

**HB**

**386**

<TARGET><BILL>HB 386</BILL><SUBJECT>HB  
386</SUBJECT><COMM>HFSH30</COMM></TARGET>

# Alaska State Legislature

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**REPRESENTATIVE PAUL SEATON**  
Rep.Paul.Seaton@akleg.gov

## Sponsor Statement

House Bill 386: Vessels: Registration/Titles; Derelicts

The state of Alaska is home to aging vessels that are moored or deposited in Alaska harbors, shorelines and in State tidelands. Many of these vessels have fallen into ill repair, leading to their abandonment in the area waters of Alaska. HB 386 will provide through the Department of Administration and Department of Natural Resources a clear management method to stop the accumulation of more derelict and abandoned vessels. The state of Alaska, its municipalities and ultimately Alaska citizens will be accountable for these derelict and abandoned vessels, without legislative action.

A report titled *Trends and Opportunities in the Alaska Maritime Industrial Support Sector* by McDowell Group, Inc. (2014) indicates that Alaska waters are home to over 9,400 vessels with approximately 6% of these vessels being 50 years or older. This report states, "Many vessels in the fleet are nearing the end of their useful life. By 2025, the Alaska fleet will include roughly 3,100 vessels ... that are more than 45 years old." Current State regulations for disposal and cleanup of these aging vessels contain "no teeth". There is no State change of ownership tracking system for vessels. Derelict vessels present navigation and environmental hazards; disposal falls to the State or local municipalities without financial means to recover costs.

HB 386 outlines a process for abatement of these derelict vessels, while balancing the public's rights with that of vessel ownership.

- It brings in line the ownership of a vessel to that of other motor vehicles through the Department of Administration; requiring a title, registration and vehicle number.
- Department of Natural Resources, subject to appropriation, shall establish and administer a derelict vessel prevention program.
- It will update and increase fines upon conviction of unlawful abandonment of a vessel.
- It provides due process to a vessel owner with notices and hearings prior to impoundment and prior to disposal.
- It provides a nominal increase in State registration fees and enacts a requirement and fee for State vessel titles.

In summary, HB 386 takes an important step toward responsible vessel ownership to address the current and future derelict vessel issue in Alaska.

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Rep.Paul.Seaton@akleg.gov

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: HB 386  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB386-DEC-SPAR-02-26-2018  
Title: VESSELS: REGISTRATION/TITLES; DERELICTS  
Sponsor: SEATON  
Requester: House Fisheries Committee

Department: Department of Environmental Conservation  
Appropriation: Spill Prevention and Response  
Allocation: Spill Prevention and Response  
OMB Component Number: 3094

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>	<b>FY 2019</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2019) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version/comments:**

Not applicable, initial version.

Prepared By: Kristin Ryan, Director  
Division: Spill Prevention and Response  
Approved By: Alice Edwards, Deputy Commissioner  
Agency: Department of Environmental Conservation

Phone: (907)269-7604  
Date: 02/26/2018  
Date: 02/26/18

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. HB 386

### Analysis

House Bill 386 improves the State's ability to address derelict vessels, a frequent problem in Alaska, and establishes a fund to support these efforts. The Department of Environmental Conservation is often called to respond to derelict vessels due to the potential release of oil or other hazardous materials. This bill does not affect the Department's ability to respond or assist with the clean up of hazardous materials. The Department already has statutory authority to recover the cost of that response and clean up from the responsible party.

This bill has no fiscal impact to the Department.

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: HB 386  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB386-DNR-MLW-02-23-18  
Title: VESSELS: REGISTRATION/TITLES; DERELICTS  
Sponsor: SEATON  
Requester: House Fisheries

Department: Department of Natural Resources  
Appropriation: Fire Suppression, Land & Water Resources  
Allocation: Mining, Land & Water  
OMB Component Number: 3002

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>	<b>FY 2019</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Personal Services	***		***	***	***	***	***
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>***</b>	<b>0.0</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>***</b>	<b>0.0</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>	<b>***</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2019) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/19

**Why this fiscal note differs from previous version/comments:**

Initial Version

Prepared By: <u>Brent Goodrum, Director</u>	Phone: <u>(907)269-8625</u>
Division: <u>Mining, Land and Water</u>	Date: <u>02/23/2018</u>
Approved By: <u>Andrew T. Mack, Commissioner</u>	Date: <u>02/23/18</u>
Agency: <u>Department of Natural Resources</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. HB 386

**Analysis**

HB386 would have an indeterminate fiscal impact on the department.

The department will only impound and dispose of derelict vessels if a situation that requires action arises. In that event, and to the extent that funds are available to reimburse the department from the Derelict Vessel Prevention Program Fund established by section 23 of this bill, the department would bear a fiscal impact. The impoundment and disposition of a derelict vessel can range from thousands to millions of dollars, depending on size, location, and condition of the vessel. The number of derelict vessels that would require department action, and the associated costs, is variable and indeterminate.

The cost of updating regulations will be absorbed under the existing RSA with the department of Law.

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: HB 386  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB386-DOA-DMV-02-23-18  
Title: VESSELS: REGISTRATION/TITLES; DERELICTS  
Sponsor: SEATON  
Requester: House Special Committee on Fisheries

Department: Department of Administration  
Appropriation: Motor Vehicles  
Allocation: Motor Vehicles  
OMB Component Number: 2348

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>	<b>FY 2019</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Personal Services							
Travel							
Services	90.0		50.0	50.0	50.0	50.0	50.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>90.0</b>	<b>0.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>

**Fund Source (Operating Only)**

1005 GF/Prgm (DGF)	90.0		50.0	50.0	50.0	50.0	50.0
<b>Total</b>	<b>90.0</b>	<b>0.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

1250 UGF Rev (UGF)	589.3		589.3	589.3	***	***	***
<b>Total</b>	<b>589.3</b>	<b>0.0</b>	<b>589.3</b>	<b>589.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2019) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/21

**Why this fiscal note differs from previous version/comments:**

Not applicable, initial version.

Prepared By:	Marla Thompson, Director	Phone:	(907)269-5574
Division:	Motor Vehicles	Date:	02/23/2018
Approved By:	Leslie Ridle, Commissioner	Date:	02/23/18
Agency:	Department of Administration		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. HB 386

### Analysis

HB 386 amends AS 05.25.055 to require boats that do not meet exemption specifications to be titled, registered, and numbered. DMV does not currently title boats and would need to adopt regulations and program our software to address this new procedure. HB 386 will also increase the price of a motorized boat three year registration period to \$30, add a \$20 fee for boat titles or duplicate titles and a \$75 fee to register, renewal or transfer registration of a barge.

#### **Cost to DMV:**

Based on similar experience implementing new requirements, DMV estimates 400 hours of programming time will be needed to analyze, program, add, and test the new functionality of issuing boat titles in the Alaska Licensing and Vehicle Information Network program, at a contractor cost of \$100/hr.

400 hrs x \$100/hr = \$40,000

Based on prior experience with vehicle title disputes and boat registrations, DMV requests an increment of \$50,000 to cover increased law fees related to boat title disputes for future years.

#### **Additional information**

In FY2017 a total of \$525,648 in boat registration fees were collected. Annually DMV transfers revenue appropriated to the following departments:

- The Department of Natural Resources - maximum of \$300,000/year
- The Department of Commerce, Community and Economic Development - maximum of \$196,900/year

Any excess revenue collected lapses to the general fund.

#### **Generated Revenue:**

There are over 68,000 motorized boats registered in the State of Alaska. A title fee of \$20 would generate approximately \$1.36 million. Due to the three-year registration period, approximately \$453,340 in revenue for titling would be generated for the first three fiscal years. Once currently registered boats are titled, the only time a title will change is when a boat is bought or sold. DMV does not have a mechanism to estimate future boat sales.

#### **Title fees**

68,000/3 year registration = 22,667 boats per year

22,667 x \$20 = \$453,340 yearly

The increase of the current three year boat registration fee from \$24 to \$30 will result in additional revenue of \$408,000 over a three year span.

#### **Increased registration fees**

\$6 x 68,000 = \$408,000 / 3 year registration = \$136,000 yearly

Future titling revenue would be based on new and used boat sales and is unable to be estimated; therefore, the agency submits an "indeterminate revenue" fiscal note for FY22-FY24.

#### **Total new yearly revenue over a three year span**

\$453,340 - new title fees

\$136,000 - increased registration fee

\$589,340 - total increased revenue over a three year span

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## REPRESENTATIVE PAUL SEATON Rep.Paul.Seaton@akleg.gov

HB 386: Vessels: Registration/Titles; Derelicts  
30 LS1475\A  
30<sup>th</sup> Legislature

### Sectional Analysis

*Please note that a sectional analysis of a bill or resolution should not be considered an authoritative interpretation of the measure itself. The legislation is the best statement of its content.*

**Section 1** (page 1, line 9) Requires that a boat placed on the waters of the state is to be “titled”.

**Section 2** (page 2, lines 1-8) Current statute requires that all boats have a certificate of number from the Department of Administration if operated on the waters of the state for more than 90. This bill adds consecutive days or 60 consecutive days for barges, unless otherwise provided in the chapter.

**Section 3** (page 2, line 16-17, 31- page 3, line 5) This section adds certain barges to the list of certain boats/vessels that are exempt from numbering and registration.

**Section 4** (page 3, lines 6-14) Adds new section for adopting regulations and establishing a system for certification of titles. Requires application for title within 30 days after purchase.

**Section 5** (page 3, line 17) Inserts cross-reference.

Note: Clarifies that if someone violates 05.25.055 (boats/barges exemption) may be fined up to \$50 (there is no change to this fine).

**Section 6** (page 3, lines 23, 28-30) Increases boat registrations from \$24 to \$30 for a three-year period; adds barge registration fee of \$75 for a three-year period, adds boat title and duplicate boat title fee of \$20.

Note: Page 4, line 3 references “the department” meaning the Department of Natural Resources.

**Section 7** (page 4, line 6-7) Adds definition of “barge”.

**Section 8** (page 4, lines 10-31) Repeals current 05.25.100 definitions and reenacts definitions from section.23, ch. 28, SLA 2000.

Note: Definitions 1-4 are: 1) department; 2) operate; 3) watercraft; 4) water of the state.

**Section 9** (page 5, lines 3-11) add “derelict” (defined in 30.30.90) to clarify existing language; amend and add specificity “on state or municipal property”.

Note: Addition of “state... property” rather than just a port or harbor. This would extend to tidelines and state waters outside of the harbor.

**Section 10** (page 5, lines 13-18) Clarifies existing language.

Note: Inserts “impound” in place of “remove”.

**Section 11** (page 5, lines 20-25) This section makes the violation of 30.30.010 a class A misdemeanor and it raises the fine for abandoning a vessel from not less than \$500 to not less than \$5,000 or more than \$10,000; lowers the maximum term of imprisonment from six months to 90 days; adds forfeiture of the person’s vessel.

**Section 12** (page 5, lines 27-29) Allows the department or a municipality to report violations to the Attorney General in order to enforce criminal penalties.

**Section 13** (page 5, line 31- page 6, line 9) Adds new section allowing DNR, municipality or an aggrieved person to file a civil injunction with a penalty of not more than \$1,000 per violation.

**Section 14** (page 6, lines 11-31) This section clarifies how you can leave a boat without it being considered derelict. It allows the department to provide written authorization for a vessel left in a location for more than 14 days.

**Section 15** (page 7, lines 3-19) Clarifies language on taking custody of a vessel. Adds language stating state agency or municipality must provide 30-day notice prior to impoundment, requires the impounding authority to post notice on vessel when possible and online.

**Section 16** (page 7, line 20 - page 8, line 18) Adds new subsections establishing pre-impoundment notice requirements; defines the hearing procedure.

**Section 17** (page 8, line 20 - page 9, line 7) Adds new section establishing requirements and procedure for the notice of disposition after a derelict vessel has been impounded. The notice must be published on state or municipality website and on vessel if possible, at least 30 days before disposing of the vessel.

