

HOUSE BILL REPORT

2SSB 6528

As Reported by House Committee On:
Rural Development, Agriculture, & Natural Resources
Appropriations

Title: An act relating to the prevention of derelict vessels.

Brief Description: Concerning the prevention of derelict vessels.

Sponsors: Senate Committee on Ways & Means (originally sponsored by Senators Lovelett, McCoy, Takko, Das, Hasegawa, Rolfes, Van De Wege and Wilson, C.; by request of Department of Natural Resources).

Brief History:

Committee Activity:

Rural Development, Agriculture, & Natural Resources: 2/26/20, 2/28/20 [DP];
Appropriations: 3/2/20 [DP].

Brief Summary of Second Substitute 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 the authority to issue tickets by mail for the purpose of enforcing vessel registration requirements.
- 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.

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.

HOUSE COMMITTEE ON RURAL DEVELOPMENT, AGRICULTURE, & NATURAL RESOURCES

Majority Report: Do pass. Signed by 14 members: Representatives Blake, Chair; Shewmake, Vice Chair; Chandler, Ranking Minority Member; Dent, Assistant Ranking Minority Member; Chapman, Dye, Fitzgibbon, Lekanoff, Orcutt, Pettigrew, Ramos, Schmick, Springer and Walsh.

Staff: Robert Hatfield (786-7117).

Background:

Derelict Vessel Removal Program.

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

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 rulemaking 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, DNR staff have the authority to issue tickets by mail for the purpose of enforcing vessel registration requirements.

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. The DNR's grant-making authority is subject to the availability of funds appropriated for the grants.

Subject to the availability of funds, 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. The DNR must initiate the pilot project by seeking to partner with a nonprofit maritime education center that has the capacity to coordinate with a local port and local businesses that can accommodate the vessel waste materials. 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: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) The Department of Natural Resources (DNR) receives many reports of derelict vessels that they do not have the capacity to remove. The bill has a suite of prevention and

enforcement measures. The bill removes the cap on the vessel turn-in program. It reduces the length of vessel that triggers secondary liability from longer than 65 feet down to vessels longer than 35 feet. The bill requires a survey and insurance before such vessels may be transferred. The DNR has worked with law enforcement authorities to tailor the law enforcement authority in the bill down to just tickets by mail for vessel registration.

The bill removes the cap on the vessel turn-in incentive program, which is a very good way to get vessels off the water before they sink. The idea of the recycling program is a good one. At some point, there needs to be a much more robust conversation about the funding of the derelict vessel program.

The bill is a perfect example of the saying that an ounce of prevention is worth a pound of cure. The measures in the bill are a great way to ensure that marine areas are protected from unintended consequences.

The derelict vessel prevention program prevents the spills of fuel, oil, and other toxic materials.

When these derelict vessels sink, they are often in public ports, which means the public has to pay to haul it out and dispose of it.

(Opposed) None.

Persons Testifying: Senator Lovelett, prime sponsor; Troy Wood, Department of Natural Resources; Doug Levy, Recreational Boating Association of Washington; Gerry O'Keefe, Washington Public Ports Association; and Bruce Wishart, Puget Soundkeeper.

Persons Signed In To Testify But Not Testifying: None.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 33 members: Representatives Ormsby, Chair; Robinson, 1st Vice Chair; Bergquist, 2nd Vice Chair; Stokesbary, Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Rude, Assistant Ranking Minority Member; Caldier, Chandler, Chopp, Cody, Corry, Dolan, Dye, Fitzgibbon, Hansen, Hoff, Hudgins, Kilduff, Kraft, Macri, Mosbrucker, Pettigrew, Pollet, Ryu, Schmick, Senn, Springer, Steele, Sullivan, Sutherland, Tarleton, Tharinger and Ybarra.

Staff: Dan Jones (786-7118).

Summary of Recommendation of Committee On Appropriations Compared to Recommendation of Committee On Rural Development, Agriculture, & Natural Resources:

No new changes were recommended.

Appropriation: None.

Fiscal Note: Available.

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

Staff Summary of Public Testimony:

(In support) This bill provides a suite of prevention and enforcement measures that would allow for the removal of high-risk vessels before they become derelict. The bill would provide for additional enforcement of existing derelict vessel laws. The existing turn-in program is highly effective, and the bill's removal of the spending cap for this program would prevent more vessels from becoming derelict.

(Opposed) None.

Persons Testifying: Katrina Lassiter, Washington State Department of Natural Resources.

Persons Signed In To Testify But Not Testifying: None.