

**SB**

**92**

<TARGET><BILL>SB 92</BILL><SUBJECT>SB  
92</SUBJECT><COMM>SRES30</COMM></TARGET>

# Senator Peter A. Micciche

*Alaska State Legislature*

**Session Address:**

Alaska State Capitol, Rm. 508  
Juneau, Alaska 99801-1182  
Phone: (907) 465-2828  
Toll Free: (800) 964-5733



**Interim Address:**

145 Main Street Loop, Ste. 226  
Kenai, Alaska 99611-7771  
Phone: (907) 283-7996  
Fax: (907) 283-8127

## Sponsor Statement

### SB92: Derelict Vessels Act

Alaska has become home to an ever-aging fleet of vessels. These vessels have become uneconomical to operate and therefore remain moored in public harbors or grounded in State tidelands. We have an increasing number of derelict and abandoned vessels throughout Alaska's coast and rivers, with hundreds currently documented. There are over 40 large abandoned barges in Steamboat Slough (Bethel) alone. SB92 will provide a program with a clear, pro-active strategy for responding to derelict vessels in public waters. Without action the state of Alaska and its citizens will bear the brunt of not only our own aging fleet, but also of vessels coming north for unencumbered disposal.

A report titled *Trends and Opportunities in the Alaska Maritime Industrial Support Sector* (2014) noted "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..." While this represents a field of opportunity for shipbuilders, it fails to recognize the absence of a cradle-to-grave plan for thousands of retired vessels. SB92 is a critical step towards preventing and managing derelict vessels throughout Alaska.

This bill balances the public's rights and freedoms of vessel ownership with the substantial financial, environmental and navigational burden when vessels are abandoned in state waters. SB92 raises the bar of vessel ownership similar to the responsibility of owning and operating a motor vehicle, with more consistent registration requirements, a titling system for documenting transfer of ownership and an insurance requirement for vessels engaged in commercial endeavors for over 90 days annually in Alaska.

SB92 also updates and improves due process for vessel owners and clarifies the impoundment process for agencies and municipalities. It allows for actual enforcement of Chapter 30.30 through civil actions as well as increased penalties in criminal proceedings. SB92, takes a critically-important step forward to address the current and growing derelict vessel problem in Alaska.

30-LS0481J  
Bruce  
2/7/18

**CS FOR SENATE BILL NO. 92( )**  
**IN THE LEGISLATURE OF THE STATE OF ALASKA**  
**THIRTIETH LEGISLATURE - SECOND SESSION**

**BY**

**Offered:**  
**Referred:**

**Sponsor(s): SENATOR MICCICHE**

**A BILL**  
**FOR AN ACT ENTITLED**

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

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

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

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

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

1 (f) Unless otherwise provided by this chapter, [OR UNLESS THE OWNER  
2 HAS BEEN AWARDED A CURRENT, VALID ALASKA CERTIFICATE OF  
3 NUMBER FROM THE UNITED STATES COAST GUARD,] the owner of a boat for  
4 which a current certificate of number has been awarded under federal law or a  
5 federally approved numbering system of another state shall apply for a certificate of  
6 number in this state as required by this chapter if the boat is operated on water of the  
7 state for more than 90 consecutive days or if the boat is a barge and is operated on  
8 water of the state for more than 60 consecutive days. If a boat has an existing  
9 number, the owner may request that the department issue the same number for  
10 purposes of this section, and the department shall comply with the request unless  
11 compliance would result in a duplication of numbers.

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

13 (i) The following boats are exempt from the numbering and registration  
14 provisions of this section:

15 (1) a boat that

16 (A) is not a barge;

17 (B) is operated in this state for a period not exceeding 90  
18 consecutive days; and

19 (C) [THAT] has a current, valid certificate of number issued by  
20 another state having a federally approved numbering system;

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

23 (3) a boat owned by the United States or an entity or political  
24 subdivision of the United States, or a boat owned by a state or an entity or political  
25 subdivision of a state;

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

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

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

31 (7) a boat that

1                    (A) is a barge;

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

4                    (C) has a current, valid certificate of number issued by  
5                    another state having a federally approved numbering system.

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

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

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

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

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

17                    (b) A person who violates AS 05.25.010(d)<sub>2</sub> [OR] 05.25.020(b), or 05.25.055  
18 is guilty of a violation, as defined in AS 11.81.900, and may be fined up to \$50.

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

20                    **Sec. 05.25.096. Fees.** (a) The Department of Administration shall assess the  
21 following fees:

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

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

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

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

28                    (5) barge registration, registration renewal, and transfer of  
29 registration, \$75 for a three-year period;

30                    (6) boat title and duplicate boat title, \$20.

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

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

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

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

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

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

12 (A) a ship's lifeboat;

13 (B) a seaplane;

14 (C) an inspected passenger vessel; and

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

16 (6) "boat dealer" means a person engaged wholly or in part in the  
17 business of selling or offering for sale, buying or taking in trade for the purpose of  
18 resale, or exchanging, displaying, demonstrating, or offering for sale three or more  
19 boats within 12 consecutive months and who receives or expects to receive money,  
20 profit, or any other thing of value;

21 (7) "certificate of number" means the document bearing the  
22 identification number issued to a boat by the Department of Administration under this  
23 chapter, by a federal agency, or by the state of principal use under a federally  
24 approved numbering system;

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

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

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

1 12101 - 12123.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 (b) The department may provide for the payment of a civil penalty under this  
9 section by mail.

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

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

13 **(1) department provides written authorization for the owner to**  
14 **anchor, moor, store, or otherwise leave the vessel within 14 days after the owner**  
15 **anchors, moors, stores, or leaves the vessel; and**

16 **(2) vessel is anchored, moored, stored, or otherwise left unattended**  
17 **for more than 14 days**

18 **(A)** [WHEREVER] outside of an organized municipality  
19 **where** [IN THE STATE] it is [, OR HAS BECOME,] the custom, common, or  
20 accepted practice to anchor, moor, **store,** or otherwise leave a vessel in a port  
21 or harbor or in [THE] waters **of the state;**

22 **(B) because** [OF THE STATE IN SUCH A MANNER THAT  
23 IT DOES NOT THREATEN OR OBSTRUCT NAVIGATION, OR TO  
24 STORE OR OTHERWISE LEAVE A VESSEL WITHOUT PERMISSION  
25 ON PUBLIC OR PRIVATE PROPERTY, UNATTENDED FOR MORE  
26 THAN 30 DAYS, WHERE] climatic conditions make use of the vessel  
27 impracticable; or

28 **(C) because other** applicable provisions of law **prohibit**  
29 [PRECLUDE] use of the vessel during that period of time [, THE  
30 UNATTENDED ANCHORING, MOORING, STORING, OR LEAVING OF  
31 THE VESSEL DOES NOT CONSTITUTE ABANDONMENT OF THE

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

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

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

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

21 (b) The notice must contain the

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

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

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

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

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

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

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

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

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

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

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

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

31 (c) The notice of disposition must include

- 1 (1) a description of the vessel;
- 2 (2) the name or number of the vessel;
- 3 (3) the name and address of the owner, if known;
- 4 (4) the location of the vessel;
- 5 (5) the means of disposition; and
- 6 (6) the location, date, and time of a public auction if an auction will be
- 7 held to dispose of the vessel.

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

9 **Sec. 30.30.055. Impoundment and disposition of derelict vessel.** (a) A state  
10 agency or municipality may impound a derelict vessel by immobilizing and removing  
11 the vessel or towing the vessel from the water and placing it in storage.

12 (b) The state agency or municipality that impounds a vessel may sell, donate,  
13 or destroy the vessel if the vessel is not repossessed by the owner or a person with an  
14 interest in the vessel within 30 days after the postmark date of the notice mailed under  
15 AS 30.30.045(a). The sale of a vessel may be by public auction or by sealed bids.

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

18 (d) A state agency or municipality shall apply the proceeds from the sale of a  
19 vessel under this chapter as follows:

- 20 (1) to the costs of conducting the sale;
- 21 (2) to the costs of towing, handling, and storing the vessel;
- 22 (3) to a lienholder to the extent of the lien;
- 23 (4) to the owner of the vessel if the owner can be found; if the owner

24 cannot be found, the balance shall be deposited in a separate account maintained by  
25 the state agency or municipality or with the commissioner of administration and shall  
26 be paid in accordance with AS 30.30.096.

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

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

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

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

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

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

18 **Sec. 30.30.065. Impoundment of derelict vessels posing imminent clear**  
19 **and present danger.** (a) Notwithstanding any other provision of law, a state agency or  
20 municipality may impound a derelict vessel immediately if the vessel constitutes a  
21 clear and present danger to public health, safety, or general welfare.

22 (b) When action is taken to impound a derelict vessel under (a) of this section,  
23 the state agency or municipality impounding the vessel shall, after 24 hours of the  
24 impoundment, provide notice of the action and the opportunity for a post-  
25 impoundment hearing by hand-delivery or certified mail, return receipt requested, to  
26 the owner of the vessel if the name and location of the owner is known.

27 (c) The owner of the vessel or a person with an interest in the vessel may file a  
28 written demand for a post-impoundment hearing within 15 days after the postmark  
29 date of the notice of impoundment under (b) of this section. An owner or a person with  
30 an interest in the vessel who fails to request or attend a scheduled post-impoundment  
31 hearing waives the right to the hearing.

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

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

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

13 (A) shall release the vessel to the owner;

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

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

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

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

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

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

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

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

1 **environment**: [OR]

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

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

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

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

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

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

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

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

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

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

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

3 (2) establish

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

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

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

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

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

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

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

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

22 (1) donations;

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

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

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

26 (5) civil penalties collected under AS 30.30.015.

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

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

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

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

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

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

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

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

9 (7) "owner" means a person who

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

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

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

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

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

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

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

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

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

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

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

30 Sec. 27. AS 05.25.052, 05.25.053, [05.25.055,] 05.25.057, 05.25.095 [,  
31 05.25.096]; and AS 09.25.120(a)(9) are repealed.

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

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

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

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

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

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

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

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

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

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

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

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: SB 92  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB092-DOA-DMV-02-11-18  
Title: VESSELS: REGISTRATION/TITLES; DERELICTS  
Sponsor: MICCICHE  
Requester: Senate Resources

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							
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**

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:** 40.0 (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:	02/11/2018 01:00 PM
Approved By:	Leslie Ridle, Commissioner	Date:	02/12/18
Agency:	Department of Administration		

## FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. SB 92

### Analysis

SB 92 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. SB 92 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. Because the effective date of this legislation is set at January 1, 2018, DMV will need a supplemental appropriation to cover these costs.

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

DMV is also requesting a yearly increment of \$50,000 to cover increased attorney fees related to boat title disputes. Currently DMV spends approximately \$120,000 on attorney fees related to vehicle title and other disputes.

#### **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.

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.

#### **Title fees**

68,000/3 year registration = 22,667 boats per year  
22,667 x \$20 = \$453,340 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.

#### **Increased registration fees**

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

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

\$453,340 - new title fees

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: SB 92  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: SB092-DEC-SPAR-02-09-2018  
Title: VESSELS: REGISTRATION/TITLES; DERELICTS  
Sponsor: MICCICHE  
Requester: Senate Resources 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 2019	FY 2020	FY 2021	FY 2022	FY 2023
<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:

Updated to reflect the new fiscal year.

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: 02/09/2018  
Date: 02/09/18

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. SB 92

**Analysis**

Senate Bill 92 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.

Dear Senate Resources Committee Members:

My Name is Jean Barrett, I am the Port Director for the City of Dillingham, I am also on the Board of Director for the Alaska Association of Harbormasters and Port Administrators(AAHPA) and on the Board of Directors of Choggiung Ltd.