**Section 18** (page 9, line 9 - page 10, line 3) Adds a new section providing procedures for impoundment, sale, and transfer of title of a vessel by the state or a municipality. Section also outlines how the state or municipality may apply the proceeds from the sale of a vessel.

**Section 19** (page 10, lines 5-16) Clarification language on process of taking possession of a derelict vessel before the vessel is disposed of; removes requirement that an interested party taking possession of a derelict vessel post security.

**Section 20** (page 10, line 18 - page 11, line 20) Adds new section establishing procedure for the immediate impoundment of derelict vessels that pose an imminent threat to public health, safety or general welfare; provides for hearing process.

**Section 21** (page 11, lines 21-25) Adds new section stating that the individual owning an impounded vessel is liable for all costs incurred in the process.

**Section 22** (page 11, line 27 - page 12, line 24) Clarifies the definition of a derelict vessel; adds public health, safety and environment and provides situations that would make a vessel derelict.

**Section 23** (page 12, line 26 - page 13, line 30) Adds a new section giving the department the power to establish and administer the derelict vessel prevention program which includes education, outreach, an advisory council. It creates a prevention program in the general fund. The purpose is to reimburse the state and municipality for expenses, associated program/project expenses. This section outlines how money is appropriated to the fund; clarifies the department may use the funds without further appropriation and appropriations do not lapse.

**Section 24** (page 14, line 1) Adds “floating facility” to the definition of “vessel”.

**Section 25** (page 14, lines 5-18) Adds definitions for: 1) abandoned, 2) department, 3) owner, 4) state agency.

**Section 26** (page 14, lines 20-21) Names this chapter the Derelict Vessels Act.

**Section 27** (page 14, line 22-24) Adds to section 37.05.146. **Definition of program receipts and non-general fund program receipts.** Adds “titling” in 37.05.146 (45) boat registration and titling program

**Section 28** (page 14, lines 25-28) Adds to program receipts in section 37.05.146 **Definition of program receipts and non-general fund program receipts** civil penalties collected under AS 30.30 (Sec. 13 of this bill) to be deposited to the derelict vessel prevention program fund.

**Section 29** (page 14, lines 29-31) Removes 05.25.055 **Registration and numbering of boats.**, and 05.25.096. **Fees.** from list of repealed statutes in sec. 27 ch. 28, SLA 2000; allows the fund to remain without federal funding.

**Section 30** (page 15, lines 1-2) Repeals some sections of AS 30.30, which have been replaced with new language, see the section reference.

30.30.010.(d) **Abandonment of vessel unlawful.** (See Section 14)

30.30.020 **Disposition of certain abandoned vessels.** (See Sections 14 & 16)

30.30.050 **Public auction.** (See Section 18)

30.30.070 **When public auction not required.** (See Section 19)

30.30.080 **Effect of Sale.** (See Section 1)

30.30.100 **Disposition of derelict vessel.** (See section 18)

30.30.110 **Disposition of vessels by persons in vessel repair bus.** (See section 18)

- 30.30.120 **When vessel abandoned.** (See sections 15-18)  
30.30.130 **Sale or disposition of vessel.** (See sections 15-18)  
30.30.140 **Disposition of proceeds.** (See section 18)  
30.30.150 **Effect of transfer of title.** (See section 18)

**Section 31** (page 15, lines 3-8) Transition language allowing DNR and DOA to adopt regulations.

**Section 32** (page 15, lines 9-16) Revisor's instruction to change two headings.

**Section 33** (page 15, line 17) Section 31 takes effect immediately.

**Section 34** (page 15, line 18-20) Technical; Provides effective date (as amended see, SLA 2012) carried forward from 2000 legislation regarding federal funding of statewide boating and safety program.

**Section 35** (page 15, line 21-23) Technical; Provides effective date (as amended see, SLA 2012) carried forward from 2000 legislation regarding federal funding of statewide boating and safety program.

**Section 36** (page 15, lines 24-25) Effective date of January 1, 2019 except as noted in sections 32-35 above.

HB386

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**DERELICT VESSELS**

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Accountability Across Alaska  
a presentation to  
the House Fisheries  
Committee

2/27/18





## WHAT'S THE PROBLEM?

***"By 2025, the Alaska fleet will include roughly 3,100 vessels between 28' and 59' that are more than 45 years old...the Alaska fleet also includes 75 passenger vessels, tugs, and barges over 50 years old..."***

<https://youtu.be/S-SFGTzIA1g>

Trends & Opportunities in the Alaska Maritime Support Sector, McDowell Group (2014)

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## A GUY WALKS INTO A BAR...

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We love our boats, and we depend on our coasts and rivers for transportation, commerce, and quality of life. But there is no denying the immense cost of owning and maintaining a boat. Those costs only increase over time.





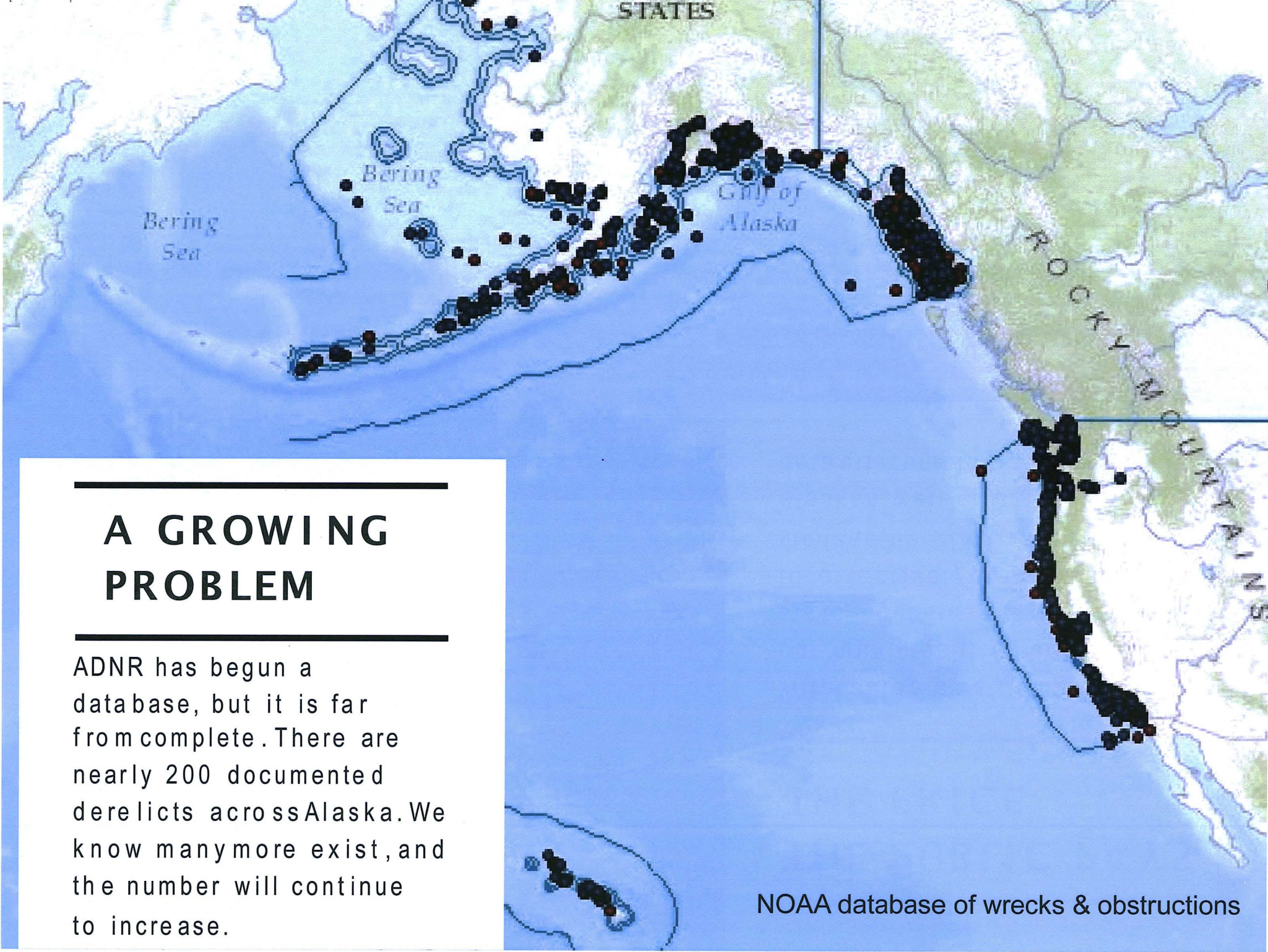
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**JAKOLOF BAY**

**2012-13**

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**01/19/2013**



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## A GROWING PROBLEM

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ADNR has begun a database, but it is far from complete. There are nearly 200 documented derelicts across Alaska. We know many more exist, and the number will continue to increase.

NOAA database of wrecks & obstructions

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# THE PUBLIC PAYS THE PRICE

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With outdated statutes, our municipalities and state agencies are unable to effectively prevent and manage derelict vessels. Alaskan waters are a default dumping ground.



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**SOLUTIONS  
IN HB386**

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Over a two-year period, the Derelict Vessel Task Force identified major barriers and solutions to improve derelict vessel prevention and management in Alaska



*Pro bono legal assistance  
from the law firm of Birch  
Horton Bittner & Cherot*

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## **TASK FORCE PARTICIPANTS**

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Please note that while many people sat at the table, nothing within this presentation or testimony is intended to speak on the behalf of any individual agency, municipality, or task force participant.

- ADNR, Mining, Land & Water
- ADEC, Spill Prevention & Response
- ADOT, Ports & Harbors
- ADF&G, Habitat
- USCG, Sectors Anchorage & Juneau/Div. of Waterways Management
- NOAA, Marine Debris Program/Restoration
- EPA, Response Region 10
- AAHPA (Bethel, Homer)
- Orutsararmiut Native Council
- Sen. Lisa Murkowski's office
- Alaska Marine Response



## REGISTRATION & TITLING

Agencies and municipalities have found establishing ownership is one of the major hurdles to holding owners responsible for derelict vessels. Requiring all vessels operating in AK to be registered with DMV, and beginning a titling system for vessels similar to that in place for motor vehicles, are commonsense solutions to improve accountability.



## INCREASE CLARITY

Agencies and municipalities statewide need increased clarity for defining a derelict vessel, vessel ownership, and for the impoundment process including clarified hearing and notice requirements. SB updates Chapter 30.30 to bring clarity and improve utility of the statutes.



