

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2376 HB	<b>Title:</b> Derelict vessels
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## Estimated Cash Receipts

Agency Name	2001-03		2003-05		2005-07	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Licensing	0	579,545	0	1,203,661	0	1,269,779
State Parks and Recreation Commission	0	1,000	0	1,000	0	1,000
Department of Natural Resources	Indeterminate					
<b>Total \$</b>	0	580,545	0	1,204,661	0	1,270,779

Local Gov. Courts *	Indeterminate					
Local Gov. Other **	Indeterminate					
Local Gov. Total						

## Estimated Expenditures

Agency Name	2001-03			2003-05			2005-07		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of Administrator for the Courts	Indeterminate								
Office of State Treasurer	Fiscal note not available								
Department of Licensing	.0	142,077	142,077	.0	0	0	.0	0	0
State Parks and Recreation Commission	.0	1,000	1,000	.0	1,000	1,000	.0	1,000	1,000
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	1.0	0	169,800	5.0	0	1,050,600	4.0	0	619,400
<b>Total</b>	1.0	\$143,077	\$312,877	5.0	\$1,000	\$1,051,600	4.0	\$1,000	\$620,400

Local Gov. Courts *	Indeterminate								
Local Gov. Other **	Indeterminate								
Local Gov. Total									

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<b>Prepared by:</b> Ann-Marie Sweeten, OFM	<b>Phone:</b> 360-902-0538	<b>Date Published:</b> Revised 1/28/2002
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

# Judicial Impact Fiscal Note

<b>Bill Number:</b> 2376 HB	<b>Title:</b> Derelict vessels	<b>Agency:</b> 055-Office of Administrator for Courts
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## Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Indeterminate Impact

Estimated Expenditures from:

Indeterminate Impact

*The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.*

Check applicable boxes and follow corresponding instructions:

- ☐ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☒ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.

Legislative Contact: Maija Morgenweck	Phone: 360-786-7144	Date: 01/15/2002
Agency Preparation: Julia Appel	Phone: (360) 705-5229	Date: 01/15/2002
Agency Approval: Janet McLane	Phone: (360) 705-5305	Date: 01/23/2002
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 01/23/2002

**Part II: Narrative Explanation**

**II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts**

Sec. 3 appears to create a new crime. It is not clear from this section whether the new crime is a misdemeanor, gross misdemeanor, or felony.

Sec. 8 allows a public entity to bring an action in a court of competent jurisdiction to recover costs incurred for the removal and disposal of an abandoned vesel.

Sec. 13 allows a person seeking to redeem a vessel from a public entity to commence a lawsuit in the superior court of the county in which the vessel existed prior to custody being taken.

**II. B - Cash Receipts Impact**

It is unknown how many case filings will result from this bill. Therefore, it is not possible to determine the cash receipts impact.

**II. C - Expenditures**

It is unknown how many case filings will result from this bill. Therefore, it is not possible to determine the expenditure impact.

**Part III: Expenditure Detail**

**Part IV: Capital Budget Impact**

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2376 HB	<b>Title:</b> Derelict vessels	<b>Agency:</b> 240-Department of Licensing
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

FUND	FY 2002	FY 2003	2001-03	2003-05	2005-07
DERELICT VESSEL REMOVAL ACCT-State NEW-1		579,545	579,545	1,203,661	1,269,779
<b>Total \$</b>		579,545	579,545	1,203,661	1,269,779

### Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
<b>Fund</b>					
General Fund-State 001-1	0	142,077	142,077	0	0
<b>Total \$</b>	0	142,077	142,077	0	0

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Maija Morgenweck	Phone: 360-786-7144	Date: 01/15/2002
Agency Preparation: Sam Knutson	Phone: 360-902-3644	Date: 01/24/2002
Agency Approval: Larry Dzieza	Phone: 360-902-3633	Date: 01/24/2002
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 01/24/2002

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

SEE ATTACHMENT

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

SEE ATTACHMENT

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years					
A-Salaries & Wages					
B-Employee Benefits					
C-Personal Serv Contr					
E-Goods and Services		142,077	142,077		
G-Travel					
J-Capital Outlays					
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimbursement					
T-Intra-Agency Reimbursement					
Total \$	0	142,077	142,077	0	0

III. C - Expenditures By Program (optional)

Program	FY 2002	FY 2003	2001-03	2003-05	2005-07
Mgmt & Support Services (100)		8,880	8,880		0.00
Information Services (200)		6,343	6,343		0.00
Vehicle Services (300)		126,854	126,854		0.00
Driver Services (600)					0.00
Business and Professions (700)					0.00
Total \$		142,077	142,077		

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

## Part II: Explanation

This bill creates funding for the removal of abandoned or "derelict" vessels grounded or anchored on publicly or privately owned submerged lands.

