H-3050.2			
11 211611 12			

HOUSE BILL 2376

State of Washington 57th Legislature 2002 Regular Session

By Representatives Rockefeller, Doumit, Eickmeyer, Dickerson, Hunt, Lantz, Edwards, Romero, Haigh, McDermott and Jackley

Read first time 01/16/2002. Referred to Committee on Natural Resources.

1 AN ACT Relating to abandoned and derelict vessels; amending RCW 2 88.02.030, 88.02.050, 79A.65.010, 79A.65.020, 79A.65.030, and 3 53.08.320; adding a new section to chapter 35.21 RCW; adding a new 4 section to chapter 35A.21 RCW; adding a new section to chapter 36.32 RCW; adding a new section to chapter 53.08 RCW; adding a new section to 5 chapter 77.12 RCW; adding a new chapter to Title 79 RCW; and 6 7 prescribing penalties.

8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

9 <u>NEW SECTION.</u> **Sec. 1.** The legislature finds that there has been an 10 increase in the number of derelict and abandoned vessels that are either grounded or anchored upon publicly or privately owned submerged 11 12 These vessels are public nuisances and safety hazards as they 13 often pose hazards to navigation, detract from the aesthetics of 14 Washington's waterways, and threaten the environment with the potential 15 release of hazardous materials. The legislature further finds that the costs associated with the disposal of derelict and abandoned vessels 16 17 are substantial, and that in many cases there is no way to track down the current vessel owners in order to seek compensation. As a result, 18

p. 1 HB 2376

- 1 the costs associated with the removal of derelict vessels becomes a
- 2 burden on public entities and the taxpaying public.

35

- 3 <u>NEW SECTION.</u> **Sec. 2.** The definitions in this section apply 4 throughout this chapter unless the context clearly requires otherwise.
- 5 (1) "Abandoned vessel" means the vessel's owner is not known or 6 cannot be located, or if the vessel's owner is known and located but is 7 unwilling to take control of the vessel, and the vessel has been left, 8 moored, or anchored in the same area without the express consent of the 9 owner or lessee of the aquatic lands below or on which the vessel is 10 located for either a period of more than thirty consecutive days or for 11 more than a total of ninety days in any three hundred sixty-five day
- 13 (a) "In the same area" means within a radius of five miles of any 14 location where the vessel was previously moored or anchored on aquatic 15 lands; and

period. For the purposes of this subsection (1) only:

- 16 (b) "Abandoned vessel" does not include a vessel left unattended at 17 a moorage facility, as that term is defined in RCW 53.08.310.
- 18 (2) "Aquatic lands" means all tidelands, shorelands, harbor areas, 19 and the beds of navigable waters, including lands owned by the state 20 and lands owned by other public or private entities.
- (3) "Authorized public entity" includes any of the following: The department of natural resources; the department of fish and wildlife; the parks and recreation commission; a metropolitan park district; a port district; and any city, town, or county with ownership, management, or jurisdiction over the aquatic lands where an abandoned or derelict vessel is located.
- 27 (4) "Department" means the department of natural resources.
- 28 (5) "Derelict vessel" means the vessel's owner is known and can be located, and exerts control of a vessel that:
- 30 (a) Has been moored, anchored, or otherwise left in the waters of 31 the state or on public property contrary to RCW 79.01.760 or rules 32 adopted by the department;
- 33 (b) Has been left on private property without authorization of the 34 owner; or
 - (c) Has been left for a period of seven consecutive days, and:
- 36 (i) Is sunk or in danger of sinking;
- 37 (ii) Is obstructing a waterway; or
- 38 (iii) Is endangering life or property.

HB 2376 p. 2

- 1 "Derelict vessel" does not include a vessel left unattended at a 2 moorage facility, as that term is defined in RCW 53.08.310.
- 3 (6) "Owner" means any natural person, firm, partnership, 4 corporation, association, government entity, or organization that has 5 a lawful right to possession of a vessel by purchase, exchange, gift, 6 lease, inheritance, or legal action whether or not the vessel is
- 8 (7) "Vessel" means every watercraft, barge, or part thereof 9 constructed, used, or capable of being used as a means of 10 transportation on the water.

subject to a security interest.

- Sec. 3. It is unlawful for a person, firm, 11 NEW SECTION. corporation, or public entity to leave an abandoned or derelict vessel 12 upon aquatic lands in this state. If the owner or operator of a vessel 13 14 previously thought to be abandoned is located, the owner or operator of 15 the vessel must be given a reasonable opportunity to obtain proper authorization to relocate the vessel onto publicly owned aquatic lands, 16 either through relocation to a marina or in accordance with RCW 17 18 79.90.105.
- <u>NEW SECTION.</u> **Sec. 4.** (1) An authorized public entity has the 19 authority, subject to the processes and limitations of this chapter, to 20 store, strip, use, auction, sell, salvage, scrap, or dispose of an 21 22 abandoned or derelict vessel existing on or above aquatic lands within 23 the jurisdiction of the authorized public entity. A vessel disposal 24 must be done in an environmentally sound manner and in accordance with all federal, state, and local laws. Scuttling or sinking of a vessel 25 is only permissible after obtaining the express permission of the owner 26 27 or owners of the aquatic lands below where the scuttling or sinking 28 would occur.
- (2) If an authorized public entity is unwilling or unable to exercise the authority granted by this section within a reasonable period of time, the department may at its discretion assume the authorized public entity's authority for a particular vessel.
- 33 (3) The authority granted by this chapter is permissive, and no 34 authorized public entity has a duty or responsibility to exercise the 35 authority.

