

Honolulu, Hawaii

FEB 14 2018

RE: S.B. No. 2974
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. 2974 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 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, Hawaiian Civic Club of Honolulu, Boat History Report, Commission to Promote Uniform Legislation, National Marine Manufacturers Association, and Boat Owners Association of The United States. Your Committee



received comments on this measure from The Civil Beat Law Center for the Public Interest.

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) Adopting the language suggested by the Department of Land and Natural Resources that specifies any vessel owners who have a valid certificate of number with the Department of Land and Natural Resources as of the effective date of this measure, will not be required to immediately obtain a certificate of title, but will be required to title the vessel at the time of renewal; 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. 2974, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2974, 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

KARL RHOADS, Chair



