### A BILL FOR AN ACT

RELATING TO VESSELS.

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

1 SECTION 1. The legislature finds that vessel ownership and 2 operation come with many responsibilities and that vessels 3 likewise pose significant threats to natural resources and to 4 public health and safety if abandoned, neglected, or left in 5 disrepair. The legislature recognizes that unauthorized, 6 abandoned, grounded, and derelict vessels on state property and 7 in waters of the State must be removed as soon as possible to minimize the hazards they pose to the public while balancing the 8 9 vessel owner's right to due process.

10 Since 2002, the division of boating and ocean recreation 11 within the department of land and natural resources has expended 12 in excess of \$2,340,000 from the boating special fund to address 13 unauthorized, abandoned, grounded, and derelict vessels on state 14 property or in the waters of the State. However, under existing 15 law, in many instances, by the time the department of land and 16 natural resources can begin removing an unauthorized, abandoned, grounded, or derelict vessel, the condition of the vessel has 17

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1 deteriorated, further complicating removal efforts and 2 increasing the potential to create threats to public health, 3 safety, and natural resources. 4 The purpose of this Act is to amend provisions regarding 5 the designation, impoundment, and disposal of unauthorized, 6 abandoned, grounded, and derelict vessels on state property or 7 in the waters of the State to facilitate faster responses of 8 these proceedings. 9 SECTION 2. Section 200-16, Hawaii Revised Statutes, is 10 amended to read as follows: 11 "§200-16 [Mooring of unauthorized vessel in state small 12 boat harbors and offshore mooring areas; ] Unauthorized vessels; 13 impoundment and disposal proceedings. (a) [No person shall 14 moor a vessel in a state small boat harbor or offshore mooring 15 area without obtaining a use permit; nor shall a person continue 16 to moor a vessel in any state small boat harbor or offshore 17 mooring area if the use permit authorizing the vessel to moor 18 has expired or otherwise been terminated.] A vessel moored 19 without a valid use permit or moored with a use permit that has 20 expired or been terminated [is] shall be deemed an unauthorized

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vessel [and is subject to] in violation of this section[-] and 1 2 shall be subject to impoundment and disposal. The department shall [cause to be placed] place upon, 3 (b) or as near to [the] an unauthorized vessel as possible, a notice 4 to remove the vessel, which shall, at a minimum, indicate that 5 6 the vessel is in violation of this section, the date and time the notice was posted, and that the vessel must be removed 7 within seventy-two hours from the time the notice was posted [-]; 8 9 provided that if the vessel is in imminent danger of breaking up 10 on state submerged land, a shoreline, or a coral reef, the notice shall indicate that the owner must commence effective 11 salvage operations within twenty-four hours from the time the 12 13 notice was posted. (c) An unauthorized vessel may be impounded by the 14 15 department at the sole risk and expense of the owner of the 16 vessel  $[\tau]$  if the vessel is not removed after the [seventy two-17 hour] period [or] specified in subsection (b). Calculation of 18 the time period shall not restart if, during that period, the 19 vessel is [removed and remoored in the harbor or mooring or 20 anchorage area or any other state harbor or mooring or anchorage 21 area-without a use permit.] moved anywhere in the waters of the



1 State or to any public property and remains in violation of this 2 section. The owner of the vessel shall be solely responsible 3 for all costs of the impoundment and the disposal of the 4 unauthorized vessel. All owners of unauthorized vessels that 5 are impounded by the department shall be responsible for paying 6 impound storage fees to the department while the vessel remains 7 impounded and until the time that the vessel is returned to the 8 custody of a person entitled to possession. Impound storage 9 fees shall be equal to the rate set by the department for 10 vessels moored without a valid permit. Any proceeds [resulting 11 from] collected by the department in relation to the impoundment 12 and the disposal of the unauthorized vessel shall be used first 13 to pay for the costs of impoundment and disposal [and], then to 14 pay for any additional costs related to the impoundment and 15 disposal, then to pay for any outstanding mooring fees due [-] to 16 the department from the owner, then to the general fund. If the 17 proceeds resulting from the impoundment and the disposal are 18 inadequate to pay for all costs and mooring fees due, the owner 19 of the unauthorized vessel shall remain liable for [the] paying 20 the department any and all outstanding costs and mooring fees [-] 21 due.