p. 3 HB 2376

- 1 (4) The department may adopt rules that are consistent with this 2 chapter and necessary to administer the authority granted by this 3 section.
- NEW SECTION. Sec. 5. (1) Prior to exercising the authority granted in section 4 of this act, the authorized public entity must first obtain custody of the vessel. To do so, the authorized public entity must:
- 8 (a) Mail notice of its intent to obtain custody, at least twenty
 9 days prior to taking custody, to the last known address of the previous
 10 owner to register the vessel in any state or with the federal
 11 government and to any lien holders or secured interests on record. A
 12 notice need not be sent to the purported owner or any other person
 13 whose interest in the vessel is not recorded with a state or federal
 14 agency; and
- (b) Post notice of its intent clearly on the vessel for thirty days and publish its intent at least once, more than ten days but less than twenty days prior to taking custody, in a newspaper of general circulation for the county in which the vessel is located.
 - (2) All notices sent, posted, or published in accordance with this section must, at a minimum, explain the intent of the authorized public entity to take custody of the vessel, the rights of the authorized public entity after taking custody of the vessel as provided in section 4 of this act, the procedures the owner must follow in order to avoid custody being taken by the authorized public entity, the procedures the owner must follow in order to reclaim possession after custody is taken by the authorized public entity, and the financial liabilities that the owner may incur as provided for in section 8 of this act.
- 28 <u>NEW SECTION.</u> **Sec. 6.** Custody of the vessel may be taken with no 29 reimbursement to a previously or subsequently identified owner if the vessel is not purposefully moved from the authorized public entity's 30 property and relocated to a permissible location within the prescribed 31 32 times of the notification efforts established in section 5 of this act. 33 The authorized public entity must be held harmless for any liability that may arise by merely taking possession or ownership of the vessel, 34 35 including, but not limited to, liability under chapter 70.105D RCW.

HB 2376 p. 4

19

20

21

2223

24

25

26

27

NEW SECTION. Sec. 7. (1) After taking custody of a vessel, the authorized public entity may use or dispose of the vessel in any appropriate and environmentally sound manner without further notice to any owners, but must give preference to uses that derive some monetary benefit from the vessel, either in whole or in scrap. If no value can be derived from the vessel, the authorized public entity must give preference to the least costly, environmentally sound, reasonable disposal option.

1 2

3

4

5

6 7

8

- 9 (2) If the authorized public entity chooses to offer the vessel at 10 a public auction, either a minimum bid may be set or a letter of credit 11 may be required, or both, to discourage future reabandonment of the 12 vessel.
- (3) Proceeds derived from the sale of the vessel must first be 13 14 applied to any administrative costs that are incurred by the authorized 15 public entity during the notification procedures set forth in section 16 5 of this act, removal and disposal costs, and costs associated with 17 environmental damages directly or indirectly caused by the vessel. If the proceeds derived from the vessel exceed all administrative costs, 18 19 removal and disposal costs, and costs associated with environmental 20 damages directly or indirectly caused by the vessel, the remaining moneys must first be applied to satisfying any liens registered against 21 the vessel, with the remainder, if any, to be credited to amounts owed 22 for reimbursement of costs to the authorized public entity by the 23 24 previous owner as described in section 8 of this act.
- 25 (4) Previous owners of the vessel may not be credited with more 26 money than they owe. Any value derived from a vessel greater than all 27 liens and costs incurred reverts to the derelict vessel removal account 28 established in section 14 of this act.
- 29 <u>NEW SECTION.</u> **Sec. 8.** (1) The owner of an abandoned or derelict vessel is responsible for reimbursing an authorized public entity for 30 all costs associated with the removal or disposal of the owner's vessel 31 under this chapter. These costs include, but are not limited to, costs 32 33 incurred exercising the authority granted in section 4 of this act, all 34 administrative costs incurred by the authorized public entity during the procedure set forth in section 5 of this act, removal and disposal 35 36 costs, and costs associated with environmental damages directly or 37 indirectly caused by the vessel.