As a member of the AAHPA SB92 is a very important bill as it concerns all of the waters, both seaward and inland of Alaska. The Nushagak and Wood River watersheds are not immune to derelict vessels, there may not be as many as there are in other areas but there are a few that are located on the Wood River and at least one on Dillingham Town site lands.

Alaska's derelict vessel laws are outdated and ineffective - I urge you to support SB92 to improve accountability and enforcement to help stop the dumping of old boats on public waters across Alaska.

Sincerely,

Jean Barrett

Jean Barrett

Port Director

Public Works Director

City of Dillingham

Dear Senators,

The City of Nome has had several difficult experiences with abandoned and derelict vessels and believes existing state law is not sufficient to support the coastal municipalities that are frequently impacted by this issue. The amendments provided in SB92 will expand the enforcement authority and accountability necessary to deal with these vessels in a more swift and effective manner, and will help to reduce the dumping of vessels along Alaska's coastlines.

The City of Nome supports the passage of SB92.

Thank you,

Joy L. Baker  
Port Director  
City of Nome

Re: SB92

Dear Senator Giessel

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 SB92 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 because they 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 mooring 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 boats 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 so. 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 property 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 SB92 solve all these issues?

No, but SB92 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

Dear Senate Resources Committee,

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 SB-92 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". Additionally, on Thursday, February 15th, the AAHPA Executive Secretary (Rachel Lord) will be presenting on SB92 at the Juneau Yacht Club dinner. If you or your staff would like to attend the dinner, please let me know and will coordinate with the organizers.

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 derelicts 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 SB92 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



**JAKOLOF BAY OYSTER CO.**

PO Box 3487  
Homer, AK  
99603

February 12, 2018

The Honorable Cathy Giessel  
State Senate  
Alaska State Capitol, Room: 427  
Juneau, Alaska 99801-1182ITOL

RE: Support for SB92: Derelict Vessel Accountability Act

Dear Senator Giessel:

As the owner and operator of Jakolof Bay Oyster Company, I am writing to support SB92: Derelict Vessel Accountability Act. The day after we purchased our farm in December of 2012 two derelict vessels sank in Jakolof Bay Bay closing our farm for 3 months. The boats had been anchored there for several months, after being evicted from Homer Harbor (one owner of both boats). The vessels were uninsured, which meant that there was no financial support to our business, the cleanup process was costly to the state, and response was painfully slow while agencies first attempted to work with the owner on a cleanup plan, then had to negotiate an interagency cleanup plan, since responsibilities were not clear (DEC/Spill Response, DOT, DNR and Coast Guard each had representatives at the table).

As a responsible insured boat owner, and a potentially impacted business, I fully support any legislation that helps limit the potential impact of derelict vessels in Alaska's waters. Please let me know if you have any questions.

Sincerely,

Margo Reveil  
Owner

# Fiscal Note

State of Alaska  
2018 Legislative Session

Bill Version: SB 92  
Fiscal Note Number: \_\_\_\_\_  
( ) Publish Date: \_\_\_\_\_

Identifier: CS SB 92 J 2-19 -2018  
Title: VESSELS: REGISTRATION/TITLES; DERELICTS  
Sponsor: MICCICHE  
Requester: Senate Resources

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>	***	0.0	***	***	***	***	***

**Fund Source (Operating Only)**

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

**Positions**

Full-time							
Part-time							
Temporary							

**Change in Revenues**

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

**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:	Brent Goodrum, Director	Phone:	(907)269-8625
Division:	Mining, Land and Water	Date:	02/13/2018 03:30 PM
Approved By:	Andrew T. Mack, Commissioner	Date:	02/13/18
Agency:	Department of Natural Resources		

FISCAL NOTE ANALYSIS

STATE OF ALASKA  
2018 LEGISLATIVE SESSION

BILL NO. CS SB 92 J

**Analysis**

SB92 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.



# ALASKA STATE LEGISLATURE

## SENATE RESOURCES COMMITTEE

SEN. CATHY GIESSEL

Chair  
 State Capitol, Room 427  
 Juneau, AK 99801-1182  
 (907) 465-4843 Fax 465-3871

Sen. John Cohn Coghil, Vice-Chair	Sen. Bert Stedman
Sen. Kevin Meyer	Sen. Natasha Von Imhof
Sen. Click Bishop	Sen. Bill Wielechowski

### CS for Senate Bill 92

#### Explanation of Changes from Version D to Version J

1. Page 2, Line 28: Amends Section. 3 (AS 05.25.055(i)) by removing the words "The United States or." [The words "The United States or" are currently in existing law and appeared in the previous version of the bill.]
2. Page 5, Line 10: Amends Section. 9 (AS 30.30.010(a)) by removing the word "Docked." [The word "Docked" is currently in existing law and appeared in the previous version of the bill.]
3. Page 5, Line 20: Amends Section. 11 (AS 30.30.010(e)) by changing the proposed penalty from a "B" misdemeanor to an "A" misdemeanor [The previous version of the bill proposed to make the violation a class "B" misdemeanor. Existing law stipulated a violation under AS 30.30.010 was an unclassified misdemeanor.]
4. Page 5, Line 27: Amends Section. 12 (AS 30.30.010) by removing the words "(a) of" to the proposed newly created subsection (f). [The newly created subsection (f) to AS 30.30.010 permits the Department of Natural Resources and municipalities to report a violation to the Attorney General. Whereas the previous version only permitted reporting of a violation to AS 30.30.010 (a), the proposed CS permits reporting of any violation under AS 30.30.010.]
5. Page 6, Lines 4-6: Amends Section. 13 (the proposed newly created AS 30.30.015) by rewriting the following sentence to read "On application for injunctive relief and a finding that a person has violated AS 30.30.010, the superior court may grant the injunction. [The sentence in the prior version of the bill read "On application for injunctive relief and a finding of a violation or a threatened violation, the superior court shall grant the injunction.]

6. Page 6, Lines 14, 17: Amends Section. 14 (AS 30.30.030) by changing the days a vessel owner has to obtain authorization to be exempted from a derelict classification from "30" to "14."
7. Page 7, Lines 5, 8: Amends Section. 15 (AS 30.30.040) by changing the wording to read "the state agency or municipality." [The prior version of the bill proposed using the wording "the state or municipal agency."]
8. Page 7, Line 7: Amends Section. 15 (AS 30.30.040) by adding the words "if possible." [The prior version of the bill required the state agency or municipality to physically post a written notice of impoundment on the vessel 30 days prior to impoundment without exception.]
9. Page 7, Line 27-28: Amends Section. 16 (the proposed newly created AS 30.30.040) by adding language that reads "with the state agency or municipality that sent the notice." [The prior version of the bill afforded the vessel owner to file a demand for a pre-impoundment hearing. But the previous version did not specify to what entity the vessel owner could make such a demand.]
10. Page 8, Lines 9, 16-17: Amends Section. 16 (the proposed newly created AS 30.30.040) by changing the wording to read "the state agency or municipality." [Please see Change 7.]
11. Page 8, Lines 21-22: Amends Section. 17 (the proposed newly created AS 30.30.045) by changing the wording to read "the state agency or municipality." [Please see Change 7.]
12. Page 9, Lines 9-10, 12, 16, 23, 25, 27, 29: Amends Section. 18 (the proposed newly created AS 30.30.055) by changing the wording to read "the state agency or municipality." [Please see Change 7.]
13. Page 9, Line 26: Amends Section. 18 (the proposed newly created AS 30.30.055) by changing the reference from AS 30.30.097 to AS 30.30.096. [This is due to subsequent proposed newly created sections being removed and renumbered in the Committee Substitute.]
14. Page 10, Lines 19-20, 23; Page 11, Line 1, 9, 12: Amends Section. 20 (the proposed newly created AS 30.30.065) by changing the wording to read "the state agency or municipality." [Please see Change 7.]

15. Page 11, Lines 12-20: Amends Section. 20 (the proposed newly created AS 30.30.065) by adding a new paragraph (2) to subsection (e) that reads "the hearing officer shall award to the owner attorney fees and costs incurred in the hearing; the award shall be made as provided by Rules 69, 79, and 82, Alaska Rules and Civil Procedures." [The prior paragraphs (1), (2), and (3) have been consolidated under paragraph (1) and organized with subparagraphs (A), (B), and (C).]
16. Page 11, Line 24: Amends Section. 21 (the proposed newly created AS 30.30.075) by changing the wording to read "the state agency or municipality." [Please see Change 7.]
17. The prior version's Section. 22, related to insurance requirements, is removed and not in the proposed Committee Substitute. The following sections are renumbered accordingly.
18. Page 12, Lines 2, 22: Amends AS 30.30.090 (Current Section. 22, Prior Version Section. 23) by adding the word "abandoned" to the list of actions that constitute the classification of derelict vessel.
19. Page 12, Lines 8-24: Amends AS 30.30.090 (Current Section. 22, Prior Version Section. 23) by removing the words "and if" on line 8. This removal of words requires reformatting the subparagraphs into paragraphs. [The words "and if" are currently in existing law and were in the prior version of the bill.]
20. Page 12, Line 26: Amends the title of the proposed newly created AS 30.30.095 (Current Section. 23, Prior Version Section. 24) by renaming it "Duties and Powers of the Department" from "Derelict Vessel Prevention Program." [Conforming to this change, the subsequent new proposed section AS 30.30.096 entitled "Duties and Powers of the Department" has been removed and absorbed into AS 30.30.095, and the new proposed section AS.30.30.097 entitled "Derelict Vessel Prevention Fund" is renumbered is now section AS 30.30.096 under the Committee Substitute.]
21. Page 12, Line 27: Amends the proposed newly created AS 30.30.095 (Current Section. 23, Prior Version Section. 24) to add new language that reads "subject to appropriations."
22. Page 13, Line 14: Amends the proposed newly created AS 30.30.096 (Current Section. 23, Prior Version Section. 24) by changing the wording to read "the state agency or municipality." [Please see Change 7.]

23. Page 13, Line 25: Amends the proposed newly created AS 30.30.096 (Current Section. 23, Prior Version Section. 24) by changing paragraph (b)(4) to read "money collected under AS 05.25.096(a)(5) and (6). [The prior version read "money received by the Department of Administration for registering and titling vessels."]
24. Page 14, Lines 17-18: Amends AS 30.30.170 (Current Section. 25, Prior Version Section. 26), by defining "state agency" rather than "state or municipal agency" in accordance with the changes originating in Change 7 and conformed through the Committee Substitute.

Senator Peter A. Micciche  
*Alaska State Legislature*

**Session Address:**

Alaska State Capitol, Rm. 508  
Juneau, Alaska 99801-1182  
Phone: (907) 465-2828  
Toll Free: (800) 964-5733



**Interim Address:**

145 Main Street Loop, Ste. 226  
Kenai, Alaska 99611-7771  
Phone: (907) 283-7996  
Fax: (907) 283-8127

Sectional Analysis

SB92 (ver. J): Derelict Vessels Act

**Section 1**

Requires that a boat placed on the waters of the state be titled.

**Section 2**

Requires all boats have a certificate of number if operated on the waters of the state for more than 90 consecutive days or 60 consecutive days for barges unless otherwise provided in the chapter.

**Section 3**

Provides exceptions from numbering and registration for boats and barges.

**Section 4**

Adds new section for establishing a system for certification of titles.

**Section 5**

Inserts cross-reference.

**Section 6**

Increases boat registrations for a three-year period from \$24 to \$30, adds barge registration fee at \$75 for a three-year period, adds boat title and duplicate boat title fee of \$20.

**Section 7**

Adds definition of "barge".

**Section 8**

Repeals and reenacts definitions from AS 05.25.100.

### **Sections 9 & 10**

Clarifies existing language.

### **Section 11**

Raises the fine for abandoning a vessel from not less than \$500 to not less than \$5,000 or more than \$10,000 and lowers the maximum term of imprisonment from six months to 90 days.

