

# HOUSE BILL REPORT

## HB 1378

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**As Reported by House Committee On:**

Agriculture and Natural Resources  
Capital Budget

**Title:** An act relating to derelict aquatic structures.

**Brief Description:** Concerning the removal of derelict aquatic structures and restoration of aquatic lands.

**Sponsors:** Representatives Reeves, Dent, Berry, Ramel, Gregerson and Leavitt; by request of Department of Natural Resources.

**Brief History:**

**Committee Activity:**

Agriculture and Natural Resources: 2/1/23, 2/15/23 [DPS];  
Capital Budget: 2/22/23 [DPS(AGNR)].

**Brief Summary of Substitute Bill**

- Authorizes the Department of Natural Resources (DNR) to purchase or otherwise acquire lands and facilities related to derelict aquatic structures, and to remove, refurbish, or dispose of derelict aquatic structures.
- Requires the DNR to submit all derelict aquatic structure removal projects to a mitigation credits program in order to generate conservation credits, and requires any payments received for the sale of credits to be deposited into the Derelict Structure Removal Account created in the bill.
- Creates the Derelict Structure Removal Account.
- Directs the DNR to establish a grant program for lessees of state-owned aquatic land who need financial assistance to comply with the DNR's habitat stewardship measures for the construction and maintenance of aquatic structures.

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*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.*

- Authorizes the DNR to acquire aquatic structures that do not meet the definition of derelict aquatic structures, but that could provide habitat benefits or amenities for the local community if the structure was refurbished or repurposed.

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## HOUSE COMMITTEE ON AGRICULTURE AND NATURAL RESOURCES

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 11 members: Representatives Chapman, Chair; Morgan, Vice Chair; Reeves, Vice Chair; Dent, Ranking Minority Member; Chandler, Assistant Ranking Minority Member; Kloba, Kretz, Lekanoff, Orcutt, Schmick and Springer.

**Staff:** Matthew Williamson (786-7291) and Robert Hatfield (786-7117).

### **Background:**

#### The Department of Natural Resources.

The Department of Natural Resources (DNR) is tasked with managing state trust lands for the people of Washington. The DNR manages 5.6 million acres of forest, range, agricultural, aquatic, and commercial lands. The DNR manages more than 2.6 million acres of state-owned aquatic lands via its Aquatics Resources Division. The DNR also establishes stewardship measures, or guidelines outlining what the department believes are best practices for the construction and maintenance of aquatic structures.

#### Derelict Vessel Removal Program.

The Derelict Vessel Removal Program (DVRP) is administered by the DNR. Under the program, certain public entities including 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 their jurisdiction. The owner of an abandoned or derelict vessel is responsible for the cost of removal and disposal of the vessel.

#### Puget Sound Partnership Nearshore Credits Program.

The Puget Sound Partnership Nearshore Credits Program sells conservation credits to help federal permit applicants meet obligations to offset impacts to critical habitat and use funds from those credit sales to implement equivalent conservation projects. It is administered by the Puget Sound Partnership in collaboration with the Washington State Recreation and Conservation Office, and receives technical assistance from the National Marine Fisheries Service and the United States Fish and Wildlife Service.

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### **Summary of Substitute Bill:**

The Department of Natural Resources (DNR) is authorized to purchase or otherwise acquire lands and facilities related to derelict aquatic structures, and to remove, refurbish, or dispose of derelict aquatic structures.

The DNR is required to submit all derelict aquatic structure removal projects to a mitigation credits program in order to generate conservation credits, and requires any payments received for the sale of credits to be deposited into the derelict structure removal account created in the bill.

The Derelict Structure Removal Account, a fund within the State Treasury authorized to receive fund transfers and appropriations from the State General Fund, deposits from the derelict structure removal surcharge, as well as gifts, grants, and endowments from public or private sources, is created.

The DNR may enter into contracts with private companies and individuals to exercise the authority granted by the act.

The DNR is authorized to acquire aquatic structures that do not meet the definition of derelict for purposes of refurbishing or repurposing these structures in the interest of habitat benefits or the creation of amenities for the local community.

