

HOUSE BILL REPORT

HB 1700

As Passed House:

January 28, 2022

Title: An act relating to sustainable funding for the derelict vessel removal account using the vessel watercraft excise tax.

Brief Description: Concerning sustainable funding for the derelict vessel removal account using the vessel watercraft excise tax.

Sponsors: Representatives Paul, Griffey, Fitzgibbon, Ryu, Ramel, Leavitt, Wicks, Shewmake, Duerr, Bateman, Bronoske, Peterson, Rule, Simmons and Tharinger; by request of Department of Natural Resources.

Brief History:

Committee Activity:

Appropriations: 1/17/22, 1/20/22 [DP].

Floor Activity:

Passed House: 1/28/22, 94-0.

Brief Summary of Bill

- Deposits 25 percent of the Watercraft Excise Tax into the Derelict Vessel Removal Account and 75 percent into the State General Fund, rather than entirely into the State General Fund.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 32 members: Representatives Ormsby, Chair; Bergquist, Vice Chair; Gregerson, Vice Chair; Macri, Vice Chair; Stokesbary, Ranking Minority Member; Chambers, Assistant Ranking Minority Member; Corry, Assistant Ranking Minority Member; MacEwen, Assistant Ranking Minority Member; Boehnke, Caldier, Chopp, Cody, Dolan, Dye, Fitzgibbon, Frame, Hansen, Harris, Hoff, Jacobsen, Johnson, J., Lekanoff, Pollet, Rude, Ryu, Schmick, Senn, Springer, Steele, Stonier, Sullivan

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

and Tharinger.

Staff: Dan Jones (786-7118).

Background:

Derelict or abandoned vessels are vessels that have been left by their owners and meet certain conditions, such as sinking or obstructing a waterway. The Department of Natural Resources (DNR) is the state agency with primary responsibility for derelict or abandoned vessels.

The Derelict Vessel Removal Account (Account) is an appropriated account administered by the DNR. The Account is used primarily for reimbursing public agencies for derelict vessel removal costs and for a vessel turn-in program.

The Watercraft Excise Tax (Tax) is an annual tax on the privilege of using a vessel on state waters. The amount of the Tax is 0.5 percent of the fair market value of the vessel or \$5, whichever is greater. The Tax is deposited into the State General Fund.

Summary of Bill:

The Watercraft Excise Tax is deposited as follows: 25 percent to the Derelict Vessel Removal Account and 75 percent to the State General Fund.

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 would create sustainable revenue for the Derelict Vessel Removal Program. The current level of funding is not sufficient, particularly for large vessels that are very expensive to remove. The additional funding would help prevent vessels from impacting waterways or navigation channels, prevent environmental problems from vessel fuel and paint, and decrease the backlog of vessels in need of removal. The Watercraft Excise Tax is being paid by boaters anyway, so it should be put to uses that benefit boaters. Small ports are unable to handle of the costs of vessel removal on their own.

(Opposed) None.

(Other) Abandoned vessels can leak fuel and other hazardous substances, and can become

collision hazards.

Persons Testifying: (In support) Amber Carter, Port of Vancouver USA; Neil Falkenburg, West Bay Marina; Greg Englin, Port of Kingston; Bruce Wishart, Puget Soundkeeper; Bob Wise, Recreational Boating Association of Washington; Joe Brady, Metro Parks Tacoma; Brian Considine and Troy Wood, Washington State Department of Natural Resources; and Cliff Webster.

(Other) Jase Brooks, Washington State Department of Ecology.

Persons Signed In To Testify But Not Testifying: None.