### **Section 12**

Allows the department or a municipality to report violations to the Attorney General in order to enforce criminal penalties.

### **Section 13**

Adds new section allowing an aggrieved person to file a civil injunction with a penalty of not more than \$1,000 per violation.

### **Section 14**

Allows the department to provide written authorization for a vessel to be left within 14 days and clarifies language.

### **Section 15**

Changes section to pre-impoundment notice and hearing. Requires 30 days' notice prior to impoundment, requires the impounding authority to post notice on vessel when possible and online.

### **Section 16**

Adds new subsections establishing notice specification and defines the procedure for pre-impoundment hearings.

### **Section 17**

Adds new section establishing requirements for the notice of disposition.

### **Section 18**

New section proving clear guidelines of procedure for impoundment of a vessel by the state or a municipality.

### **Section 19**

Removes requirement that an interested party taking possession of a derelict vessel post security.

**Section 20**

Establishes procedure for the immediate impoundment of derelict vessels that pose an imminent threat to safety.

**Section 21**

Adds new section stating that the individual owning an impounded vessel is liable for all costs incurred in the process.

**Section 22**

Provides situations that would make a vessel derelict.

**Section 23**

Gives the department the power to establish and administer the derelict vessel prevention program which includes education, outreach, an advisory council and creates a program fund which consists of money appropriated from donations, vessel sales under this chapter, federal funds, civil penalties and money collected from barge registration and titling of vessels.

**Section 24**

Adds "floating facility" to the definition of "vessel".

**Section 25**

Adds definitions.

**Section 26**

Names this chapter the Derelict Vessels Act.

**Section 27**

Adds titling to Title 37.

**Section 28**

Allows civil penalties collected under AS 30.30 to be deposited to the derelict vessel prevention program fund.

**Section 29**

Removes repealed sections allowing the fund to remain without federal funding.

**Section 30**

Repealing sections of AS 30.30.

**Section 31**

Transition language allowing DNR and DOA to adopt regulations.

**Section 32**

Revisor's instruction to change two headings.

**Sections 33-36**

Effective date sections.



One Sealaska Plaza, Suite 200 • Juneau, Alaska 99801

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## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2018-08

#### **A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE IN SUPPORT OF SB 92; AN ACT RELATING TO ABANDONED AND DERELICT VESSELS**

**WHEREAS**, hundreds of derelict vessels currently litter Alaska's coastline and harbors and these numbers will increase every year unless action is taken to address aging fleets and changing commercial fisheries; and

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

**WHEREAS**, the Alaska Municipal League recognizes the widespread costs and then environmental and navigational risks for both municipalities and the state, associated with derelict vessels; and

**WHEREAS**, neighboring states have dramatically strengthened their derelict vessel prevention laws in the past five years to better prevent, track and manage derelict vessels, including raising fees to support state 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 has outdated statutes regarding derelict vessels, which lack the ability to track vessel owners, agency enforcement authority, statewide coordination of response, funding and vessel insurance requirements; and

**WHEREAS**, in 2013, an ad-hoc Derelict Vessel Task Force was put into place and included representatives from state and federal agencies, municipal representatives, regional tribal representatives, federal and state legislative offices and private industry; and


**WHEREAS**, over nine full-day meetings, the task force developed thoughtful, robust and meaningful proposed changes that will help all stakeholders around the state, including harbor facilities, better address and prevent derelict vessels; and

**WHEREAS**, this will help our members protect harbor infrastructure, keep valuable moorage space available in our harbors and prevent unsustainable, economic, environmental and navigational hazards; and

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

**NOW, THEREFORE BE IT RESOLVED** that the Alaska Municipal League fully supports the passage of SB 92 by the State Legislature.

**PASSED AND APPROVED** by the Alaska Municipal League on this 17<sup>th</sup> day of November, 2017.

Signed:   
Pat Branson, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League

**A RESOLUTION OF THE COOK INLET HARBOR SAFETY COMMITTEE IN SUPPORT OF SENATE BILL 92: AN ACT RELATING TO ABANDONED AND DERELICT VESSELS**

**Whereas**, the mission of the CIHSC is to promote marine safety and environmental stewardship in the Cook Inlet through pro-active communication between stakeholders; and

**Whereas**, per the CIHSC's Charter the CIHSC may provide recommendations to regulatory bodies on maritime safety issues and seek actions to enhance maritime safety; and

**Whereas**, hundreds of derelict vessels currently litter Alaska's coastline and harbors and these numbers will increase every year unless action is taken to address aging fleets and changing commercial fisheries; and

**Whereas**, in Cook Inlet there have been and continue to be numerous costly and potentially dangerous derelict vessel incidents including the F/V Leading Lady and F/V Kupreanof, dozens of abandoned boats in Port Graham Bay, and regular derelict vessels taking up valuable moorage at the Port of Homer; and

**Whereas**, the State of Alaska has outdated statutes regarding derelict vessels which lack the ability to track vessel owners, agency enforcement authority, statewide coordination of response, funding or vessel insurance requirements; and

**Whereas**, neighboring states have dramatically strengthened their derelict vessel prevention laws in the past five years to better prevent, track and manage derelict vessels, including raising fees to support state management of derelict vessels and recognizing the value of vessel insurance for certain vessels on public waters; and

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

**Whereas**, provisions in SB92 will help protect harbor infrastructure, keep valuable moorage space in our harbors available, and will prevent unsustainable economic, environmental and navigational hazards throughout Alaska's waters; and

**Whereas**, the proposed changes will improve pro-active communication and coordination between all affected stakeholders;

**NOW, THEREFORE BE IT RESOLVED** that the Cook Inlet Harbor Safety Committee fully supports the passage by the state legislature of Senate Bill 92.

**PASSED AND APPROVED ON THE 29<sup>th</sup> DAY OF Nov, 2017.**

Signed:   
Stephen Ribuffo, Chairman of the Cook Inlet Harbor Safety Committee

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 CORDOVA, ALASKA  
RESOLUTION 01-18-04**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA  
SUPPORTING PROPOSED CHANGES TO ALASKA STATUTES CHAPTERS 30.30 AND  
5.25 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 Council of the City of Cordova 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 Statutes Chapters 30.30 and 5.25 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.

**PASSED AND APPROVED THIS 3<sup>rd</sup> DAY OF JANUARY, 2018.**



Clay R. Koplín  
Clay R. Koplín, Mayor

**ATTEST:**

Susan Bourgeois  
Susan Bourgeois, CMC, City Clerk

**CITY OF HOMER  
HOMER, ALASKA**

City Manager/Port Director

**RESOLUTION 17-091**

A RESOLUTION OF THE CITY COUNCIL OF HOMER, ALASKA, IN  
SUPPORT OF SENATE BILL 92: AN ACT RELATING TO ABANDONED  
AND DERELICT VESSELS.

WHEREAS, Hundreds of derelict vessels currently litter Alaska's coastline and harbors and these numbers will increase every year unless action is taken to address aging fleets and changing commercial fisheries; and

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

WHEREAS, The Alaska Association of Harbormasters and Port Administrators recognizes the widespread costs and then environmental and navigational risks for both municipalities and the state associated with derelict vessels; and

WHEREAS, Neighboring states have dramatically strengthened their derelict vessel prevention laws in the past five years to better prevent, track and manage derelict vessels, including raising fees to support state 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 has outdated statutes regarding derelict vessels which lack the ability to track vessel owners, agency enforcement authority, statewide coordination of response, funding or vessel insurance requirements; and

WHEREAS, In 2013 the AAHPA supported the creation of the ad-hoc derelict vessel task force which includes representatives from state and federal agencies as well as the AAHPA, regional tribal representatives, federal and state legislative offices, and private industry; and

WHEREAS, Over nine full-day meetings, the task force developed thoughtful, robust and meaningful proposed changes that will help all stakeholders around the state, including harbor facilities, better address and prevent derelict vessels; and

43 WHEREAS, This will help our members protect harbor infrastructure, keep valuable  
44 moorage space in our harbors available, and will prevent unsustainable economic,  
45 environmental and navigational hazards; and

46  
47 WHEREAS, The proposed changes will improve communication and coordination  
48 between Alaska's harbors and state and federal agencies, directly leading to decreased costs  
49 associated with managing derelict vessels.


50  
51 NOW, THEREFORE, BE IT RESOLVED that the City Council of Homer, Alaska, fully  
52 supports the passage by the state legislature of Senate Bill 92.

53  
54 PASSED AND ADOPTED by the City Council of Homer, Alaska, this 30<sup>th</sup> day of October,  
55 2017.

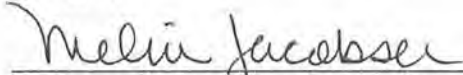
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CITY OF HOMER

  
BRYAN ZAK, MAYOR

ATTEST:

  
MELISSA JACOBSEN, MMC, CITY CLERK

Fiscal Note: N/A

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2017-42

**A RESOLUTION OF THE DILLINGHAM CITY COUNCIL SUPPORTING RESOLUTION NO. 2017-02 FROM THE ALASKA ASSOCIATION OF HARBORMASTERS AND PORT ADMINISTRATORS IN SUPPORT OF SENATE BILL 92: AN ACT RELATING TO ABANDONED AND DERELICT VESSELS**

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WHEREAS, hundreds of derelict vessels currently litter Alaska's coastline and harbors and these numbers will increase every year unless action is taken to address aging fleets and changing commercial fisheries; and

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

WHEREAS, the Alaska Association of Harbormasters and Port Administrators recognizes the widespread costs and then environmental and navigational risks for both municipalities and the state associated with derelict vessels; and

WHEREAS, neighboring states have dramatically strengthened their derelict vessel prevention laws in the past five years to better prevent, track and manage derelict vessels, including raising fees to support state 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 has outdated statutes regarding derelict vessels which lack the ability to track vessel owners, agency enforcement authority, statewide coordination of response, funding or vessel insurance requirements; and

WHEREAS, in 2013 the AAHPA supported the creation of the ad-hoc derelict vessel task force which includes representatives from state and federal agencies as well as the AAHPA, regional tribal representatives, federal and state legislative offices, and private industry; and

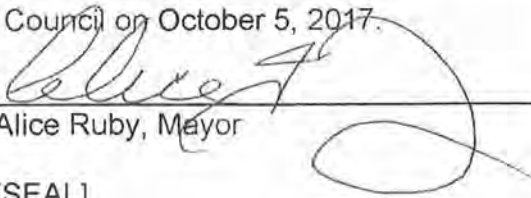
WHEREAS, over nine full-day meetings, the task force developed thoughtful, robust and meaningful proposed changes that will help all stakeholders around the state, including harbor facilities, better address and prevent derelict vessels; and

WHEREAS, this will help our members protect harbor infrastructure, keep valuable moorage space in our harbors available, and will prevent unsustainable economic, environmental and navigational hazards; and

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

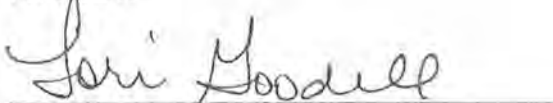
NOW, THEREFORE, BE IT RESOLVED that the City Council fully supports the passage by the state legislature of Senate Bill 92.

PASSED and ADOPTED by the Dillingham City Council on October 5, 2017.

  
\_\_\_\_\_  
Alice Ruby, Mayor

ATTEST:

[SEAL]

  
\_\_\_\_\_  
Lori Goodell, Acting City Clerk

# Senator Peter A. Micciche

*Alaska State Legislature*

## **Session Address:**

Alaska State Capitol, Rm. 508

Juneau, Alaska 99801-1182

Phone: (907) 465-2828

Toll Free: (800) 964-5733



## **Interim Address:**

145 Main Street Loop, Ste. 226

Kenai, Alaska 99611-7771

Phone: (907) 283-7996

Fax: (907) 283-8127

## Sectional Analysis

### SB92: Derelict Vessels Act

#### **Section 1**

Requires that a boat placed on state waters must be titled.