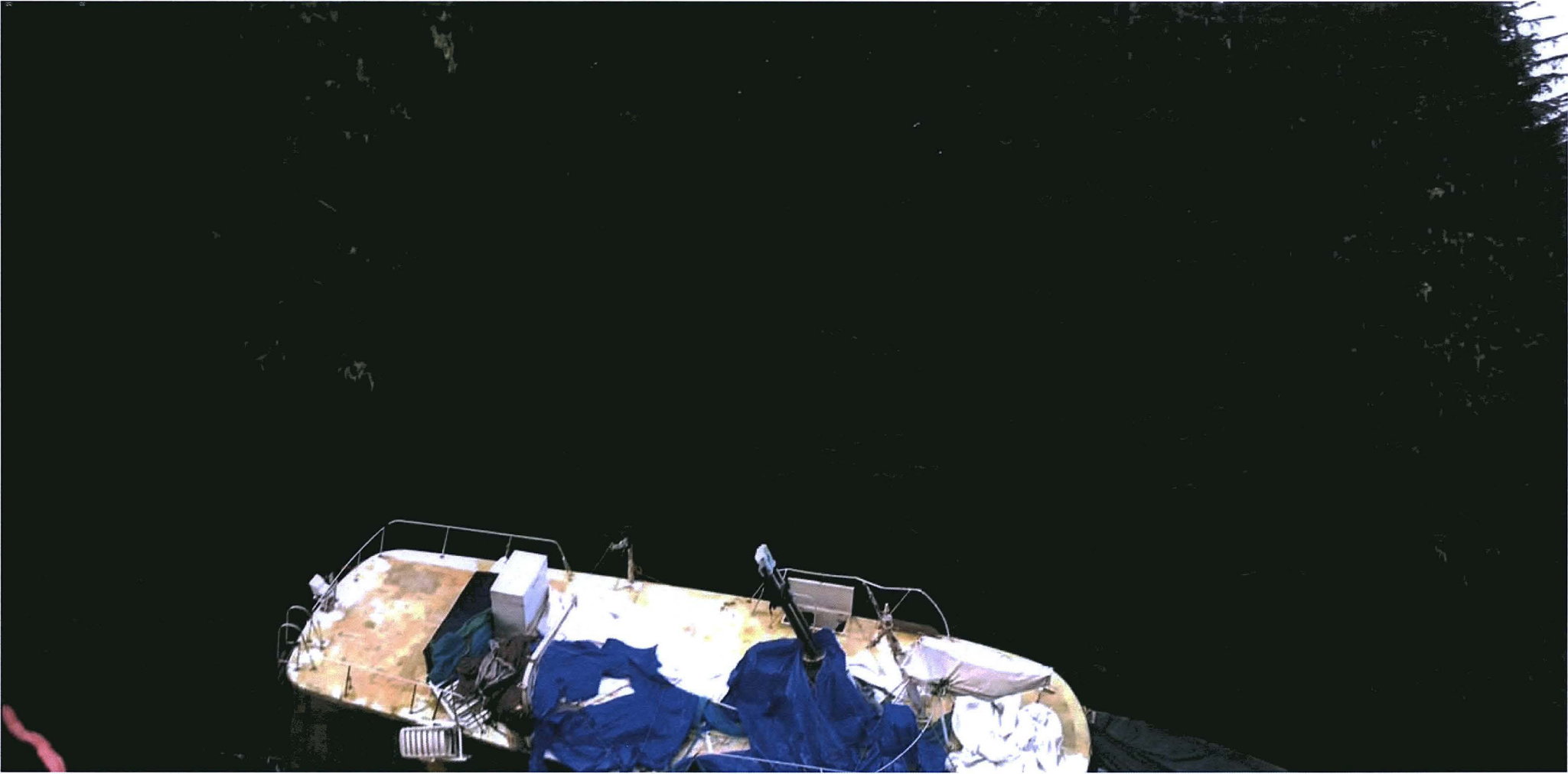
## **ENFORCEMENT AUTHORITY & INCREASED PENALTIES**

Current statutes restrict enforcement of derelict vessel laws. One major way to reduce vessel sinkings and prevent owners from walking away is to provide for enforcement of the chapter to hold owners accountable and prevent derelict vessels from sinking on public waters.



## **CLARIFIED LIABILITY**

Hearing concerns from agencies and the public, Task Force members acknowledged that it is important to be clear that a vessel owner is liable for all costs associated with the impoundment, storage and removal of a derelict vessel.



## **STREAMLINED CAPACITY**

Outside states have found significant improvement in derelict vessel prevention and management by streamlining their efforts through a statewide program/point person. Having a point person at ADNR will concentrate work that is currently being done by numerous staff, will reduce overall costs, and increase efficacy of derelict vessel management.



## **CRADLE- TO-GRAVE**

Addressing vessel disposal was outside of the scope of the Task Force, but must be addressed. Through the derelict vessel prevention program, the state will have the opportunity to begin looking at options for vessel disposal, scrap, and salvage solutions that can benefit the private sector and be a reasonable alternative to vessel abandonment.

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The Alaska Department of Natural Resources...lacks even the authority  
to fine...for littering.

..In places like Bethel, which has a dumping ground called Steamboat  
Slough, the problem of derelict and abandoned boats long ago broke  
the surface of public awareness.

..we could instead simply mandate the registration of all boats —  
commercial and recreational alike — through the DMV. We could also ma  
ndate that boats of a certain size, like all cars, carry insurance  
sufficient to cover their salvage.

**At the very least, we could grant the Department of Natural  
Resources the simple authority to levy fines on those who pollute A  
laska's waters.**

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Juneau Empire

Editorial

Oct. 15, 2015

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"Too many people get in over their heads, and their dreams of ship renovation or making money from scrap become a nightmare for the citizens of this state and the marine environment.

**...'A hole in the water into which you pour money' is a famous definition of a boat. To the maximum extent possible, we must ensure taxpayers are not the ones doing the pouring."**

Chinook Observer, March 22, 2017

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# HCR 53 1990

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WHEREAS the state does not currently have statutory authority to impose liability on the owners of abandoned vessels...

Offered: 3/30/90  
Referred: Rules

6-2169E

Post-It™ brand fax transmittal memo 7671		# of pages
To: Mike Sullivan	From: KA	
Co.	Co.	
Dept.	Phone #	
Fax #	Fax #	

Original sponsor(s): REP. JACKO

1 IN THE HOUSE

BY THE TRANSPORTATION COMMITTEE

2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 53 (Transportation)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 Relating to abandoned vessels on the  
6 beaches of Alaska.

7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8 WHEREAS many abandoned vessels, including merchant vessels, fishing  
9 vessels, and other vessels, are grounded on the coast of Alaska; and

10 WHEREAS abandoned vessels are an environmental hazard and are aesthet-  
11 ically unpleasing; and

12 WHEREAS the state does not have the resources to salvage or dispose of  
13 abandoned vessels; and

14 WHEREAS the state does not currently have statutory authority to  
15 impose liability on the owners of abandoned vessels for the cost of salvag-  
16 ing or demolishing abandoned vessels; and

17 WHEREAS communities are not compensated for the aesthetic and physical  
18 trespass resulting from abandoned vessels;

19 BE IT RESOLVED by the Alaska State Legislature that the governor is  
20 respectfully requested to study the problems posed by abandoned vessels and  
21 to make appropriate recommendations to the First Session of the Seventeenth  
22 Alaska State Legislature for legislation necessary to remedy existing  
23 problems and prevent future problems.



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**AKUTAN  
DUTCH HARBOR/  
UNALASKA**

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HB 386: Commonsense solutions  
for accountability on state waters

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## QUESTIONS?

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Rachel Lord - [info@alaskaharbors.org](mailto:info@alaskaharbors.org)



Want to keep up with Alaska athletes in Pyeongchang? Check out our Winter Olympics coverage.

# Alaska Dispatch News

## Environment

### Abandoned vessels litter Alaska's shorelines while officials work on a fix

✍ Author: Lisa Demer ⓘ Updated: September 28, 2016 📅 Published July 4, 2015

BETHEL -- Rusting relics of industry gone by cut into the banks of a well-traveled slough off the Kuskokwim River, oozing fuel and gradually disintegrating -- a decaying steamboat here, abandoned barges there, even a dismantled tug.

The mess in Steamboat Slough, just a quick boat ride from the Southwest Alaska hub of Bethel, is both menacing and ghostly.

It's an enormous problem, but according to those involved, it remains frustratingly hard to fix. Weak state laws, difficulties with vessel owners, limited jurisdictions and pinched public budgets hamper the effort.

The cost of removing the hundreds of abandoned and derelict vessels littering shorelands around the state is easily in the tens of millions of dollars, say members of a task force trying to turn around the situation.

"Whether that is barges in the Bethel area in Steamboat Slough or fishing vessels in Port Lions on Kodiak Island, or Port Graham in Southeast, if you have this large vessel that may not be seaworthy or may not be economically viable anymore, what do you do with it?" said Steve Russell, interagency coordinator for the state Department of Environmental Conservation and part of the task force. "The answer in the past was you go to X area and just leave it."

In Southeast Alaska, state officials are concerned about renegade float-houses that, far from being abandoned, are people's homes. Some are elaborate and massive structures with satellite dishes and gardens. Yet most float-house residents have failed to secure or even seek necessary permits to park on state shorelands and some are in disrepair and in danger of sinking, according to the state Department of Natural Resources.

Near Bethel, fish camps with drying racks for strips of salmon dot the uplands on both sides of Steamboat Slough, some just a stone's throw from rotting vessels and debris. One barge that sank in the channel two years ago poses year-round danger and is blamed for a December 2013 four-wheeler crash that cost a man almost all his fingers from frostbite.

In Alaska, different agencies have created their own spreadsheets and mini-databases of derelicts, all with different counts and all incomplete.

The Department of Natural Resources has identified 160 derelicts awaiting removal. And the backlog keeps growing, Menefee said.

"That's just ones we have in our internal tracking and it's not a very good tracking system," he said.

DNR is working to create a centralized system.

"We're trying to create a database that's accessible to the Coast Guard, DEC, Corps of Engineers, harbor masters, so we are all working on the same sheet of music," Menefee said.

Two old wooden fishing boats in disrepair that sank near Homer on Christmas 2012 were the catalyst for action, though harbor masters and port administrators had been working on the issue for a few years, said Rachel Lord, clean water program director for the environmental group Cook Inletkeeper.

The *Leading Lady* and the *Kupreanof* went down after a heavy snowfall in a spot near Kachemak Bay's prized oyster farms, Lord said. Leaking fuel and lube oils created a sheen, the DEC said in a report at the time.

The U.S. Coast Guard contracted for the old boats to be raised and the fuel to be removed. But once the pollution threat was over, the Coast Guard was done.

Ownership of the fishing boats turned out to be tangled and the process for dealing with them moved in fits and starts.

A year and a half after the sinking, the state paid for one vessel to be demolished. The other was repossessed by the previous owner, who repaid DNR some of its costs, according to a task force case study report. But the Coast Guard never was reimbursed for a bill that Russell said was in the range of \$350,000.

The Legislature in 2013 took up the matter of derelicts for the first time in decades, pushed by state Rep. Paul Seaton, a Republican from Homer with a signature fisherman's cap. The bill passed that year was a first step, Lord said. It extended authority to deal with abandoned and derelict vessels beyond the Department of Transportation to other state agencies as well as municipalities.

The task force, which includes representatives of state and federal agencies, along with the nonprofit environmental group Cook Inletkeeper, started work last year. At a June meeting, Bethel's tribe caught the group's attention with a compelling video of Steamboat Slough to support its pitch for action, Lord said. A comprehensive fix will take time, task force members said.

The group is working on a package of recommendations, but it probably won't be ready until fall 2016, in time for the 2017 legislative session, Menefee said.

Last August, DNR posted trespass notices on 33 abandoned and derelict vessels in the Bethel area, including 21 in Steamboat Slough. It wasn't able to reach two more. The notices gave owners 90 days to either move the vessels or seek permission to legally dock there, said Jusdi McDonald, a natural resource manager at DNR.

But most of the hulks are still there, Menefee said.

Two parties hit with trespass notices have come forward to seek permission, as did another shipping company that may want to park vessels on state shoreland in the future, according to DNR.

The company that DNR says is responsible for more Bethel-area abandoned or derelict vessels than anyone, Faulkner Walsh Constructors, applied for a land-use permit in late June to park seven barges in Steamboat Slough -- just days after Alaska Dispatch News asked about the issue, Menefee said.

Harry Faulkner Jr., an owner of the company, said in an interview before applying for that permit that his vessels were neither derelict nor abandoned. He said he had permission from a private land owner to park four barges, the dismantled tug hull, and two Flexifloats (a brand of modular barge), and asserted that he didn't need state permission. One large gravel barge, the Delta Viking, "is parked until the economy comes back," he said. Another was used to harvest fish when a commercial salmon processor operated in Bethel.

DNR said the vessels are on state-owned shorelands.

Asked what prompted him to apply for permits, Faulkner said in a follow-up email that the company meant to do so earlier but someone in Anchorage failed to send in the paperwork.

