

JAN 26 2022

A BILL FOR AN ACT

RELATING TO TRANSFERABILITY OF MOORING 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 (d) to read as follows:

3 "(d) The department shall not renew or issue a permit to a
4 person who is not the owner of the vessel [~~which~~] that is moored
5 or [~~which~~] that the person desires to moor in a state small boat
6 harbor. No use permit may be transferred unless specifically
7 provided by law.

8 Any person possessing a mooring permit may be allowed to
9 transfer the mooring permit to a new vessel owner upon the sale
10 of the mooring permittee's vessel, and the transferee shall be
11 allowed to retain the mooring permit, provided that all of the
12 following are met:

13 (1) The sale price of the vessel shall not take into
14 account the value of the attendant mooring permit nor
15 shall the sale price of the vessel take into account
16 any fees required by this subsection; provided that
17 the department shall have the discretion to require an
18 appraisal of the vessel, by a state-licensed appraiser

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1 at the expense of the vessel owner, if the department
2 has reason to believe that the vessel is being sold
3 for a price substantially greater or less than fair
4 market value;

5 (2) The seller shall pay to the department a mooring
6 permit transfer fee of \$150; and

7 (3) The seller is in compliance with chapters 200 and
8 200A, and any administrative rules adopted thereunder.

9 Unless otherwise required by law or a court of competent
10 jurisdiction, when a vessel is sold in accordance with this
11 subsection, a principal habitation permit, if any, shall not
12 transfer and shall automatically terminate. Nothing in this
13 subsection shall be construed to allow a person possessing a
14 mooring permit to transfer the mooring permit without a
15 corresponding sale of the vessel to which the mooring permit
16 applies. If any person sells the person's vessel or transfers a
17 mooring permit without complying with all of the above
18 requirements, the mooring permit shall automatically terminate.

19 Any individual who is an owner of a vessel used for
20 commercial purposes, including commercial fishing as a principal
21 means of livelihood, and possesses a valid mooring permit or
22 commercial permit, or both, in accordance with the rules adopted

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1 by the chairperson pursuant to chapter 91, may transfer
2 ownership of the vessel from personal ownership to corporate or
3 other business ownership without terminating the right to moor
4 or operate the vessel under the permit or permits. The existing
5 permit or permits shall be reissued in the name of the
6 transferee corporation or other business entity."

7 SECTION 2. Statutory material to be repealed is bracketed
8 and stricken. New statutory material is underscored.

9 SECTION 3. This Act shall take effect upon its approval.

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11

INTRODUCED BY: 

12

BY REQUEST

S.B. NO. 3130

Report Title:

Mooring Permit; Transfer

Description:

Allows a holder of a mooring permit within a state small boat harbor to transfer the mooring permit under certain terms and conditions.

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

JUSTIFICATION SHEET

DEPARTMENT: Land and Natural Resources

TITLE: A BILL FOR AN ACT RELATING TO
TRANSFERABILITY OF MOORING PERMITS.

PURPOSE: To allow a holder of a mooring permit within
a state small boat harbor to transfer the
mooring permit under certain terms and
conditions.

MEANS: Amend section 200-10(d), Hawaii Revised
Statutes (HRS).

JUSTIFICATION: Currently, no use permit for a state small
boat harbor issued by the Department is
transferable unless otherwise provided by
law. If a person transfers a use permit by
itself, the use permit automatically
terminates. Likewise, a use permit
transferred as part of the sale of a vessel
would also automatically terminate.

A mooring permit is a specific type of use
permit that allows the holder to moor their
vessel at a state small boat harbor. As
such, there is therefore no law allowing the
transfer of mooring permits, which are
currently issued by order of seniority
according to wait lists maintained by the
Department.

The bill would establish a procedure to
allow a mooring permit to transfer to
another owner by way of sale of the vessel
that holds the mooring permit. Requiring
that the vessel be sold at fair market value
ensures that the sale price of a vessel will
not be unreasonably inflated.

Impact on the public: There have been
several instances where individuals have
suffered economic losses from being unable
to sell their vessel. Sellers encounter an
inability in finding buyers because

potential buyers would not be able to obtain a mooring permit for the vessel. This bill intends to establish a procedure that would allow a mooring permit to transfer while ensuring that a seller is not inflating the sale price because of a mooring permit.

Impact on the department and other agencies:

This bill would allow the Department to increase its revenue through a mooring permit transfer fee collection and would not affect other agencies. All fees collected under section 200-10, HRS, go toward, among other things, operating, maintaining, and managing all state small boat harbor facilities under the control of the Department.

GENERAL FUND:	None.
OTHER FUNDS:	None.
PPBS PROGRAM DESIGNATION:	LNR 801.
OTHER AFFECTED AGENCIES:	None.
EFFECTIVE DATE:	Upon approval.