
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 ~~[it]~~ the corporation or
10 commercial entity's commercial permit or any other permit issued
11 to ~~[it]~~ the corporation or commercial entity by the department;
12 provided that:

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

16 (2) The seller shall pay the department a business
17 transfer fee based on the passenger-carrying capacity



1 of the vessels owned or operated by the corporation or
2 business entity as provided by rules adopted by the
3 chairperson pursuant to chapter 91, except for
4 transfers of stock or interest in a corporation or
5 other business entity between spouses or first-
6 generation lineal descendants; and

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

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

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



1 permit or notify the applicant that the permit will not be
2 renewed.

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

7 Except as provided in section 200-37(1), beginning on
8 July 1, 2021, all new commercial permits issued for any type of
9 commercial ocean recreation activity that are not renewals of
10 permits initially issued before July 1, 2021, may be issued by
11 the department at public auction."

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

15 SECTION 3. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 4. This Act shall take effect on July 1, 2021.



Report Title:

DLNR; Ocean Recreation Commercial Permits; Public Auction

Description:

Authorizes the department of land and natural resources to issue new ocean recreation commercial permits at public auction.

(SD1)

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