DNR can give permission for a vessel to use state shorelands for up to five years. It evaluates each application in terms of public interest and also will give the Bethel community, including fish camp owners, an opportunity to comment, Menefee said. The process can take months. The state can require a bond and reclamation plans.

"It's not a slam dunk that he applied; he's good," Menefee said.

As to the barge, known as Schenk's Ark, sunk in the channel since the spring of 2013, Faulkner said that's not his. He said he only leased it in 2012 and moored it when he was done.

"It didn't sink until the following spring," when the moorings came loose, he said.

Faulkner said he tried to refloat the barge, but he maintains that the owner, David Ausdahl, was responsible, not him. Efforts to reach Ausdahl were unsuccessful.

"Out of the goodness of my company's heart, we went up there for two weeks and tried to raise this barge. And we were not capable of lifting that barge," Faulkner said.

Want to keep up with Alaska athletes in Pyeongchang? Check out our Winter Olympics coverage.

# Alaska Dispatch News

Alaska News

## Boat carrying diesel fuel sinks off Wrangell

✍ Author: Devin Kelly ⓘ Updated: September 28, 2016 📅 Published January 16, 2014

A steel-hulled boat carrying thousands of gallons of diesel fuel sank off the coast near Wrangell on Tuesday, casting a rainbow sheen several miles across the water, the Coast Guard said.

The Silver Bay II, a 60-foot former tugboat now used as a private recreational craft, sank at its moorings in about 120 feet of water at the Wrangell Silver Bay sawmill along Zimovia Strait, officials said. An estimated 3,500 gallons of diesel fuel was onboard at the time.

Silver Bay employees discovered the sunken vessel while checking the dock and boats at 3 p.m. on Tuesday, according to a Coast Guard situation report. The tugboat apparently drifted under a deck barge when it sank.

The logging company alerted the Coast Guard to the sinking about 4 p.m. on Wednesday, said Chief Petty Officer Sara Mooers, a Coast Guard spokeswoman. By then, Silver Bay had already set up a floating barrier and contracted with a Ketchikan-based diving and salvage company to cap off fuel tanks, she said.

However, heavy rainfall and wind speeds of between 17 to 28 miles per hour were delaying diving efforts and slowing salvage company access.

What caused the boat to sink and how much oil has been spilled was still unknown, Mooers said. A small amount of oil was reported to be seeping from the boat Thursday.

"Our primary concern is the safety of the responders and addressing any pollution from this vessel," Mooers said.

Alaska's Department of Environmental Conservation was among the authorities working on a plan to contain pollution related to the incident. The agency recommends against harvesting shellfish in areas where oil or oil sheens can be seen or smelled.

The Coast Guard said there had been no reports of impacts to wildlife or "subsistence resources" related to the spill.

Reach Devin Kelly at [dkelly@adn.com](mailto:dkelly@adn.com) or 257-4314.

# Unalaska pays thousands to sink already sunk boat

By Zoë Sobel, Alaska's Energy Desk - Unalaska - February 14, 2018



*The F/V Akutan was moored in Unalaska's Captains Bay for six months. (Photo by Zoë Sobel/KUCB)*

The City of Unalaska will pay \$36,000 to help sink a boat that's already on the ocean floor.

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The state scuttled the F/V Akutan last month with help from the U.S. Coast Guard, but they moved forward before collecting funds from the city. That's left councilors debating whether they should chip in at all. The final vote was almost unanimous.

Councilor James Fitch was all for it.

"We are obligated to pay this because the job has already been done," Fitch said.

The F/V Akutan was abandoned in Captains Bay in September – following a disastrous fishing season in Bristol Bay, in which the ship's owner went broke, the crew went unpaid and its 80-ton haul of salmon was declared unfit for human or animal consumption. The Coast Guard assisted the state in performing an emergency scuttle of the processor in late January.

Councilor Roger Rowland was the sole objector — a position he has held for weeks. He says funding this will set an expensive precedent if other mariners decide to abandon boats near Unalaska.

Plus, he says state officials hired Resolve Magone Marine to help with the scuttling before securing municipal funds.

"This contract was let without any guarantee from the city," Rowland said. "We are not obligated to pay this money."

It's unclear how much the disposal cost. The Alaska Department of Natural Resources has not responded to multiple requests for comment.

Councilors are also taking steps to avoid future problems with abandoned vessels. They unanimously passed a resolution Tuesday night supporting Senate Bill 92, which would create a statewide derelict vessel prevention program and fund.

Vice Mayor Dennis Robinson also expressed interest in reviewing the city's status as a "potential port of refuge" — the designation that brought the Akutan to Unalaska.

# Juneau mulls anchoring limits to prevent derelicts

By Jacob Resneck, KTOO February 10, 2018 Community, Juneau, Local Government, Transportation

- No Comments
- 1
- 0



The M/V Lumberman is a 107-foot tug that's been converted into a makeshift liveaboard. It's been anchored off Aurora Harbor for years despite city efforts for it to move. (Photo courtesy Dave Borg/Juneau Docks & Harbors)

The Juneau Assembly is reviewing anchoring rules aimed at preventing vessels from becoming derelict in city waters. The initiative is in response to a notorious tug boat that's been anchored near a downtown boat harbor for years.

#### Audio Player

<https://s3-us-west-2.amazonaws.com/ktoo/2018/02/09ANCHOR-NPR1.mp3>

00:00

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Use Up/Down Arrow keys to increase or decrease volume.

Gastineau Channel is a patchwork of jurisdictions that fall under federal, state and local rules. Until now there's no time limit for anchoring in city waters.

Juneau Harbormaster Dave Borg said that's a problem.

"Our docks and harbors were not designed for vessels to just sit in wet storage for, you know, eons," Borg said, "because they cause a lot of problems as far as deteriorating, pollution, they become a nuisance, basically."

The Docks and Harbors board recently sent the Assembly draft regulations to address the issue. They require permits for boats anchored more than 24 hours in city-owned or managed waters and tidelands.

The initiative is in response to the M/V Lumberman, a 1940s-era tug that's anchored at the entrance of Aurora Harbor. It's an unpermitted liveaboard paying no mooring fees.

Tragedy struck in December when a skiff carrying five people heading out to the tug capsized. Three people made it safely to shore but two Juneau men, James Cole and Sheridan "Scott" Stringer, were never found.

The incident was three months to the day after Juneau's port director told the vessel's owner to move the tug away from Aurora Harbor.

"We've issued that vessel a notice to move prior to this regulation even being put in place, and obviously the boat's still there," Borg said.

Borg said the Lumberman's owner Brenden Mattson has kept a low profile and hasn't been seen in weeks. The tug's engine and bronze propeller were removed long ago.

"We'll be monitoring the situation and coming up with a plan next. I really don't want the boat, I would rather that someone would up and leave the area but I don't think that's going to be an option," Borg said. "We're going to have to handle it somehow or another."

The M/V Lumberman and the various vessels attached were served with a Sept. 6, 2017, notice to move by Juneau's port director. But harbor officials say the owner has shown no indication it's going anywhere soon. (Photo courtesy Dave Borg/Juneau Docks & Harbors)

The Coast Guard recently boarded the vessel and found oily waste, aerosols, batteries and other hazardous waste.

An Anchorage-based contract crew was paid about \$62,000 from the federal Oil Spill Liability Trust Fund to remove nearly 5 tons of waste in mid-January.

"They removed 830 gallons of miscellaneous oils and chemicals, just under 2,000 pounds of hazardous batteries," said Sector Juneau spokesman Lt. Nicholas Capuzzi. "Over 500 pounds of miscellaneous hazardous material like aerosols, paints, cleaners and that kind of thing, 300 pounds of oily waste and 200 pounds of other oily debris."

The Coast Guard spokesman said the proposed anchoring limits could help the local harbormaster keep these kinds of problem vessels from laying anchor and becoming a long-term problem.

"I think the idea is to hopefully prevent this scenario from happening again where a vessel is anchored and becomes essentially a floating storage shed for these hazardous materials," Capuzzi said. "There's either a pollution event or, in this case, you had to spend a lot of money to go out there and remove it."

Mariners seeking to drop anchor for longer than 24 hours would still have federally managed navigable waters as an option. That's provided they don't block shipping.

The anchoring regulations will be reviewed by the Juneau Assembly at its Feb. 12 meeting.

# Alaska Dispatch News

Alaska News

## Coming flood of abandoned and derelict vessels demands Alaska's attention

✍ Author: Rachel Lord ◉ Updated: May 31, 2016 📅 Published March 14, 2013

On March 14, the Community & Regional Affairs Committee heard House Bill 131 in Juneau. This bill, introduced by Rep. Seaton, brought forward through resolution by the Alaska Association of Harbormasters and Port Administrators, and further pushed ahead by Cook Inletkeeper, takes a first step towards improving the ability of municipalities and state agencies to deal effectively with abandoned and derelict vessels along Alaska's vast coastline.

We've all seen old and abandoned vessels in harbors around Alaska. Many of us have also seen rusted old vessels along our coastline, abandoned in public waters. These vessels are not just an eyesore. Fuel, hydraulic and engine oils, lead paints, copper-based antifouling paints and other toxic materials are usually always found onboard. When the vessels are compromised by fire, sinking, weather or other events those toxins end up in our waters. We know that even small amounts of hydrocarbons in the water can harm fish embryos and other aquatic life. Abandoned and derelict vessels are pollution spills just waiting to happen.

This past December we had just such an event occur here in Kachemak Bay. Two vessels, the F/V Kuperonoff and the F/V Leading Lady, sank in Jakolof Bay. Presumably taken down by heavy snow loads, these vessels sank with fuel on board and released diesel and other oils into the Bay – a Critical Habitat Area and home to over a dozen commercial oyster farms. The sinking of these two vessels has required local growers to undergo expensive testing for hydrocarbon compounds before their products can be sold again, and it's unclear at this point who is left with that bill. In a stroke of luck, probably due to the elevated status of Kachemak Bay as a CHA and aquaculture center, the Alaska Department of Natural Resources stepped up to the plate to remove both vessels. Why should this be considered a stroke of luck?

The US Coast Guard is able to mark abandoned and derelict vessels that are a navigational hazard and remove large abandoned barges in some circumstances. USCG is also concerned with abandoned and derelict vessels insofar as they present a pollution threat. Unfortunately the definition of a pollution threat stops at bulk fuels and other obvious sources of fuels and oils. It doesn't include lead paints, leaking engine oils, and other smaller and more persistent forms of pollution, not to mention the abandonment of substantial marine debris in public waters. If there is no one available to take ownership of vessels such as those recently sunk in Jakolof Bay, the Coast Guard can raise them, remove the bulk of the fuels and pollutants they find, and then leave them to sink again. Thankfully in the case of the Jakolof sinkings, the Alaska Dept. of Natural Resources stepped up to the plate. Through a myriad of bureaucratic paperwork the Dept. of Transportation transferred authority to DNR to take ownership of the vessels once they were raised by the Coast Guard. This allowed them to be towed into the Homer Harbor, where they waited for the next available tide to be hauled out to a local boatyard in January.

This incident highlights the fact that the state of Alaska currently lacks any coordinated plan of action for dealing with such vessels in state waters. Many coastal municipalities lack the legal framework within their municipal codes to navigate the seas of maritime law to effectively deal with these vessels. We can and should look to states like Washington, where the state has spent millions of dollars dealing with abandoned vessels on the coast, thus catalyzing legislative action to coordinate efforts and provide funding structures to address these real environmental and financial concerns. Cook Inletkeeper helped to move forward the introduction of House Bill 131, currently on the floor in Juneau. This bill will alleviate some of the legal hurdles that face our state agencies & municipalities when dealing with abandoned and derelict vessels, but it's really only a first step on a long road that lies ahead.