p. 5 HB 2376

- 1 (2) In addition to the reimbursement of costs due under subsection 2 (1) of this section, the current owner must be assessed a fine by the 3 department that is equal to the removal and disposal costs incurred by 4 the authorized public entity that removes the vessel. Moneys collected 5 under this subsection (2) must be deposited in the derelict vessel 6 removal account established in section 14 of this act.
- 7 (3) Reimbursement for cost and collections of the fine may be 8 sought from an owner who is identified subsequent to the vessel's 9 removal and disposal.
- 10 (4) If the full amount of all costs and fines due to the authorized public entity under this chapter is not paid to the authorized public entity within thirty days after first notifying the responsible parties of the amounts owed, the authorized public entity or the department may bring an action in any court of competent jurisdiction to recover the costs and fines, plus reasonable attorneys' fees and costs incurred by the authorized public entity.
- NEW SECTION. Sec. 9. Either prior to or after taking custody of a vessel, an authorized public entity may take any necessary actions in compliance with state and federal law to reduce, control, abate, or eliminate water pollution, contamination, or debris originating from the vessel, or remove any hazards to navigation caused by the vessel. This includes, but is not limited to, requesting any available assistance from federal agencies.
- NEW SECTION. Sec. 10. (1) An authorized public entity seeking to exert the authority provided in this chapter must provide a salvage and disposal plan to the department. The plan must include an estimate of costs for removal and describe why the vessel needs to be removed. The plan must be approved by the department before the authorized public entity may begin a removal operation on a derelict or abandoned vessel.
- 30 (2) An authorized public entity may enter into a contract with a 31 private company or individual to carry out the authority granted in 32 this chapter.
- NEW SECTION. Sec. 11. The department has the authority, subject to the limitations and procedures outlined in this chapter, to remove and dispose of abandoned or derelict vessels that are located on private property. The owner or lessee of affected private property

нв 2376 р. 6

- may petition the department to remove the vessel. If the department
- denies the request, or fails to respond within thirty days, the 2
- sheriff's department for the county in which the vessel is located is 3
- 4 authorized to remove and dispose of the vessel following the procedures
- 5 set forth in this chapter.
- NEW SECTION. Sec. 12. The rights granted by this chapter are in 6
- 7 addition to any other legal rights an authorized public entity may have
- to obtain title to, remove, recover, sell, or dispose of an abandoned 8
- 9 or derelict vessel, and in no way does this chapter alter those rights,
- 10 or affect the priority of other liens on a vessel.
- 11 NEW SECTION. Sec. 13. A person seeking to redeem a vessel that is
- 12 in the custody of an authorized public entity may commence a lawsuit to
- 13 contest the authorized public entity's decision to take custody of the
- 14 vessel or to contest the amount of reimbursement or fines owed.
- 15 lawsuit must be commenced in the superior court of the county in which
- the vessel existed prior to custody being taken by the authorized 16
- 17 public entity. The lawsuit must be commenced within ten days of the
- 18 date the authorized public entity took custody of the vessel under
- section 5 of this act, or the right to a hearing is deemed waived and 19
- 20 the vessel's owner is liable for any costs or fines owed the authorized
- 21 public entity. In the event of litigation, the prevailing party is
- 22 entitled to reasonable attorneys' fees and costs.
- 23 NEW SECTION. Sec. 14. (1) The derelict vessel removal account is
- created in the custody of the state treasury. All receipts from 24
- 25 sections 7 and 8 of this act and those moneys specified in RCW
- 88.02.030 and 88.02.050 must be deposited into the account, along with 26
- 27 any other gifts, grants, reversions, or appropriations. Expenditures
- 28 from the account may only be used to reimburse authorized public

entities for the administrative, removal, disposal, and environmental

- 30 damage costs of abandoned or derelict vessels when the previous owner
- is either unknown after a reasonable search effort or insolvent. Only
- 31 the commissioner of public lands, or the commissioner's designee, may
- authorize expenditures from the account. The account is subject to 33
- 34 allotment procedures under chapter 43.88 RCW, but an appropriation is
- not required for expenditures. 35

29

32

p. 7 HB 2376

- 1 (2) If the balance of the account reaches fifteen million dollars 2 as of June 30th of any year, the collection of any fees associated with 3 this account must be suspended for the following fiscal year.
- 4 (3) Priority for use of this account is for the removal of derelict 5 and abandoned vessels that are in danger of sinking, breaking up, or 6 blocking navigation channels, or that present environmental risks such 7 as leaking fuel or other hazardous substances. The department must 8 develop criteria to prioritize removal projects associated with this 9 chapter.
- 10 (4) The department may expend from this account the amounts available, and as it considers appropriate, for the complete or partial payment of the removal and disposal of derelict or abandoned vessels, and may transfer moneys to other authorized public entities for the complete or partial removal and disposal of derelict and abandoned vessels.
- 16 **Sec. 15.** RCW 88.02.030 and 1998 c 198 s 1 are each amended to read 17 as follows:
- 18 Vessel registration is required under this chapter except for the 19 following:
- 20 (1) Military or public vessels of the United States, except 21 recreational-type public vessels;
- 22 (2) Vessels owned by a state or subdivision thereof, used 23 principally for governmental purposes and clearly identifiable as such;
- (3) Vessels either (a) registered or numbered under the laws of a country other than the United States; or (b) having a valid United States customs service cruising license issued pursuant to 19 C.F.R.
- 27 Sec. 4.94. On or before the sixty-first day of use in the state, any
- 28 vessel in the state under this subsection shall obtain a
- 29 identification document from the department of licensing, its agents,
- 30 or subagents indicating when the vessel first came into the state. At
- 31 the time of any issuance of an identification document, a ((twenty-
- 32 five)) thirty dollar identification document fee shall be paid by the
- 33 vessel owner to the department of licensing for the cost of providing
- 34 the identification document by the department of licensing. Five
- 35 <u>dollars from each such transaction must be deposited in the derelict</u>
- 36 <u>vessel removal account created in section 14 of this act.</u> Any moneys
- 37 remaining from the fee after the payment of costs and the deposit to
- 38 the derelict vessel removal account shall be allocated to counties by