### II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 15 – Increases the vessel identification fee from \$25 to \$30, effective June 12, 2002. The \$5 fee increase would be deposited into the Derelict Vessel Removal account.

Section 16 – Imposes a new \$2 fee to be collected annually with every vessel registration application. This additional \$2 would be deposited into the Derelict Vessel Removal account.

<u>Workload Indicator</u>	<u>FY 02</u>	<u>FY 03</u>	<u>01-03 Total</u>	<u>03-05 Total</u>	<u>05-07 Total</u>
Vessel Identification	-	400	400	816	850
Vessel registrations	-	288,772	288,772	599,790	632,764

### II. B – Cash Receipt Impact

Estimates of vessel identifications and vessel registrations are based on the November 2001 forecast approved by the Transportation Revenue Forecast Council.

If a vessel is registered in another state or country, on or before the sixty-first day of use in the state, that vessel must be registered with the Department of Licensing. This bill would increase these vessel identification fees from \$25 to \$30. The \$5 fee increase would be deposited into the Derelict Vessel Removal account.

All vessels in the State of Washington not otherwise exempt must be registered on an annual basis with the department. The current fee for this annual registration is \$10.50. This bill would increase this annual registration fee by \$2. The \$2 fee increase would be deposited into the Derelict Vessel Removal account.

<u>Cash Receipts</u>	<u>FY 02</u>	<u>FY 03</u>	<u>01-03 Total</u>	<u>03-05 Total</u>	<u>05-07 Total</u>
GF- State	-	-	-	-	-
GF- Fed	-	-	-	-	-
Derelict Vessel Removal Acct	-	579,545	579,545	1,203,661	1,269,778
Total Revenue	-	579,545	579,545	1,203,661	1,269,778

### II. C – Expenditures

Contract programmers (2.82 months) would be required to modify the Vehicles Headquarters System (VHS), Vehicle Field System (VFS), and Internet payment option (IPO) systems. These modifications would be required to accommodate the changes in fees, addition of a new account (Derelict Vessel Removal), changes to the data warehouse, system reports, and revenue distribution.

The Vehicles Operating Guide and training materials for licensed vessel dealers, financial institutions, and department agents and subagents would need to be updated to reflect the fee changes. Costs have been included to implement these revisions.

Vessel registration renewals, normally mailed in April each year, would need to be updated to reflect the fee changes. The vendor has informed the department that the fee changes in the renewal notice form and short time frame for mail out will result in a one time cost increase.

In addition to direct program costs, support services costs are included. The standard agency rate for cost of goods and services (supplies and materials, facilities, and training) are included for the Management and Support Services and Information Services programs.

### Part III: Expenditure Detail

#### III. A – Expenditures by Object or Purpose

	FY 02	FY 03	01-03 Total	03-05 Total	05-07 Total
FTE Staff Years					
Salaries and Wages					
Employee Benefits					
Personal Service Contracts					
Goods and Services		142,077	142,077		
Travel					
Equipment					
Inter Agency Fund Transfers					
Grants and Subsidies					
Debt Service					
Interagency Reimbursement					
Intra-Agency Reimbursement					
Other					
<b>Total</b>		142,077	142,077		

#### III. A (1) – Detail of Expenditures by Sub-Object for Goods & Services

Object E Breakdown:	FY 02	FY 03	01-03 Total	03-05 Total	05-07 Total
Postage		1,226	1,226		
Other Goods & Svcs		92,274	92,274		
DP Cont Programmers		48,577	48,577		
<b>Total Goods &amp; Svcs</b>		142,077	142,077		

#### III. A (2) – Detail of Expenditures by Fund

Additional information about assumptions and impacts is available directly from the Department of Licensing at 902-3633.

