
**Agriculture & Natural Resources
Committee**

HB 1435

Brief Description: Designating a class of existing commercial ocean vessels that may be allowed to moor, without satisfying the insurance requirements of chapter 195, Laws of 2014, at a moorage facility without the moorage facility assuming additional liability.

Sponsors: Representatives Blake, Buys, Takko and Kretz.

Brief Summary of Bill

- Provides an exemption to requirements for demonstrating vessel insurance coverage at the time of entering into a moorage agreement for a specific class of vessel referred to as a legacy commercial ocean vessel.

Hearing Date: 1/28/15

Staff: Jason Callahan (786-7117).

Background:

All moorage facilities, both public and private, are required to obtain proof of insurance from potential moorage tenants. Vessels offered moorage must be able to demonstrate liability coverage of at least \$300,000 and additional general, legal, and pollution liability coverage. This requirement applies to all moorage agreements entered into or renewed after June 12, 2014.

Any moorage facility that enters into a moorage agreement with the owner of a vessel who cannot demonstrate adequate insurance coverage assumes a degree of risk if the vessel becomes derelict or is left abandoned at the moorage facility. For public moorage facilities, the risk assumed in this instance is an inability to be reimbursed from the Department of Natural Resources from the Derelict Vessel Removal Account for the costs of removing the vessel from the facility and property disposing of it (which is reimbursement for up to 90 percent of the

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costs). For private moorage facilities, the risk assumed is the potential of secondary liability for the costs of removing and disposing of the vessel.

Summary of Bill:

An exemption to requirements for demonstrating vessel insurance coverage at the time of entering into a moorage agreement is created for a specific class of vessel. This vessel type, referred to as a legacy commercial ocean vessel, is a vessel whose owner meets a number of criteria. First, the owner must have been required to pay a per foot commercial derelict vessel removal fee to the Department of Revenue in the year 2015 for the vessel in question. Second, the owner must have had a valid moorage agreement in place in the year 2014. Third, the vessel must have been designated on a license issued by the Department of Fish and Wildlife allowing the vessel to participate in a 2014 commercial ocean fishery.

The status of legacy commercial ocean vessel applies only to the vessel itself. The status, and thus the insurance exemption, is not transferrable to a new owner of the vessel or to other vessels owned by the same person.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.