HB 2376 p. 8

- the state treasurer for approved boating safety programs under RCW 88.02.045. The department of licensing shall adopt rules to implement its duties under this subsection, including issuing and displaying the identification document and collecting the ((twenty-five)) thirty dollar fee;
- 6 (4) Vessels that have been issued a valid number under federal law
 7 or by an approved issuing authority of the state of principal
 8 operation. However, a vessel that is validly registered in another
 9 state but that is removed to this state for principal use is subject to
 10 registration under this chapter. The issuing authority for this state
 11 shall recognize the validity of the numbers previously issued for a
 12 period of sixty days after arrival in this state;
- (5) Vessels owned by a nonresident if the vessel is located upon 13 14 the waters of this state exclusively for repairs, alteration, or 15 reconstruction, or any testing related to the repair, alteration, or 16 reconstruction conducted in this state if an employee of the repair, 17 alteration, or construction facility is on board the vessel during any testing((: PROVIDED, That)). However, any vessel owned by a 18 19 nonresident is located upon the waters of this state exclusively for repairs, alteration, reconstruction, or testing for a period longer 20 than sixty days, that the nonresident shall file an affidavit with the 21 department of revenue verifying the vessel is located upon the waters 22 of this state for repair, alteration, reconstruction, or testing and 23 24 shall continue to file such affidavit every sixty days thereafter, 25 while the vessel is located upon the waters of this state exclusively 26 for repairs, alteration, reconstruction, or testing;
- 27 (6) Vessels equipped with propulsion machinery of less than ten 28 horsepower that:
- 29 (a) Are owned by the owner of a vessel for which a valid vessel 30 number has been issued;
- 31 (b) Display the number of that numbered vessel followed by the 32 suffix "1" in the manner prescribed by the department; and
- 33 (c) Are used as a tender for direct transportation between that 34 vessel and the shore and for no other purpose;
- 35 (7) Vessels under sixteen feet in overall length which have no 36 propulsion machinery of any type or which are not used on waters 37 subject to the jurisdiction of the United States or on the high seas 38 beyond the territorial seas for vessels owned in the United States and 39 are powered by propulsion machinery of ten or less horsepower;

p. 9 HB 2376

- 1 (8) Vessels with no propulsion machinery of any type for which the 2 primary mode of propulsion is human power;
- 3 (9) Vessels primarily engaged in commerce which have or are 4 required to have a valid marine document as a vessel of the United 5 States. Commercial vessels which the department of revenue determines 6 have the external appearance of vessels which would otherwise be 7 required to register under this chapter, must display decals issued 8 annually by the department of revenue that indicate the vessel's exempt 9 status;
- 10 (10) Vessels primarily engaged in commerce which are owned by a 11 resident of a country other than the United States; and
- (11) On and after January 1, 1998, vessels owned by a nonresident 12 13 individual brought into the state for his or her use or enjoyment while 14 temporarily within the state for not more than six months in any 15 continuous twelve-month period, unless the vessel is used in conducting 16 a nontransitory business activity within the state. vessel must have been issued a valid number under federal law or by an 17 approved issuing authority of the state of principal operation. On or 18 19 before the sixty-first day of use in the state, any vessel temporarily in the state under this subsection shall obtain an identification 20 document from the department of licensing, its agents, or subagents 21 when the vessel first came 22 indicating into the state. identification document shall be valid for a period of two months. At 23 24 the time of any issuance of an identification document, a twenty-five 25 dollar identification document fee shall be paid by the vessel owner to 26 department of licensing for the cost of providing the 27 identification document by the department of licensing. remaining from the fee after payment of costs shall be allocated to 28 29 counties by the state treasurer for approved boating safety programs 30 under RCW 88.02.045. The department of licensing shall adopt rules to 31 implement its duties under this subsection, including issuing and displaying the identification document and collecting the twenty-five 32 dollar fee. 33
- 34 **Sec. 16.** RCW 88.02.050 and 1993 c 244 s 38 are each amended to 35 read as follows:
- Application for a vessel registration shall be made to the department or its authorized agent in the manner and upon forms prescribed by the department. The application shall state the name and

нв 2376 р. 10

address of each owner of the vessel and such other information as may be required by the department, shall be signed by at least one owner, and shall be accompanied by a vessel registration fee of ten dollars and fifty cents per year and the excise tax imposed under chapter 82.49 In addition, two additional dollars must be collected annually from every vessel registration application. These moneys must be deposited into the derelict vessel removal account established in section 14 of this act. If the department of natural resources indicates that the balance of the derelict vessel removal account reaches fifteen million dollars as of June 30th of any year, the collection of the two-dollar fee must be suspended for the following fiscal year. Any fees required for licensing agents under RCW 46.01.140 shall be in addition to the ten dollar and fifty cent annual registration fee and the two-dollar derelict vessel fee.

