

Honolulu, Hawaii

MAR 23 2018

RE: H.B. No. 2596
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred H.B. No. 2596, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE UNIFORM CERTIFICATE OF TITLE FOR VESSELS ACT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require certain vessel owners to apply for a certificate of title within twenty days of becoming an owner or within twenty days of establishing principal use of the vessel in waters of the State; and
- (2) Establish what information is required to be included in an application for a certificate of title; how to deal with transfer of vessel ownership and title; rights of a secured party; and rights of a purchaser other than a secured party.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources, Commission to Promote Uniform Legislation, and one individual. Your Committee received comments on this measure from the Office of Information Practices and The Civil Beat Law Center for the Public Trust.



Your Committee finds that vessels under the jurisdiction of the Department of Land and Natural Resources that do not have a United States Coast Guard documentation number are only required to obtain a certificate of number with the Department's Division of Boating and Ocean Resources' Vessel Registration Office. However, this certificate of number does not ensure that a vessel is not stolen because the Vessel Registration Office cannot verify ownership of a vessel other than by documents provided by the registrant. Thus, the absence of a vessel titling law can lead to extensive fraud. By codifying the Uniform Certificate of Title for Vessels Act, this measure will reduce the number of stolen vessels being fraudulently registered with the State and help the Vessel Registration Office quickly verify the owner of a vessel, which in turn will potentially decrease the processing of and wait times for vessel transfers.

Your Committee has amended this measure by:

- (1) Removing the definitions of "conspicuous" and "representative" as these terms are not used in the measure;
- (2) Adopting the language suggested by the Department of Land and Natural Resources that:
 - (A) Requires the application for a certificate of title to include the date of birth and driver's license or civil identification number of the applicant, among other information;
 - (B) Deletes the provision stating that the required contents of a certificate of title are a government record; and
 - (C) Requires the Department of Land and Natural Resources to allow public inspection of its files in accordance with the Uniform Information Practices Act, except for the individual's home address, home telephone number, date of birth, citizenship status, driver's license or civil identification number, or the name of an applicant whose application was not granted;



- (3) Clarifying that under the requirements for the perfection of a security interest, a security interest in a vessel is perfected by receipt by, rather than delivery to, the Department of Land and Natural Resources of an application for a certificate of title and the applicable fee or attachment of the security interest, whichever occurs later;
- (4) Changing the effective date to July 1, 2018; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Water and Land that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2596, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2596, H.D. 2, S.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Water and Land,




KARL RHOADS, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Water and Land
WTL

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 2596, HD2	WTL, JDC	3/19/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310		
<input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	/			
GABBARD, Mike (VC)				/
INOUYE, Lorraine R.				/
RIVIERE, Gil	/			
THIELEN, Laura H.	/			
TOTAL	3	0	0	2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes