

**HOUSE BILL NO. 386**

**IN THE LEGISLATURE OF THE STATE OF ALASKA**

**THIRTIETH LEGISLATURE - SECOND SESSION**

**BY REPRESENTATIVE SEATON**

**Introduced: 2/21/18**

**Referred:**

**A BILL**

**FOR AN ACT ENTITLED**

1   **"An Act relating to abandoned and derelict vessels; relating to the registration of**  
2   **vessels; relating to certificates of title for vessels; relating to the duties of the**  
3   **Department of Administration; relating to the duties of the Department of Natural**  
4   **Resources; establishing the derelict vessel prevention program; establishing the derelict**  
5   **vessel prevention program fund; and providing for an effective date."**

6   **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7    \* **Section 1. AS 05.25.055(a) is amended to read:**

8           (a) A [AN UNDOCUMENTED] boat placed on water of the state must be  
9           titled, registered, and numbered as required by this chapter. The Department of  
10          Administration shall adopt by regulation a boat registration and numbering system that  
11          is consistent with the national standard for state numbering systems established by the  
12          United States Coast Guard.

13       \* **Sec. 2. AS 05.25.055(f) is amended to read:**

12 \* Sec. 3, AS 05.25.055(i) is amended to read:

15 (1) a boat that

16 (A) is not a barge;

(2) a foreign boat operated in water of the state for a period not exceeding 90 consecutive days;

(4) a boat that is not equipped with mechanical propulsion;

27 (5) a boat with a valid document to operate the boat that is issued by  
28 [THE UNITED STATES OR] a foreign government:

29 (6) a handmade nonmotorized umiaq with a walrus or sealskin  
30 covering:

31 (7), a boat that

(A) is a barge;

**(B) is operated in this state for a period not exceeding 60 consecutive days; and**

**(C) has a current, valid certificate of number issued by**  
**having a federally approved numbering system.**

\* Sec. 4. AS 05.25 is amended by adding a new section to read:

**Sec. 05.25.056. Certificate of title.** (a) The owner of an undocumented boat subject to registration in this state under AS 05.25.055 shall apply to the Department of Administration for a certificate of title for the boat.

(b) The Department of Administration shall adopt regulations to establish a system for issuing certificates of title for undocumented boats.

(c) A person who purchases or obtains a majority ownership of an undocumented boat shall, within 30 days after purchasing or obtaining the boat, apply for a new certificate of title that shows the boat's change of ownership.

\* Sec. 5. AS 05.25.090(b), as repealed and reenacted by sec. 20, ch. 28, SLA 2000, is amended to read:

17 (b) A person who violates AS 05.25.010(d), [OR] 05.25.020(b), or 05.25.055  
18 is guilty of a violation, as defined in AS 11.81.900, and may be fined up to \$50.

\* Sec. 6. AS 05.25.096 is amended to read:

(1) motorized boat registration, registration renewal, and transfer of registration, \$30 [\$24] for a three-year period;

(2) nonmotorized boat registration, registration renewal, and transfer of registration, \$10 for a three-year period;

(3) replacement of lost registration, \$5;

(4) replacement of lost registration validation decals, \$5;

**(5) barge registration, registration renewal, and transfer of registration, \$75 for a three-year period:**

**(6) boat title and duplicate boat title, \$20**

(b) The Department of Administration shall separately account for fees

1 collected under (a) of this section for boat registration and titling that are deposited in  
2 the general fund. The annual estimated balance in that account may be used by the  
3 legislature to make appropriations to the department and the Department of  
4 Administration to carry out the purposes of this chapter **and AS 30.30.**

5 \* Sec. 7. AS 05.25.100 is amended by adding a new paragraph to read:

(16) "barge" means a flat-bottomed boat used for carrying freight that is either nonmotorized and towed by another boat or motorized.