Upon receipt of the application and the registration fee, the department shall assign a registration number and issue a decal for each vessel. The registration number and decal shall be issued and affixed to the vessel in a manner prescribed by the department consistent with the standard numbering system for vessels set forth in volume 33, part 174, of the code of federal regulations. A valid decal affixed as prescribed shall indicate compliance with the annual registration requirements of this chapter.

 The vessel registrations and decals are valid for a period of one year, except that the director of licensing may extend or diminish vessel registration periods, and the decals therefor, for the purpose of staggered renewal periods. For registration periods of more or less than one year, the department may collect prorated annual registration fees and excise taxes based upon the number of months in the registration period. Vessel registrations are renewable every year in a manner prescribed by the department upon payment of the vessel registration fee and excise tax. Upon renewing a vessel registration, the department shall issue a new decal to be affixed as prescribed by the department.

When the department issues either a notice to renew a vessel registration or a decal for a new or renewed vessel registration, it shall also provide information on the location of marine oil recycling tanks and sewage holding tank pumping stations. This information will be provided to the department by the state parks and recreation commission in a form ready for distribution. The form will be

p. 11 HB 2376

- 1 developed and prepared by the state parks and recreation commission
- 2 with the cooperation of the department of ecology. The department, the
- 3 state parks and recreation commission, and the department of ecology
- 4 shall enter into a memorandum of agreement to implement this process.
- 5 A person acquiring a vessel from a dealer or a vessel already
- 6 validly registered under this chapter shall, within fifteen days of the
- 7 acquisition or purchase of the vessel, apply to the department or its
- 8 authorized agent for transfer of the vessel registration, and the
- 9 application shall be accompanied by a transfer fee of one dollar.
- 10 <u>NEW SECTION.</u> **Sec. 17.** A new section is added to chapter 35.21 RCW
- 11 to read as follows:
- 12 Any city or town has the authority, subject to the processes and
- 13 limitation outlined in chapter 79. -- RCW (sections 1 through 14 of this
- 14 act), to store, strip, use, auction, sell, salvage, scrap, or dispose
- 15 of an abandoned or derelict vessel existing on or above publicly or
- 16 privately owned aquatic lands within the jurisdiction of the city or
- 17 town.
- 18 <u>NEW SECTION.</u> **Sec. 18.** A new section is added to chapter 35A.21
- 19 RCW to read as follows:
- 20 A code city has the authority, subject to the processes and
- 21 limitation outlined in chapter 79. -- RCW (sections 1 through 14 of this
- 22 act), to store, strip, use, auction, sell, salvage, scrap, or dispose
- 23 of an abandoned or derelict vessel existing on or above publicly or
- 24 privately owned aquatic lands within the jurisdiction of the code city.
- NEW SECTION. Sec. 19. A new section is added to chapter 36.32 RCW
- 26 to read as follows:
- 27 A county has the authority, subject to the processes and limitation
- 28 outlined in chapter 79.-- RCW (sections 1 through 14 of this act), to
- 29 store, strip, use, auction, sell, salvage, scrap, or dispose of an
- 30 abandoned or derelict vessel existing on or above publicly or privately
- 31 owned aquatic lands within the jurisdiction of the county.
- 32 <u>NEW SECTION.</u> **Sec. 20.** A new section is added to chapter 53.08 RCW
- 33 to read as follows:
- 34 A port district has the authority, subject to the processes and
- 35 limitation outlined in chapter 79. -- RCW (sections 1 through 14 of this

HB 2376 p. 12

- l act), to store, strip, use, auction, sell, salvage, scrap, or dispose
- 2 of an abandoned or derelict vessel existing on or above publicly or
- 3 privately owned aquatic lands within the jurisdiction of the port
- 4 district.
- 5 <u>NEW SECTION.</u> **Sec. 21.** A new section is added to chapter 77.12 RCW 6 to read as follows:
- 7 The director has the authority, subject to the processes and
- 8 limitation outlined in chapter 79.-- RCW (sections 1 through 14 of this
- 9 act), to store, strip, use, auction, sell, salvage, scrap, or dispose
- 10 of an abandoned or derelict vessel existing on or above publicly or
- 11 privately owned aquatic lands within the jurisdiction of the
- 12 department.
- 13 **Sec. 22.** RCW 79A.65.010 and 2000 c 11 s 115 are each amended to
- 14 read as follows:
- 15 Unless the context clearly requires otherwise, the definitions in
- 16 this section apply throughout this chapter.
- 17 (1) "Charges" means charges of the commission for moorage and
- 18 storage, and all other charges related to the vessel and owing to or
- 19 that become owing to the commission, including but not limited to costs
- 20 of securing, disposing, or removing vessels, damages to any commission
- 21 facility, and any costs of sale and related legal expenses for
- 22 implementing RCW 79A.65.020 and 79A.65.030.
- 23 (2) "Commission" means the Washington state parks and recreation
- 24 commission.
- 25 (3) "Commission facility" means any ((property or)) moorage
- 26 facility, as that term is defined in RCW 53.08.310, owned, leased,
- 27 operated, managed, or otherwise controlled by the commission or by a
- 28 person pursuant to a contract with the commission.
- 29 (4) "Owner" means a person who has a lawful right to possession of
- 30 a vessel by purchase, exchange, gift, lease, inheritance, or legal
- 31 action whether or not the vessel is subject to a security interest, and
- 32 shall not include the holder of a bona fide security interest.
- 33 (5) "Person" means any natural person, firm, partnership,
- 34 corporation, association, organization, or any other entity.
- 35 (6)(a) "Registered owner" means any person that is either: (i)
- 36 Shown as the owner in a vessel certificate of documentation issued by
- 37 the secretary of the United States department of transportation under

