S-1839.1			

SENATE BILL 6044

State of Washington 60th Legislature 2007 Regular Session

By Senators Rockefeller and Swecker

Read first time 02/15/2007. Referred to Committee on Natural Resources, Ocean & Recreation.

- 1 AN ACT Relating to derelict vessels; amending RCW 79.100.010,
- 2 79.100.040, 79.100.100, 90.56.510, 88.02.050, and 88.02.050; adding new
- 3 sections to chapter 88.02 RCW; creating a new section; providing an
- 4 effective date; and providing an expiration date.

8

9

- 5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 6 **Sec. 1.** RCW 79.100.010 and 2006 c 153 s 2 are each amended to read 7 as follows:
 - The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 10 (1) "Abandoned vessel" means the vessel's owner is not known or cannot be located, or if the vessel's owner is known and located but is 11 12 unwilling to take control of the vessel, and the vessel has been left, 13 moored, or anchored in the same area without the express consent, or contrary to the rules, of the owner, manager, or lessee of the aquatic 14 lands below or on which the vessel is located for either a period of 15 more than thirty consecutive days or for more than a total of ninety 16 days in any three hundred sixty-five day period. For the purposes of 17 this subsection (1) only, "in the same area" means within a radius of 18

p. 1 SB 6044

- five miles of any location where the vessel was previously moored or anchored on aquatic lands.
- 3 (2) "Aquatic lands" means all tidelands, shorelands, harbor areas, 4 and the beds of navigable waters, including lands owned by the state 5 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.
- 12 (4) "Department" means the department of natural resources.
- 13 (5) "Derelict vessel" means the vessel's owner is known and can be located, and exerts control of a vessel that:
- 15 (a) Has been moored, anchored, or otherwise left in the waters of 16 the state or on public property contrary to RCW 79.02.300 or rules 17 adopted by an authorized public entity;
- 18 (b) Has been left on private property without authorization of the 19 owner; or
 - (c) Has been left for a period of seven consecutive days, and:
 - (i) Is sunk or in danger of sinking;
 - (ii) Is obstructing a waterway; or
- 23 (iii) Is endangering life or property.

6 7

8

10

11

20

21

22

- (6) "Owner" means any natural person, firm, partnership, corporation, association, government entity, or organization that has a lawful right to possession of a vessel by purchase, exchange, gift, lease, inheritance, or legal action whether or not the vessel is subject to a security interest.
- (7) "Vessel" ((has the same meaning as defined in RCW 53.08.310))
 means any boat or other watercraft, other than a seaplane, that does
 not exceed two hundred feet in length and is used for navigation on the
 water. "Vessel" includes any trailer used for the transportation of
 watercraft and barges.
- 34 **Sec. 2.** RCW 79.100.040 and 2006 c 153 s 3 are each amended to read 35 as follows:
- 36 (1) Prior to exercising the authority granted in RCW 79.100.030,

the authorized public entity must first obtain custody of the vessel. To do so, the authorized public entity must:

- (a) Mail notice of its intent to obtain custody, at least twenty days prior to taking custody, to the last known address of the previous owner to register the vessel in any state or with the federal government and to any lien holders or secured interests on record. A notice need not be sent to the purported owner or any other person whose interest in the vessel is not recorded with a state or federal agency;
- (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; and
- (c) Post notice of its intent on the department's internet web site on a page specifically designated for such notices. If the authorized public entity is not the department, the department must facilitate the internet posting.
- (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 RCW 79.100.030, 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 RCW 79.100.060.
- (3)(a) If a vessel is: (i) In immediate danger of sinking, breaking up, or blocking navigational channels((τ)); or (ii) poses a reasonably imminent threat to human health or safety, including a threat of environmental contamination; and (iii) the owner of the vessel cannot be located or is unwilling or unable to assume immediate responsibility for the vessel, any authorized public entity may tow, beach, or otherwise take temporary possession of the vessel.
- (b) Before taking temporary possession of the vessel, the authorized public entity must make reasonable attempts to consult with the department or the United States coast guard to ensure that other remedies are not available. The basis for taking temporary possession of the vessel must be set out in writing by the authorized public

p. 3 SB 6044

entity within seven days of taking action and be submitted to the 1 owner, if known, as soon thereafter as is reasonable. 2 authorized public entity has not already provided the required notice, 3 immediately after taking possession of the vessel, the authorized 4 5 public entity must initiate the notice provisions in subsection (1) of this section. The authorized public entity must complete the notice 6 7 requirements of subsection (1) of this section before using or disposing of the vessel as authorized in RCW 79.100.050. 8