8       \* Sec. 8. AS 05.25.100, as repealed and reenacted by sec. 23, ch. 28, SLA 2000, is amended  
9       by adding new paragraphs to read:

10 (5) "boat" means watercraft used or capable of being used as a means  
11 of transportation on water, except for

(A) a ship's lifeboat;

13 (B) a seaplane;

14 (C) an inspected passenger vessel; and

15 (D) a single air mattress, single inner tube, or other water toy;

25 (8) "owner" means a person who has a property interest other than a  
26 security interest in a boat and the right of use or possession of the boat; "owner" does  
27 not include a lessee unless the lease is intended as security;

28 (9) "ownership" means a property interest other than a security  
29 interest:

30 (10) "undocumented boat" means a boat that does not possess a valid  
31 certificate of documentation issued by the United States Coast Guard under 46 U.S.C.

1 12101 - 12123.

2 \* Sec. 9. AS 30.30.010(a) is amended to read:

3 (a) A person may not store or leave a derelict vessel [IN A WRECKED,  
4 JUNKED, OR SUBSTANTIALLY DISMANTLED CONDITION OR  
5 ABANDONED]

6 (1) on the waters of the state or on state or municipal property [AT  
7 A PORT OR HARBOR OF THE STATE OR A MUNICIPALITY] without the  
8 consent of the state agency or municipality having jurisdiction over the water or  
9 property [, PORT, OR HARBOR]; or

10 (2) [DOCKED] at any private property without the consent of the  
11 owner of the property.

12 \* Sec. 10. AS 30.30.010(b) is amended to read:

13 (b) A state agency, municipality, or peace officer may impound [REMOVE] a  
14 derelict vessel subject to this chapter [FROM WATERS OF THE STATE WHEN  
15 THE VESSEL OBSTRUCTS OR THREATENS TO OBSTRUCT NAVIGATION,  
16 CONTRIBUTES TO AIR OR WATER POLLUTION, OR IN ANY OTHER WAY  
17 CONSTITUTES A DANGER OR POTENTIAL DANGER TO THE  
18 ENVIRONMENT].

19 \* Sec. 11. AS 30.30.010(e) is amended to read:

20 (e) A person who violates this section, upon conviction, is guilty of a class A  
21 misdemeanor and is punishable by one or more of the following:

22 (1) a fine of not less than \$5,000 or more than \$10,000;

23 (2) [\$500, OR BY] imprisonment for a period of not more than 90  
24 days;

25 (3) forfeiture of the person's vessel [SIX MONTHS, OR BY BOTH].

26 \* Sec. 12. AS 30.30.010 is amended by adding a new subsection to read:

27 (f) The department or a municipality may report a violation of this section to  
28 the attorney general, who may institute the proper proceedings to enforce the criminal  
29 penalties provided in (e) of this section.

30 \* Sec. 13. AS 30.30 is amended by adding a new section to read:

31 Sec. 30.30.015. Civil penalties. (a) The department, a municipality, or an

1 aggrieved person may institute a civil action against a person who violates  
2 AS 30.30.010. In addition to injunctive and compensatory relief, a civil penalty of not  
3 more than \$1,000 may be imposed for each violation. An action to enjoin a violation  
4 may be brought notwithstanding the availability of any other remedy. On application  
5 for injunctive relief and a finding that a person has violated AS 30.30.010, the superior  
6 court may grant the injunction. Each day that a violation occurs constitutes a separate  
7 violation.

10 \* Sec. 14. AS 30.30.030 is amended to read:

11 Sec. 30.30.030. Limitation on applicability. A vessel does not constitute a  
12 derelict vessel under this chapter if the

1                   VESSEL AS THAT TERM IS USED IN AS 30.30.010 - 30.30.100].

2   \* Sec. 15. AS 30.30.040 is amended to read:

3                   Sec. 30.30.040. Pre-impoundment notice and hearing [NOTICE TO  
 4                   OWNER]. Except as otherwise provided in this chapter, at least 30 days before  
 5                   impounding a vessel, the state agency or municipality responsible for impounding  
 6                   the vessel shall post [ON TAKING CUSTODY OF AN ABANDONED VESSEL,] a  
 7                   written notice [IMMEDIATELY SHALL BE POSTED] on the vessel, if possible, and  
 8                   on the state agency's or municipality's official website. A copy [A DUPLICATE]  
 9                   of that notice must be sent by [REGISTERED OR] certified mail, with a return  
 10                   receipt, to the [REGISTERED] owner of the vessel at the [REGISTERED] owner's  
 11                   last known address or the address on record with the United States Coast Guard  
 12                   or the Department of Administration and to all lienholders shown on the records of  
 13                   the United States Coast Guard or a state [OR FEDERAL] agency. [THE NOTICE  
 14                   MUST CONTAIN A BRIEF DESCRIPTION OF THE VESSEL, THE LOCATION  
 15                   OF CUSTODY, AND THE INTENDED DISPOSITION OF THE VESSEL IF NOT  
 16                   REPOSSESSED WITHIN 20 DAYS AFTER THE MAILING OF THE NOTICE. A  
 17                   NOTICE NEED NOT BE SENT TO THE PURPORTED OWNER OR ANY OTHER  
 18                   PERSON WHOSE INTEREST IN THE VESSEL IS NOT RECORDED WITH A  
 19                   STATE AGENCY OR A FEDERAL AGENCY.]

20   \* Sec. 16. AS 30.30.040 is amended by adding new subsections to read:

21                   (b) The notice must contain the

22                   (1) name or number of the vessel;  
 23                   (2) name and address of the owner;  
 24                   (3) intended action against the vessel; and  
 25                   (4) hearing procedure under (c) of this section.

26                   (c) Except as provided in AS 30.30.065, the owner of a vessel may file a  
 27                   written demand for a pre-impoundment hearing with the state agency or municipality  
 28                   that sent the notice within 15 days after the postmark date of the notice required under  
 29                   (a) of this section. If the written demand is made by a person who is not the owner of  
 30                   the vessel, the written demand must establish that the person requesting the hearing  
 31                   has an interest in the vessel. An owner or a person with an interest in a vessel who

1 fails to request or attend a scheduled hearing waives the right to a hearing.

2 (d) A pre-impoundment hearing must be conducted within 10 business days  
3 after the receipt of a written demand for a pre-impoundment hearing unless the person  
4 requesting the hearing consents to a later date.

5 (e) A person who has authority to direct the impoundment of a vessel at issue  
6 in a pre-impoundment hearing may not serve as the hearing officer. The hearing shall  
7 be conducted in an informal manner. The provisions of AS 44.62 (Administrative  
8 Procedure Act) do not apply to a hearing conducted under this section.

9 (f) The state agency or municipality responsible for impounding a vessel has  
10 the burden of showing substantial evidence that the vessel is derelict. After the  
11 hearing, the hearing officer shall issue a written decision of whether there is  
12 substantial evidence that the vessel is derelict. A copy of the decision shall be  
13 provided to the vessel owner and the person requesting the hearing, if other than the  
14 vessel owner.

15 (g) If the hearing officer determines that there is substantial evidence  
16 establishing that the vessel is derelict, then the state agency or municipality may  
17 proceed with the state agency or municipality disposition of the vessel as provided  
18 under AS 30.30.055.

19 \* Sec. 17. AS 30.30 is amended by adding a new section to read:

20 **Sec. 30.30.045. Notice of disposition of derelict vessel.** (a) After impounding  
21 a derelict vessel, the state agency or municipality shall publish a notice of disposition  
22 on the website of the state agency or municipality and, if possible, on the vessel itself  
23 at least 30 days before disposing of the vessel.