#### III. B – Expenditures by Program (optional)

Program	FY 02	FY 03	01-03 Total	03-05 Total	05-07 Total
100 - Mgmt & Support Services		8,880	8,880		
200 - Information Services		6,343	6,343		
300 - Vehicle Services		126,854	126,854		
600 - Driver Services					
700 - Business & Professions					
<i>Total</i>	-	142,077	142,077	-	-

### Part IV: Capital Budget Impact

None

### Part V: New Rule Making Required

None

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2376 HB	<b>Title:</b> Derelict vessels	<b>Agency:</b> 465-State Parks and Recreation Comm
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

FUND	FY 2002	FY 2003	2001-03	2003-05	2005-07
All Other Funds-Non-Appropriated 000-6	500	500	1,000	1,000	1,000
<b>Total \$</b>	500	500	1,000	1,000	1,000

### Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years	0.0	0.0	0.0	0.0	0.0
<b>Fund</b>					
General Fund-State 001-1	500	500	1,000	1,000	1,000
<b>Total \$</b>	500	500	1,000	1,000	1,000

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Maija Morgenweck	Phone: 360-786-7144	Date: 01/15/2002
Agency Preparation: Marshall Taylor	Phone: 360 902-8532	Date: 01/23/2002
Agency Approval: Marshall Taylor	Phone: 360 902-8532	Date: 01/23/2002
OFM Review: Ann-Marie Sweeten	Phone: 360-902-0538	Date: 01/23/2002



Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

The State Parks and Recreation Commission has previous experience with abandoned or derelict vessels. On average, the agency deals with one vessel per year that would meet the definition of an "abandoned" or "derelict" vessel contained in this legislation.

Based on a review of current administrative practices, this bill would not require any new or additional notification or advertising steps for State Parks.

Section 10 would add a new requirement to submit a vessel removal plan for DNR approval on each incident. State Parks assumes that a basic plan could be developed and then modified for the particulars of each incident. (Removal of these vessels is usually an emergency situation requiring fast action on our part to alleviate potential damage to Park properties or the environment. State parks would take any necessary and immediate steps authorized under Section 9 of this bill to protect agency facilities, property and the environment.)

For purposes of this fiscal note, it is assumed that:

One vessel per year would meet the definitons of abandoned or derelict vessel. This would require development of one removal plan; notification and advertisement of intent to obtain custody of the vessel; and associated removal, disposal and environmental protection costs.

Because the agency currently experiences abandoned or derelict vessels and has procedures in place to address them, the principal effect of this bill could be to fund these activities from a different source (derelict vessel removal account). State Parks experience has been that costs for removing derelict or abandoned vessels have been met by the vessel owners or by other agencies. However, some basic costs for administrative actions, or removal not paid for by owners or other agencies, may have been met by the general fund. Transferring costs from General Fund (the agency's principal funding source) to a dedicated fund source may have I-601 implications.

II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Section 7 stipulates that an authorized public entity should dispose of an abandoned or derelict vessel in a manner that would generate reimbursement for administrative, removal, disposal and environmental damage costs incurred.

Section 8 stipulates that the owner of an abandoned or derelict vessel would be responsible for reimbursing an authorized public entity for all costs associated with the removal or disposal of an owner's vessel under this chapter.

Section 23 stipulates that the parks and recreation commission may seek reimbursement for all reasonable charges ... from the derelict vessel removal account.

Because of the variability in types and sizes of vessel(s) abandoned, the condition or environmental hazards posed by the vessel(s), and ownership issues, it is not possible to determine the amount or source of funds necessary to reimburse costs. It has been the agency's experience that the costs associated with removing these types of vessels have been met by owners or other agencies in the past. For purposes of this fiscal note, State Parks and Recreation assumes that all costs associated with notification, removal, disposal and environmental damages will be reimbursed 1) by the owners, 2) through the sale or other disposition of the vessel, or 3) from the derelict vessel removal account. Cash receipts reflected in this fiscal note are reimbursements for new plan development costs and the agency's administrative costs to secure reimbursement only.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

For purposes of this fiscal note, it is assumed that:  
One vessel per year would meet the definitons of abandoned or derelict vessel. This would require development of one removal plan; notification and advertisement of intent to obtain custody of the vessel; and associated removal, disposal and environmental protection costs.