Alaska has enjoyed a relatively young fleet of actively working vessels. This is increasingly not the case as our fleet ages, and as we look ahead into the not-too-distant future we likely will be drowning (no pun intended) in derelicts. Not only a problem in our municipal harbors, these vessels are increasingly

littering our coastline and sharing the water with our fish and shellfish. Beyond HB131 we will continue working with stakeholders to develop ideas and actions to improve our ability to protect the marine environment and deal with these vessels in state and local waters. Stay tuned for more action on this issue from Cook Inletkeeper, Alaska Clean Harbors and many others from around the state.

*Rachel Lord is the outreach and monitoring coordinator at Cook Inletkeeper. She works with the Homer Port and Harbor to achieve the first Clean Harbor Certification in the state.*

*This commentary first appeared in the Homer Tribune and published here with permission. The views expressed here are the writer's own and are not necessarily endorsed by Alaska Dispatch, which welcomes a broad range of viewpoints. To submit a piece for consideration, e-mail commentary(at)alaskadispatch.com.*

About this  
Author

**Rachel Lord**

Rachel Lord is the outreach and monitoring coordinator at Cook Inletkeeper. She works with the Homer Port and Harbor to achieve the first Clean Harbor Certification in the state.

## Comments

this cycle over many decades, and some Alaska communities are in, or are starting, this process.

- From a national perspective, the center of shipbuilding is the Gulf Coast. Washington, Oregon and perhaps Alaska will continue to compete with other regions as growing Arctic traffic, new resource exploration, and an aging Alaska fleet present opportunities for the MIS sector.

### **Demand for New Construction and Major Vessel Projects**

Many vessels in the fleet are nearing the end of their useful life. By 2025, the Alaska fleet will include roughly 3,100 vessels between 28' and 59' that are more than 45 years old.

Older vessels can be found across the entire spectrum of Alaska's fleet, though the majority are commercial fishing vessels. Expected vessel replacement rates for commercial fishing boats vary widely depending on the type of boat.

The Alaska fleet also includes 75 passenger vessels, tugs, and barges over 50 years old—four of these are ferries operated by the State of Alaska. Two-thirds of these older vessels have wooden hulls, while the remainder are primarily steel.

**Table ES-3. Vessels 50 Years of Age or Older in the Alaska Fleet**

Vessel Type	Number of Vessels	Avg. Length (ft.)
<b>Vessels over 59' and 50 Years of Age or Older</b>		
Commercial Fishing (Steel)	88	144
Commercial Fishing (Wood)	98	81
Recreational	13	80
Passenger	20	131
Oil & Gas	3	192
Tugs & Freighters	25	85
Barges	30	129
Other	16	124
<b>Subtotal</b>	<b>293</b>	<b>100</b>
<b>Vessels 28'-59' and 50 Years of Age or Older</b>		
Commercial Fishing (28'-35')	138	32
Commercial Fishing (36'-49')	269	42
Commercial Fishing (50'-59')	123	56
All Other Types	54	43
<b>Subtotal</b>	<b>584</b>	<b>43</b>

Source: McDowell Group Alaska Fleet Vessel Database.

A variety of factors are at play when vessel owners consider if and when to invest in a new or substantially renovated boat. Two important factors affecting new vessel construction are government regulation (particularly fisheries management and Coast Guard regulations) and availability of suitable financing.

**Table ES-1. Alaska Fleet, Number of Vessels by Homeport and Type**

	Commercial Fishing	Recreation	Oil & Gas	Passenger & Cruise	Tugs & Freighters	Barges	Other	Total
<b>Alaska</b>	<b>5,326</b>	<b>1,338</b>	<b>114</b>	<b>519</b>	<b>134</b>	<b>107</b>	<b>122</b>	<b>7,660</b>
Southeast	2,237	533	9	259	66	68	49	3,221
PWS	590	237	53	54	8	2	14	958
Cook Inlet	866	466	35	153	21	12	31	1,584
Kodiak	450	27	0	23	1	0	11	512
BSAI	297	7	1	6	16	1	11	339
Bristol Bay	761	5	0	3	6	7	2	784
Northern	95	4	16	4	6	7	2	134
Interior	30	59	0	17	10	10	2	128
<b>Non-Alaska</b>	<b>1,128</b>	<b>84</b>	<b>21</b>	<b>38</b>	<b>2</b>	<b>1</b>	<b>36</b>	<b>1,310</b>
Washington	886	25	3	5	2	1	18	940
Oregon	147	8	4	0	0	0	4	163
California	45	17	6	0	0	0	10	78
Other	50	34	8	33	0	0	4	129
<b>AIS Vessels</b>	<b>35</b>	<b>118</b>	<b>17</b>	<b>19</b>	<b>160</b>	<b>N/A</b>	<b>97</b>	<b>446</b>
<b>Total</b>	<b>6,489</b>	<b>1,540</b>	<b>152</b>	<b>576</b>	<b>296</b>	<b>108</b>	<b>255</b>	<b>9,416</b>

Note: Vessels with AIS (Automatic Identification System) which did not show up in other vessel databases were included in the AIS category. It is assumed they are primarily owned by nonresident parties; however, they did spend at least some time in Alaska during 2013. Source: McDowell Group Alaska Fleet Vessel Database.

- This study identified just over 1,300 vessels homeported outside Alaska but active in Alaska area waters, mainly commercial fishing vessels. This includes 940 vessels based in Washington State, 163 based in Oregon, and 207 based elsewhere.
- The Alaska fleet includes 152 vessels engaged in supporting the oil and gas industry, including 114 vessels based in Alaska.
- An additional 446 vessels listed in the Marine Exchange's Automatic Identification System (AIS) but not found in other sources of Alaska fleet information are included. These vessels are assumed to be based outside Alaska.

### **Maritime Industrial Support Services and Infrastructure**

Alaska's maritime industrial support sector includes a diverse collection of businesses and organizations. In Alaska more than 800 firms scattered across 42 different business classifications offer services and supplies to vessel owners and operators. These firms and organizations are spread throughout coastal Alaska with the largest concentration in Southeast, Cook Inlet, and Kodiak. An interactive map displaying the following data in a finer detail can be found [here](http://dced.maps.arcgis.com/apps/Compare/storytelling_compare/index.html?appid=ed6a36169cca4ecab4778a5575e1c59).<sup>2</sup>

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<sup>2</sup>[http://dced.maps.arcgis.com/apps/Compare/storytelling\\_compare/index.html?appid=ed6a36169cca4ecab4778a5575ee1c59](http://dced.maps.arcgis.com/apps/Compare/storytelling_compare/index.html?appid=ed6a36169cca4ecab4778a5575ee1c59)

this cycle over many decades, and some Alaska communities are in, or are starting, this process.

- From a national perspective, the center of shipbuilding is the Gulf Coast. Washington, Oregon and perhaps Alaska will continue to compete with other regions as growing Arctic traffic, new resource exploration, and an aging Alaska fleet present opportunities for the MIS sector.

### **Demand for New Construction and Major Vessel Projects**

Many vessels in the fleet are nearing the end of their useful life. By 2025, the Alaska fleet will include roughly 3,100 vessels between 28' and 59' that are more than 45 years old.

Older vessels can be found across the entire spectrum of Alaska's fleet, though the majority are commercial fishing vessels. Expected vessel replacement rates for commercial fishing boats vary widely depending on the type of boat.

The Alaska fleet also includes 75 passenger vessels, tugs, and barges over 50 years old—four of these are ferries operated by the State of Alaska. Two-thirds of these older vessels have wooden hulls, while the remainder are primarily steel.

**Table ES-3. Vessels 50 Years of Age or Older in the Alaska Fleet**

Vessel Type	Number of Vessels	Avg. Length (ft.)
<b>Vessels over 59' and 50 Years of Age or Older</b>		
Commercial Fishing (Steel)	88	144
Commercial Fishing (Wood)	98	81
Recreational	13	80
Passenger	20	131
Oil & Gas	3	192
Tugs & Freighters	25	85
Barges	30	129
Other	16	124
<b>Subtotal</b>	<b>293</b>	<b>100</b>
<b>Vessels 28'-59' and 50 Years of Age or Older</b>		
Commercial Fishing (28'-35')	138	32
Commercial Fishing (36'-49')	269	42
Commercial Fishing (50'-59')	123	56
All Other Types	54	43
<b>Subtotal</b>	<b>584</b>	<b>43</b>

Source: McDowell Group Alaska Fleet Vessel Database.

A variety of factors are at play when vessel owners consider if and when to invest in a new or substantially renovated boat. Two important factors affecting new vessel construction are government regulation (particularly fisheries management and Coast Guard regulations) and availability of suitable financing.



## State of Alaska

Abandoned and Derelict Vessel (ADV)  
Legislative and Administrative Review - 2015

NOAA Marine Debris Region:  
Alaska



### Definition of a Vessel

Alaska state statutes define a "vessel" in the following manner under Alaska Stat. § 30.30.170:

**Vessel:** means every description of watercraft 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.

### Definition of an Abandoned and/or Derelict Vessel

Alaska laws do not provide an explicit definition for abandoned vessels but under Alaska Stat. § 30.30.020 a vessel is considered as abandoned if it:

"...has been left unattended for more than 30 consecutive days in the waters of the state or on public property or on private property without authorization of the owner or occupant of the property".

Alaska statutes define derelict vessels under Alaska Stat. § 30.30.090 as follows:

**Derelict Vessel:** A vessel that has been left unattended for more than 24 consecutive hours is a derelict if:

1. the vessel is sunk or in immediate danger of sinking, is obstructing a waterway, or is endangering life or property; or
2. the vessel has been moored or otherwise left in the waters of the state or on public property contrary to law or regulations adopted by a state agency or municipality or the vessel has been left on private property without authorization of the owner or occupant of the property, and if
  - A. the vessel's certificate of number or marine document has expired and the registered owner no longer resides at the address listed in the vessel registration or marine document records of a state agency or the United States Coast Guard;
  - B. the last registered owner of record disclaims ownership and the current owner's name or address cannot be determined;
  - C. the vessel identification numbers and other means of identification have been obliterated or removed in a manner that nullifies or precludes efforts to locate or identify the owner; or
  - D. the vessel registration records of a state agency and the marine document records of the United States Coast Guard contain no record that the vessel ever has been registered or documented, and the owner's name or address cannot be determined.

Alaska also provides a definition for derelict vessels in relation to Harbor and Harbor Facilities under Alaska Admin. Code tit. 17, § 80.110:

**Derelict Vessel:** means any boat berthed or otherwise located within the boundaries of any state harbor facility which has been or gives the appearance of being forsaken, abandoned, deserted or cast away, or which in the opinion of the commissioner is unsound, unseaworthy or



unfit for its trade or occupation or which by any substantial evidence of neglect may be considered abandoned.

**Formal State Program for Abandoned Vessels**

There is no formal state program in Alaska addressing abandoned or derelict vessels, but the state has enacted the Abandoned and Derelict Vessels Act (see Alaska Stat. § 30.30.010 - § 30.30.180). The State has established an ad-hoc ADV Task Force to bring together state and federal agencies, municipalities and other interested stakeholders to address ADV in a coordinated manner. State laws, which are administered by the Alaska's Department of Transportation and Public Facilities, include provisions for the designation, taking, notification and disposal of abandoned and derelict vessels.

Under State law it is unlawful to abandon any vessel in state waters. Pursuant to Alaska Stat. § 30.30.010a, a person may not store or leave a vessel in a wrecked, junked, or substantially dismantled condition or abandoned:

- 1) on the waters of the state or at a port or harbor of the state or a municipality without the consent of the state agency or municipality having jurisdiction over the water, port, or harbor; or
- 2) docked at any private property without the consent of the owner of the property.

It is also unlawful to store a vessel on waters of the state for more than 14 consecutive days if it has been denied entrance to a harbor by the state or municipality unless all hazardous materials and petroleum products have been removed (Alaska Stat. § 30.30.010(d)).

Pursuant to Alaska Stat. § 30.30.010(e), any person who abandons a vessel and violates this section can be charged with a misdemeanor, which is punishable by a maximum fine of up to \$500, or by imprisonment for a period not longer than six months, or both.