24 (b) A duplicate of the notice must be served by certified mail, return receipt  
25 requested, on

26 (1) the owner of the vessel, if known, at the address on record with the  
27 United States Coast Guard or the Department of Administration; and

28 (2) all lienholders who have filed a financing statement indexed in the  
29 name of the owner or who are shown on the records of a state agency or the United  
30 States Coast Guard.

31 (c) The notice of disposition must include

8 \* Sec. 18. AS 30.30 is amended by adding a new section to read:

(c) A state agency or municipality may, by regulation or ordinance, adopt sale or disposal methods that are consistent with the provisions of this chapter.

20 (1) to the costs of conducting the sale;  
21 (2) to the costs of towing, handling, and storing the vessel;  
22 (3) to a lienholder to the extent of the lien;  
23 (4) to the owner of the vessel if the owner can be found; if the owner  
24 cannot be found, the balance shall be deposited in a separate account maintained by  
25 the state agency or municipality or with the commissioner of administration and shall  
26 be paid in accordance with AS 30.30.096.

27 (e) A state agency or municipality shall disperse the proceeds of the sale of a  
28 vessel at a public auction under federal law in accordance with federal law.

29 (f) The state agency or municipality or its designees, employees, or agents are  
30 not liable for the disposition of a vessel to the owner, operator, or any lienholder of the  
31 vessel.

(g) The transfer of title and interest by sale under this section is a transfer by operation of law. However, a bill of sale executed by an authorized seller is satisfactory evidence authorizing the transfer of the title or interest.

4 \* Sec. 19. AS 30.30.060 is amended to read:

5 Sec. 30.30.060. Possession by interested party. A person having an interest in  
6 a derelict [AN ABANDONED] vessel may take possession of it before the date of the  
7 public auction, destruction, or donation of the vessel upon payment to the state  
8 agency or municipality of all port or harbor use fees, towing, handling, storage,  
9 appraisal, advertising, and any other expenses incurred by the state agency or  
10 municipality in connection with the vessel. [IF THE PERSON TAKING  
11 POSSESSION OF THE VESSEL IS NOT THE REGISTERED OWNER, THE  
12 PERSON SHALL, BEFORE TAKING POSSESSION OF THE VESSEL, PAY THE  
13 EXPENSES INCURRED BY THE STATE AGENCY OR MUNICIPALITY AND  
14 POST ADEQUATE SECURITY, WHICH MAY NOT EXCEED THE APPRAISED  
15 VALUE OF THE VESSEL. THE SECURITY, IF NOT FORFEITED, SHALL BE  
16 RETURNED TO THE PERSON ONE YEAR AFTER RECEIPT.]

17 \* Sec. 20. AS 30.30 is amended by adding a new section to read:

(d) The state agency or municipality that impounded the vessel shall conduct a post-impoundment hearing within 48 hours after receiving a written demand for a post-impoundment hearing. The 48-hour period does not include Saturdays, Sundays, and legal holidays. The provisions of AS 44.62 (Administrative Procedure Act) do not apply to a post-impoundment hearing.

(e) A post-impoundment hearing officer shall determine whether there is substantial evidence establishing that the derelict vessel constituted a clear and present danger. If the hearing officer determines that there is substantial evidence to impound the vessel, the state agency or municipality or its designee may proceed to dispose of the vessel as provided under AS 30.30.055. If the hearing officer determines that there was not substantial evidence to impound the vessel,

(1) the state agency or municipality that impounded the vessel

(A) shall release the vessel to the owner;

(B) may not require the owner to pay the towing, storage, impoundment, or abatement charges; and

(C) shall refund or reimburse any towing, storage, impoundment, or abatement charges previously paid by the owner; and

(2) the hearing officer shall award to the owner attorney fees and costs of the hearing; the award shall be made as provided by Rules 68, 79, and 82, of Civil Procedure.

\* Sec. 21. AS 30.30 is amended by adding a new section to read:

**Sec. 30.30.075. Liability for derelict vessels.** The owner of a vessel and a person entitled to possession of a vessel impounded under this chapter are jointly and severally liable for all costs incurred by the state agency or municipality in connection with the impoundment, storage, and removal of the vessel.