Sec. 3. RCW 79.100.100 and 2006 c 153 s 6 are each amended to read as follows:

9

10 11

12

13

14

15

16 17

18

19 20

21

2223

24

25

26

27

28

29

3031

3233

34

35

(1) The derelict vessel removal account is created in the state treasury. All receipts from RCW 79.100.050 and 79.100.060 and those moneys specified in RCW 88.02.030 and 88.02.050 must be deposited into the account. The account is authorized to receive fund transfers from the general fund or the state oil spill response account created in RCW 90.56.500 as well as gifts, grants, and endowments from public or private sources as may be made from time to time, in trust or otherwise, for the use and benefit of the purposes of this chapter and expend the same or any income according to the terms of the gifts, grants, or endowments provided those terms do not conflict with any provisions of this section or any guidelines developed to prioritize reimbursement of removal projects associated with this chapter. Moneys in the account may only be spent after appropriation. Expenditures from the account shall be used by the department to reimburse authorized public entities for up to ninety percent of the total reasonable and auditable administrative, removal, disposal, and environmental damage costs of abandoned or derelict vessels when the previous owner is either unknown after a reasonable search effort or insolvent. Costs associated with removal and disposal of an abandoned or derelict vessel under the authority granted in RCW 53.08.320 also qualify for reimbursement from the derelict vessel removal account. In each biennium, up to twenty percent of the expenditures from the account may be used for administrative expenses of the department of licensing and department of natural resources in implementing this chapter.

36 (2) If the balance of the account reaches one million dollars as of 37 March 1st of any year, exclusive of any fund transfers from the general

fund or the state oil spill prevention account or any deposits in the account from the surcharge created under section 8 of this act, the department must notify the department of licensing and the collection of any fees associated with this account must be suspended for the following fiscal year.

- (3) Priority for use of this account is for the removal of derelict and abandoned vessels that are in danger of sinking, breaking up, or blocking navigation channels, or that present environmental risks such as leaking fuel or other hazardous substances. The department must develop criteria, in the form of informal guidelines, to prioritize removal projects associated with this chapter, but may not consider whether the applicant is a state or local entity when prioritizing. The guidelines must also include guidance to the authorized public entities as to what removal activities and associated costs are reasonable and eligible for reimbursement.
- (4) The department must keep all authorized public entities apprized of the balance of the derelict vessel removal account and the funds available for reimbursement. The guidelines developed by the department must also be made available to the other authorized public entities. This subsection (4) must be satisfied by utilizing the least costly method, including maintaining the information on the department's internet web site, or any other cost-effective method.
- (5) An authorized public entity may contribute its ten percent of costs that are not eligible for reimbursement by using in-kind services, including the use of existing staff, equipment, and volunteers.
- (6) This chapter does not guarantee reimbursement for an authorized public entity. Authorized public entities seeking certainty in reimbursement prior to taking action under this chapter may first notify the department of their proposed action and the estimated total costs. Upon notification by an authorized public entity, the department must make the authorized public entity aware of the status of the fund and the likelihood of reimbursement being available. The department may offer technical assistance and assure reimbursement for up to two years following the removal action if an assurance is appropriate given the balance of the fund and the details of the proposed action.

p. 5 SB 6044

NEW SECTION. Sec. 4. A new section is added to chapter 88.02 RCW to read as follows:

