CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 1919

68th Legislature 2024 Regular Session

Passed by the House February 13, 2024 Yeas 97 Nays 0

Speaker of the House of Representatives

Passed by the Senate March 1, 2024 Yeas 48 Nays 0

CERTIFICATE

I, Bernard Dean, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 1919** as passed by the House of Representatives and the Senate on the dates hereon set forth.

Chief Clerk

President of the Senate

Approved

FILED

Secretary of State State of Washington

Governor of the State of Washington

SUBSTITUTE HOUSE BILL 1919

Passed Legislature - 2024 Regular Session

State of Washington 68th Legislature 2024 Regular Session

By House Agriculture and Natural Resources (originally sponsored by Representatives Bronoske, Corry, Leavitt, Reed, and Tharinger)

READ FIRST TIME 01/26/24.

AN ACT Relating to modifying the process by which a private moorage facility may sell an abandoned vessel for failure to pay moorage fees; and amending RCW 88.26.020.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 Sec. 1. RCW 88.26.020 and 2023 c 258 s 10 are each amended to 6 read as follows:

(1) (a) Any private moorage facility operator may take reasonable 7 measures, including the use of chains, ropes, and locks, or removal 8 from the water, to secure vessels within the private moorage facility 9 10 so that the vessels are in the possession and control of the operator and cannot be removed from the facility. These procedures may be used 11 12 if an owner mooring or storing a vessel at the facility fails, after 13 being notified that charges are owing and of the owner's right to 14 commence legal proceedings to contest that such charges are owing, to 15 pay charges owed or to commence legal proceedings. Notification shall 16 be by two separate letters, one sent by first-class mail and one sent 17 by registered mail to the owner and any lienholder of record at the last known address. In the case of a transient vessel, or where no 18 address was furnished by the owner, the operator need not give notice 19 prior to securing the vessel. At the time of securing the vessel, an 20 21 operator shall attach to the vessel a readily visible notice. The

1 notice shall be of a reasonable size and shall contain the following 2 information:

3

(((a))) <u>(i)</u> The date and time the notice was attached;

4 (((b))) <u>(ii)</u> A statement that if the account is not paid in full
5 within ((90)) <u>45</u> days from the time the notice is attached the vessel
6 may be sold at public auction to satisfy the charges; and

7 (((c))) <u>(iii)</u> The address and telephone number where additional 8 information may be obtained concerning release of the vessel.

9 (b) After a vessel is secured, the operator shall make a 10 reasonable effort to notify the owner and any lienholder of record by 11 registered mail in order to give the owner the information contained 12 in the notice.

13 (2) A private moorage facility operator, at his or her 14 discretion, may move moored vessels ashore for storage within properties under the operator's control or for storage with a private 15 16 person under their control as bailees of the private moorage 17 facility, if the vessel is, in the opinion of the operator, a nuisance, in danger of sinking or creating other damage, or is owing 18 charges. The costs of any such procedure shall be paid by the 19 vessel's owner. 20

(3) If a vessel is secured under subsection (1) of this section or moved ashore under subsection (2) of this section, the owner who is obligated to the private operator for charges may regain possession of the vessel by:

(a) Making arrangements satisfactory with the operator for the immediate removal of the vessel from the facility or for authorized moorage; and

28 (b) Making payment to the operator of all charges, or by posting 29 with the operator a sufficient cash bond or other acceptable security, to be held in trust by the operator pending written 30 31 agreement of the parties with respect to payment by the vessel owner 32 of the amount owing, or pending resolution of the matter of the charges in a civil action in a court of competent jurisdiction. After 33 entry of judgment, including any appeals, in a court of competent 34 jurisdiction, or after the parties reach agreement with respect to 35 36 payment, the trust shall terminate and the operator shall receive so much of the bond or other security as agreed, or as is necessary, to 37 satisfy any judgment, costs, and interest as may be awarded to the 38 39 operator. The balance shall be refunded immediately to the owner at 40 the last known address.

p. 2

1 (4) If a vessel has been secured by the operator under subsection 2 (1) of this section and is not released to the owner under the 3 bonding provisions of this section within ((90)) <u>45</u> days after 4 notifying or attempting to notify the owner under subsection (1) of 5 this section, the vessel is conclusively presumed to have been 6 abandoned by the owner.

7 (5) If a vessel moored or stored at a private moorage facility is 8 abandoned, the operator may authorize the public sale of the vessel 9 by authorized personnel, consistent with this section, to the highest 10 and best bidder for cash as follows:

(a) Before the vessel is sold, the vessel owner and any 11 lienholder of record shall be given at least 20 days' notice of the 12 sale in the manner set forth in subsection (1) of this section if the 13 name and address of the owner is known. The notice shall contain the 14 time and place of the sale, a reasonable description of the vessel to 15 16 be sold, and the amount of charges owed with respect to the vessel. 17 ((The notice of sale shall be published at least once, more than 10 but not more than 20 days before the sale, in a newspaper of general 18 circulation in the county in which the facility is located. This 19 notice shall include the name of the vessel, if any, the last known 20 21 owner and address, and a reasonable description of the vessel to be 22 sold.)) The operator may bid all or part of its charges at the sale and may become a purchaser at the sale. 23

(b) Before the vessel is sold, any person seeking to redeem an 24 impounded vessel under this section may commence a lawsuit in the 25 superior court for the county in which the vessel was impounded to 26 contest the validity of the impoundment or the amount of charges 27 owing. This lawsuit must be commenced within ((60)) <u>40</u> days of the 28 date the notification was provided under subsection (1) of this 29 section, or the right to a hearing is deemed waived and the owner is 30 31 liable for any charges owing the operator. In the event of 32 litigation, the prevailing party is entitled to reasonable attorneys' fees and costs. 33

(c) The proceeds of a sale under this section shall be applied first to the payment of any liens superior to the claim for charges, then to payment of the charges, then to satisfy any other liens on the vessel in the order of their priority. The balance, if any, shall be paid to the owner. If the owner cannot in the exercise of due diligence be located by the operator within one year of the date of the sale, the excess funds from the sale shall revert to the

p. 3

department of revenue under chapter 63.30 RCW. If the sale is for a sum less than the applicable charges, the operator is entitled to assert a claim for deficiency, however, the deficiency judgment shall not exceed the moorage fees owed for the previous six-month period.

5 (d) In the event no one purchases the vessel at a sale, or a 6 vessel is not removed from the premises or other arrangements are not 7 made within 10 days of sale, title to the vessel will revert to the 8 operator.

9 (e) Either a minimum bid may be established or a letter of credit 10 may be required from the buyer, or both, to discourage the future 11 abandonment of the vessel.

12 (6) The rights granted to a private moorage facility operator 13 under this section are in addition to any other legal rights an 14 operator may have to hold and sell a vessel and in no manner does 15 this section alter those rights, or affect the priority of other 16 liens on a vessel.

--- END ---