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# A BILL FOR AN ACT

RELATING TO OCEAN RECREATION COMMERCIAL PERMITS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 200-10, Hawaii Revised Statutes, is  
2 amended by amending subsection (f) to read as follows:

3 "(f) Any person who owns an interest in a corporation or  
4 other business entity or is part of a controlled group  
5 possessing a valid commercial permit issued by the department,  
6 in accordance with rules adopted by the chairperson pursuant to  
7 chapter 91, may transfer any or all stock or other interest to  
8 another person without terminating the right of the corporation  
9 or business entity to retain or renew its commercial permit or  
10 any other permit issued to it by the department; provided that:

11 (1) The corporation or business entity has been engaged in  
12 the same commercial vessel activity, as defined in  
13 section 200-9, for a minimum of one year;

14 (2) The seller shall pay the department a business  
15 transfer fee based on the passenger-carrying capacity  
16 of the vessels owned or operated by the corporation or  
17 business entity as provided by rules adopted by the



1 chairperson pursuant to chapter 91, except for  
2 transfers of stock or interest in a corporation or  
3 other business entity between spouses or first-  
4 generation lineal descendants; and

5 (3) In the case of a controlled group, the transferee  
6 shall retain eighty per cent control of the  
7 transferor.

8 Any person possessing a commercial permit shall be required to  
9 meet minimum revenue standards, as a condition of retaining or  
10 renewing the commercial permit.

11 When an application for renewal of a commercial permit is  
12 made at least sixty days prior to expiration of the commercial  
13 permit, the department shall review the application and, within  
14 thirty days of receipt of the application, shall renew the  
15 permit or notify the applicant that the application is  
16 incomplete or cannot be renewed and explain any reasons for  
17 nonrenewal. Within thirty days of receipt of the applicant's  
18 amended application, the department shall either renew the  
19 permit or notify the applicant that the permit will not be  
20 renewed.



1           If the holder of a commercial permit fails to timely obtain  
2 renewal of a commercial permit, the holder of the permit shall  
3 automatically be granted a thirty-day extension from the date of  
4 the existing permit's expiration to obtain a permit renewal.

5           Except as provided in section 200-37(1), beginning on the  
6 effective date of this Act, all new commercial permits for any  
7 type of commercial ocean recreation activity that are not  
8 renewals of permits initially issued before the effective date  
9 of this Act, may be issued by the department at public auction."

10           SECTION 2. This Act does not affect rights and duties that  
11 matured, penalties that were incurred, and proceedings that were  
12 begun before its effective date.

13           SECTION 3. New statutory material is underscored.

14           SECTION 4. This Act shall take effect on July 1, 2050.



**Report Title:**

Ocean Recreation Commercial Permits; Public Auction

**Description:**

Authorizes the Department of Land and Natural Resources to issue new ocean recreation commercial permits by public auction.

Effective 7/1/2050. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