3

4

5

6 7

8

9

11 12

13

14

15

16 17

18

19 20

21

24

2526

27

28

29

3031

32

3334

35

36

37

- (1) A marina that leases permanent moorage to vessels must require the following information from the lessee as a condition of leasing moorage space: (a) The name of the legal owner of the vessel; (b) a local contact person, if different than the owner; (c) the owner's address and telephone number; (d) the vessel's hull identification number; (e) the vessel's coast guard registration, if applicable; (f) the vessel's home port; (g) the date on which the moorage lease began; and (h) the vessel's country or state of registration and registration number. A marina shall maintain records of this information for at least two years. The marina shall permit any authorized agent of the department of natural resources to inspect these records upon request.
- (2) A marina that leases permanent moorage to vessels must require proof of vessel registration or a written statement of intent to register a vessel as a condition of leasing moorage space. If the applicant's vessel is not registered in this state, the marina must inform the moorage applicant of the state law requiring vessel registration and direct the moorage applicant to the appropriate vessel registration forms. Thereafter, it is the moorage applicant's responsibility to register the vessel.
- 22 **Sec. 5.** RCW 90.56.510 and 2000 c 69 s 22 are each amended to read 23 as follows:
 - (1) The oil spill prevention account is created in the state treasury. All receipts from RCW 82.23B.020(2) shall be deposited in the account. Moneys from the account may be spent only after appropriation. The account is subject to allotment procedures under If, on the first day of any calendar month, the chapter 43.88 RCW. balance of the oil spill response account is greater than nine million dollars and the balance of the oil spill prevention account exceeds the unexpended appropriation for the current biennium, then the tax under RCW 82.23B.020(2) shall be suspended on the first day of the next calendar month until the beginning of the following biennium, provided that the tax shall not be suspended during the last six months of the If the tax imposed under RCW 82.23B.020(2) is suspended biennium. during two consecutive biennia, the department shall by November 1st after the end of the second biennium, recommend to the appropriate

- standing committees an adjustment in the tax rate. Beginning June 30, 1 2 2007, and on the last day of March, June, September, and December of each year thereafter until July 1, 2010, the state treasurer shall 3 transfer five hundred thousand dollars to the derelict vessel removal 4 account created under RCW 79.100.100. For the biennium ending June 30, 5 1999, and the biennium ending June 30, 2001, the state treasurer may 6 7 transfer a total of up to one million dollars from the oil spill response account to the oil spill prevention account to support 8 appropriations made from the oil spill prevention account in the 9 10 omnibus appropriations act adopted not later than June 30, 1999.
 - (2) Expenditures from the oil spill prevention account shall be used exclusively for the administrative costs related to the purposes of this chapter, and chapters 90.48, 88.40, and 88.46 RCW. Starting with the 1995-1997 biennium, the legislature shall give activities of state agencies related to prevention of oil spills priority in funding from the oil spill prevention account. Costs of prevention include the costs of:
 - (a) Routine responses not covered under RCW 90.56.500;
 - (b) Management and staff development activities;

11 12

13

14

15

16 17

18

19

24

25

26

31

32

3334

35

36

- 20 (c) Development of rules and policies and the statewide plan 21 provided for in RCW 90.56.060;
- 22 (d) Facility and vessel plan review and approval, drills, 23 inspections, investigations, enforcement, and litigation;
 - (e) Interagency coordination and public outreach and education;
 - (f) Collection and administration of the tax provided for in chapter 82.23B RCW; and
- 27 (g) Appropriate travel, goods and services, contracts, and 28 equipment.
- 29 **Sec. 6.** RCW 88.02.050 and 2005 c 464 s 2 are each amended to read 30 as follows:
 - (1) 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 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

p. 7 SB 6044

and fifty cents per year and the excise tax imposed under chapter 82.49 RCW.

- (2) Five additional dollars must be collected annually from every vessel registration application. These moneys must be distributed in the following manner:
- (a) Two dollars must be deposited into the derelict vessel removal account established in RCW 79.100.100. If the department of natural resources indicates that the balance of the derelict vessel removal account, not including any transfer of funds into the account or funds deposited into the account collected under section 8 of this act, reaches one million dollars as of March 1st of any year, the collection of the two-dollar fee must be suspended for the following fiscal year.
- 13 (b) One dollar and fifty cents must be deposited in the aquatic 14 invasive species prevention account created in RCW 77.12.879.
 - (c) One dollar must be deposited into the freshwater aquatic algae control account created in RCW 43.21A.667.
 - (d) Fifty cents must be deposited into the aquatic invasive species enforcement account created in RCW 43.43.400.
 - (3) 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 five-dollar fee created in subsection (2) of this section.
 - (4) 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.
 - (5) 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, excise tax, and the derelict vessel fee. Upon renewing a vessel registration, the department shall issue a new decal to be affixed as prescribed by the department.

