
**Rural Development, Agriculture, &
Natural Resources Committee**

HB 2769

Brief Description: Concerning the prevention of derelict vessels.

Sponsors: Representatives Lekanoff, Blake, Lovick, Shewmake, Ramel, Fitzgibbon, Cody and Tharinger; by request of Department of Natural Resources.

Brief Summary of Bill

- Changes the minimum vessel length that triggers requirements related to inspections and marine insurance before ownership of certain vessels may be transferred.
- Provides certain Department of Natural Resources (DNR) staff with ticketing and enforcement authority for the purpose of enforcing aquatic laws related to derelict or abandoned vessels, registration of vessels, or trespass of vessels.
- Authorizes the DNR to issue grants to local law enforcement agencies to compensate them for time and equipment needed to enforce vessel registration and aquatic laws as related to the Derelict Vessel Removal Program (DVRP).
- Authorizes the DNR to carry out a pilot project for the purpose of testing possible recycling streams for wood and fiberglass recovered from derelict vessels.
- Removes the limitation that the DNR may spend no more than \$200,000 per biennium to carry out the DVRP.

Hearing Date: 1/29/20

Staff: Robert Hatfield (786-7117).

Background:

Derelict Vessel Removal Program.

The Department of Natural Resources (DNR) administers the Derelict Vessel Removal Program (DVRP).

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Under the DVRP, an authorized public entity (APE), which includes the DNR and most public agencies that own or manage aquatic lands, may take custody and dispose of abandoned or derelict vessels on aquatic lands within its jurisdiction. The DNR has an oversight and rule-making role in the removal and disposal process. If an APE is unable or unwilling to remove a derelict or abandoned vessel in its jurisdiction, it may ask the DNR to assume responsibility. No APE has a duty to exercise its authority, and an APE is not liable for choosing not to exercise its authority.

The owner of an abandoned or derelict vessel is responsible for the cost of removal and disposal. If the owner is unknown or unable to pay the cost, the APE may seek reimbursement of up to 90 percent of the costs. Monies in the Derelict Vessel Removal Account are used to reimburse APEs.

The DNR may spend no more than \$200,000 in any one biennium on the DVRP.

Vessel Owner Accountability.

The owner or operator of a vessel that is more than 40 years old and longer than 65 feet must obtain a vessel inspection before transferring ownership of the vessel to another party. Similarly, an individual or company that purchases or otherwise receives a used vessel greater than 65 feet in length and more than 40 years old must secure a marine insurance policy prior to or concurrent with the transfer of ownership.

A copy of the inspection report must be provided to the transferee and the DNR. Failure to do so can result in the initial owner of the vessel being secondarily liable for some of the costs should the vessel eventually become abandoned or derelict. If the vessel inspection determines that the vessel is not seaworthy, and the value of the vessel is less than the anticipated cost to return the vessel to seaworthiness, the vessel owner may not sell or transfer ownership of the vessel unless criteria are met.

Summary of Bill:

The limitation that the Department of Natural Resources (DNR) may spend no more than \$200,000 in any one biennium on the derelict Vessel Removal Program (DVRP) is removed.

The minimum length of vessel for which an owner is required to obtain an inspection before transferring a vessel more than 40 years old is changed from vessels longer than 65 feet to vessels longer than 35 feet.

The minimum length of vessel for which a prospective owner is required to obtain a marine insurance policy before purchasing or otherwise receiving a vessel more than 40 years old is changed from vessels longer than 65 feet to vessels longer than 35 feet.

The DNR is authorized to adopt rules to be used in determining whether a vessel is seaworthy.

In order to prevent the future potential dereliction or abandonment of a vessel, DVRP staff of the DNR have ticketing and enforcement authority for the purpose of enforcing aquatic laws related to derelict or abandoned vessels, registration of vessels, or trespass of vessels.

The DNR is authorized to issue grants to local law enforcement agencies to compensate them for time and equipment needed to enforce vessel registration and aquatic laws as related to the DVRP, and to issue civil penalties. Individual grants may not exceed \$50,000. DNR's grant-making authority is subject to the availability of funds appropriated for the grants.

The DNR is authorized to carry out a pilot project for the purpose of testing possible recycling streams for wood and fiberglass recovered from derelict vessels. The DNR must initiate the pilot project beginning July 1, 2020, and must provide an annual report to the Legislature on the progress and outcomes of the pilot project. If the pilot project is successful, the DNR is authorized to replicate the pilot project in several locations around the state in partnership with other authorized public entities and rural communities. The pilot project expires July 1, 2023.

Appropriation.

The sum of \$150,000 is appropriated to the DNR from the General Fund - State for the fiscal year ending June 30, 2021, for the purpose of issuing grants to local law enforcement agencies to compensate them for time and equipment needed to enforce vessel registration and aquatic laws as related to the derelict vessel program.

The sum of \$100,000 is appropriated to the DNR from the General Fund - State for the fiscal year ending June 30, 2021, for the purpose of carrying out the derelict vessel recycling stream pilot project.

Appropriation: None.

Fiscal Note: Preliminary fiscal note available.

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