**Designation of Abandoned and/or Derelict Vessels**

There is no formal designation process in Alaska for vessels that are considered abandoned or derelict as long as they meet the definitional requirements outlined under the definitions section (above). However, this does not apply in all locations or circumstances. Pursuant to Alaska Stat. § 30.30.030, you are allowed to anchor, moor or leave a vessel in ports, harbors or the waters of the state in locations outside of organized municipalities where it has become customary or accepted to do so, as long as it does not threaten or obstruct navigation and permission to leave the vessel has been granted. It is also legal to store or leave an unattended vessel without permission for more than 30 days on public or private property, if climatic conditions make use of the vessel impracticable or existing laws preclude use of the vessel during that period of time.

**Responsibility for Removal of Abandoned or Derelict Vessels**

Any vessel that is designated an abandoned vessel "may be taken into custody by a state agency, municipality, or peace officer and disposed of by the state agency or municipality" (Alaska Stat. § 30.30.020).

Pursuant to Alaska Stat. § 30.30.020(b), derelict vessels can be removed from waters of the state under the authority of a state agency, municipality, or peace officer if the vessel obstructs or threatens to obstruct navigation, contributes to air or water pollution, or in any other way constitutes a danger or potential danger to the environment.

**Removal and Disposal Requirements/Guidelines**

When an abandoned vessel is taken into custody under Alaska Stat. § 30.30.020, a written notice must be immediately placed on the vessel and a duplicate must be sent by certified mail to the registered owners last known address and all known lease holders (Alaska Stat. § 30.30.040). The notice must contain:



- a brief description of the vessel;
- the location of custody;
- and the intended disposition of the vessel if not repossessed within 20 days after the mailing of the notice.

If the abandoned vessel is not repossessed by the owners within 20 days after the mailing of the notice, it can be disposed of by public auction, through oral tenders, or by sealed bids (Alaska Stat. § 30.30.050). Prior to disposing of the vessel a public advertisement must be posted once in a newspaper of general circulation, and the vessel cannot be auctioned until 5 days after the publication of the advertisement. If the vessel is not sold at auction it can be sold by negotiation, donated to a governmental agency, disposed of as junk or destroyed.

Pursuant to Alaska Stat. § 30.30.060, a person having an interest in an abandoned vessel may repossess it before the date of the public auction if they pay for all costs and fees associated with the taking, including those for port or harbor use fees, towing, handling, storage, appraisal, advertising, and any other expenses incurred by the state agency or municipality. If the person taking possession of the vessel is not the registered owner, in addition to paying all the costs and fees as stated above, they are also required to post adequate security, which can be as much as the vessel's appraised value. If not forfeited, the security deposit shall be returned to the person after one year.

Under Alaska Stat. § 30.30.070, a public auction is not required when the appraised value of an abandoned vessel is less than \$100. If the vessel is appraised at under \$100 by an independent and experienced appraiser then the state agency or municipality may sell the vessel by negotiation, dispose of it as junk, donate the vessel to a governmental agency, or destroy it after following the notification requirements outline under Alaska Stat. § 30.30.040. The transfer of interest by sale shall be evidenced by a bill of sale from the state agency or municipality (Alaska Stat. § 30.30.080).

Derelict vessels may be taken into custody immediately by a state agency, municipality, or peace officer or can cause it to be taken in custody pursuant to Alaska Stat. § 30.30.100(a). When a derelict vessel is taken into custody, the state agency or municipality shall concurrently

- 1) publish a notice of intended disposition once in a newspaper of general circulation;
- 2) when possible, post a notice of intended disposition on the vessel; and
- 3) serve a duplicate of the notice of intended disposition by certified mail, with a return receipt, on
  - A. the registered owner of the vessel, if known, at the registered owner's last known address or the address on record with a state agency or the United States Coast Guard; and
  - B. all lienholders who have filed a financing statement indexed in the name of the registered owner or who are shown on the records of a state agency or the United States Coast Guard.

If the derelict vessel is not repossessed within 20 days after the publication or mailing of the notice the vessel may be disposed of by negotiated sale, or when there are two or more prospective buyers the vessel will be sold at public auction to the highest bidder (Alaska Stat. § 30.30.0100(b)). If no buyer is identified, the vessel may be disposed of as junk, donated to a governmental agency, or destroyed (Alaska Stat. § 30.30.0100(c)).

### **Differences between Commercial and Recreational Vessel Treatment**

Alaska statutes do not distinguish between commercial and recreational boats for the purpose of designating a vessel as abandoned or derelict.

### **Vessel Size Requirements or Limits**

There are no vessel size limits or requirements for abandoned or derelict vessel declaration or removal under Alaska State Statutes.



**Funding Sources**

Because Alaska does not have a formal program in place for abandoned and derelict vessels, there is no dedicated funding source. The Department may recover some costs through the proceeds from the sale of derelict and abandoned vessels at public auction.

**Lead State Agency**

Alaska's Department of Transportation and Public Facilities is the lead agency with regards to abandoned and derelict vessels in the state.

Email: through website  
Telephone: 907-465-3911  
Website: <http://www.dot.state.ak.us/>

The ad-hoc Alaska ADV Task Force is currently an informal group of stakeholders working to improve coordination for addressing ADV and identifying long-term needs for prevention and effective management of ADV around Alaska. For more information you can contact Rachel Lord at InletKeeper.org.

Email: [rachel@inletkeeper.org](mailto:rachel@inletkeeper.org)  
Telephone: 907-235-4068 ext. 29  
Website: <http://alaskacleanharbors.org/resources/harbor-management/derelict-vessels/>

Alaska's Department of Natural Resources has an interest in addressing abandoned and derelict vessels, but does not have any enforcement authority.

Email: [dnr.pic@alaska.gov](mailto:dnr.pic@alaska.gov) or [fbx-pic@alaska.gov](mailto:fbx-pic@alaska.gov)  
Telephone: 907-269-8400  
Website: <http://dnr.alaska.gov/>

**Insurance Requirements for Vessels**

Boat insurance is not required in the State of Alaska.

**Specific Location Factors, Limitations and Additional Information**

Alaska also has statutes that pertain explicitly to vessels abandoned at vessel repair businesses. When a vessel is abandoned on the premises of a vessel repair business, the owner of the business or the business owner's authorized representative may sell or dispose of the vessel (Alaska Stat. § 30.30.0110).

Pursuant to Alaska Stat. § 30.30.120, a vessel is considered abandoned on the premises of a vessel repair business when all of the following conditions have been satisfied:

- 1) the service requested or required by a person whose vessel is towed or brought to a vessel repair business, including but not limited to towing and rendering estimates of the cost of repairs, has been performed;
- 2) no authorization is given to perform any further service with respect to the vessel, but the vessel is left on the repair business premises;
- 3) the owner of the repair business or the business owner's authorized representative has given notice by registered or certified mail, with a return receipt, to the registered owner of the vessel at the address on record at the vessel repair business and the address on record in a state agency or the United States Coast Guard, and to any person with a recorded interest in the vessel, stating that, if the vessel is not repossessed within 30 days after the mailing of the notice, it will be sold or disposed of; the notice also must contain a description of the vessel and its location, and it need not be sent to an owner or a person with an unrecorded interest in the vessel whose name or address cannot be determined; and



- 4) the vessel is not repossessed within the 30-day period specified in (3) of this section.

The owner of the vessel repair business in possession of the abandoned vessel, or the business owner's authorized representative, is required to post one public advertisement in a newspaper of general circulation in the state (Alaska Stat. § 30.30.130). After five days from the date of the posting the business owner or authorized representative may negotiate a sale of the vessel or dispose of it.

Under Alaska Stat. § 30.30.140, the authorized seller of the abandoned vessel is entitled to the proceeds of the sale in an amount that covers the services rendered with respect to the vessel and any reasonable and customary charges for towing, handling, storage, and the cost of the required notices and advertising. Any proceeds remaining are distributed first, to any lienholder(s) to cover the extent of the lien and then to the registered owner of the vessel. If the registered owner cannot be found the remaining balance shall be deposited with the commissioner of administration. However, the commissioner is required to return the remaining proceeds to the registered owner if they file a proper claim within one year from the execution of the sale agreement. If no claim is made within that year, the money shall escheat to the state.

Derelict vessels are also addressed under State administrative codes for Harbors or Harbor Facilities. The definition of a state harbor facility is provided under Alaska Admin. Code tit. 17, § 80.110:

**State Harbor Facility:** means any float, grid, dock, launching ramp, approach, piling, dolphin, buoy, breakwater, dredged basin or channel, navigation aid, and appurtenances constructed or operated by the State of Alaska, including an area extending a reasonable distance from each of these structures to permit unobstructed maneuvering and safe navigation

Pursuant to Alaska Admin. Code tit. 17, § 80.070 derelict vessels that are found in any state harbor facilities are considered a nuisance and subject to removal by the State when they are:

- maintained in such manner as to make them liable to sinking;
- maintained in a manner to constitute a fire hazard to other boats or otherwise damage the harbor facilities;
- or sunken.

Any vessel in a state harbor facility which is derelict, abandoned, or declared to be a public nuisance may be impounded, removed, sold, or otherwise disposed under Alaska Admin. Code tit. 17, § 80.080 as follows:

- 1) immediately upon determination that a boat is derelict or a public nuisance, the commissioner shall notify the owner, master, or managing agent of the boat, at his last known address, of the intent to impound, remove, sell or otherwise dispose of the boat;
- 2) any boat impounded or removed shall be subject to and liable for storage charge of \$20 per month and costs incurred by reason of the impounding or removal;
- 3) any boat impounded or removed shall be held by the commissioner for a period of not less than 30 days after which time the commissioner may destroy, sell, or otherwise dispose of the boat; proceeds from sale of the boat shall be first applied to the costs of conducting the sale, impounding, removal, berthing and service fees accrued, and the balance held in trust for the owner to claim; and if not claimed within two years, the balance shall be deposited in the state general fund;

In addition, if an owner, master or managing agent fails to pay any designated berthing fees, as provided under Alaska Admin. Code tit. 17, the vessel shall be presumed to be abandoned (Alaska Admin. Code tit. 17, § 80.080-4).



## Alaska ADV Legislative and Administrative Review 2015

### **Prioritization Scheme**

Alaska does not have a prioritization scheme for the removal of abandoned or derelict vessels defined under state statutes.

### **Legislation and Administrative Codes**

The laws and administrative codes referenced in this document can be accessed from:

Alaska Statutes (2014):

<http://www.legis.state.ak.us/basis/statutes.asp>

Alaska Administrative Code (2014):

<http://www.legis.state.ak.us/basis/aac.asp>

These Legislative and Administrative Reviews are intended for informational purposes only. They are summaries and not meant to be legal references, and should not be used as such. See the official state statutes and administrative codes for current state laws and rules and regulations for any legal references.

Representative Seaton –

I am the Harbormaster for the City of Cordova and on the board of directors for the Alaska Association of Harbormasters & Port Administrators (AAHPA) ([www.alaskaharbors.org](http://www.alaskaharbors.org)).

In Jan 2018 the Cordova City Council unanimously approved resolution 1-18-04 in support of SB92. I respectfully request your support of HB386 in replacement of SB92 which virtually contains the same content.

As you may recall Cordova has dealt with the issue of a derelict vessel (The Sound Developer) sinking within the Cordova Harbor and this vessel sinking ended up being very expensive to clean up. As you know many other locations throughout our beautiful state have felt a much larger impact from derelict and abandoned vessels. That being said I am in full support of HB386 bill that will help the Ports and Harbors from around Alaska with the very real problem of derelict vessels.

I realize this issue has been discussed at lengths and can be a sensitive subject but to ALL of the members of the AAHPA so is abandoning vessels on State of Alaska waterways and in the harbors that are owned by the municipalities.