1 2

3

4 5

6 7

8

9

10

11 12

13

14

15

16 17

18

19 20

21

2223

2425

26

27

28

29

3031

32

3334

35

36

- (6) 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 developed and prepared by the state parks and recreation commission with the cooperation of the department of ecology. The department, the state parks and recreation commission, and the department of ecology shall enter into a memorandum of agreement to implement this process.
- (7) A person acquiring a vessel from a dealer or a vessel already validly registered under this chapter shall, within fifteen days of the acquisition or purchase of the vessel, apply to the department or its authorized agent for transfer of the vessel registration, and the application shall be accompanied by a transfer fee of one dollar.

Sec. 7. RCW 88.02.050 and 2002 c 286 s 13 are each amended to 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 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 RCW 79.100.100. If the department of natural resources indicates that the balance of the derelict vessel removal account, not including any transfer of funds into the account or funds deposited into the account collected under section 8 of this act, reaches one million dollars as of March 1st of any year, the collection of the two-dollar fee must be suspended for the following fiscal year. Any fees required for

p. 9 SB 6044

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, excise tax, and the derelict vessel fee. 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 developed and prepared by the state parks and recreation commission with the cooperation of the department of ecology. The department, the state parks and recreation commission, and the department of ecology shall enter into a memorandum of agreement to implement this process.

A person acquiring a vessel from a dealer or a vessel already validly registered under this chapter shall, within fifteen days of the acquisition or purchase of the vessel, apply to the department or its authorized agent for transfer of the vessel registration, and the application shall be accompanied by a transfer fee of one dollar.

NEW SECTION. **Sec. 8.** A new section is added to chapter 88.02 RCW to read as follows:

3

4 5

6 7

8

9

10

11 12

13

14

15

16 17

18

19

2021

22

23

24

25

2627

28

29

30

3132

33

34

35

3637

38

- (1) In order to address the significant backlog of derelict vessels that have accumulated in our state's waters that pose a threat to the health and safety of the people and to our environment, the legislature intends to collect a derelict vessel removal surcharge, until the backlog as it exists on the effective date of this section has been eliminated.
- (2) In addition to the fees collected under RCW 88.02.050, the department shall collect an annual derelict vessel removal surcharge based on the vessel's length from every vessel registration applicant as follows: (a) Two dollars for each vessel with a length greater than twenty-five feet but not longer than fifty feet; (b) four dollars for each vessel with a length greater than fifty feet but not longer than seventy-five feet; (c) six dollars for each vessel with a length greater than seventy-five feet but not longer than one hundred feet; (d) eight dollars for each vessel with a length greater than one hundred feet but not longer than one hundred twenty-five feet; (e) ten dollars for each vessel with a length greater than one hundred twentyfive feet but not longer than one hundred fifty feet; (f) twelve dollars for each vessel with a length greater than one hundred fifty feet but not longer than one hundred seventy-five feet; (g) fourteen dollars for each vessel greater than one hundred seventy-five feet but not longer than two hundred feet; and (h) sixteen dollars for vessels longer than two hundred feet in length. The revenue generated from the derelict vessel surcharge must be deposited into the derelict vessel removal account established under RCW 79.100.100.
- (3) The department of natural resources shall submit a list that identifies the backlog of derelict vessels as of the effective date of this section to the appropriate policy and fiscal committees of the legislature. Upon completion of the elimination of the backlog, the department of natural resources shall notify the appropriate policy and fiscal committees of the legislature and the department of licensing, in writing, to suspend collection of the surcharge at the end of the fiscal year in which the backlog has been eliminated. Upon receipt of the notice to suspend collection of the surcharge, the department of licensing shall cease collection at the end of the fiscal year in which the notice is received.

p. 11 SB 6044

- NEW SECTION. Sec. 9. The department of natural resources and the 1 2 department of revenue shall examine the costs and benefits of extending the derelict vessel removal fees and surcharges to the vessels that are 3 not subject to RCW 88.02.050 in order to provide for more equity in the 4 derelict vessel removal program and the fees that support the program. 5 The departments shall submit a report of the findings to the 6 7 appropriate policy and fiscal committees of the legislature by November 1, 2007. 8
- 9 <u>NEW SECTION.</u> **Sec. 10.** Section 6 of this act expires June 30, 10 2012.
- NEW SECTION. Sec. 11. Section 7 of this act takes effect June 30, 2012.

--- END ---