



February 2, 2018

Committee on Transportation
House of Representatives
Hawaii Legislature
Honolulu, HI

Re: H.B. 2596, the Uniform Certificate of Title for Vessels Act

Dear Mr. Chairman and members of the committee,

On behalf the Boat Owners Association of The United States (BoatU.S.) , representing over 2,500 members who enjoy boating in Hawaii, I am contacting you to voice support for H.B. 2596, the Uniform Certificate of Title for Vessels Act. This legislation, based on model legislation developed by the Uniform Law Commission, will create a uniform system of boat titling that will be recognized nationwide and by the United States Coast Guard.

While all states have motor vehicle title laws, these do not apply to recreational boats. Hawaii currently has no such vessel title law. The adoption of H.B. 2596 would provide important additional protections and benefits for boat owners. This model vessel title legislation institutionalizes several consumer protection mechanisms that are already commonplace for motor vehicles. These include clear labeling of significant structural damage on vessel titles, the creation of a uniform system to identify legitimate vessel owners/lien-holders and better prevention of the sale of stolen boats.

This legislation will provide boat buyers with protection by clearly labeling the titles of damaged vessels. By “branding” the titles of vessels that suffer significant damage, buyers will be made aware of material information that could affect a vessel’s condition. For example, the titles of vessels severely damaged in a storm would be branded, thereby alerting the next and all subsequent buyers (whether they are local or clear across the country) to pay close attention to any repairs and be alert for potential problems.

This legislation will help prevent the sale of stolen boats. In states that do not currently issue vessel titles a stolen boat can be sold using a fraudulent bill of sale or forged registration document. Uniform vessel titles will help prevent such transactions, protecting both the owner of the stolen boat and the potential buyer.

H.B. 2596 will allow for the creation of so-called “perfected” liens, improving the protections afforded to boat loan originators. A perfected lien assures a lender their claim to a vessel will be consider first in any title disputes. This, in turn, should decrease the interest costs to the boat buyer because the lender will have a greater likelihood of being paid should a loan default. Note that the creating of “perfected” liens will also require a rulemaking by the United States Coast Guard

With over 560,000 members nationwide, BoatU.S. represents the interests of recreational boaters throughout the United States.

Thank you for your consideration of our views. Please let us know if we can provide additional information on this or any other recreational boating matters at govtaffairs@boatus.com.

Sincerely,

A handwritten signature in blue ink that reads "Christopher M. Edmonston". The signature is written in a cursive style with a large, stylized initial 'C'.

Chris Edmonston
Vice President, Government Affairs