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1 (d) Custody of an unauthorized vessel shall be returned to 2 the person entitled to possession only upon payment [to the 3 department] in full of all fees and costs due  $[\tau]$  to the 4 department and any and all fines levied by the department or a 5 court [-] of competent jurisdiction. In addition, the 6 department, within seventy-two hours of impoundment, shall send 7 by certified mail, return receipt requested, a notice of 8 impoundment to the registered or documented owner or any lien 9 holder or operator of the impounded vessel on record with the 10 department or the United States Coast Guard. The owner, lien 11 holder, or operator of the impounded vessel shall have [ten] 12 five working days after receipt of notice of impoundment of the 13 vessel to request [in writing] an administrative hearing. 14 [This] A request for an administrative hearing [is] shall be 15 made in writing to the department, shall not be deemed delivered 16 until the time that the department receives the written request, 17 and shall be solely for the purpose of allowing the owner, lien 18 holder, or operator of an impounded vessel to contest the basis 19 given by the department for the impoundment of the vessel. The 20 administrative hearing must be held within five working days of 21 [the department's receipt] delivery of the written request. The

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department [shall] may adopt rules pursuant to chapter 91 to
 implement the requirement for this post-seizure administrative
 hearing process.

4 (e) Any unauthorized vessel impounded under this section, 5 which remains unclaimed for more than [thirty] ten working days 6 by the registered or documented owner, a lien holder, or 7 operator of record, may be sold by the department at public 8 auction. If the department does not or is unable to sell the 9 vessel at public auction, [or if its appraised value is less 10 than \$5,000 as determined by an independent appraiser with at 11 least one year of experience in the sale and purchase of 12 vessels, ] the department, after giving public notice of intended 13 disposition, if that notice was not previously included in a 14 public auction notice, may sell the vessel by negotiation, 15 retain and use the vessel, donate it to any other government 16 agency, or dispose of it as junk."

SECTION 3. Section 200-41, Hawaii Revised Statutes, isamended to read as follows:

19 "§200-41 [Disposition of certain abandoned] Abandonment of
20 vessels. (a) No person shall abandon any vessel upon the

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1	waters of	the State or on any property, other than the property
2	of the ve	ssel owner, without the consent of the property owner.
3	[ <del>-(a)</del> ]	] (b) [Any] A vessel [may be deemed] shall be presumed
4	abandoned	if [the]:
5	(1)	The vessel has been moored, anchored, or otherwise
6		left <u>unattended</u> in the waters of the State or on
7		public property [ <del>contrary to law or rules having the</del>
8		force and effect of law, or left] for more than
9		seventy-two hours without a valid use permit;
10	(2)	The vessel has been left unattended on private
11		property without authorization of the owner or
12		occupant of the property [ <del>if:</del>
13	<del>(1)</del>	The vessel's registration certificate or marine
14		document has expired and the registered owner no
15		longer resides at the address listed in the vessel
16		registration or marine document records of the
17		department or the United States Coast Guard; ] for more
18		than seventy-two hours;
19	[ <del>(2)</del> ]	(3) The last registered owner of record disclaims
20		ownership and the current owner's name or address
21		cannot be determined;



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1	[ <del>(3)</del>	The vessel identification numbers and other means of
2		identification have been removed so as to hinder or
3		nullify efforts to locate or identify the owner;
4	-(4)	The vessel registration records of the department of
5		land and natural resources and the marine document
6		records of the United States Coast Guard contain no
7		record that the vessel has ever been registered or
8		documented and the owner's name or address cannot be
9		determined; or]
10	(4)	The vessel does not have a valid registration
11		certificate or United States Coast Guard documentation
12		and has been moored, anchored, or otherwise left
13		unattended in the waters of the State or on public
14		property for more than seventy-two hours; or
15	(5)	The requirements of section 200-52 are met.
16	[ <del>(b)</del> ]	(c) The determination of whether a vessel is
17	abandoned	on public property may be made by:
18	(1)	The chairperson, or the chairperson's authorized
19		representative, with regard to public property under
20		the jurisdiction of the department of land and natural
21		resources; [ <del>or</del> ]



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1 (2) Any other state department or agency through its 2 director, with regard to public property within the 3 department or agency's respective jurisdiction; or 4 (3) Any county through its mayor or the mayor's designee, 5 or chief of police, with regard to public property 6 within the respective county's jurisdiction; provided 7 that the department shall provide to the respective 8 county access to the department's vessel registration 9 and marine document records or those of the United 10 States Coast Guard for the purposes of this section. 11 Once a vessel is deemed abandoned  $[\tau]$  in the waters of the State 12 or on public property, the appropriate official under this 13 subsection may direct and cause the vessel to be taken into 14 custody and disposed of pursuant to and in the manner provided 15 in this [chapter.] part. All owners of abandoned vessels that 16 are impounded by the department shall be responsible for paying 17 impound fees to the department while the vessel remains 18 impounded and until the vessel is returned to the custody of a 19 person entitled to possession or disposed of by the department. 20 Impound storage fees shall be equal to the rate set by the 21 department for vessels moored without a valid permit.

