

## **BILL ANALYSIS**

C.S.H.B. 3306  
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Land & Resource Management  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

The Natural Resources Code authorizes the commissioner of the General Land Office to, among other things, protect the coastal waters and adjacent shorelines by preventing spills and discharges of oil and by removing abandoned vessels and structures. Hurricane Ike left several hundred abandoned vessels and structures in coastal waters and demonstrated the need for the commissioner to react quickly to identify, remove, and dispose of these vessels and structures in the most efficient manner possible.

C.S.H.B. 3306 amends the Natural Resources Code to authorize the commissioner to include vehicles in the same provisions as derelict vessels or structures for the purpose of removal from coastal waters, provides language regarding handling a person who holds a security interest in such a vessel or structure, and establishes a system of identifying abandoned vessels and structures.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

C.S.H.B. 3306 amends the Natural Resources Code to require that, if the commissioner of the General Land Office has actual notice that a person holds a security interest in a vessel or structure subject to removal or disposal, written notice be given to the person. The bill authorizes the commissioner, if a vessel or structure is not removed within a reasonable time as specified in the preliminary report, to remove and dispose of, or contract for the removal and disposal of, any derelict vessel or structure. The bill grants priority to the interest of the state in recovering removal, storage, and disposal costs over the interest of the holder of a security interest in a derelict vessel or structure. The bill requires proceeds from the sale of the vessel or structure in excess of the cost of removal, storage, and disposal to be paid to the holder of the security interest in the vessel or structure in an amount not to exceed the amount necessary to satisfy the secured debt. The bill authorizes the commissioner to recover from the owner or operator of any derelict vessel or structure the costs for storage, in addition to the costs of removal and disposal of the vessel or structure. The bill requires the commissioner to make information on abandoned vessels and structures accessible on the General Land Office's Internet website and in any other medium, as determined by the commissioner, to the public and to a person receiving notice regarding a derelict vessel or structure as required by law.

C.S.H.B. 3306 requires that the commissioner's preliminary report of a violation and a need to remove or dispose of a derelict vessel or structure must include a determination of whether the vessel or structure is considered a numbered vessel or a vessel or structure that has no intrinsic value. The bill requires notice of the preliminary report to be published on the General Land Office's Internet website and in the Texas Register if notice cannot be given by methods specified by provisions of the Natural Resources Code relating to orders and hearings, and removes the provision requiring the notice to be published in a newspaper. The bill requires, in the case of a derelict vessel or structure that has been determined to have no intrinsic value, a copy of the notice to be posted on the vessel or structure. The bill makes the requirements for notice of preliminary report, consent to the report, failure to respond to an order, notice of action taken, request for a hearing, and compliance with an order or a petition for judicial review

applicable to a person claiming ownership of a derelict vessel, in addition to the person charged with a violation.

C.S.H.B. 3306 defines "structure" to include a vehicle, as defined in the Transportation Code, located in coastal waters and in a wrecked, derelict, or substantially dismantled condition. The bill defines "no intrinsic value" to mean that the cost of removal and disposal of a vessel or structure that has been abandoned or left in or on coastal waters exceeds the salvage value of the vessel or structure. The bill defines "numbered vessel" as a vessel for which a certificate of number has been awarded by the state as required by the Water Safety Act, or covered by a number in full force and effect awarded under federal law or a federally approved numbering system of another state.

#### **EFFECTIVE DATE**

September 1, 2009.

#### **COMPARISON OF ORIGINAL AND SUBSTITUTE**

C.S.H.B. 3306 differs from the original by making technical corrections.