

STAND. COM. REP. NO.

2324

Honolulu, Hawaii

FEB 14 2018

RE: S.B. No. 2635

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 S.B. No. 2635 entitled:

"A BILL FOR AN ACT RELATING TO MANDATORY VESSEL INSURANCE
COVERAGE,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require owners of vessels that are required to be registered with the State to obtain vessel insurance;
- (2) Specify the types of insurance coverage required and exempt certain vessels from the mandatory insurance requirement; and
- (3) Authorize the Chairperson of the Board of Land and Natural Resources to adopt administrative rules concerning mandatory vessel insurance.

Your Committee received testimony in support of this measure from the Department of Land and Natural Resources and Hawaiian Civic Club of Honolulu. Your Committee received testimony in opposition to this measure from three individuals.

Your Committee finds that in 2009, the Department of Land and Natural Resources began requiring mandatory insurance coverage as



a condition of obtaining a mooring permit for state small boat harbors. According to the Department, although the total number of uninsured vessels has decreased, there are still a significant number of vessels that are uninsured because the owners of these vessels do not hold a mooring permit for a state small boat harbor. Despite the lack of vessel insurance coverage, these uninsured vessels are still allowed to use launch ramps to access ocean waters and operate in or on waters of the State. This measure addresses the associated costs for the removal of an uninsured vessel in the event of a boating accident or grounding, by requiring vessel insurance.

Your Committee has amended this measure by:

- (1) Clarifying that the new section relating to mandatory vessel insurance is to be added to part II of chapter 200, Hawaii Revised Statutes, relating to boating law; and
- (2) 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 S.B. No. 2635, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2635, S.D. 1, and be referred to your Committee on Ways and Means.

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



KARL RHOADS, Chair



