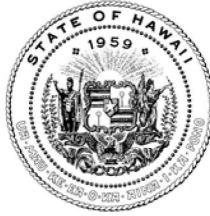


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GOVERNOR OF
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DEPARTMENT OF LAND AND NATURAL RESOURCES

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Testimony of
SUZANNE D. CASE
Chairperson

Before the House Committee on
WATER & LAND

Wednesday, February 15, 2017
10:00 AM
State Capitol, Conference Room 325

In consideration of
HOUSE BILL 1127
RELATING TO TRANSFERABILITY OF MOORING PERMITS

House Bill 1127 proposes to allow holders of a mooring permit within state small boat harbors to transfer their permit under certain terms and conditions. **The Department of Land and Natural Resources (Department) strongly supports this Administration measure.**

Currently, no regular mooring permit issued by the Department for state small boat harbors and offshore mooring areas is transferrable unless the permittee also possesses a valid commercial use permit. In order to obtain a mooring permit, applicants are placed on a waitlist and are offered an available mooring in the order in which they applied. As a result, applicants often end up waiting many years for a mooring permit to become available.

A major factor contributing to this situation is the inability of vessel owners who have a mooring permit to be able to sell or transfer ownership of their vessel because their mooring permit cannot transfer with the vessel. Since the mooring permits cannot be transferred with the vessels, the potential new owners have no place to moor the vessels while they wait for their applications to move up on the waitlist.

As to vessel owners currently holding a mooring permit, either of two undesirable situations often result: 1) vessels can't be sold, and become old, derelict and unused on the mooring, or 2) vessel owners bypass the mooring permit waitlist process and sell their vessels on the mooring, off-record or through an LLC or similar structure, to persons desiring moorings, often at a price exceeding the value of the vessel by a considerable amount due to the value of the mooring. Both of these situations are unfair to those on the waitlist and the public.

By allowing mooring permits to transfer upon the sale of a vessel and requiring payment of a transfer fee, the public, including those on the waitlist, will have an opportunity to more expediently obtain a mooring permit, which will help to encourage recreational boating and stimulate the boating industry in the State.

In addition, House Bill 1127 will provide an incentive for vessel owners with a mooring permit to sell or transfer ownership of their boat when they can no longer maintain and upkeep their vessel due to physical or financial constraints. The Department believes this will greatly assist in decreasing the number of derelict vessels in small boat harbors that pose a public safety concern.

The Department will require that vessels be sold at fair market value, or less, as determined by a marine surveyor or other similar means, in order to ensure that the sale price of the vessel will not be unreasonably inflated, thereby preventing vessel owners from unfairly profiting privately from the transfer of a public mooring permit.

Thank you for the opportunity to provide testimony on this measure.

waltestimony

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 10, 2017 5:24 PM
To: waltestimony
Cc: hossellman@aol.com
Subject: Submitted testimony for HB1127 on Feb 15, 2017 10:00AM

HB1127

Submitted on: 2/10/2017

Testimony for WAL on Feb 15, 2017 10:00AM in Conference Room 325

Submitted By	Organization	Testifier Position	Present at Hearing
Jeffrey L. Hossellman	Individual	Support	No

Comments: Strong support to legalize the actual practice of slip "transfer". Also will provide revenue to State. The harbor is a strong State asset and needs legislative attention. It has become little more than cheap housing but could be much more with a little attention from our leadership. This bill is a good start to rehabilitation and renewal of the fleet. My background is retired Hawaii attorney, former board member of both yacht clubs and active sailor. Thank you for your attention to this matter!

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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