p. 13 HB 2376

- 46 U.S.C. Sec. 12103; or (ii) the registered owner or legal owner of a vessel for which a certificate of title has been issued under chapter 88.02 RCW; or (iii) the owner of a vessel registered under the vessel registration laws of another state under which laws the commission can readily identify the ownership of vessels registered with that state.
- 6 (b) "Registered owner" also includes: (i) Any holder of a security 7 interest or lien recorded with the United States department of 8 transportation with respect to a vessel on which a certificate of 9 documentation has been issued; (ii) any holder of a security interest identified in a certificate of title for a vessel registered under 10 chapter 88.02 RCW; or (iii) any holder of a security interest in a 11 vessel where the holder is identified in vessel registration 12 information of a state with vessel registration laws that fall within 13 14 (a)(iii) of this subsection and under which laws the commission can readily determine the identity of the holder. 15
- 16 (c) "Registered owner" does not include any vessel owner or holder
 17 of a lien or security interest in a vessel if the vessel does not have
 18 visible information affixed to it (such as name and hailing port or
 19 registration numbers) that will enable the commission to obtain
 20 ownership information for the vessel without incurring unreasonable
 21 expense.
 - (7) "Registered vessel" means a vessel having a registered owner.
- 23 (8) "Secured vessel" means any vessel that has been secured by the 24 commission that remains in the commission's possession and control.
- (9) "Unauthorized vessel" means a vessel using a commission facility of any type whose owner has not paid the required moorage fees or has left the vessel beyond the posted time limits, or a vessel otherwise present without permission of the commission.
- (10) "Vessel" means every watercraft or part thereof constructed, used, or capable of being used as a means of transportation on the water. It includes any equipment or personal property on the vessel that is used or capable of being used for the operation, navigation, or maintenance of the vessel.
- 34 **Sec. 23.** RCW 79A.65.020 and 1994 c 51 s 2 are each amended to read 35 as follows:
- 36 (1) The commission may take reasonable measures, including but not 37 limited to the use of anchors, chains, ropes, and locks, or removal 38 from the water, to secure unauthorized vessels located at or on a

нв 2376 р. 14

22

- commission facility so that the unauthorized vessels are in the possession and control of the commission. At least ten days before securing any unauthorized registered vessel, the commission shall send notification by registered mail to the last registered owner or registered owners of the vessel at their last known address or addresses.
- 7 (2) The commission may take reasonable measures, including but not 8 limited to the use of anchors, chains, ropes, locks, or removal from 9 the water, to secure any vessel if the vessel, in the opinion of the 10 commission, is a nuisance, is in danger of sinking or creating other damage to a commission facility, or is otherwise a threat to the 11 12 health, safety, or welfare of the public or environment at a commission 13 facility. The costs of any such procedure shall be paid by the 14 vessel's owner.
- 15 (3) At the time of securing any vessel under subsection (1) or (2)
 16 of this section, the commission shall attach to the vessel a readily
 17 visible notice or, when practicable, shall post such notice in a
 18 conspicuous location at the commission facility in the event the vessel
 19 is removed from the premises. The notice shall be of a reasonable size
 20 and shall contain the following information:
 - (a) The date and time the notice was attached or posted;

- (b) A statement that the vessel has been secured by the commission and that if the commission's charges, if any, are not paid and the vessel is not removed by (the thirty-fifth consecutive day following the date of attachment or posting of the notice), the vessel will be considered abandoned and will be sold at public auction to satisfy the charges;
- (c) The address and telephone number where additional information may be obtained concerning the securing of the vessel and conditions for its release; and
- 31 (d) A description of the owner's or secured party's rights under 32 this chapter.
- 33 (4) With respect to registered vessels: Within five days of the 34 date that notice is attached or posted under subsection (3) of this 35 section, the commission shall send such notice, by registered mail, to 36 each registered owner.
- 37 (5) If a vessel is secured under subsection (1) or (2) of this 38 section, the owner, or any person with a legal right to possess the 39 vessel, may claim the vessel by:

p. 15 HB 2376

- (a) Making arrangements satisfactory to the commission for the 1 immediate removal of the vessel from the commission's control or for 2 3 authorized storage or moorage; and
- 4 (b) Making payment to the commission of all reasonable charges incurred by the commission in securing the vessel under subsections (1) and (2) of this section and of all moorage fees owed to the commission.