#### **Section 2**

Removes coast guard certificate exception and adds language that requires certificate of number on a barge that operated on water for more than 60 consecutive days.

#### **Section 3**

Adds language that ensures barges are titled and registered unless it operated on state waters for less than 60 consecutive days or has a current, valid certificate of number issued by another state or federally approved numbering system.

#### **Section 4**

Adds new section which directs the Department of Administration to adopt regulations and create a system for certification of titles. An individual who purchases an undocumented boat is required to apply for a certificate of title within 30 days.

#### **Section 5**

Adds cross-reference.

#### **Section 6**

Increases motorized boat registration for a three-year period from \$24 to \$30, adds barge registration fee at \$75 for a three year period, adds boat title fee of \$20.

#### **Sections 7, 8**

Adds definitions.

## **Sections 9, 10**

Clarify existing language.

## **Section 11**

Provides that a person found guilty of abandoning a vessel is guilty of a class B misdemeanor and is punishable by a fine of no less than \$5,000 and no more than \$10,000, up to 90 days in jail, or forfeiture of the vessel.

## **Section 12**

Allows the department or a municipality to report violations to the Attorney General to enforce criminal penalties.

## **Section 13**

Adds new section which allows an aggrieved person to file a civil injunction. Civil penalties of not more than \$1,000 can be imposed for each violation. Each day a violation occurs constitutes a separate violation.

## **Section 14**

Allows the department to provide written authorization for a vessel to be left within 30 days and clarifies language.

## **Section 15**

States that at least 30 days before impounding a vessel, the impounding authority shall post a notice on the vessel, and on the state's or municipality's website. Adds language to allow use of an address on file with the Coast Guard or Department of Administration and moves notice specifications to section (b).

## **Section 16**

Adds new subsections that establishes notice specifications and defines the procedure for pre-impoundment hearings.

## **Section 17**

Adds new section to establish notice of disposition procedure.

**Section 18**

Provides clear guidelines for procedure in dealing with a vessel after being impounded by the state or a municipality.

**Section 19**

Removes the requirement that an interested party taking possession of a vessel post security.

**Section 20**

Establishes procedure for the immediate impoundment of derelict vessels that pose an imminent threat to safety.

**Section 21**

Adds new section that states the individual who owns an impounded vessel is responsible for all costs incurred in the process.

**Section 22**

Adds section that will require insurance for commercial vessels over 30 feet in length and are operating on state waters or docked at state or municipal harbors for more than 90 days.

**Section 23**

Simplifies the guidelines for identifying a derelict vessel.

**Section 24**

Directs the department to establish and administer a derelict vessel prevention program. Establishes the duties and powers of the department and establishes a program fund.

**Section 25**

Adds "floating facility" to the definition of vessel.

**Section 26**

Adds definitions.

**Section 27**

Names this chapter the Derelict Vessels Act.

**Section 28**

Adds titling.

**Section 29**

Adds section that allows civil penalties collected, money from sales under this act, donations and other receipts to be deposited into the derelict vessels program fund.

**Section 30**

Removes repealed sections which will allow the fund to remain without federal funding.

**Section 31**

Repeals sections.

**Section 32**

Directs the Department of Natural Resources and the Department of Administration to adopt necessary regulations. These regulation take effect under the Administrative Procedure Act.

**Section 33**

Requests the revisor of statutes to change two headings.

**Section 34-37**

These sections establish effective dates.



One Sealaska Plaza, Suite 200 • Juneau, Alaska 99801

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## ALASKA MUNICIPAL LEAGUE

### RESOLUTION #2017-13

#### **A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE IN SUPPORT OF PROPOSED CHANGES TO ALASKA STATUTES 30.30 AND 05.25, IMPROVING THE MANAGEMENT AND PREVENTION OF DERELICT VESSELS**

**WHEREAS**, hundreds of derelict vessels currently litter Alaska's coastline and harbors and 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 two ex-Navy tugs in Adak, abandoned barges in Steamboat Slough near Bethel, and the tug Challenger that sank off Juneau; and

**WHEREAS**, the Alaska Municipal League recognizes the widespread costs and the environmental and navigational risks for both municipalities and the state, associated with derelict vessels; and

**WHEREAS**, neighboring states have dramatically strengthened their derelict vessel prevention laws in the past five years to better prevent, track and manage derelict vessels, including raising fees to support state 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 has outdated statutes regarding derelict vessels which lack 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 Alaska Association of Harbormasters and Port Administrators which includes 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 nine full-day meetings, the task force developed thoughtful, robust and meaningful proposed changes that will help all stakeholders around the state, including harbor facilities better address and prevent derelict vessels; and

**WHEREAS**, these changes will protect municipal harbor infrastructure, keep valuable moorage space in harbors available, and will prevent unsustainable economic, environmental and navigational hazards; and

**WHEREAS**, the proposed changes will 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** that the Alaska Municipal League fully supports the passage by the State Legislature, of all proposed revisions in Alaska Statutes 30.30 and 05.25.

**PASSED AND APPROVED** by the Alaska Municipal League on this 18<sup>th</sup> day of November, 2016.

Signed:   
Mayor Clay Walker, President, Alaska Municipal League

Attest:   
Kathie Wasserman, Executive Director, Alaska Municipal League

# **Alaska Association of Harbormasters and Port Administrators**



## **RESOLUTION NO. 2016-3**

### **A RESOLUTION OF THE ALASKA ASSOCIATION OF HARBORMASTERS AND PORT ADMINISTRATORS IN SUPPORT OF PROPOSED CHANGES TO ALASKA STATUTES CHAPTER 30.30 AND 05.25 IMPROVING THE MANAGEMENT AND PREVENTION OF DERELICT VESSELS.**

**Whereas,** hundreds of derelict vessels currently litter Alaska's coastline and harbors and 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 two ex-Navy tugs in Adak, abandoned barges in Steamboat Slough near Bethel, and the tug Challenger that sunk off Juneau; and

**Whereas,** the Alaska Association of Harbormasters and Port Administrators recognizes the widespread costs and the environmental and navigational risks for both municipalities and the state associated with derelict vessels; and

**Whereas,** neighboring states have dramatically strengthened their derelict vessel prevention laws in the past five years to better prevent, track and manage derelict vessels, including raising fees to support state 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 has outdated statutes regarding derelict vessels which lack the ability to track vessel owners, agency enforcement authority, statewide coordination of response, funding or vessel insurance requirements; and

**Whereas**, in 2013 the Alaska Association of Harbormasters and Port Administrators supported the creation of the ad-hoc derelict vessel task force which includes 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 nine full-day meetings, the task force developed thoughtful, robust and meaningful proposed changes that will help all stakeholders around the state, including harbor facilities, better address and prevent derelict vessels; and

**Whereas**, this will help our members protect harbor infrastructure, keep valuable moorage space in our harbors available, and will prevent unsustainable economic, environmental and navigational hazards; and

**Whereas**, the proposed changes will 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** that the Membership of the Alaska Association of Harbormasters and Port Administrators fully supports the passage by the state legislature of all proposed revisions in Alaska Statutes 30.30 and 05.25.

Passed and approved by a duly constituted quorum of the Alaska Association of Harbormasters and Port Administrators on this 28th day of September, 2016.

  
\_\_\_\_\_  
Carl Uchytel, President

ATTEST:

*Kim Elliot*

\_\_\_\_\_  
Kim Elliot, Executive Secretary

**CITY OF KETCHIKAN, ALASKA**

**RESOLUTION NO. 16-2643**

**A RESOLUTION OF THE CITY OF KETCHIKAN, ALASKA IN SUPPORT OF PROPOSED CHANGES TO ALASKA STATUTES 30.30 AND 05.25 IMPROVING THE MANAGEMENT AND PREVENTION OF DERELICT VESSELS; AND ESTABLISHING AN EFFECTIVE DATE.**

**Whereas**, hundreds of derelict vessels currently litter Alaska's coastline and harbors and 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 two ex-Navy tugs in Adak, abandoned barges in Steamboat Slough near Bethel, and the tug Challenger that sunk off Juneau; and

**Whereas**, the City of Ketchikan Port and Harbors Advisory Board recognizes the widespread costs and the environmental and navigational risks for both municipalities and the state associated with derelict vessels; and

**Whereas**, neighboring states have dramatically strengthened their derelict vessel prevention laws in the past five years to better prevent, track and manage derelict vessels, including raising fees to support state 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 has outdated statutes regarding derelict vessels which lack the ability to track vessel owners, agency enforcement authority, statewide coordination of response, funding or vessel insurance requirements; and

**Whereas**, in 2013 an ad-hoc derelict vessel task force was formed which includes 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 nine full-day meetings, the task force developed thoughtful, robust and meaningful proposed changes that will help all stakeholders around the state, including harbor facilities, better address and prevent derelict vessels; and

**Whereas**, this will help protect harbor infrastructure, keep valuable moorage space in our harbors available, and will prevent unsustainable economic, environmental and navigational hazards; and


**Whereas**, the proposed changes will 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 Council of the City of Ketchikan, Alaska as follows:

**Section 1:** By this resolution, hereby urges the passage by the state legislature of all proposed revisions in Alaska Statutes 30.30 and 05.25.

**Section 2:** This resolution shall become effective immediately upon adoption.

**PASSED AND APPROVED** by a duly constituted quorum of the City Council for the City of Ketchikan on this 10th day of November, 2016.

  
Lew Williams III, Mayor

ATTEST:

  
Katherine M. Suiter, City Clerk

Sponsored by: Hunt

**CITY OF SEWARD, ALASKA  
RESOLUTION 2016-077**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD,  
ALASKA, IN SUPPORT OF PROPOSED CHANGES TO ALASKA  
STATUTES CHAPTER 30.30 AND 05.25 IMPROVING THE MANAGEMENT  
AND PREVENTION OF DERELICT VESSELS**

**WHEREAS**, hundreds of derelict vessels currently litter Alaska's coastline and harbors and 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 two ex-Navy tugs in Adak, abandoned barges in Steamboat Slough near Bethel, and the tug Challenger that sunk off Juneau; and

**WHEREAS**, the City of Seward recognizes the widespread costs and the environmental and navigational risks for both municipalities and the state associated with derelict vessels; and

**WHEREAS**, neighboring states have dramatically strengthened their derelict vessel prevention laws in the past five years to better prevent, track and manage derelict vessels, including raising fees to support state 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 has outdated statutes regarding derelict vessels which lack the ability to track vessel owners, agency enforcement authority, statewide coordination of response, funding or vessel insurance requirements ; and

**WHEREAS**, in 2013 the Alaska Association of Harbormasters and Port Administrators supported the creation of the ad-hoc derelict vessel task force which includes 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 nine full-day meetings, the task force developed thoughtful, robust and meaningful proposed changes that will help all stakeholders around the state, including harbor facilities, better address and prevent derelict vessels ; and

**WHEREAS**, this will help protect harbor infrastructure, keep valuable moorage space in our harbor available, and will prevent unsustainable economic, environmental and navigational hazards; and

**CITY OF SEWARD, ALASKA  
RESOLUTION 2016-077**

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**WHEREAS**, the proposed changes will 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 CITY COUNCIL OF THE CITY OF SEWARD, ALASKA** that:

**Section 1.** Fully supports the passage by the state legislature of all proposed revisions in Alaska Statutes 30.30 and 05.25.

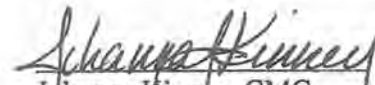
**PASSED AND APPROVED** by the City Council of the City of Seward, Alaska, this 21<sup>st</sup> day of November 2016.