Based on a review of current administrative practices, this bill would not require any new or additional notification or advertising steps for State Parks.

Section 10 would add a new requirement to submit a vessel removal plan for DNR approval on each incident. State Parks assumes that a basic plan could be developed and then modified for the particulars of each incident. (Removal of these vessels is usually an emergency situation requiring fast action on our part to alleviate potential damage to Park properties or the environment. State parks would take any necessary and immediate steps authorized under Section 9 of this bill to protect agency facilities, property and the environment.) It is assumed that 12 hours of staff time would be required to develop submit and follow-up/follow-through on a vessel removal plan.

Multiple sections of the bill make provisions for reimbursement of all agency expenditures associated with vessel removal and disposition. It is assumed that 8 hours of finance personnel staff time would be required to code, monitor and gain reimbursement of expenditures.

It is assumed that an additional 20 hours of staff time would be required per incident to fulfill requirements of this legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years		0.00			
A-Salaries and Wages	400	400	800	800	800
B-Employee Benefits	100	100	200	200	200
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total \$	500	500	1,000	1,000	1,000

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2376 HB	<b>Title:</b> Derelict vessels	<b>Agency:</b> 477-Department of Fish and Wildlife
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## Part I: Estimates

☒ No Fiscal Impact

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Maija Morgenweck	Phone: 360-786-7144	Date: 01/15/2002
Agency Preparation: Dora Austin	Phone: 360-902-2203	Date: 01/18/2002
Agency Approval: James Lux	Phone: 360-902-2444	Date: 01/24/2002
OFM Review: Jim Skalski	Phone: 360-902-0654	Date: 01/24/2002

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2376 HB	<b>Title:</b> Derelict vessels	<b>Agency:</b> 490-Department of Natural Resources
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## Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Indeterminate Impact

Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years	0.0	2.0	1.0	5.0	4.0
<b>Fund</b>					
Derelict Vessel Removal Account-Non-Appropriated NEW-6	0	169,800	169,800	1,050,600	619,400
<b>Total \$</b>	0	169,800	169,800	1,050,600	619,400

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

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- ☐ Capital budget impact, complete Part IV.
- ☒ Requires new rule making, complete Part V.

Legislative Contact: Maija Morgenweck	Phone: 360-786-7144	Date: 01/15/2002
Agency Preparation: Heidi Thomsen	Phone: (360) 902-1298	Date: 01/15/2002
Agency Approval: Fran McNair	Phone: (360) 902-1000	Date: 01/24/2002
OFM Review: Ann-Marie Sweeten	Phone: 360-902-0538	Date: 01/25/2002

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.*

Section 4 grants the permissive authority to an authorized public entity, as defined in Section 2, to store, strip, use, auction, sell, salvage, scrap, or dispose of an abandoned or derelict vessel existing on or above aquatic lands within the jurisdiction of the authorized public entity. The department is authorized to assume the authority of other authorized public entities for particular vessels. The department is also authorized to adopt rules consistent with the chapter and as necessary, to administer the authority granted under the chapter.

Section 5 states that the authorized public entity must obtain custody of the vessel before taking action. It describes the requirements for the mailing, posting and publishing of notice of intent to take custody.

Section 7 states that after taking custody of the vessel, the department may dispose of the vessel in a way that gives preference to uses that provide monetary benefits. If no value can be derived from the vessel, then the department must give preference to the least costly and environmentally sound disposal option. If the vessel is offered at public auction, either a minimum bid or letter of credit is required to discourage future re-abandonment of the vessel.

Section 7 (3 & 4) describes how proceeds from the sale of derelict vessels are to be allocated for cost recovery purposes as outlined in Section 5. Any value received from the sale or disposal of a derelict vessel in excess of all liens and costs incurred reverts to the Derelict Vessel Account.

Section 8 requires a derelict vessel owner to reimburse any authorized public entity for all costs associated with the removal or disposal of the vessel, including any costs associated with authorities granted under Sections 4 and 5. It also requires that the current vessel owner be assessed a fine by the department equal to the removal and disposal costs incurred by a public entity that removes the vessel. All monies collected must be deposited into the Derelict Vessel Removal Account. If the full amount is not paid within 30 days to the public entity, either the public entity or the department may bring legal action to recover the costs and fines, plus reasonable attorney fees.