6

26

27

29

30

32

33

36

- 7 (6) A vessel is considered abandoned if, within the thirty-five day 8 period following the date of attachment or posting of notice in 9 subsection (3) of this section, the vessel has not been claimed under 10 subsection (5) of this section.
- (7) If the owner or owners of a vessel are unable to reimburse the 11 commission for all reasonable charges under subsections (1) and (2) of 12 this section within a reasonable time, the commission may seek 13 reimbursement from the derelict vessel removal account established in 14 15 section 14 of this act.
- 16 Sec. 24. RCW 79A.65.030 and 2000 c 11 s 116 are each amended to read as follows: 17
- 18 (1) The commission may provide for the public sale of vessels considered abandoned under RCW 79A.65.020. At such sales, the vessels 19 shall be sold for cash to the highest and best bidder. The commission 20 may establish either a minimum bid or require a letter of credit, or 21 both, to discourage the future reabandonment of the vessel. 22
- 23 (2) Before a vessel is sold, the commission shall make a reasonable 24 effort to provide notice of sale, at least twenty days before the day 25 of the sale, to each registered owner of a registered vessel and each owner of an unregistered vessel. The notice shall contain the time and place of the sale, a reasonable description of the vessel to be sold, and the amount of charges then owing with respect to the vessel, and a 28 summary of the rights and procedures under this chapter. A notice of sale shall be published at least once, more than ten but not more than twenty days before the sale, in a newspaper of general circulation in 31 the county in which the commission facility is located. This notice shall include: (a) If known, the name of the vessel and the last owner and the owner's address; and (b) a reasonable description of the 34 vessel. The commission may bid all or part of its charges at the sale 35 and may become a purchaser at the sale.
- 37 (3) Before a vessel is sold, any person seeking to redeem a secured vessel may commence a lawsuit in the superior court for the county in 38

HB 2376 p. 16

- which the vessel was secured to contest the commission's decision to secure the vessel or the amount of charges owing. This lawsuit shall be commenced within fifteen days of the date the notification was posted under RCW 79A.65.020(3), or the right to a hearing is deemed waived and the owner is liable for any charges owing the commission. In the event of litigation, the prevailing party is entitled to reasonable attorneys' fees and costs.
- 8 (4) The proceeds of a sale under this section shall be applied 9 first to the payment of the amount of the reasonable charges incurred 10 by the commission and moorage fees owed to the commission, then to the owner or to satisfy any liens of record or security interests of record 11 on the vessel in the order of their priority. If an owner cannot in 12 13 the exercise of due diligence be located by the commission within one year of the date of the sale, any excess funds from the sale, following 14 the satisfaction of any bona fide security interest, shall revert to 15 16 the ((department of revenue under chapter 63.29 RCW)) derelict vessel 17 removal account established in section 14 of this act. If the sale is for a sum less than the applicable charges, the commission is entitled 18 19 to assert a claim for the deficiency against the vessel owner. Nothing 20 in this section prevents any lien holder or secured party from asserting a claim for any deficiency owed the lien holder or secured 21 22 party.
- (5) If no one purchases the vessel at a sale, the commission may 23 24 proceed to properly dispose of the vessel in any way the commission 25 considers appropriate, including, but not limited to, destruction of 26 the vessel or by negotiated sale. The commission may assert a claim 27 against the owner for any charges incurred thereby. If the vessel, or any part of the vessel, or any rights to the vessel, are sold under 28 29 this subsection, any proceeds from the sale shall be distributed in the 30 manner provided in subsection (4) of this section.
- 31 **Sec. 25.** RCW 53.08.320 and 1986 c 260 s 2 are each amended to read 32 as follows:
- A moorage facility operator may adopt all ((regulations)) rules
 necessary for rental and use of moorage facilities and for the
 expeditious collection of port charges. The ((regulations)) rules may
 also establish procedures for the enforcement of these ((regulations))
 rules by port district, city, county, metropolitan park district or
 town personnel. The ((regulations)) rules shall include the following:

p. 17 HB 2376

- (1) Procedures authorizing moorage facility personnel to take 1 2 reasonable measures, including the use of chains, ropes, and locks, or 3 removal from the water, to secure vessels within the moorage facility 4 so that the vessels are in the possession and control of the moorage 5 facility operator and cannot be removed from the moorage facility. These procedures may be used if an owner mooring or storing a vessel at 6 7 the moorage facility fails, after being notified that charges are owing 8 and of the owner's right to commence legal proceedings to contest that 9 such charges are owing, to pay the port charges owed or to commence 10 legal proceedings. Notification shall be by registered mail to the owner at his or her last known address. In the case of a transient 11 vessel, or where no address was furnished by the owner, the moorage 12 facility operator need not give such notice prior to securing the 13 vessel. At the time of securing the vessel, an authorized moorage 14 15 facility employee shall attach to the vessel a readily visible notice. 16 The notice shall be of a reasonable size and shall contain the 17 following information:
 - (a) The date and time the notice was attached;

- 19 (b) A statement that if the account is not paid in full within 20 ninety days from the time the notice is attached, the vessel may be 21 sold at public auction to satisfy the port charges; and
- (c) The address and telephone number where additional information may be obtained concerning release of the vessel.
- After a vessel is secured, the operator shall make a reasonable effort to notify the owner by registered mail in order to give the owner the information contained in the notice.
- 27 (2) Procedures authorizing moorage facility personnel at their discretion to move moored vessels ashore for storage within properties 28 under the operator's control or for storage with private persons under 29 30 their control as bailees of the moorage facility, if the vessel is, in the opinion of port personnel a nuisance, if the vessel is in danger of 31 sinking or creating other damage, or is owing port charges. Costs of 32 any such procedure shall be paid by the vessel's owner. If the owner 33 34 is not known, or unable to reimburse the moorage facility operator for 35 the costs of these procedures, the mooring facility operators may seek partial reimbursement from the derelict vessel removal account 36 37 established in section 14 of this act.
- 38 (3) If a vessel is secured under subsection (1) of this section or 39 moved ashore under subsection (2) of this section, the owner who is