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1	[ <del>(c)</del> ] <u>(d)</u> All vessels abandoned on private property shall
2	be the responsibility of the private property owner.
3	(e) Any person who abandons a vessel in the waters of the
4	State or on public property shall be guilty of a petty
5	misdemeanor and shall be fined not more than \$1,000 or
6	imprisoned not more than thirty days, or both, for each offense.
7	Each day of each violation shall be deemed a separate offense.
8	All criminal fines collected pursuant to this subsection shall
9	be deposited in the general fund in accordance with section
10	706-643. It shall be an affirmative defense to prosecution that
11	a vessel was abandoned during a national emergency declared by
12	the President or Congress of the United States, or a state of
13	emergency declared by the governor, or as otherwise approved in
14	writing by the chairperson; provided that the defense shall be
15	valid only for the duration of the declared emergency or written
16	approval."
17	SECTION 4. Section 200-42, Hawaii Revised Statutes, is
18	amended to read as follows:
19	"§200-42 Notice to owner. A state or county agency, upon
20	taking custody of any vessel $[-7]$ deemed abandoned pursuant to
21	section 200-41, shall immediately post a written notice on the



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1 vessel and send a duplicate original by registered or certified 2 mail, with a return receipt requested, to any owner registered 3 with the department or documented by the United States Coast 4 Guard or any lien holder or operator of the vessel on record 5 with the department or the United States Coast Guard at their 6 respective last known address on record with the department or 7 the United States Coast Guard. The notice shall contain a brief 8 description of the vessel, the location of custody, and the 9 intended disposition of the vessel if not repossessed within 10 [twenty] ten working days after the mailing of the notice. 11 [Such-owner, lien-holder, or operator, of the vessel shall have 12 ten days after receipt of the mailed notice to request in 13 writing an administrative hearing pursuant-to chapter 91 from 14 the state or county agency that took custody of the vessel. 15 This administrative hearing is solely for the purpose of 16 allowing the owner, lien holder, or operator of an impounded 17 vessel to contest the basis given for the impoundment of the 18 vessel. The hearing shall be held within five working days of 19 the state or county agency's receipt of the written request.] 20 The owner, lien holder, or operator of the vessel shall have 21 five working days after receipt of notice of impoundment of the

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1	vessel to request an administrative hearing from the state or
2	county agency that took custody of the vessel. A request for
3	administrative hearing shall be made in writing to the state or
4	county agency that took custody of the vessel, shall not be
5	deemed delivered until the time that the agency receives the
6	written request, and shall be solely for the purpose of allowing
7	the owner, lien holder, or operator of an impounded vessel to
8	contest the basis given by the agency for the impoundment of the
9	vessel. The administrative hearing shall be held within five
10	working days of delivery of the written request."
11	SECTION 5. Section 200-43, Hawaii Revised Statutes, is
12	amended to read as follows:
13	<pre>"§200-43 Public auction[-]; disposition of abandoned</pre>
14	vessels. [If the vessel is not repossessed within twenty days
15	after the mailing of the notice, the vessel shall be disposed of
16	by public auction, through oral tenders, or by sealed bids,
17	after public notice has been given at least once; provided that
18	the public auction shall not be held less than five days after
19	the notice is given. Where no bid is received, the vessel may
20	be sold by negotiation, disposed of as junk, or donated to any
21	

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1 part that remains unclaimed by the registered or documented 2 owner, lien holder, or operator of record for more than ten 3 working days after mailing of the notice required by section 4 200-42 may be sold at public auction by the state or county 5 agency that took custody of the vessel. If the agency does not 6 or is unable to sell the vessel at public auction, the agency, 7 after giving public notice of intended disposition may sell the vessel by negotiation, retain and use the vessel, donate the 8 9 vessel to any other government agency, or dispose of the vessel 10 as junk." 11 SECTION 6. Section 200-47.5, Hawaii Revised Statutes, is 12 amended by amending subsections (b) to (q) to read as follows: 13 "(b) Solely for the purposes of removal and with no 14 liability to the department, the department may immediately 15 assume control of any vessel that is grounded on state submerged 16 land, a shoreline, or a coral reef  $[\Theta r]$  that is in imminent 17 danger of breaking up and cannot be removed by the owner within 18 twenty-four hours from the time the vessel is grounded; provided 19 that this subsection shall not apply [if]:

20 (1) During a national emergency declared by the President
21 or Congress of the United States;



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1 (2) During a state of emergency declared by the governor; 2 If the owner or owner's representative has received (3) 3 notice from the department and has commenced effective 4 salvage operations[-]; or 5 (4) If otherwise approved by the chairperson. 6 [Vessels] Except during a national emergency declared (C) 7 by the President or Congress of the United States, or a state of 8 emergency declared by the governor, or as otherwise approved in 9 writing by the chairperson, vessels grounded on a sand beach, 10 sandbar, or mudflat [and not in imminent danger of breaking up] 11 shall be removed by the owner or operator within seventy-two 12 hours [, unless otherwise agreed to by the department]. 13 Solely for the purposes of removal and with no (d) 14 liability to the department, the department may immediately 15 assume control of any vessel grounded on a sand beach, sandbar, 16 or mudflat and not in imminent danger of breaking up that is not 17 removed by the owner in a manner that is reasonably safe, as 18 determined by the department, within seventy-two hours of 19 notification to the vessel owner or the owner's representative; 20 provided that this subsection shall not apply [if]:

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1 (1) During a national emergency declared by the President 2 or Congress of the United States; 3 (2) During a state of emergency declared by the governor; 4 (3) If the owner or owner's representative has received 5 notice from the department and has commenced effective 6 salvage operations[-]; or 7 (4) If otherwise approved by the chairperson. 8 (e) Once the department assumes control [over the] of a 9 vessel [-7] pursuant to this section, the vessel shall be removed 10 by conventional salvage methods if possible, and if not possible 11 then by any means necessary  $[\tau]$  to minimize damage to the natural 12 resources and not become a hazard to navigation. 13 (f) All costs and expenses [of] related to removing the 14 vessel and damage to state or private property shall be the sole 15 responsibility of the vessel's owner or operator. The 16 department may take legal action to collect any costs or 17 expenses incurred by the department for any removal under this 18 section. All moneys collected shall be deposited in the boating 19 special fund.

20 (g) Any person who renders assistance to the department21 when it acts pursuant to subsection (b) or (c) and any person

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1 who, in good faith and without remuneration or expectation of 2 remuneration, renders assistance at the scene of a vessel: 3 (1)Grounded on state submerged land, a shoreline, or a 4 coral reef; 5 (2)In imminent danger of breaking up; or Grounded on a sand beach, sandbar, or mudflat [and not 6 (3) 7 in imminent danger of breaking up], 8 shall not be liable for any civil damages resulting from the 9 person's acts or omissions in providing or arranging towage or 10 other assistance, except for damages caused by the person's 11 gross negligence or wanton acts or omissions." 12 SECTION 7. Section 200-49, Hawaii Revised Statutes, is 13 amended by amending subsections (b) and (c) to read as follows: 14 "(b) The owner, lien holder, or operator of the vessel 15 shall have [ten] five working days after the date of the public 16 notice or receipt of the mailed notice, whichever occurs later, 17 to request [in writing] an administrative hearing. [This] A 18 request for an administrative hearing [is] shall be made in 19 writing to the department, shall not be deemed delivered until 20 the time that the department receives the writing request, and 21 shall be solely for the purpose of allowing the owner, lien

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1 holder, or operator of [an] the impounded vessel to contest the 2 basis given by the department for the impoundment of the vessel. 3 The administrative hearing must be held within five working days 4 of [the department's receipt] delivery of the written request. 5 (C) If the vessel is not repossessed within [twenty] ten 6 working days after the date of the public notice or mailing of 7 the notice, whichever occurs later, the vessel may be disposed 8 of by negotiated sale except that, when two or more purchasers 9 indicate an interest in purchasing the vessel, the vessel will 10 be sold at public auction to the highest bidder[, unless-the 11 vessel is exempt from public auction under section 200-45]. If 12 no purchaser expresses a desire to purchase the vessel, the 13 vessel may be destroyed or donated to any governmental agency." 14 SECTION 8. Section 200-45, Hawaii Revised Statutes, is 15 repealed.

16 ["\$200-45 When public auction not required. Public
17 auction shall not be required when the appraised value of any
18 vessel is less than \$5,000, as determined by an independent
19 appraiser who has at least one year of experience in the sale or
20 purchase of vessels. Upon that determination, after public
21 notice of intended disposition has been given at least once, the

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1	state or county agency that took custody of the vessel may sell
2	the vessel by negotiation, dispose of it as junk, or donate the
3	vessel to any governmental agency."]
4	SECTION 9. Statutory material to be repealed is bracketed
5	and stricken. New statutory material is underscored.
6	SECTION 10. This Act shall take effect upon its approval.



#### Report Title:

Unauthorized Vessels; Grounded Vessels; Abandoned Vessels; Derelict Vessels; Vessel Impoundment; Vessel Auctions; Vessel Disposal

#### Description:

Clarifies removal of unauthorized vessels on state property or in the waters of the State. Clarifies the definition of an "abandoned vessel". Reduces the time limit to claim an unauthorized vessel that is impounded by the department of land and natural resources from thirty days to ten working days. Reduces the time limit to claim an abandoned vessel that is impounded by a state or county agency from twenty days to ten working days. Makes abandonment of a vessel on waters of the State or public property a petty misdemeanor. Clarifies auction requirements regarding abandoned vessels. Allows DLNR to charge an impound storage fee. (SD1)

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