\* Sec. 22. AS 30.30.090 is amended to read:

**Sec. 30.30.090. Derelict vessel.** A vessel [THAT HAS BEEN LEFT UNATTENDED FOR MORE THAN 24 CONSECUTIVE HOURS] is a derelict vessel if

(1) the vessel is sunk or in immediate danger of sinking, is obstructing a waterway, or is endangering public health, safety, [LIFE OR] property, or the

1                   environment; [OR]

2                   (2) the vessel has been anchored, moored, stored, abandoned, or  
 3                   otherwise left in the waters of the state or on state or municipal [PUBLIC] property  
 4                   contrary to law;

5                   (3) [OR REGULATIONS ADOPTED BY A STATE AGENCY OR  
 6                   MUNICIPALITY OR THE VESSEL HAS BEEN LEFT ON PRIVATE PROPERTY  
 7                   WITHOUT AUTHORIZATION OF THE OWNER OR OCCUPANT OF THE  
 8                   PROPERTY, AND IF

9                   (A)] the vessel's certificate [OF] number or marine document  
 10                   number has expired and the [REGISTERED] owner no longer resides at the  
 11                   address listed in the vessel registration or marine document records of a state  
 12                   agency or the United States Coast Guard;

13                   (4) [(B)] the last [REGISTERED] owner of record disclaims  
 14                   ownership and the current owner's name or address cannot be determined;

15                   (5) [(C)] the vessel identification numbers and other means of  
 16                   identification have been obliterated or removed in a manner that nullifies or precludes  
 17                   efforts to locate or identify the owner; [OR]

18                   (6) [(D)] the vessel registration records of a state agency and the  
 19                   marine document records of the United States Coast Guard contain no record that the  
 20                   vessel ever has been registered or documented, and the owner's name or address  
 21                   cannot be determined; or

22                   (7) the vessel has been anchored, moored, stored, abandoned, or  
 23                   otherwise left unattended on private property without authorization by the  
 24                   owner or occupant of the property.

25                   \* Sec. 23. AS 30.30 is amended by adding new sections to read:

26                   Sec. 30.30.095. Duties and powers of the department. The department shall,  
 27                   subject to appropriations,

28                   (1) establish and administer the derelict vessel prevention program to  
 29                   prevent and deter the abandonment and operation of derelict vessels in the waters of  
 30                   the state and on state, municipal, and private property and to ensure that all state and  
 31                   municipal entities have the authority to identify, remove, and discourage derelict

vessels from being stored, operated, or abandoned on the waters of the state and on state or municipal property;

(2) establish

(A) education and community outreach programs, derelict vessel disposal programs, and funding options for derelict vessel removal efforts; and

(B) a derelict vessel advisory council to implement education and community outreach programs that inform and incentivize the removal of derelict vessels from the waters of the state;

(3) develop and maintain a publicly available vessel tracking system.

**Sec. 30.30.096. Derelict vessel prevention program fund.** (a) The derelict vessel prevention program fund is created in the general fund. The purpose of the fund is to provide a source from which the department may

(1) reimburse state agencies and municipalities for expenses related to removal of derelict vessels from waters of the state and from state or municipal property;

(2) pay for development and implementation of programs that incentivize compliance with this chapter; and

(3) subsidize projects directly related to the derelict vessel prevention program.

(b) The fund consists of money appropriated to the fund, including

(1) donations;

(2) money received from the sale of a vessel under this chapter;

(3) income from the fund and other program receipts;

(4) money collected under AS 05.25.096(a)(5) and (6);

(5) civil penalties collected under AS 30.30.015.

(c) Appropriations to the derelict vessel prevention program fund do not lapse.

(d) Money appropriated to the fund may be used by the department for the expenses of the fund without further appropriation.

(e) Nothing in this section creates a dedicated fund.