Section 9 allows an authorized public entity to take any necessary actions in compliance with state and federal law to reduce, control, abate, or eliminate water pollution, contamination, or debris originating from the vessel.

Section 10 requires an authorized public entity to provide a salvage and disposal plan to the department. The department must approve the plan before the removal operation by the authorized public entity can begin. It also allows an authorized public entity to enter into a contract with a private party to carry out the authorities granted in this legislation.

Section 11 grants the authority to the department to remove and dispose of abandoned or derelict vessels located on private property upon petition of the private property owner to the department.

Section 13 provides for an individual to contest the amount of reimbursement or fine required to dispose of a derelict vessel, within 10 days of the date the authorized public entity took custody of the vessel. The prevailing party in any litigation is entitled to reasonable attorneys' fees and costs.

Section 14 creates the Derelict Vessel Removal Account, which is a non-appropriated account. All receipts from Sections 7 and 8, plus monies specified in RCW 88.02.030 and 88.02.050 must be deposited into the account. Expenditures may only be used to reimburse authorized public entities for the administrative, removal, disposal, and environmental damage costs of abandoned or derelict vessels when the previous owner is either unknown or insolvent. If the account balance reaches \$15 million as of June 30 of any year, the collection of fees must be suspended for one year. The department must develop criteria to prioritize removal projects, and may transfer monies to other authorized public entities for complete removal and disposal of derelict vessels.

Section 15 amends RCW 88.02.030 by increasing the vessel registration fee from \$25 to \$30, with \$5 from each payment

being distributed to the Derelict Vessel Removal Account by the Department of Licensing.

Section 16 amends RCW 88.02.050 by adding \$2 to the annual vessel registration application, which is to be deposited into the Derelict Vessel Removal Account by the Department of Licensing. If the account balance reaches \$15 million as of June 30 of any year, the \$2 fee will be suspended for the following fiscal year.

Section 23 amends RCW 79A.65.020 by allowing the State Parks and Recreation Commission to seek reimbursement from the Derelict Vessel Removal Account for reasonable charges under this statute.

Section 24 amends RCW 79A.65.030 by requiring proceeds in excess of liens and costs from the sale of abandoned or derelict vessels on State Parks' managed properties to be deposited into the Derelict Vessel Removal Account.

Section 25 amends RCW 53.08.320 by allowing mooring facility operators to seek partial reimbursement from the Derelict Vessel Removal Account for costs associated with moving vessels that are in danger of sinking, creating a nuisance, or owing charges to a port. This section requires that proceeds in excess of liens and costs from the sale of abandoned or derelict vessels on port managed properties be deposited into the Derelict Vessel Removal Account.

**II. B - Cash receipts Impact**

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

Proceeds from the sale or salvage of derelict vessels (per Section 7) that are greater than all liens and costs incurred are to be deposited into the Derelict Vessel Removal Account. Moneys collected from fines assessed (per Section 8) by the department for removal and disposal costs are also to be deposited into the Derelict Vessel Removal Account. Revenue collected from the salvage or sale of derelict vessels and from fines assessed by the department is indeterminate.

The Department of Licensing is developing a fiscal note for this bill that estimates revenue derived from identification fees and registrations (per Sections 15 and 16) to be approximately as follows:

FY 2003 = \$579,500  
FY 2004 = \$593,200  
FY 2005 = \$610,500  
FY 2006 = \$626,600  
FY 2007 = \$643,200

This estimated revenue is to be deposited into the Derelict Vessel Removal Account.

**II. C - Expenditures**

*Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.*

Under the assumption that the department would exercise its permissive authority per this chapter, the department assumes that during the first 2-4 years of the program there will be a significant workload created. This increased workload involves staff time to develop rules for the program and the required criteria to prioritize new removal projects. Staff time will be needed to conduct public meetings and/or hearings, and identify and apply a prioritization to existing derelict or abandoned vessels. Additional staff time will be needed to review and approve removal plans from authorized public entities and respond to any lawsuits as a result of the authorities granted within this chapter. During this initial time period, it is assumed there will be a need for up to two FTEs (1 FTE Natural Resource Project/Section Administrator, 0.5 FTE Environmental Planner 2, and 0.5 FTE Environmental Specialist 3). This estimate could be reduced to one Natural Resource Project/Section Administrator position, however the department is still evaluating the level of duties required for removal of derelict vessels assuming the rule making and criteria developed are streamlined with limited public involvement.