The DNR is directed to establish a grant program for lessees of state-owned aquatic land who need financial assistance to comply with the department's habitat stewardship measures for the construction and maintenance of aquatic structures.

**Substitute Bill Compared to Original Bill:**

Only the Department of Natural Resources (DNR), as opposed to all authorized public entities, is authorized to purchase or otherwise acquire lands and facilities related to derelict aquatic structures, and to remove, refurbish, or dispose of derelict aquatic structures.

The substitute bill removes provisions concerned with notice and recourse requirements associated with the seizure of a derelict structure by the DNR or an authorized public entity.

The DNR is required to submit qualifying derelict aquatic structure removal projects to a mitigation credits program to generate conservation credits, and any payments received for the sale of credits is required to be deposited into the Derelict Structure Removal Account created in the bill.

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**Appropriation:** None.

**Fiscal Note:** Requested on February 15, 2023.

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

**Staff Summary of Public Testimony:**

(In support) Washington's waterfronts are littered with derelict structures that jeopardize the health and economic wellbeing of local communities and hinder efforts to revitalize salmon habitats. Often, the owners of these structures lack the funds to effectively restore or remove them, so the structures remain vacant and derelict for years. Removing these structures will make waterways safer and cleaner, and get rid of eyesores that stifle communities' economic growth, endanger wildlife, and impede public enjoyment of shorelines and waterways throughout the state.

This bill will grant the Department of Natural Resources (DNR) the authority and capacity to remove these structures, allow the DNR to collaborate with local governments and tribes, and assist small businesses that need help to keep aquatic structures within agency guidelines.

(Opposed) This bill grants the DNR overbroad authority and could lead to the loss of excellent diving sites and corresponding marine wildlife.

(Other) The Washington Public Ports Association is concerned about possible conflicts the bill could create between ports engaged in removing derelict structures and the DNR. Moreover, some changes need to be made the bill to ensure that the Nearshore Credits Program does not create aberrations in the system of funding for remediation.

**Persons Testifying:** (In support) Representative Kristine Reeves, prime sponsor; Bob Wise, Recreational Boating Association of Washington; Hilary Franz and Alex Smith, Department of Natural Resources; Nancy Henderson, Town of Steilacoom; and Adriene Bovechop, Makah Tribal Council.

(Opposed) Jeff Pack, Northwest Rebreather Divers.

(Other) John Stuhlmiller, Washington Public Ports Association.

**Persons Signed In To Testify But Not Testifying:** G. Chad Bovechop, Makah Tribal Council.

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**HOUSE COMMITTEE ON CAPITAL BUDGET**

**Majority Report:** The substitute bill by Committee on Agriculture and Natural Resources be substituted therefor and the substitute bill do pass. Signed by 28 members: Representatives Tharinger, Chair; Callan, Vice Chair; Hackney, Vice Chair; Steele, Ranking Minority Member; Abbarno, Assistant Ranking Minority Member; Sandlin,

Assistant Ranking Minority Member; Alvarado, Bateman, Cheney, Christian, Couture, Dye, Farivar, Fosse, Kloba, Leavitt, Maycumber, McClintock, McEntire, Morgan, Mosbrucker, Orwall, Peterson, Reed, Rule, Shavers, Stearns and Waters.

**Staff:** John Wilson-Tepeli (786-7115).

**Summary of Recommendation of Committee On Capital Budget Compared to Recommendation of Committee On Agriculture and Natural Resources:**

No new changes were recommended.

**Appropriation:** None.

**Fiscal Note:** Requested on February 15, 2023.

**Effective Date of Substitute Bill:** 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 creates the authority for the Department of Natural Resources (DNR) to protect waterways from pollution caused by derelict aquatic structures. This is an opportunity for the DNR to take care of waterways to clean up aquatic lands. This bill creates a program that would let the DNR respond more quickly to the discovery of these structures and be more efficient in their removal, which will improve the health of waterways. Removing structures such as derelict piers can improve salmon and other aquatic habitat.

(Opposed) None.

**Persons Testifying:** Representative Kristine Reeves, prime sponsor; and Brian Considine, Department of Natural Resources.

**Persons Signed In To Testify But Not Testifying:** None.