**THE CITY OF SEWARD, ALASKA**

  
\_\_\_\_\_  
Jean Bardarson Mayor

AYES: Casagranda, Keil, Squires, McClure, Altermatt, Slater, Bardarson  
NOES: None  
ABSENT: None  
ABSTAIN: None

**ATTEST:**

  
Johanna Kinney, CMC  
City Clerk

(City Seal)



SB92

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**DERELICT VESSELS**

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Accountability Across Alaska  
a presentation to the Senate  
Resources Committee  
March 27, 2017





## 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..."***

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.

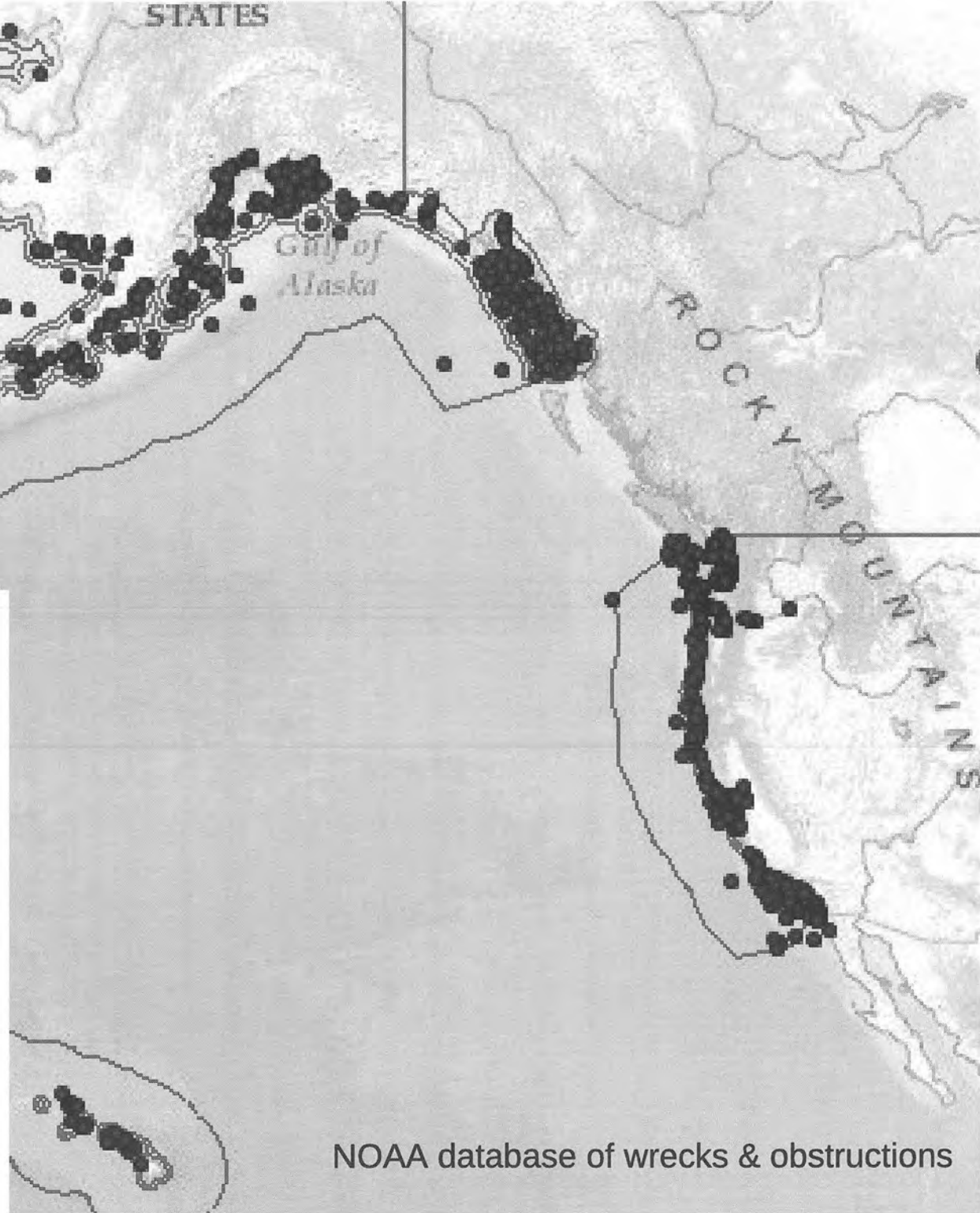


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## A GROWING PROBLEM

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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  
SB92**

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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



## **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.



## **VESSEL INSURANCE**

Over 30ft, engaged in commercial activity, and on the water for more than 90 days

Without insurance, when a vessel is abandoned or left to sink on state waters it can be impossible to find a responsible party. If someone is considering a long-term commercial venture on the water, an insurance policy will protect the public in the event the commercial endeavor does not work out as planned.



## **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.

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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  
mandate 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  
Alaska's waters.**

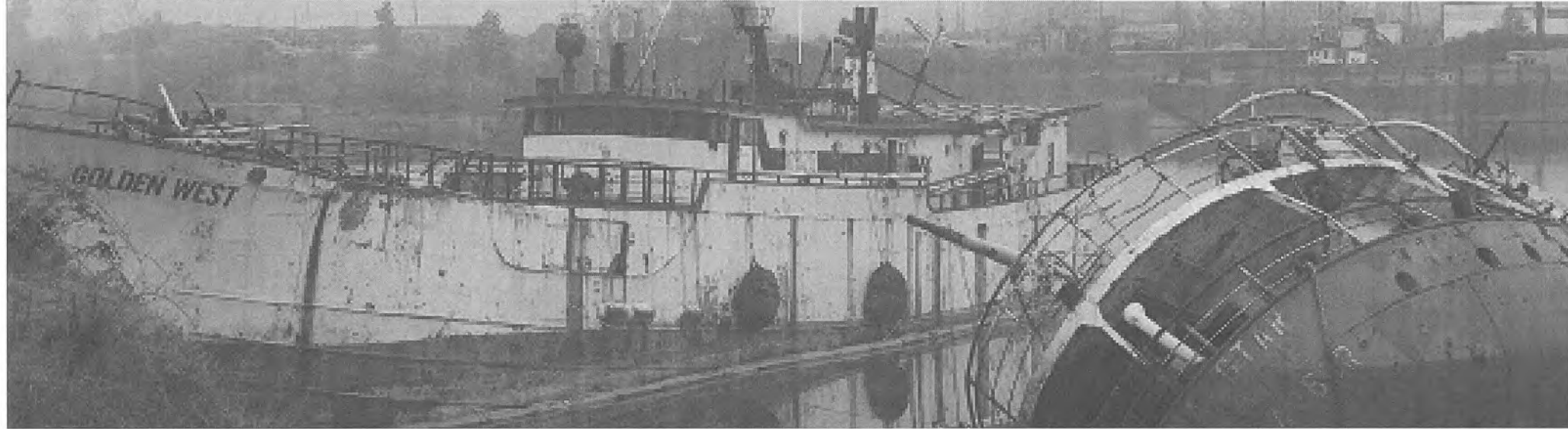
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Juneau Empire

Editorial

Oct. 15, 2015

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**"Speaking about the issue in 2013, a state official in Washington said, "We need to find a way to keep these vessels from being abandoned in our waterways, and that means holding owners accountable. 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

Post-It™ brand fax transmittal memo 7571		# of pages = 1
To: Mike Sullivan	From: KA	
Co.	Co.	
Dept.	Phone #	
Fax #	Fax #	

Original sponsor(s): REP. JACKO

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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...

1 IN THE HOUSE  
2 CS FOR HOUSE CONCURRENT RESOLUTION NO. 93 (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.

BY THE TRANSPORTATION COMMITTEE



Commonsense solutions for  
accountability on state waters

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**THANK YOU FOR  
YOUR WORK ON SB92**

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





# Derelict Vessels: Accountability in Alaska

Senate Bill 92: Overview & Briefing



## Overview

In March 2017, Senator Peter Micciche introduced Senate Bill 92, which holds people accountable for abandoning boats on public waters and streamlines the state's ability to prevent and manage derelict vessels. As a boat ages, the costs to keep it running increase – sometimes dramatically. Too often, the easiest thing to do is to walk away and leave the problem in someone else's hands. There are hundreds of abandoned boats around Alaska. They are navigational, environmental, safety, and economic hazards. Under current law, the state and our local communities too often end up with the huge economic burden of these boats on the water, tied up at the dock, or abandoned along the shore. With aging boats, and increasingly tight laws in neighboring states, the number of derelict vessels in Alaska is going to increase dramatically in the coming years. Alaska's current derelict vessel laws are outdated and leave an open door to becoming an even bigger dumping ground for old boats. The current law is unclear and incomplete, and makes it too easy for boat owners to deny responsibility when they abandon a boat – **we now have an opportunity for commonsense protections in Alaska.**

## Solutions in SB92

**Increased clarity** for defining a derelict vessel and an owner and for the impoundment process including clarified hearing and notice requirements.

**Increased penalties and enforcement authority** for agencies and municipalities working to hold owners accountable and prevent derelict vessels from sinking on public waters.

**Clarified liability** section that is straightforward in stating that the owner of a vessel is liable for all costs associated with impoundment, storage, and removal of a derelict vessel.

**Streamlined capacity for prevention and management of derelict vessels** through the establishment of a derelict vessel prevention program at the Department of Natural Resources. Numerous staff throughout ADNR are currently doing this work, and by concentrating those efforts into a single position other states have seen dramatic improvements and reduced costs for dealing with derelict vessels.

**Sets the stage for vessel disposal, scrap, and salvage solutions.** There is no denying that boats, at some point, reach the end of their life. Through the derelict vessel prevention program the state will have some capacity to begin looking at local and regional options for vessel disposal, scrap, and salvage solutions that can benefit the private sector and be a reasonable alternative to vessel abandonment.

**Required insurance for certain vessels.** Vessels over 30' that are engaged in commercial activity and operating in Alaska for more than 90 days would be required to have a marine insurance policy that covers the cost of removal if the vessel becomes derelict. Most commercial mariners will already have P&I coverage in place. If someone is considering a long-

term commercial venture on the water, an insurance policy will protect them, their assets and investments, and the public in the event the commercial endeavor does not work out as planned.

**Increased accountability of ownership through state registration and titling.** SB92 would require all vessels operating in Alaska, including those documented with the USCG and barges, be registered with the state Department of Motor Vehicles. It also requires the DMV to establish a titling system for vessels, similar to the titling system in place for motor vehicles. The state and municipalities have found establishing ownership to be one of the major hurdles in holding owners responsible for derelict vessels. This is a commonsense solution to improve accountability.

**Please take a minute to send a letter of support for SB92 to Sen. Micciche  
([Senator.Peter.Micciche@akleg.gov](mailto:Senator.Peter.Micciche@akleg.gov)) and to Senate Resources Chair Sen. Cathy Giessel  
([Senator.Cathy.Giessel@akleg.gov](mailto:Senator.Cathy.Giessel@akleg.gov)).**

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## The Problem.

Alaska has over 60,000 vessels along our coast and rivers. Ranging from small skiffs to commercial vessels well over 100', Alaska has diverse fleets of vessels that are integral to life in many communities. Unfortunately, boats of all sizes have a finite usable life and they generally get more expensive to upkeep as they age. With federal and state fishing rationalization programs, economic downturns, and the inevitable aging and increased maintenance costs, many boats have become uneconomical to operate as intended and are increasingly being left moored in a public harbor or anchored over public tidelands. There are over 20 large barges abandoned along fishing grounds and a busy navigational channel outside of Bethel, and the State is currently in criminal court over one of them. Twelve large old boats line the shores of Port Graham Bay in Cook Inlet. Two ex-Navy tugs, one of which has sunk, are anchored on state tideland just outside of Adak. A massive floating facility is breaking into pieces and littering the shores of Saginaw Bay outside of Kake. The U.S. Coast Guard just oversaw the removal of the 71-year-old tugboat *Challenger* from Gastineau Channel outside of Juneau. The USCG estimated the final cost at \$2 million. In 2011 the US Coast Guard helped the City of Cordova remove the *Sound Developer* – a 117' landing craft – which had sunk in their harbor. That removal took over two years and cost nearly \$1.2 million, also paid for by the federal oil spill liability trust fund.