\* Sec. 24. AS 30.30.170(3) is amended to read:

(3) "vessel" means every description of watercraft, floating facility, or other artificial contrivance, other than a seaplane on the water, used or capable of being used as a means of transportation on or through the water;

\* Sec. 25. AS 30.30.170 is amended by adding new paragraphs to read:

(5) "abandoned" means a vessel has been left unattended on private, state, or municipal land or waters of the state without the consent of the landowner or lessee for more than 30 days;

(6) "department" means the Department of Natural Resources;

(7) "owner" means a person who

(A) has a property interest, other than a security interest, in a vessel;

(B) is the last named owner of a vessel with the Department of Administration or the United States Coast Guard; or

(C) is designated as having an interest in a vessel in an agreement with a municipality, state agency, or political subdivision of the state;

(8) "state agency" means a department, agency, division, or office in the executive branch of state government.

\* Sec. 26. AS 30.30.180 is amended to read:

**Sec. 30.30.180. Short title.** This chapter may be cited as the [ABANDONED AND] Derelict Vessels Act.

\* Sec. 27. AS 37.05.146(45) is amended to read:

(45) receipts of the Department of Administration from the boat registration and titling program under AS 05.25.096;

\* Sec. 28. AS 37.05.146 is amended by adding a new paragraph to read:

(90) civil penalties collected under AS 30.30.015, money received from the sale of vessels under AS 30.30, and donations and other receipts deposited to the derelict vessel prevention program fund under AS 30.30.096.

\* Sec. 29, Section 27, ch. 28, SLA 2000, is amended to read:

Sec. 27. AS 05.25.052, 05.25.053, [05.25.055,] 05.25.057, 05.25.095 [, 096]; and AS 09.25.120(a)(9) are repealed.

1       \* **Sec. 30.** AS 30.30.010(d), 30.30.020, 30.30.050, 30.30.070, 30.30.080, 30.30.100,  
2 30.30.110, 30.30.120, 30.30.130, 30.30.140, and 30.30.150 are repealed.

3       \* **Sec. 31.** The uncodified law of the State of Alaska is amended by adding a new section to  
4 read:

5           TRANSITION: REGULATIONS. The Department of Natural Resources and the  
6 Department of Administration may adopt regulations necessary to implement the changes  
7 made by this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act),  
8 but not before the effective date of the law implemented by the regulation.

9       \* **Sec. 32.** The uncodified law of the State of Alaska is amended by adding a new section to  
10 read:

11           REVISOR'S INSTRUCTION. The revisor of statutes is requested to change the  
12 heading of

13               (1) AS 30.30 from "Abandoned and Derelict Vessels" to "Derelict Vessels";  
14 and

15               (2) AS 30.30.010 from "Abandonment of vessel unlawful" to "Derelict vessels  
16 unlawful."

17       \* **Sec. 33.** Section 31 of this Act takes effect immediately under AS 01.10.070(c).

18       \* **Sec. 34.** Section 5 of this Act takes effect on the date that sec. 20, ch. 28, SLA 2000, takes  
19 effect under sec. 30, ch. 28, SLA 2000, as amended by sec. 3, ch. 34, SLA 2004, by sec. 1, ch.  
20 19, SLA 2009, by sec. 1, ch. 47, SLA 2010, and by sec. 3, ch. 31, SLA 2012.

21       \* **Sec. 35.** Section 8 of this Act takes effect on the date that sec. 23, ch. 28, SLA 2000, takes  
22 effect under sec. 30, ch. 28, SLA 2000, as amended by sec. 3, ch. 34, SLA 2004, by sec. 1, ch.  
23 19, SLA 2009, by sec. 1, ch. 47, SLA 2010, and by sec. 3, ch. 31, SLA 2012.

24       \* **Sec. 36.** Except as provided in secs. 33 - 35 of this Act, this Act takes effect January 1,  
25 2019.