HB 2376 p. 18

obligated to the moorage facility operator for port charges may regain possession of the vessel by:

- 3 (a) Making arrangements satisfactory with the moorage facility 4 operator for the immediate removal of the vessel from the moorage 5 facility or for authorized moorage; and
- (b) Making payment to the moorage facility operator of all port 6 7 charges, or by posting with the moorage facility operator a sufficient 8 cash bond or other acceptable security, to be held in trust by the 9 moorage facility operator pending written agreement of the parties with 10 respect to payment by the vessel owner of the amount owing, or pending resolution of the matter of the charges in a civil action in a court of 11 competent jurisdiction. After entry of judgment, including any 12 13 appeals, in a court of competent jurisdiction, or after the parties reach agreement with respect to payment, the trust shall terminate and 14 15 the moorage facility operator shall receive so much of the bond or 16 other security as is agreed, or as is necessary to satisfy any 17 judgment, costs, and interest as may be awarded to the moorage facility The balance shall be refunded immediately to the owner at 18 operator. 19 his <u>or her</u> last known address.
 - (4) If a vessel has been secured by the moorage facility operator under subsection (1) of this section and is not released to the owner under the bonding provisions of this section within ninety days after notifying or attempting to notify the owner under subsection (1) of this section, the vessel shall be conclusively presumed to have been abandoned by the owner.

20

21

2223

24

25

3334

35

36

37

38 39

- (5) If a vessel moored or stored at a moorage facility is abandoned, the moorage facility operator may, by resolution of its legislative authority, authorize the public sale of the vessel by authorized personnel to the highest and best bidder for cash as ((follows:)) prescribed by this subsection (5). Either a minimum bid may be established or a letter of credit may be required, or both, to discourage the future reabandonment of the vessel.
 - (a) Before the vessel is sold, the owner of the vessel shall be given at least twenty days' notice of the sale in the manner set forth in subsection (1) of this section if the name and address of the owner is known. The notice shall contain the time and place of the sale, a reasonable description of the vessel to be sold, and the amount of port charges owed with respect to the vessel. The notice of sale shall be published at least once, more than ten but not more than twenty days

p. 19 HB 2376

- l before the sale, in a newspaper of general circulation in the county in
- 2 which the moorage facility is located. Such notice shall include the
- 3 name of the vessel, if any, the last known owner and address, and a
- 4 reasonable description of the vessel to be sold. The moorage facility
- 5 operator may bid all or part of its port charges at the sale and may
- 6 become a purchaser at the sale($(\dot{\tau})$).
- 7 (b) Before the vessel is sold, any person seeking to redeem an
- 8 impounded vessel under this section may commence a lawsuit in the
- 9 superior court for the county in which the vessel was impounded to
- 10 contest the validity of the impoundment or the amount of the port
- 11 charges owing. Such lawsuit must be commenced within ten days of the
- 12 date the notification was provided pursuant to subsection (1) of this
- 13 section, or the right to a hearing shall be deemed waived and the owner
- 14 shall be liable for any port charges owing the moorage facility
- 15 operator. In the event of litigation, the prevailing party shall be
- 16 entitled to reasonable attorneys' fees and costs.
- 17 (c) The proceeds of a sale under this section shall first be
- 18 applied to the payment of port charges. The balance, if any, shall be
- 19 paid to the owner. If the owner cannot in the exercise of due
- 20 diligence be located by the moorage facility operator within one year
- 21 of the date of the sale, the excess funds from the sale shall revert to
- 22 the ((department of revenue pursuant to chapter 63.29 RCW)) derelict
- 23 vessel removal account established in section 14 of this act. If the
- 24 sale is for a sum less than the applicable port charges, the moorage
- 25 facility operator is entitled to assert a claim for a deficiency.
- 26 (d) In the event no one purchases the vessel at a sale, or a vessel
- 27 is not removed from the premises or other arrangements are not made
- 28 within ten days of sale, title to the vessel will revert to the moorage
- 29 facility operator.
- 30 (6) The ((regulations)) rules authorized under this section shall
- 31 be enforceable only if the moorage facility has had its tariff
- 32 containing such ((regulations)) rules conspicuously posted at its
- 33 moorage facility at all times.
- 34 <u>NEW SECTION.</u> **Sec. 26.** Sections 1 through 14 of this act
- 35 constitute a new chapter in Title 79 RCW.
- 36 <u>NEW SECTION.</u> **Sec. 27.** If any provision of this act or its
- 37 application to any person or circumstance is held invalid, the

нв 2376 р. 20

- 1 remainder of the act or the application of the provision to other
- 2 persons or circumstances is not affected.

--- END ---

p. 21 HB 2376