area without a valid use permit, the vessel owner should have a continuing obligation to pay for all fees, including those incurred prior to impoundment. Vessel owners should also be responsible for compensating the state for expenses related to the removal and disposition of their unauthorized/impounded vessels from state small boat harbors and offshore moorings.

The bill also clarifies that vessel registrations shall not be renewed or transferred unless the registered owner of the vessel is current on all fees owed to the Department that include citations, fines, mooring, as well as fees associated with the impoundment of a vessel.

**WILLIAM J. AILA, JR.**  
CHAIRPERSON  
BOARD OF LAND AND NATURAL RESOURCES  
COMMISSION ON WATER RESOURCE MANAGEMENT

ESTHER KIA'AINA  
FIRST DEPUTY

**WILLIAM M. TAM**  
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES  
BOATING AND OCEAN RECREATION  
BUREAU OF CONVEYANCES  
COMMISSION ON WATER RESOURCE MANAGEMENT  
CONSERVATION AND COASTAL LANDS  
CONSERVATION AND RESOURCES ENFORCEMENT  
ENGINEERING  
FORESTRY AND WILDLIFE  
HISTORIC PRESERVATION  
KAHOOLAWE ISLAND RESERVE COMMISSION  
LAND  
STATE PARKS

The Department notes that it has expended in excess of \$1 million as a result of removing grounded, derelict, and abandoned vessel since 2002. The Department appreciates the additional language contained in House Draft 1 that would make it possible to engage in income withholding that would further increase the chances of recovering costs associated with vessel removal and disposal when owners fail to take responsibility for their vessels. However, the concern is that the title of the measure is not broad enough to allow the additional language and the Department supports the measure in its original form and recommends that the additional language found in House Draft 1 be deleted or pass the measure on to conference committee where it can be further discussed.