Without a clear and pro-active response strategy and program for dealing with and preventing derelict vessels in Alaska's public waters, the number of abandoned and derelict vessels will continue to increase and will leave the public to pay the consequences—including vessel salvage and clean-up and disposal of fuel, oil and other hazardous materials. Without stronger laws, the state is incredibly vulnerable to irresponsible owners walking away from their problem boats.



*Top: An out-of-state owner with dreams of a floating lodge has essentially walked away from this floating facility in Saginaw Bay, outside of Kake.*

*Bottom: Two ex-Navy tugboats (one is sunken) are left on state tidelands outside of Adak.*



Top: The F/V *Leading Lady* and F/V *Kupreanof* sank in Jakolof Bay on Christmas Eve 2012. Commercial oyster farms had to conduct testing throughout that summer because of pollution concerns from this incident.  
Bottom: There are dozens of derelict barges along sloughs of the Kuskoswim River near Bethel, including *Shenk's Arc* pictured above.

The Alaska Legislature knew this in 1990, and passed HCR 53: Relating to abandoned vessels on the beaches of Alaska. This resolution recognized the scope of the problem and, "...the state does not currently have statutory authority to impose liability on the owners of abandoned vessels for the cost of salvaging or demolishing abandoned vessels..." It concludes by requesting the governor "...study the problems posed by abandoned vessels and to make appropriate recommendations...for legislation necessary to remedy existing problems and prevent future problems." (a copy of HCR 53 is on the next page).

In 2013, the Alaska Legislature passed HB131. Despite the requests in HCR53, this was the first update to our derelict vessel laws since originally enacted in the 1970s. HB131 allowed all agencies and municipalities' the authority to act on derelict vessels under state statutes. This right had been reserved in the original statutes to the Department of Transportation, since the state originally built and operated all of our public harbors. Since that time, ADOT has divested itself of all but an estimated 25 facilities, and lacking both funding and a mandate they do not wade into derelict vessel cases.

The Alaska Department of Natural Resources, however, is the manager and steward of our state lands, including public tidelands. Under our current statutes in AS30.30, ADNDR is nearly impotent when it comes to enforcing the law. They are able to write trespass and warning letters, to deny permits, and to threaten criminal action. In practice, the costs and burden of court have been a

major barrier to actual enforcement of any derelict vessel cases, with a few notable exceptions. After years of attempts to encourage action from the owner of a sunken barge in Steamboat Slough (Bethel), the state is currently in court and suing Bethel-based Faulkner Wash Constructors for damages resulting from negligent and intentional trespass on state lands (*'In a first, state sues company over an abandoned barge in a slough near Bethel'*, ADN Nov. 24, 2016).

In 2014, the ad-hoc Abandoned & Derelict Vessel Task Force formed as a group of state, local, federal and private stakeholders concerned about the increasing costs and damages of derelict boats throughout Alaska. Over the course of nine full-day meetings, the group examined Alaskan case studies, looked at success stories from other states, and discussed current authorities and tools available for preventing derelict vessels. In the end, Task Force members agreed that a full revision of our state statutes was necessary for any progress on derelict vessels. With the help of the law firm Birch, Horton, Bittner & Cherot the Task Force drafted a full re-write of AS 30.30. The Task Force received comments on the draft over a five-month period, and the Alaska Association of Harbormasters and Port Administrators presented the final version to Senator Micciche for his consideration in February 2017. On March 10, 2017 Senate Bill 92 was introduced and referred to Resources and Finance.

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Please take a minute to send a letter of support for SB92 to Sen. Micciche ([Senator.Peter.Micciche@akleg.gov](mailto:Senator.Peter.Micciche@akleg.gov)) and to Senate Resources Chair Sen. Cathy Giessel ([Senator.Cathy.Giessel@akleg.gov](mailto:Senator.Cathy.Giessel@akleg.gov)).

Offered: 3/30/90  
Referred: Rules

6-2169E

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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  
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11 ically unpleasing; and

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13 abandoned vessels; and

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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.

# Press Quotes and Excerpts

"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..." - *Trends & Opportunities in the Alaska Maritime Industrial Support Sector, McDowell Group (2014)*

"Graham Wood, a program manager at DEC, said the issue of derelict vessels left on state land is "more common than you'd think." ... "There's no good solution to deal with this problem," Wood said. "Until there's some kind of legislation to deal with these kinds of vessels statewide," it will continue to be an issue." - *Frustration lingers over two derelict tugboats in Adak (ADN, May 20, 2016)*

"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. - *Abandoned vessels litter Alaska's shorelines while officials work on a fix (ADN, September 28, 2016)*

"We must have liability insurance on our automobiles to drive in Alaska. It seems reasonable to require liability insurance of vessel owners, at least for those anchoring on Alaska tidelands.

I had no idea a person could sink his or her vessel in Alaskan waters and walk away leaving the state with the responsibility and great expense of raising and disposing of a derelict vessel. It appears that Alaskan laws regarding responsibility for derelict vessels are weak, and we are accumulating these junk vessels around the state. The sunken vessel creates hazards to navigation." - *My Turn: Responsibility for abandoned and derelict vessels in Alaska (Phillip Gray for the Juneau Empire, October 8, 2015)*

"Alaska has a big problem beneath the surface. For Juneau, that problem has been breaking the surface a lot recently. It's the issue of derelict and abandoned boats. Right now, there's not much anyone can do about it....The boat's owner is supposed to be liable for cleaning up the wreck, but what do you do when they don't have insurance and can't pay the bill? Unlike cars, boats don't have to carry insurance.

...It's going to be difficult for the state to even hold the Challenger's owner accountable. Recreational boats must be registered with the Department of Motor Vehicles, but the Challenger was originally a working boat. It didn't have to be registered with the DMV. It also wasn't registered with Fish and Game, since it wasn't a fishing boat....That means that even though Juneauites know it was owned by Douglas artist R.D. Robinson, it's going to be difficult for the state to find legally binding documentation that Mr. Robinson is the owner....Even if the state can tie Mr. Robinson to the Challenger, it doesn't have a way to force him to pay — barring a lengthy court case.

...The Alaska Department of Natural Resources — now overseeing the Challenger because it litters the state land at the bottom of the channel — lacks even the authority to fine Mr. Robinson for littering....we could instead simply mandate the registration of all boats — commercial and recreational alike — through the DMV. We could also mandate 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 Alaska's waters." - *Empire Editorial: Strong action needed to avoid repeat of Challenger sinking. (Juneau Empire, October 15, 2015)*

Senators Micciche, Giessel and Stedman,

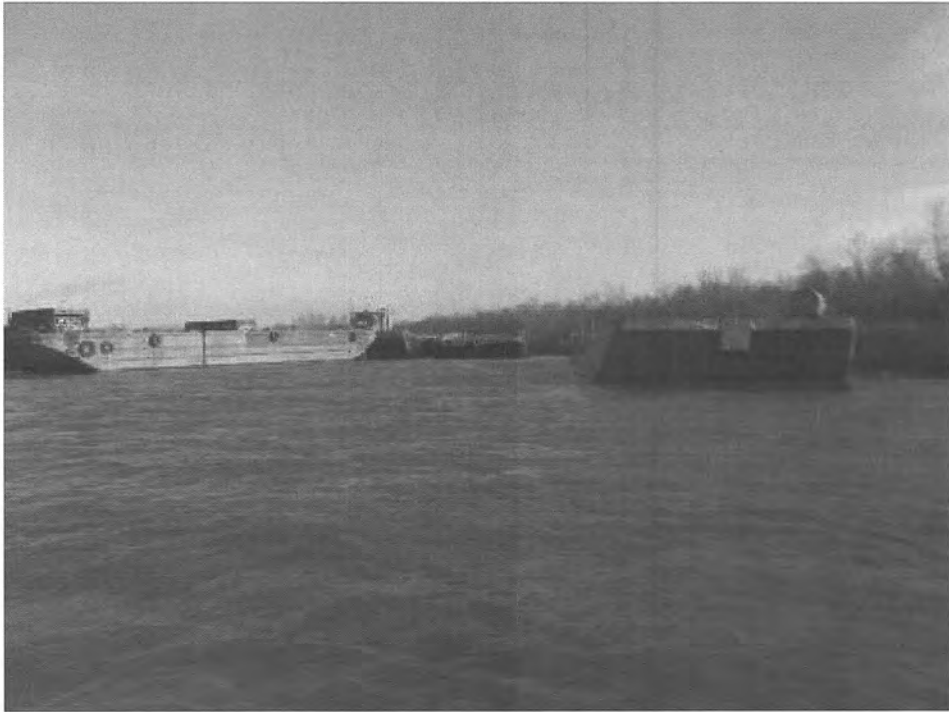
I am e-mailing you to express the City of Thorne Bays support for the Derelict Vessel Accountability Bill – SB 92. Thorne Bay and the waters connecting Thorne Bay with Clarence Strait have several vessels ranging for skiffs to a barge that have been abandoned on the State tidelands, some with known owners such as the Sonny Martin Barge. The small skiffs are easy to clean up but the barge continues to rust away on the tidelands. Sonny Martin attempted to use the barge as a floating lodge but was denied permission by the city and the state would not issue a tideland lease. Sonny then towed the barge to a beach along the channel that access Thorne Bay. Tied it to trees on National Forest Lands and has refused to remove or have it salvaged.

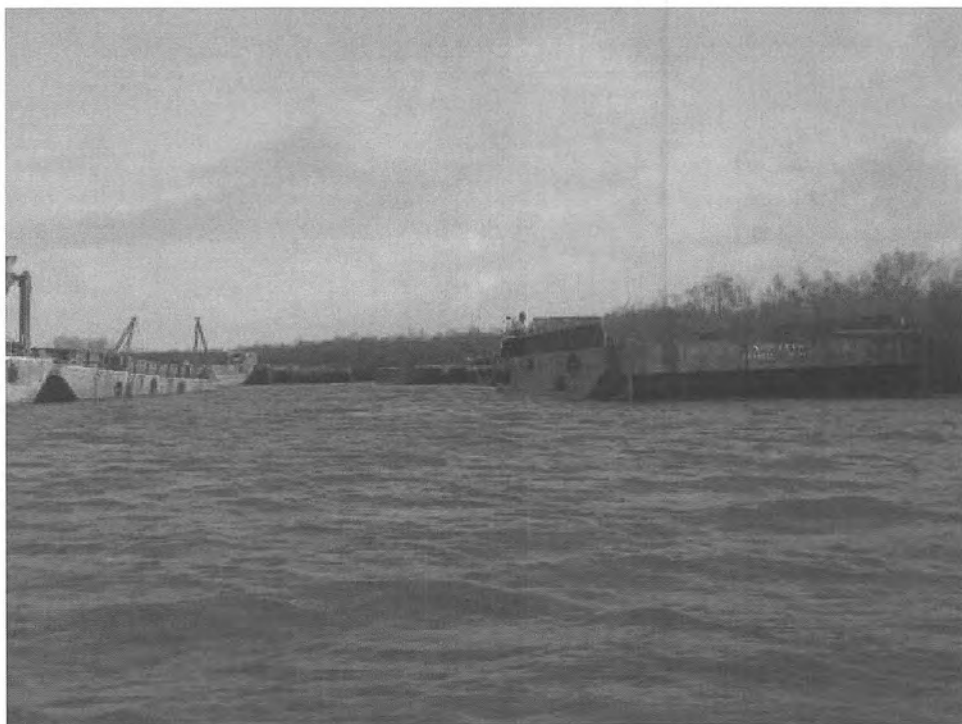
I am sure there are hundreds of other cases just like this, that pollute the waters and distract from the natural beauty. The real issue is, just like vehicles and other scrap, the cheapest way to unload unwanted items is just abandoned them on state or federal lands.