I would strongly urge you to support HB386 to improve accountability and enforcement to help stop the dumping of old boats on public waters across Alaska.

Respectfully

Tony Schinella  
Harbormaster  
City of Cordova  
PO Box 1210  
Cordova, Alaska 99574  
Phone: 907-424-6400  
Direct: 907-424-6279  
Fax: 907-424-6446  
Email: [harbor@cityofcordova.net](mailto:harbor@cityofcordova.net)

**From:** Dillingham City Harbor [mailto:[harbor@dillinghamak.us](mailto:harbor@dillinghamak.us)]  
**Sent:** Friday, February 23, 2018 3:28 PM  
**To:** Rep. Paul Seaton <[Rep.Paul.Seaton@akleg.gov](mailto:Rep.Paul.Seaton@akleg.gov)>; Patricia Nickell-Zimmerman <[Patricia.Nickell-Zimmerman@akleg.gov](mailto:Patricia.Nickell-Zimmerman@akleg.gov)>  
**Cc:** AAHPA Board <[board@alaskaharbors.org](mailto:board@alaskaharbors.org)>  
**Subject:** House bill 386

Representative Seaton –

I am the Port Director for the City of Dillingham and a Director on the board of the Alaska Association of Harbormasters & Port Administrators (AAHPA) ([www.alaskaharbors.org](http://www.alaskaharbors.org)).

I respectfully ask for your support of **HB386** in replacement of SB92.

Fortunately for Dillingham and the waterways that surround us which include the Nushagak and Wood river drainages we are not as affected by derelict and abandoned vessels as other areas of our great state, this being said I am still in full support this bill that will help the Ports and Harbors from around Alaska with the very real problem of derelict vessels.

I understand that this issue has been heavily discussed and is a very delicate and complicated topic but to ALL of the members of the AAHPA so is abandoning vessels on State of Alaska waterways and in the harbors that are owned by the municipalities and then expecting the vessels to just go away, someone will be held accountable for these vessels and unfortunately it seems to fall on the shoulders of the various ports and harbors.

I strongly urge you to support **HB386** to improve accountability and enforcement to help stop the dumping of old boats on public waters across Alaska.

Respectfully

Jean Barrett  
Port Director  
Public Works Director  
City of Dillingham  
907-842-1069 office  
907-843-1379 cell  
[harbor@dillinghamak.us](mailto:harbor@dillinghamak.us)

RE. HB386

My name is Bryan Hawkins and I am the Port Director and Harbormaster for the City of Homer Alaska. I have been in management of the City's port and harbor for the past 14 years and prior to that I worked as a commercial Fisherman and Captain for hire in Alaska for 22 years. I am Vice President for the Alaska Association of Harbormasters and Port Administrators and I'm writing in support of HB386 on behalf of the City of Homer's Port and Harbor and for AAHPA. I remember Homer Harbor just a few years ago when we had 16 large (80' up to 167') derelict vessels in our harbor and a 450' by 50' derelict barge dumped on our beach. Many of our customers complained because they had to work around and over these vessels that never moved, which further increased our congestion issues causing our customers risk and inconvenience. Derelict vessels are a burden wherever they end up, but in a busy harbor the truth is they cause viable operations to seek moorings elsewhere.

I remind folks all the time that harbors are for working vessels, that's how and why we justified the expense of building them in the first place. Every active vessel contributes to the economy no matter what their occupation, the key word being active. In my opinion harbors are not museums or warehouses for "get to it someday" projects. Harbors are for working vessels that are actively engaged in their occupations whether that be a commercial vessel creating commerce up and down the coast, or as a recreational boats giving residents and visitors access to our amazing waterways.

Boats can last for generations if they're maintained but the truth is that most aren't and so they don't. The question then, is what do we do when we have a vessel that no longer has any commercial value left in it? I can tell you that currently in Homer the plan is don't get stuck with it. I call that the hot potato management plan for derelict vessels and that is one of the main issues. These vessels get pushed around from facility to facility, State to State, and more and more end up dumped on public lands causing a huge civic burden. We are vulnerable; we have seen repeatedly with current State Law, the burden for disposal and cleanup of a derelict vessel fall on the public.

Does HB386 solve all these issues?

No, but HB386 does set us on a good course by:

- Comprehensively addressing the statewide and increasing problem of derelict and abandoned boats along our coast and rivers.
- Uses common sense and protects our state waters, our harbors, and responsible boat owners, and holds people accountable who try to walk away from old, risky boats.
- Streamlines derelict vessel response and prevention, increasing efficiency and improving communication between local, state and federal partners.
- Sets the stage for pro-active work to encourage hauling, scrap and salvage opportunities to address the real need to dispose of old boats when they are no longer economical to operate and before they are abandoned or sunk.

- Protects Alaska. It provides greater security to boat owners, protects local communities and the state, and holds those who abandon their boats accountable.

Thank you for taking the time to learn about the issues surrounding the derelict vessel problem in Alaska. Status quo management will no longer work; I am convinced that change to our laws must happen. The responsibility of ownership of any vessel should always fall to the owner not the public, and that in my opinion is the main goal of this legislation.

If you have any questions please do not hesitate to call on me.

Thank you for your service to our great state,

Bryan Hawkins  
Port Director/Harbormaster



Homer Port & Harbor  
4311 Freight Dock Road  
Homer, AK 99603  
(907)-235-3160 ext. 6203  
[bhawkins@ci.homer.ak.us](mailto:bhawkins@ci.homer.ak.us)

**Subject: Support for HB386 - Abandoned & Derelict Vessels**

Dear Representative Seaton,

I am the Juneau Port Director ([www.juneau.org/harbors](http://www.juneau.org/harbors)) and the President of the Alaska Association of Harbormasters & Port Administrators ([www.alaskaharbors.org](http://www.alaskaharbors.org)). I respectfully ask your support of **HB386** and welcome any opportunity to discuss the Abandoned & Derelict Vessel (ADV) challenges with you or your staff. I would be pleased to provide a brief Juneau harbor tour to you (or your staff) demonstrating the condition of a "typical derelict vessel".

One recent example of the need to address ADV comes in the form of a social media post which criticized my (and Coast Guard) handling of pleasure crafts which sank at anchor in Auke Bay (Juneau):

Coast Guard was called several times by at least three residents on Fritz Cove providing the name, numbers, and place where it was registered. Sadly we watched (after reporting it) for over a week as it lowered in the water. It sank last evening. This is the second boat of this size that has *gone down here in Auke Bay. Another is anchored next to our expensive "no wake zone" buoy, and often bounces on and off the buoy. Neither the CBJ Docks and HARBORS or the Coast Guard are acting on removing the unkept vessels before our tax dollars are then spent to raise, haul and remove the vessels and their fuel issues. Is Auke Bay going to become a graveyard for derelict vessels? Does this concern anyone else?*

I responded to the above by posting:

1. Docks & Harbors wholly and categorically rejects the assertion "Neither the CBJ Docks and HARBORS ... are acting on removing the unkept [sic] vessels before our tax dollars are then spent to raise, haul and remove the vessels and their fuel issues."
2. I have informed Auke Bay residents, including the author of the post, that there is not a single entity (i.e. a Water Czar) responsible for all activities in Auke Bay – nor should there be. There are regulatory authorities granted to each level of government – federal, state and local which complement these authorities. The unchecked concentration of a centralized authority to administer the will of certain citizens would not be in the best interest of individual rights or liberty. Generally speaking: Docks & Harbors is responsible for vessels moored in the harbors and anchored on the limited CBJ submerged lands; DNR is responsible for vessels anchored on state submerged/tidal lands (which is the vast majority of the State); the Coast Guard is responsible for safety and prevention of pollution for vessels (typically underway).
3. That said, Docks & Harbors has been extremely proactive (to a fault by some members in the community) in enforcing rules governing derelict and potentially derelict vessels in our CBJ harbors. In the past 3 years, we have impounded in excess of 50 vessels and demolished in excess of 30 vessels, the majority at considerable expense. Docks & Harbors has also drafted regulations to address anchoring on CBJ submerged lands.
4. An unintended consequence of policing our harbors is that some irresponsible owners will seek to scuttle vessels in lieu of doing the right thing. When vessels leave the CBJ harbors, as the author alludes to, some ends up on DNR submerged properties. There are no financial resources or laws available in Alaska to DNR (or the CG) to prevent derelict or potentially derelict vessels from relocating to other jurisdictions.
5. There is State Legislation to address Derelict & Abandoned Vessels (SB92), which Docks & Harbors, the Assembly and the Alaska Association of Harbormasters has urged support for. I

hope the Auke Bay coastal community will support and back this legislation:  
<http://www.alaskaharbors.org/resources/Documents/SB92%20Briefing.pdf>  
<http://www.alaskaharbors.org/Derelict-Vessels>  
<http://alaskacleanharbors.squarespace.com/derelict-vessels/>  
[http://www.adfg.alaska.gov/index.cfm?adfg=wildlifeneews.view\\_article&articles\\_id=846](http://www.adfg.alaska.gov/index.cfm?adfg=wildlifeneews.view_article&articles_id=846)

As you can see, this is a complicated issue to address. However, it is indisputable that Alaska's derelict vessel laws are outdated and ineffective. I urge you to support HB386 to improve accountability and enforcement to help stop the dumping of old boats on public waters across Alaska.

Sincerely,



**Carl Uchytel, P.E.**

**Port Director**

155 S. Seward Street

Juneau, Alaska 99801

907-586-0294

907-586-0295 (fax)

Please take our short facility survey:

<http://tinyurl.com/zirtsug>

Presented by: The Manager  
Introduced: 12/19/2016  
Drafted by: A. G. Mead

## **RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Serial No. 2778**

### **A Resolution in Support of Proposed Changes to Alaska Statute Chapters 30.30 and 05.25 Relating to Improving the Management and Prevention of Derelict Vessels.**

**WHEREAS, hundreds of derelict vessels currently litter Alaska's coastline and harbors; and**

**WHEREAS, these numbers will increase every year unless action is taken to address aging fleets and changing commercial fisheries; and**

**WHEREAS, in the past year alone there have been numerous derelict vessel situations that have cost the state, municipalities, and the federal government considerable expense, including incidents involving two ex-Navy tugs in Adak, abandoned barges in Steamboat Slough near Bethel, and the Challenger tug off Juneau; and**

**WHEREAS, the Assembly of the City and Borough of Juneau recognizes the widespread costs and the environmental and navigational risks associated with derelict vessels; and**

**WHEREAS, neighboring states have dramatically strengthened their laws in the past five years to better prevent, track, and manage derelict vessels, including raising fees to support the management of derelict vessels and requiring vessel insurance; and**

**WHEREAS, in 1990, the Alaska legislature passed a resolution acknowledging the need to better understand and address the existing and growing problem of derelict vessels around the state; and**

**WHEREAS, the State of Alaska's current statutory scheme regarding derelict vessels is outdated and lacks the ability to track vessel owners, agency enforcement authority, statewide coordination of response, funding, or vessel insurance requirements; and**

**WHEREAS, in 2013, the Alaska Clean Harbors program convened an ad-hoc derelict vessel task force at the urging of the Association of Harbormasters and Port Administrators, which included representatives from state and federal agencies as well as the Alaska Association of Harbormasters and Port Administrators, regional tribal representatives, federal and state legislative offices, and private industry; and**

WHEREAS, over the course of nine full-day meetings, the task force developed thoughtful, robust, and meaningful proposed revisions to Alaska Statute Chapters 30.30 and 05.25 designed to help all stakeholders around the state, including harbor facilities, better address and prevent derelict vessels; and

WHEREAS, these proposed changes would better protect harbor infrastructure; keep valuable moorage space in harbors available; and prevent economic, environmental, and navigational hazards; and

WHEREAS, the proposed changes would improve communication and coordination between Alaska's harbors and state and federal agencies, directly leading to decreased costs associated with managing derelict vessels.