In addition, the department estimates that it will need three Natural Resource Technician 2 positions to conduct removals

of vessels from departmental managed aquatic lands.

Salaries are calculated at step F of each appropriate range. Goods & Services and Travel are calculated using a program average. Additional goods and services costs are included for three computers (\$3,800) and software (\$700). Capital outlays for fiscal year 2004 include the purchase of a vessel that will be used for evaluation, salvage and/or removal operations. A final determination regarding the level of need for this purchase will be completed pending finalization of the assessment of derelict vessels in FY 2003.

Capital outlays for fiscal years 2005-2007 include \$10,000 per year for the replacement cost of damaged or expended equipment.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years		2.00	1.0	5.0	4.0
A-Salaries and Wages		88,800	88,800	381,600	310,700
B-Employee Benefits		20,700	20,700	98,000	78,900
C-Personal Service Contracts					
E-Goods and Services		21,600	21,600	85,200	68,000
G-Travel		11,200	11,200	56,000	44,800
J-Capital Outlays				310,000	20,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Administration		27,500	27,500	119,800	97,000
<b>Total \$</b>	0	169,800	169,800	1,050,600	619,400

### III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2002	FY 2003	2001-03	2003-05	2005-07
Environmental Planner 2	40,512		0.5	0.3	0.5	
Environmental Specialist 3	40,512		0.5	0.3	0.5	
Natural Resource Project Section Administrator	48,156		1.0	0.5	1.0	1.0
Natural Resource Technician 2	31,740				3.0	3.0
<b>Total FTE's</b>			2.0	1.1	5.0	4.0

## Part IV: Capital Budget Impact

No impact.

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Sections 4, 7, 10 and 14 will require new rules to develop criteria, prioritization methodologies and procedures to execute the authorities within this chapter.

# LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

<b>Bill Number:</b> 2376 HB	<b>Title:</b> Derelict vessels
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**Part I: Jurisdiction**-Location, type or status of political subdivision defines range of fiscal impacts.

**Legislation Impacts:**

- ☒ Cities:
- ☒ Counties:
- ☒ Special Districts: port districts
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

**Part II: Estimates**

- ☐ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☒ Legislation provides local option: legisilation authorizes but does not require local governments to handle abandoned or derelict vessels within their jurisdictions.
- ☒ Key variables cannot be estimated with certainty at this time: Administrative costs associated with potential suits or administrative costs related to collection of the vessel fees; these are expected to be minimal.

**Estimated revenue impacts to:**

Indeterminate Impact
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**Estimated expenditure impacts to:**

Indeterminate Impact
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**Part III: Preparation and Approval**

Fiscal Note Analyst: Richey Deng Davis	Phone: (360) 725-5034	Date: 01/15/2002
Leg. Committee Contact: Maija Morgenweck	Phone: 360-786-7144	Date: 01/15/2002
Agency Approval: Val Richey	Phone: 360-725-5036	Date: 01/25/2002
OFM Review: Mike Cheney	Phone: 360-902-0582	Date: 01/25/2002



**Part IV: Analysis**

**A. SUMMARY OF BILL**

*Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.*

HB 2376 proposes measures to address an increase in the number of derelict and abandoned vessels. Provisions that would affect local governments:

Section 3 states that it is unlawful for a person, firm, corporation, or public entity to leave an abandoned or derelict vessel upon aquatic lands. If an owner of such a vessel is located, he or she must be given a reasonable opportunity to obtain proper authorization to relocate the vessel.

Section 4 states that an authorized public entity (defined in Section 2 as including any city, town, or county with ownership, management, or jurisdiction over the aquatic lands where an abandoned or derelict vessel is located) has the authority to store, strip, use, auction, sell, salvage, scrap, or dispose of an abandoned or derelict vessel existing on or above aquatic lands within the jurisdiction of the authorized public entity.

