

STAND. COM. REP. NO.

1494

Honolulu, Hawaii

MAR 22 2019

RE: H.B. No. 1033  
H.D. 2  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Water and Land, to which was referred H.B. No. 1033, H.D. 2, 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 require owners of vessels operating in or on ocean waters of the State that are required to be registered with the State or required to be documented by the United States Coast Guard to obtain marine insurance coverage.

Your Committee received testimony in support of this measure from the Ocean Tourism Coalition. Your Committee received comments on this measure from the Department of Land and Natural Resources and one individual.

Your Committee finds that, in addition to environmental damage from grounded vessels, uninsured vessels that run aground, are derelict, or are abandoned in waters of the State cause the State to sometimes incur all costs involved in removing the vessel. The Division of Boating and Ocean Recreation has required insurance for vessels moored in state small boat harbors as a condition of obtaining a mooring permit since 2009 but has no existing mechanism for addressing insurance concerns for the



numerous other vessels located in the State but not stored on state facilities. This measure establishes marine insurance requirements to address these vessels.

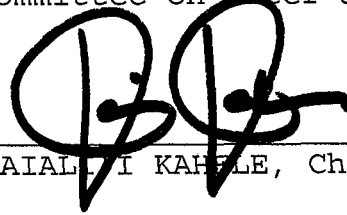
Your Committee has amended this measure by:

- (1) Applying the mandatory marine insurance requirement only to vessels originally manufactured at a length of twenty-six feet or more, or under twenty-six feet if the vessel is grounded in the State;
- (2) Setting the mandatory vessel insurance minimum at \$100,000;
- (3) Allowing a vessel owner to obtain alternative insurance acceptable to the Department of Land and Natural Resources;
- (4) Amending the Board of Land and Natural Resources' authority to grant exemptions from the marine insurance coverage requirement for certain transient vessels under certain circumstances;
- (5) Inserting a definition for "grounded vessel";
- (6) Inserting an effective date of December 31, 2050, to encourage further discussion; and
- (7) 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. 1033, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1033, H.D. 2, 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,



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KAIALII KAHALE, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Water and Land**  
**WTL**

Bill / Resolution No.:* <b>HB1033, HD2</b>	Committee Referral: <b>WTL, WAM</b>	Date: <b>3/18/2019</b>		
<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
KAHELE, Kaiali'i (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)				X
NISHIHARA, Clarence K.	X			
RIVIERE, Gil	X			
FEVELLA, Kurt				X
<b>TOTAL</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b>	Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy

\*Only one measure per Record of Votes