Thank you for the opportunity to share our support.

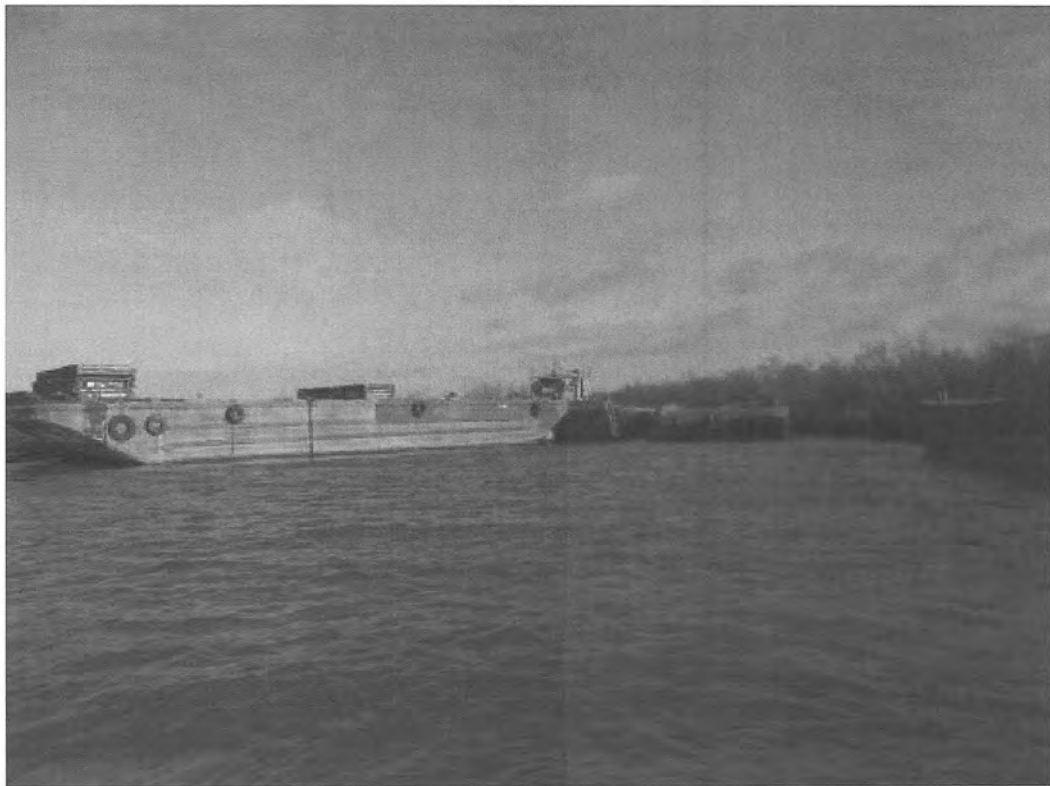
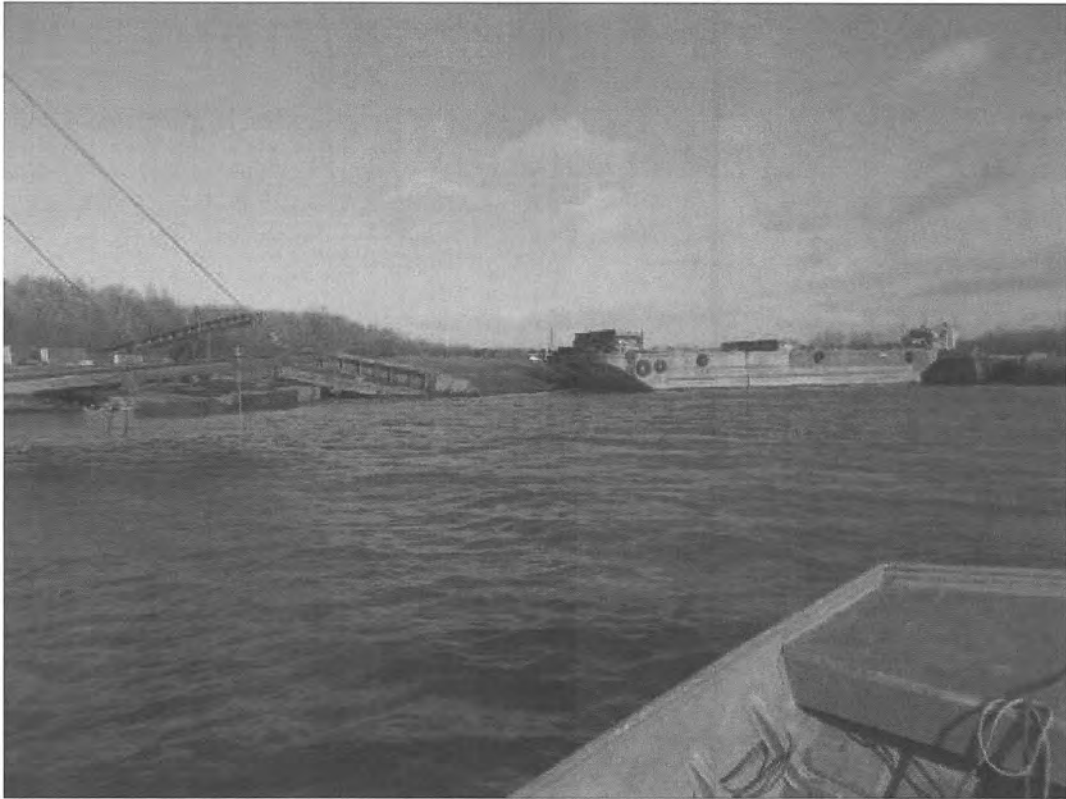
Thank You

Wayne Benner,  
City Administrator  
City of Thorne Bay  
PO Box 19110  
Thorne Bay, AK 99919



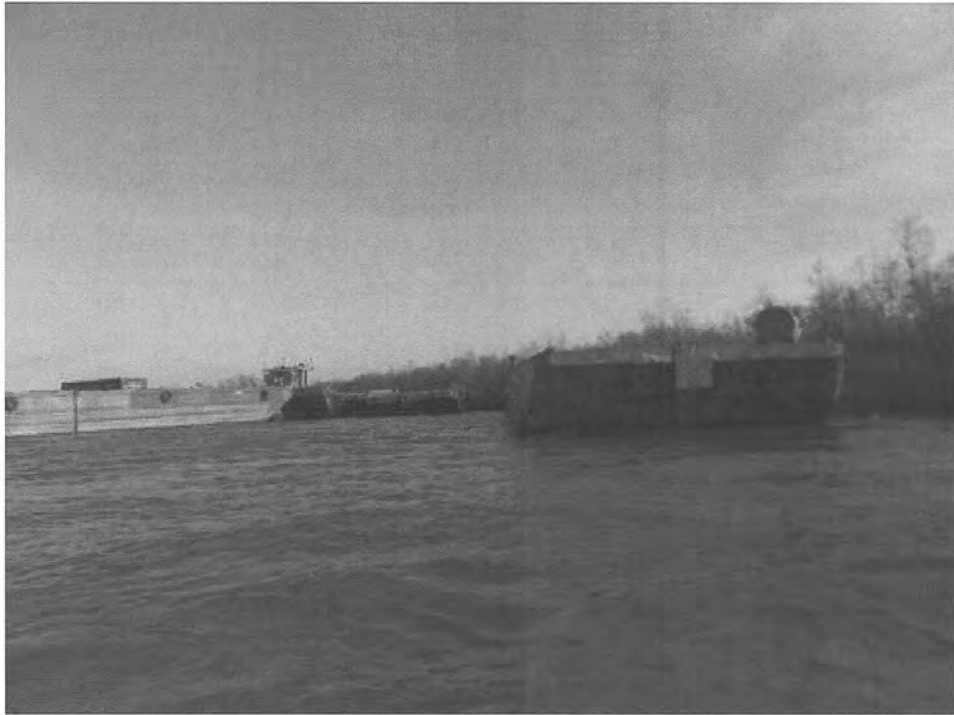




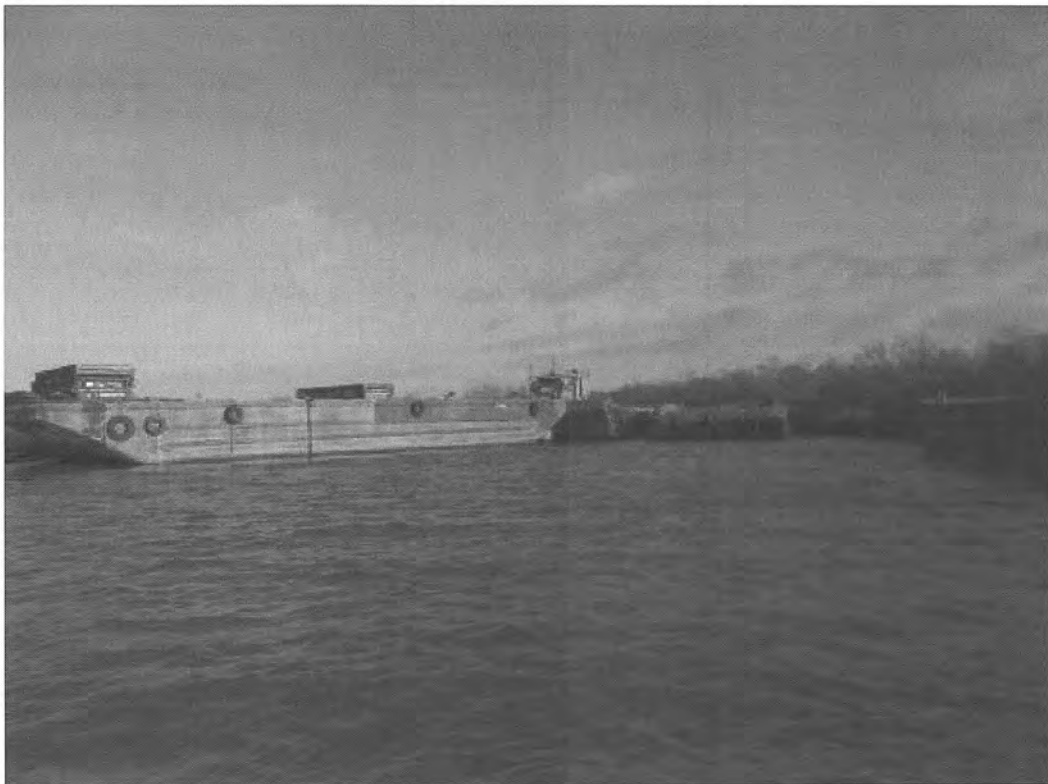
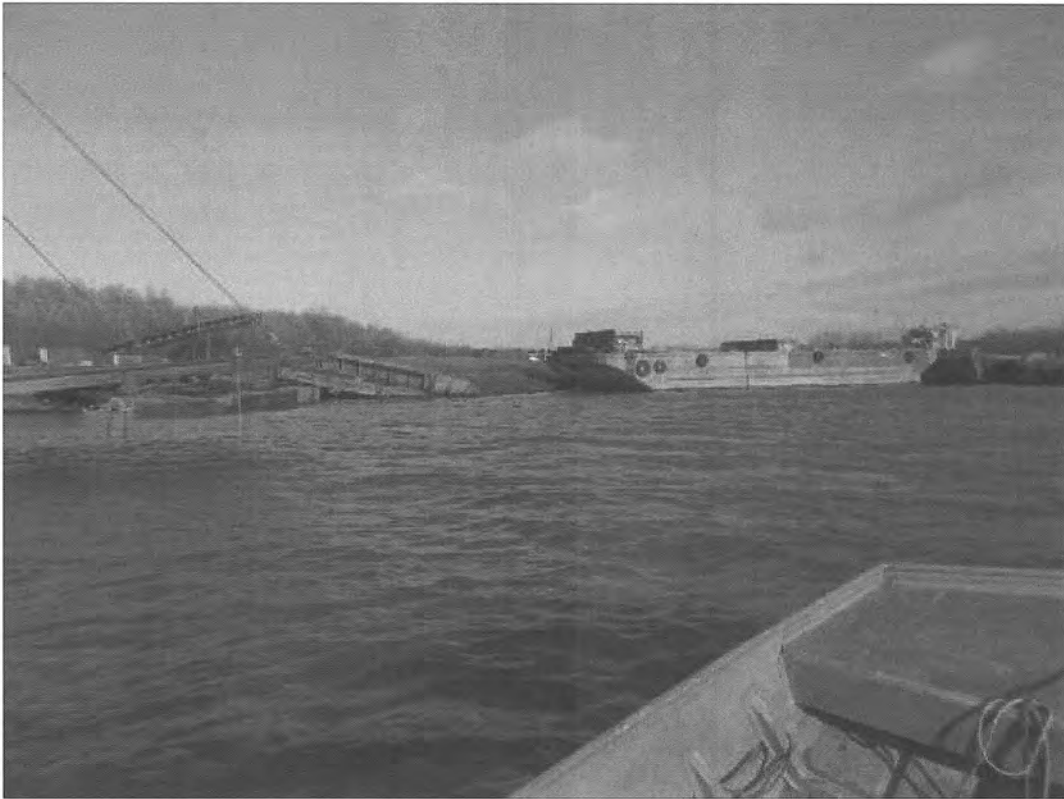