Section 5 states that prior to exercising the authority granted in Section 4, the authorized public entity must first obtain custody, first a) mailing notice of its intent to obtain custody at least 20 days prior and b) posting notice of its intent clearly on the vessel for 30 days and publish its intent in a newspaper at least once, between 10-20 days before taking custody. All notices sent, posted, or published in accordance with this section must explain the intent of the authorized public entity to take custody of the vessel and the rights of the public entity under Section 4 of the act, 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, and financial liabilities the owner may incur as described in Section 8 of the act.

Section 6 exempts authorized public entities from any liability that may arise by merely taking possession or ownership of the vessel (including, but not limited to, liability under RCW 70.105D on hazardous waste cleanup).

Section 7 states that authorized public entities may use or dispose of the vessel in any appropriate and environmentally sound manner without further notices to owners, but must give preference to uses that derive some monetary benefit from the vessel, and if that is not applicable, then preference to the least costly, environmentally sound, reasonable disposal option.

Section 7 also addresses procedures that public entities may follow if they offer the vessel at public auction, and requires that any sale proceeds be applied to administrative costs incurred by the authorized public entity while following the notification procedures under Section 5. Any value in excess of liens and costs would revert to the derelict vessel removal account in Section 14.

Section 8 requires that the owner of an abandoned or derelict vessel is responsible for reimbursing an authorized public entity for all costs under this chapter. Additionally, the department may assess a fine on the owners equal to the cost incurred by the authorized public entity, which must be deposited in the derelict vessel removal account established in Section 14. If the authorized public entity does not receive the full amount of all costs and fines due within 30 days after first notifying the responsible parties, the authorized public entity or department may bring an action in any court of competent jurisdiction to recover the costs and fines, plus reasonable attorneys’ fees and costs incurred by the authorized public entity.

Section 9 authorizes an authorized public entity to take any necessary actions in compliance with state and federal law to reduce, control, abate, or eliminate water pollution.

Section 10 requires any authorized public entity seeking to exert the authority under this bill to provide a salvage and disposal plan to the Department of Natural Resources., with the plan to include an estimate of costs, and rationale, for removal.

Section 11 authorizes the sheriff’s department for the county in which a vessel is located to remove and dispose of a vessel if DNR denies or fails to respond within 30 days to a request to remove and dispose of abandoned or derelict vessels located on private property.

Section 12 states that the rights granted are in addition to any other rights an authorized public entity may have to obtain title to, remove, recover, sell, or dispose of an abandoned or derelict vessel.

Section 13 states that a person seeking to redeem a vessel in the custody of an authorized public entity may commence a lawsuit to contest the authorized public entity’s decision to take custody of the vessel or to contest the amount of reimbursement or fines owed. The lawsuit must be commenced (within 10 days of the date the authorized public entity took custody of the vessel) in the superior court of the county in which the vessel existed prior to being taken into custody. The prevailing party is entitled to reasonable attorneys’ fees and costs.

Section 14 creates the derelict vessel removal account, funded with receipts from Sections 7 and 8, and to be used only to reimburse

authorized public entities for the administrative, removal, disposal, and environmental damage costs of abandoned or derelict vessels when the previous owner cannot be found after a reasonable search effort, or is insolvent. (Only the commissioner of public lands or his/her designee may authorize expenditures from this account) Priority for use of the account is for the removal of vessels that are in danger of sinking, breaking up, or blocking navigation channels, or present environmental risks. The Department of Natural Resources may also expend amounts from this account for the complete or partial payment to authorized public entities for the complete or partial removal and disposal of derelict and abandoned vessels.

Section 15 increases the identification document fee for vessels to \$30 (from \$25), with five dollars from each transaction to be deposited in derelict vessel removal account created in Section 14. Any moneys remaining from the \$30 fee after costs and the deposit to the derelict vessel removal account shall be allocated to counties by the state treasurer for approved boating safety programs.

Section 16 requires the collection of two additional dollars annually from every vessel registration application, to be deposited in the derelict vessel removal account

Sections 17-20 authorizes any city or town (Section 17), code city (Section 18), county (Section 19), or port district (Section 20) to store, strip, use, auction, sell, salvage, scrap, or dispose of abandoned or derelict vessels, on public or privately owned aquatic lands within their jurisdiction, subject to sections 1-14 of this action.