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

**Section 1.** The Assembly of the City and Borough of Juneau fully supports the passage of all proposed revisions to Alaska Statute Chapters 30.30 and 05.25.

**Section 2. Effective Date.** This resolution shall be effective immediately after its adoption.

Adopted this 19<sup>th</sup> day of December, 2016.

  
\_\_\_\_\_  
Kendell D. Koelsch, Mayor

Attest:

  
\_\_\_\_\_  
Laurie J. Sica, Municipal Clerk

**CITY OF SEWARD**

P. O. Box 167  
410 Adams Street  
Seward, Alaska 99664



Harbor Department  
907.224.3138 907.224.7187 fax  
harbormaster@cityofseward.net

February 23, 2018

Rep. Paul Seaton  
State Capitol Room 505  
Juneau AK, 99801

Representative Seaton:

On behalf of the City of Seward, and the Harbormaster's office, I would like to stress our support of HB386. In November of 2017, Seward City Council unanimously passed a resolution in support of an act relating to abandoned and derelict vessels.

Abandoned and derelict vessels are a problem for many Alaska harbors and water ways. Derelict or abandoned vessels are not only an eyesore, but can be a hazard to navigation.

These vessels can pose a significant threat to natural resources destroying sensitive marine and coastal habitats and leaking fuel and other toxic chemicals further endangering our harbors. Seward Boat harbor worked very hard to become a Certified Alaska Clean Harbor in 2012 and we support HB386 increasing our ability to deal with abandoned and derelict vessels that threaten our waterways.

Regards,

Melody Moline  
Seward Harbormaster, Acting

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: HB 386  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB386-DEC-SPAR-02-26-2018  
Title: VESSELS: REGISTRATION/TITLES; DERELICTS  
Sponsor: SEATON  
Requester: House Fisheries Committee

Department: Department of Environmental Conservation  
Appropriation: Spill Prevention and Response  
Allocation: Spill Prevention and Response  
OMB Component Number: 3094

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates					
			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>								
Personal Services								
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous								
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time								
Part-time								
Temporary								

**Change in Revenues**

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2019) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version/comments:**

Not applicable, initial version.

Prepared By: <u>Kristin Ryan, Director</u>	Phone: <u>(907)269-7604</u>
Division: <u>Spill Prevention and Response</u>	Date: <u>02/26/2018</u>
Approved By: <u>Alice Edwards, Deputy Commissioner</u>	Date: <u>02/26/18</u>
Agency: <u>Department of Environmental Conservation</u>	

**FISCAL NOTE ANALYSIS**

**STATE OF ALASKA  
2018 LEGISLATIVE SESSION**

**BILL NO.** HB 386

**Analysis**

House Bill 386 improves the State's ability to address derelict vessels, a frequent problem in Alaska, and establishes a fund to support these efforts. The Department of Environmental Conservation is often called to respond to derelict vessels due to the potential release of oil or other hazardous materials. This bill does not affect the Department's ability to respond or assist with the clean up of hazardous materials. The Department already has statutory authority to recover the cost of that response and clean up from the responsible party.

This bill has no fiscal impact to the Department.

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: HB 386  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB386-DNR-MLW-02-28-18  
Title: VESSELS: REGISTRATION/TITLES; DERELICTS  
Sponsor: SEATON  
Requester: House Fisheries

Department: Department of Natural Resources  
Appropriation: Fire Suppression, Land & Water Resources  
Allocation: Mining, Land & Water  
OMB Component Number: 3002

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>	<b>FY 2019</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Fund Source (Operating Only)**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

None							
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2019) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/19

**Why this fiscal note differs from previous version/comments:**

Updated to better describe the flow of money between the new fund and the department
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Prepared By: <u>Brent Goodrum, Director</u>	Phone: (907)269-8625
Division: <u>Mining, Land and Water</u>	Date: 02/28/2018 03:30 PM
Approved By: <u>Andrew T. Mack, Commissioner</u>	Date: 02/28/18
Agency: <u>Department of Natural Resources</u>	

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. HB386

### Analysis

HB386 would expand the duties and powers of the department, to include the impoundment of derelict vessels and to create programs that educate and incentivize compliance with the bill. The bill also creates a new fund to provide a source from which the department may reimburse state agencies and municipalities for expenses related to the removal of derelict vessels from waters of the state and from state or municipal property, and to pay for development and implementation of programs. Money that is appropriated to this new fund may be used without further appropriation, per section 23 of the bill. Therefore, any fiscal impacts borne by the department will be paid for by the fund, and there will be no further fiscal impact on the department.

As such, the department will only pursue the impoundment or removal of derelict vessels from state water or lands, create and implement programs related to derelict vessels, and reimburse municipalities for expenses related to the removal of derelict vessels from municipal lands, to the extent that money is available in the fund.

The department will be required to update regulations related to AS 30.30, which can be absorbed under an existing RSA with the Department of Law.

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: HB 386  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB386-DOA-DMV-03-03-18  
Title: VESSELS: REGISTRATION/TITLES; DERELICTS  
Sponsor: SEATON  
Requester: (H) FSH

Department: Department of Administration  
Appropriation: Motor Vehicles  
Allocation: Motor Vehicles  
OMB Component Number: 2348

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>	<b>FY 2019</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
Personal Services							
Travel							
Services	65.0		50.0	50.0	50.0	50.0	50.0
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>65.0</b>	<b>0.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>

**Fund Source (Operating Only)**

1216 Boat Rcpts (DGF)	65.0		50.0	50.0	50.0	50.0	50.0
<b>Total</b>	<b>65.0</b>	<b>0.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>	<b>50.0</b>

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

1250 UGF Rev (UGF)	3.0		86.0	86.0	***	***	***
1251 Non-UGF (Other)	226.7		453.3	453.3			
<b>Total</b>	<b>229.7</b>	<b>0.0</b>	<b>539.3</b>	<b>539.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 *(separate supplemental appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**Estimated CAPITAL (FY2019) cost:** 0.0 *(separate capital appropriation required)*  
*(discuss reasons and fund source(s) in analysis section)*

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/21

**Why this fiscal note differs from previous version/comments:**

Updated calculations for FY19 costs, changes in revenues.

Prepared By: Marla Thompson, Director Phone: (907)269-5574  
Division: Motor Vehicles Date: 03/01/2018 02:00 PM  
Approved By: Leslie Ridle, Commissioner Date: 03/01/18  
Agency: Department of Administration

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. SB 92

### Analysis

HB 386 amends AS 05.25.055 to require boats that do not meet exemption specifications to be titled, registered, and numbered. DMV does not currently title boats and would need to adopt regulations and program our software to address this new procedure. HB 386 will also increase the price of a motorized boat three year registration period to \$30, add a \$20 fee for boat titles or duplicate titles and a \$75 fee for registration of a barge.

#### **Cost to DMV:**

Based on similar experience implementing new requirements, DMV estimates 400 hours of programming time will be needed to analyze, program, add, and test the new functionality of issuing boat titles in the Alaska Licensing and Vehicle Information Network program, at a contractor cost of \$100/hr.

Start-up costs: 400 hrs x \$100/hr = \$40,000

Based on prior experience with title and registration disputes, DMV requests an increment of \$50,000 for increased attorney fees related to boat title disputes for future years.

FY19 costs: \$40,000 + \$25,000 (half-year of attorney costs) = \$65,000, FY20 - FY24 costs: \$50,000

#### **Additional information**

In FY2017 a total of \$525,648 in boat registration fees were collected. Annually DMV transfers revenue appropriated to the following departments:

- The Department of Natural Resources - maximum of \$300,000/year
  - The Department of Commerce, Community and Economic Development - maximum of \$196,900/year
- Any excess revenue collected lapses to the general fund.

#### **Generated Revenue** (Note: 1/1/19 effective date results in half expected revenue for FY19)

##### Title Fees

There are over 68,000 motorized boats registered in the State of Alaska. A title fee of \$20 would generate approximately \$1.36 million. Due to the three-year registration period, approximately \$453,340 in revenue for titling would be generated in each year, with the exception of FY19, which will only generate one-half of one year's revenue because of the 1/1/19 effective date.

Once currently registered boats are titled, the only time a title will change is when a boat is bought or sold. DMV does not have a mechanism to estimate future boat sales.

Title fees are reflected as non-UGF revenues and will be appropriated to the new Derelict Vessel Prevention Program Fund (see fund capitalization fiscal note).

##### Increased Registration Fee

The increase of the current three year boat registration fee from \$24 to \$30 will result in additional revenue of \$408,000 over a three year span. ( $\$6 \times 68,000 = \$408,000$  / 3 year registration = \$136,000 yearly for FY20-FY21,  $\$136,000 / 2 = \$68,000$  for FY19)

The increased registration fees will be used to offset the increased costs to DMV resulting from this legislation, and the remainder will lapse to the general fund, shown on page 1 as UGF revenue. (FY19:  $\$68,000 - \$65,000 = \$3,000$ , FY20-FY21:  $\$136,000 - \$50,000 = \$86,000$ )

Future titling revenue would be based on new and used boat sales and can't be estimated; therefore, the agency submits an "indeterminate revenue" fiscal note for FY22-FY24.

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: HB 386  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: HB386-DNR-DVP-02-28-18  
Title: VESSELS: REGISTRATION/TITLES; DERELICTS  
Sponsor: SEATON  
Requester: House Fisheries

Department: Fund Capitalization  
Appropriation: Fund Capitalization (no approps out)  
Allocation: Derelict Vessel Prevention Program Fund  
OMB Component Number:

## Expenditures/Revenues

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2019 Appropriation Requested	Included in Governor's FY2019 Request	Out-Year Cost Estimates					
			FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
<b>OPERATING EXPENDITURES</b>								
Personal Services						***	***	***
Travel								
Services								
Commodities								
Capital Outlay								
Grants & Benefits								
Miscellaneous	226.7		435.3	435.3				
<b>Total Operating</b>	<b>226.7</b>	<b>0.0</b>	<b>435.3</b>	<b>435.3</b>		<b>***</b>	<b>***</b>	<b>***</b>

## Fund Source (Operating Only)

1216 Boat Rcpts (DGF)	226.7		435.3	435.3				
<b>Total</b>	<b>226.7</b>	<b>0.0</b>	<b>435.3</b>	<b>435.3</b>		<b>***</b>	<b>***</b>	<b>***</b>

## Positions

Full-time								
Part-time								
Temporary								

## Change in Revenues

None								
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Estimated SUPPLEMENTAL (FY2018) cost:** 0.0 (separate supplemental appropriation required)  
(discuss reasons and fund source(s) in analysis section)

**Estimated CAPITAL (FY2019) cost:** 0.0 (separate capital appropriation required)  
(discuss reasons and fund source(s) in analysis section)

## ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes  
If yes, by what date are the regulations to be adopted, amended or repealed? 12/31/19

## Why this fiscal note differs from previous version/comments:

Initial version.

Prepared By: Fabienne Peter-Contesse, Director  
Division: Support Services  
Approved By: Andrew T. Mack, Commissioner  
Agency: Department of Natural Resources

Phone: (907)465-2422  
Date: 02/28/2018 12:00 PM  
Date: 02/28/18

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. HB 386

**Analysis**

HB 386 adds a new section 23 to AS 30.30.090 Derelict Vessels which creates the derelict vessel prevention program fund. The funds do not lapse, and may be used by the Department of Natural Resources for the purposes of the fund without further appropriation. The funding mechanism under this section identifies two new revenue sources from barge registrations and boat titling.

Section 6 of the bill amends AS 05.25.096, and requires the Department of Administration to account for these new fees for the purpose of carrying out the derelict vessel program. These new fees are estimated to generate \$226,650 in the first half-year of the program and \$453,340 per year for the next two years.

The fund consists of money appropriated to the fund, including donations, money received from the sale of a vessel under this legislation, income from the fund and other program receipts, money collected under AS 05.25.096 (a)(5) and (6) and civil penalties collected under AS 30.30.015.