

STAND. COM. REP. NO.

3382

Honolulu, Hawaii

APR 03 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 Judiciary, to which was referred H.B. No. 2596, H.D. 2, S.D. 1, 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 codify the Uniform Certificate of Title for Vessels Act, which:

- (1) Requires 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) Establishes 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 and Commission to Promote Uniform Legislation. Your Committee received comments on this measure from the Office of Information Practices.



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.

Your Committee further finds that thirty-five states have implemented some form of a vessel titling law, and three of those thirty-five have adopted the Uniform Certificate of Title for Vessels Act as their vessel titling law. Codifying the Uniform Certificate of Title for Vessels Act will reduce the number of stolen vessels being fraudulently registered with the State and promote compatibility between the laws of the State governing the ownership of vessels and the comparable ownership laws of other jurisdictions.

Your Committee notes the presence of definitional issues within this measure and encourages further examination of these issues if this measure is considered by a committee on conference.

As affirmed by the record of votes of the members of your Committee on Judiciary that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2596, H.D. 2, S.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary,



BRIAN T. TANIGUCHI, Chair