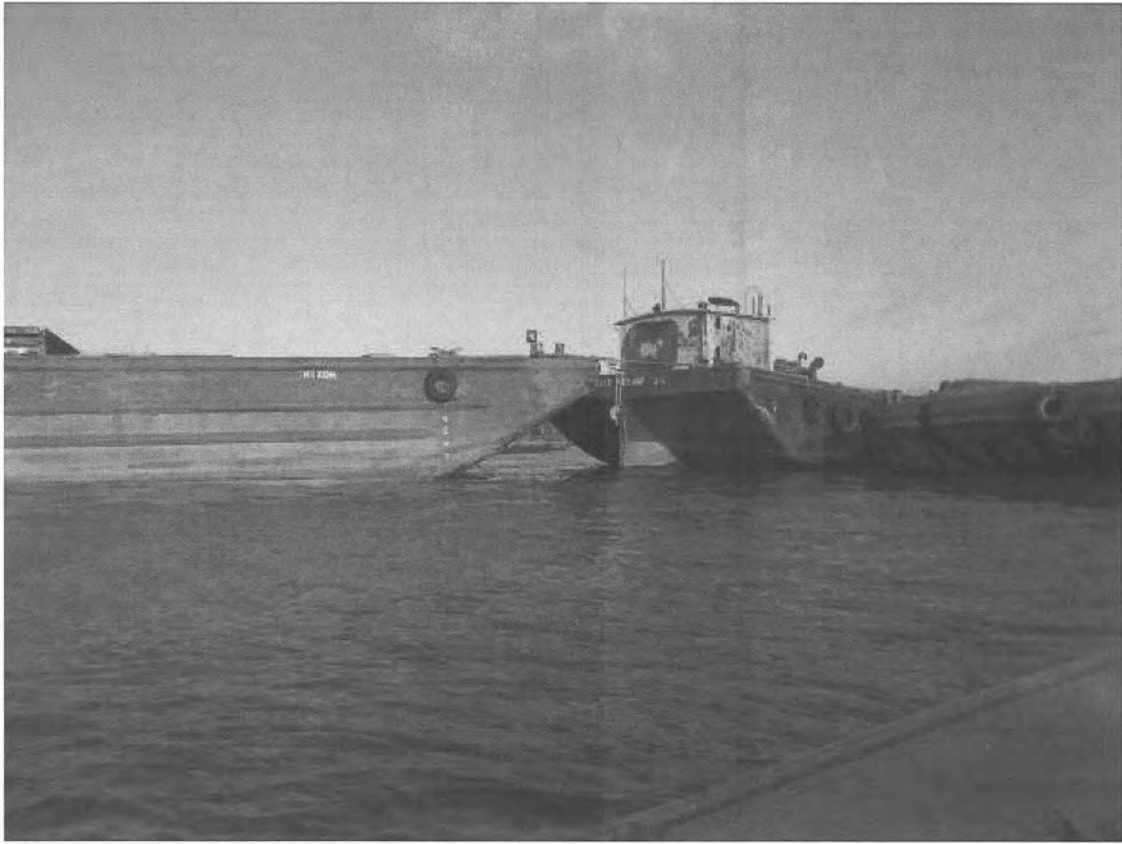














ORUTSARARMIUT NATIVE COUNCIL P.O. Box 927, Bethel, AK, 99559 Office: 907-543-2608 Fax: 907-543-2639

March 27, 2017

Senator Peter Micciche  
Senator Cathy Giessel, Senate Resources Chair  
Email: [Senator.Peter.Micciche@akleg.gov](mailto:Senator.Peter.Micciche@akleg.gov)  
[Senator.Cathy.Giessel@akleg.gov](mailto:Senator.Cathy.Giessel@akleg.gov)

RE: Alaska Senate Bill 92, Derelict Vessel Accountability Act

Dear Senators Micciche & Giessel:

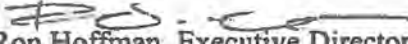
The Orutsararmiut Native Council (ONC) is writing to support Senate Bill 92, an act that holds people accountable for abandoning boats on public waters and streamlines the state's ability to prevent and manage derelict vessels.

The Orutsararmiut Native Council (ONC) is a federally recognized governing body per Federal Register/Vol. 6, No. 49, notices for the native village of Bethel, Alaska. ONC's ability and capacity to lead numerous aspects of governance services per PL 93-638, a law provided by the Federal Government to utilize Indian self-determination by its membership.

Currently there are hundreds of documented derelict and abandoned vessels in Alaska. Out of those hundreds there are over 40 large abandoned barge vessels in Steamboat Slough. These have become uneconomical abandoned vessels mooring among the tidal grounds of the slough or pulled up on land. Over the past decade, ONC and other organization in Bethel have been asking for assistance to remove the vessels. After the "Shanks Ark" sunk in the middle of Steamboat Slough. The vessel became very dangerous and hazardous to motorized boats, vehicles, people, subsistence harvesting, and the environment. There are no agencies that have the ability to help remove any of the vessels, especially the more hazardous sunken vessel, "Shanks Ark."

SB92 will provide a program with pro-active strategies to address such occurrences as Bethel's derelict vessels. Without this action towns like Bethel will continue to suffer the dangerous burden of derelict and abandoned vessels. They will continue to be a hazardous to traffic, human life, and our ecosystem. We strongly urge and recommend your support of this important legislation.

Thank you,

  
Ron Hoffman, Executive Director  
Orutsararmiut Native Council

Thank you for the opportunity to speak on the proposed legislation for Derelict vessels. My name is John Murgas, I am the owner of Island Ventures LLC, a large vessel boat yard in Petersburg. We use hydraulic trailers to haul out and bring vessels into our yard. (Picture?) Despite our best precautions, we average getting stuck with one abandoned/derelict vessel in our yard per year. In the current statute, Section 30.30.110, titled "Disposition of Vessels by Persons in Vessel Repair Business" is important to us. It's a well thought out, clear, simple, and fair path to dispose of a derelict vessel without having to hire an attorney and file civil suits. The new proposed legislation eliminates that section in its entirety. I am disappointed the new legislation minimizes the importance of private industry to reduce abandoned and derelict vessels in our state. Boat yards should be key players, even partners. Disposing of a vessel in a boat yard is a small fraction of the cost of disposition in the water or on the beach or sunk. And without environmental harm. Please retain 30.30.110 Disposition of Vessels by Persons in Vessel Repair Business in its entirety.

I am also concerned about the insurance requirement. I'm guessing the authors of the proposed legislation assume insurance is readily available for all vessels. It is not. Allow me to read a portion of an e-mail from an Aalskan insurance business I received last week. FROM A LOCAL INSURANCE AGENCY:

I had a call from someone yesterday looking for coverage for a 1952 71' wooden commercial boat valued at \$40,000 wanting to be hauled out in Kodiak for re-fitting but needed liability insurance before they would haul him. Nope, no way. The insurance companies look at the risk and when you get to the derelict stage there is not a company willing to front the \$100,000 or whatever the minimum required is."

Petersburg has about 600 commercial vessels home ported here. I estimate about 40%, or about 240 vessels, <sup>ALL</sup> ~~are~~ of which are actively fishing and supporting the state's economy, would not be eligible for insurance.

THESE ARE COMPLEX ISSUES THAT SHOULD BE RESOLVED BEFORE PASSAGE OF THE BILL.

THANK YOU,  
JOHN MURGAS



Dear Senator Giessel and Senator Micciche,

As the President of the Alaska Association of Harbormasters and Port Administrators (AAHPA), our organization is fully in support of increased legislation to mitigate the increasing challenges of meeting derelict and potentially derelict vessels throughout Alaska. Other NW Pacific States have taken proactive stances to protect their waters and to reduce financial risk to states and municipalities. The unintended consequences of these stricter statutes have resulted in Alaska being viewed as a soft target. It is more than plausible that we will see increasing number of WWII aged vessels being brought to Alaska because of our lax enforcement rules.

AAHPA is supportive of increased user fees to help defray the cost to remediate abandoned and derelict vessels as well as initiatives to require vessels to be insured. In the case of Juneau, which I am very familiar with, it was once acceptable for boat owners to dispose of their vessels along Thane Road on CBJ property. It was also commonplace to scuttle unwanted vessel in any deep water. In 2015, the vessel CHALLENGER was anchored in Gastineau Channel before sinking – because the Coast Guard could not determine the Responsible Party, the cost to the Coast Guard was in excess of \$1.7M and to my knowledge the ownership of the vessel remains uncertain.

What was once commonplace is now unacceptable and we need more sophisticated statutes to deal with abandoned and derelict vessels. The Alaska Association of Harbormasters & Port Administrators thank you for your consideration in advancing SB 92.

Sincerely,

Carl Uchytel, P.E.

President, AAHPA

<http://alaskaharbors.org/>





One Sealaska Plaza, Suite 200 • Juneau, Alaska 99801

Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

April 3, 2017

Sen. Peter Micciche  
Alaska Senate  
Room 508  
Juneau, Alaska 99801

RE: SB 92 – Vessels: Registration/Titles; Derelicts

Dear Senator Micciche,

Please accept my apology for not making it to the hearing in order to provide testimony. I was in a hearing as part of “invited testimony” that seemed to be dragging on a bit longer than I anticipated.

During AML’s Annual Local Government Conference held last November in Anchorage, the membership adopted Resolution #2017-13 which supports the issues you have addressed in your bill, SB 92.

The issue of derelict boats along the coastlines of Alaska has become an issue on which many municipalities have found themselves providing more and more time and money. The laws and regulations, while wisely allowing for protection and freedom with regard to the vessel owner, has become slow and ineffective for municipalities. The Alaska Municipal League supports this legislation in the hopes that it can be a tool in allowing municipalities to rid themselves of these unsafe eyesores that clutter shipping lanes, harbors, and beaches, while yet allowing numerous opportunities for public input and notification of previous owners.

We thank you for submitting this bill and stand in full support of the passage of SB 92.

Sincerely,

Kathie Wasserman  
Executive Director