Section 25 permits moorage facility operators to seek partial reimbursement from the derelict vessel removal account if the owner is unknown or unable to reimburse the moorage facility operator for moving moored vessels ashore for storage, if the vessel is a nuisance, in danger of sinking or causing other damage, or owing port charges.

**B. SUMMARY OF EXPENDITURE IMPACTS**

*Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.*

Expenditure impacts would not be incurred by the provisions in this bill which authorize local governments (including port districts as well as cities, towns and counties) to take actions with respect to abandoned and derelict vessels since these are local options; additionally, it is assumed that the costs involved in these actions, if undertaken, would be reimbursed under the derelict vessel removal account established under the bill (Section 14) (see discussion below). While there may be some indeterminate impacts to local governments through court and/or administrative costs, these are expected to be minimal.

**NOTES:**

Estimated caseload impacts:

- Number of incidences: It is estimated that over 100 vessels are abandoned in Washington annually. An estimated 50%-70% of these vessels are abandoned on state aquatic lands, and would generally fall under the jurisdiction of the Department of Natural Resources. Of the remaining vessels, most are expected to occur within the jurisdiction of port districts.
- Average cost of disposing of an abandoned, derelict vessel: \$2000-\$4000 (up to \$15,000 for larger vessels)

**ASSUMPTIONS:**

Provisions in the bill which authorize actions to local governments--specifically for cities and towns (Section 17), code cities (Section 18), counties (Section 19) and port districts (Section 20) and constitute local options:

- authority to store, strip, use, auction, sell, salvage, scrap, or dispose of an abandoned or derelict vessel on aquatic lands within its jurisdiction (Section 4)
- notice requirements if the local government exercises the authority in Section 4 (Section 5)
- authority to use or dispose of vessels in an environmentally sound manner but with preference towards a way that derives some monetary benefit. The local government would also be responsible for depositing any proceeds derived from the value in excess of costs and liens to the derelict vessel removal account established in Section 14 (Section 7),
- authority to bring an action against the owners of an abandoned or derelict vessel within 30 days after first notifying the responsible parties (Section 8)
- authority to take any necessary actions in compliance with state or federal water pollution regulations to address water pollution. (Section 9)
- requirements to file a plan with the Department of Natural Resources if the local government chooses to exercise the authority in this bill (Section 10).
- authorization for the sheriff's department to dispose of vessels on private property under certain circumstances (Section 11).

Assuming that all of the actions above would fall under the category of "the administrative, removal, disposal, and environmental damage costs of abandoned or derelict vessels" by authorized public entities, local governments would reimbursed for expenditures incurred exercising the local options to deal with the vessels in cases where the previous owner was missing or insolvent (Section 14).

Additional costs to local governments may arise from the following provisions in the bill which:

- state that it is unlawful to leave an abandoned or derelict vessel on aquatic lands, and require that if the owner of such a vessel is found, they must be given an opportunity to relocate the vessel; this may result in additional enforcement costs.
- allow a person to commence a lawsuit in the superior court of the county in which the vessel is located to redeem a vessel from custody (Section 13). These suits may result in impact to local government attorneys and the county court system. The number of suits and potential impact is indeterminate (see the fiscal note from the Office of the Administrator Courts regarding court costs). However, extremely few suits are expected since most of the owners of the boats are expected to be indigent; thus overall costs are expected to be minimal.
- require the Department of Licensing, or its agents or subagents—which may include county auditors-- to collect additional fees for vessel registration and identification documentation (Sections 15 and 16). These fees would fund the derelict vessel removal account. While some administrative costs may be involved modifying current systems to incorporate this change, expenditures are expected to be negligible for local governments.

Data Sources:  
Washington Public Ports Association  
Department of Natural Resources  
Inquiries with county auditors, county prosecutors, and a port district

**C. SUMMARY OF REVENUE IMPACTS**

*Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.*

There would be revenue impacts to counties under the provision of the bill providing for allocation to counties (for approved boating safety programs) of any monies remaining from the \$30 vessel identification document fee after costs and the deposit of \$5 to the derelict vessel removal account (Section 15). The amounts that would be allocated to counties is indeterminate at present and would be estimated by the Department of Licensing.

Data Source:  
Office of the State Treasurer