



2013 Legislative Concept Paper  
February 2013

## Reducing taxpayer burden by strengthening the state's Derelict Vessel Removal Program

### HB 1245 (Hansen) SB 5663 (Pearson)

**Issue** Abandoned or derelict vessels pose a serious threat to public safety and to the environmental health of marine and freshwater ecosystems and their inhabitants. Through deliberate action or negligence, these vessels can break up, sink, or block navigation channels. They may also contain hazardous substances. Addressing these vessels before they become emergencies will help prevent environmental damage, improve navigational safety, and save costs to taxpayers who ultimately bear the financial brunt.

**Background** The Derelict Vessel Removal Program (DVRP), managed by DNR, facilitates the removal and disposal of derelict or abandoned vessels in Washington State.

DNR's annual budget for derelict vessel removal averages \$800,000 each year. The 2012 Legislation approved an appropriation of \$3 million to DNR to address the backlog of derelict vessels.

Much of that one-time funding has been used to pay for the removal and disposal of the 140-foot former crab-fishing vessel, *Deep Sea*, which caught fire and sunk in Penn Cove last May.

To date, the *Deep Sea* alone has cost the state nearly **\$3 million**.

In addition, DNR recently dealt with two other large derelict vessels: the 180-foot *Cactus*, which was dismantled and disposed of in mid-January, and the nearly 190-foot *New Star*, which awaits dismantling in Seattle. These two vessels will cost the state an estimated \$1.5 million dollars this biennium.



**Avoidable costs** to deal with the *Deep Sea*

- DNR—nearly \$1.3 million (dismantling, disposal)
- WA State Dept. of Ecology—\$1.6 million (oil spill response, raising, and towing)

### **Proposal**    **Protect the shellfish industry**

DNR will review its guidelines for vessel-removal priorities to better address the potential harm that derelict and abandoned vessels could pose to the aquaculture industry.

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## ► **Increase vessel owner accountability**

- Require vessel owners to conduct a marine survey for high-risk vessels (older than 40 years and greater than 65 feet) at the point of sale. If the seller doesn't provide the buyer with a survey, then the seller maintains secondary liability if the vessel is later abandoned.
- Require state and local agencies to evaluate the condition of their own vessels at the time of sale. Agencies cannot sell vessels that are in a state of advanced deterioration or that pose a reasonably imminent threat of environmental contamination.

## ► **Enforcement**

- Change vessel registration-related offenses from criminal to civil punishment. A civil charge is more appropriate to the offense, creates less of a workload, reduces the burden on the court system, and improves the chances of recovering costs.

## ► **Early action**

- Once a vessel meets the definition of "abandoned" or "derelict," the Washington Department of Ecology may board the vessel to assess and mitigate the threat to health, safety, and the environment and to determine ownership.

## ► **Funding**

- Based on feedback from stakeholders and vessel owners who support the program's efforts to address the backlog of vessels, a \$1 surcharge on vessel registration would be extended permanently (generating about \$283,000 per year). Without legislation action, this temporary fee will sunset on January 1, 2014.

## ► **Decrease the cost of the derelict vessel appeals process**

- Revise the derelict vessel appeals process for local governments that don't have an established internal process for dealing with derelict vessels in their jurisdictions. This process will change from 10 days to file a lawsuit to 30 days to file an expedited (and less expensive) appeal with the Pollution Control Hearings Board. This aligns the local agencies' appeal process with the process used by state agencies.

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