
**By: Delegates McClenahan, V. Mitchell, Frush, Wood, Owings, W. Baker, Bonsack,
Conroy, Perry, Brinkley, Poole, and Donoghue**

Introduced and read first time: February 22, 1996

Assigned to: Ways and Means

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 21, 1996

CHAPTER _____

1 AN ACT concerning

2 **Marine Industry Economic Development Task Force - Boat Excise Tax - Exclusion of**
3 **Value of Trade-Ins**

4 FOR the purpose of excluding from the computation of the boat excise tax the value, as
5 ~~shown in a certain publication, of any vessel that is traded in as part of the~~
6 ~~consideration for the sale~~ creating a Marine Industry Economic Development Task
7 Force in the Department of Natural Resources; providing for the composition,
8 chairman, staff, and compensation of the Task Force; imposing certain duties and
9 responsibilities on the Task Force concerning the recreational boating industry and
10 a certain comprehensive marketing plan; requiring the Task Force to make a certain
11 report; generally relating to the Marine Industry Economic Development Task
12 Force; and providing for the termination of this Act.

13 ~~BY repealing and reenacting, with amendments,~~
14 ~~Article - Natural Resources~~
15 ~~Section 8-716(a)~~
16 ~~Annotated Code of Maryland~~
17 ~~(1990 Replacement Volume and 1995 Supplement)~~

18 ~~BY repealing and reenacting, without amendments,~~
19 ~~Article - Natural Resources~~
20 ~~Section 8-716(e)~~
21 ~~Annotated Code of Maryland~~
22 ~~(1990 Replacement Volume and 1995 Supplement)~~

23 BY adding to

2

1 Article - Natural Resources
 2 Section 8-7A-01 through 8-7A-05, inclusive, to be under the new subtitle "Subtitle
 3 7A. Marine Industry Economic Development Task Force"
 4 Annotated Code of Maryland
 5 (1990 Replacement Volume and 1995 Supplement)

6 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
 7 MARYLAND, That the Laws of Maryland read as follows:

8 **Article - Natural Resources**

9 ~~8-716.~~

10 (a) ~~(1) In this section the following words have the meanings indicated.~~

11 ~~(2) "Fair market value" means:~~

12 ~~(i) As to the sale of any vessel by a licensed dealer, the total purchase~~
 13 ~~price, as certified by the dealer, LESS THE VALUE OF ANY VESSEL THAT IS TRADED IN~~
 14 ~~AS PART OF THE CONSIDERATION FOR THE SALE, AS SHOWN IN A NATIONAL~~
 15 ~~PUBLICATION OF USED VESSEL VALUES ADOPTED BY THE DEPARTMENT;~~

16 ~~(ii) As to any other vessel that is sold by any person other than a~~
 17 ~~licensed dealer, the greater of:~~

18 ~~1. The total purchase price, LESS THE VALUE OF ANY VESSEL~~
 19 ~~THAT IS TRADED IN AS PART OF THE CONSIDERATION FOR THE SALE, AS SHOWN IN~~
 20 ~~A NATIONAL PUBLICATION OF USED VESSEL VALUES ADOPTED BY THE~~
 21 ~~DEPARTMENT; or~~

22 ~~2. \$100; or~~

23 ~~(iii) As to any other vessel that is sold by any person other than a~~
 24 ~~licensed dealer, either:~~

25 ~~1. The total purchase price, if verified by means of a certified~~
 26 ~~bill of sale approved by the Department, in which the actual price paid for the vessel is~~
 27 ~~stated, LESS THE VALUE OF ANY VESSEL THAT IS TRADED IN AS PART OF THE~~
 28 ~~CONSIDERATION FOR THE SALE, AS SHOWN IN A NATIONAL PUBLICATION OF USED~~
 29 ~~VESSEL VALUES ADOPTED BY THE DEPARTMENT; or~~

30 ~~2. The valuation shown in a national publication of used vessel~~
 31 ~~values adopted by the Department if a certified bill of sale does not accompany the~~
 32 ~~application, LESS THE VALUE OF ANY VESSEL THAT IS TRADED IN AS PART OF THE~~
 33 ~~CONSIDERATION FOR THE SALE, AS SHOWN IN THAT PUBLICATION.~~

34 ~~(3) "Used principally in this State" means that this State is the State of~~
 35 ~~principal use as defined in § 8-701(n) of this subtitle, except that in calculating where the~~
 36 ~~vessel is used or used most, a vessel is not considered to be in use for any period of time~~
 37 ~~that it is held for maintenance or repair for 30 consecutive days or more.~~

38 ~~(4) "Total purchase price" means the price of a vessel, including~~
 39 ~~simultaneously purchased motors, spars, sails, and accessories exclusive of trailer, agreed~~

3

1 ~~on by the buyer and seller, with no deduction for trade-in or other nonmonetary~~
2 ~~consideration.~~

3 ~~(5) (i) "Vessel" has the meaning indicated in § 8-701(p) of this subtitle.~~

4 ~~(ii) "Vessel" does not include a ship's lifeboat, a vessel propelled only~~
5 ~~by sail, or vessel manually propelled.~~

6 ~~(c) (1) Except as provided in § 8-715(d) of this subtitle and in subsections (e)~~
7 ~~and (f) of this section, and in addition to the fees prescribed in subsection (b) of this~~
8 ~~section, an excise tax is levied at the rate of 5% of the fair market value of the vessel on:~~

9 ~~(i) The issuance of every original certificate of title required for a~~
10 ~~vessel under this subtitle;~~

11 ~~(ii) The issuance of every subsequent certificate of title for the sale,~~
12 ~~resale, or transfer of the vessel;~~

13 ~~(iii) The sale within the State of every other vessel; and~~

14 ~~(iv) The possession within the State of a vessel purchased outside the~~
15 ~~State to be used principally in the State.~~

16 ~~(2) Notwithstanding the provisions of this subsection, no tax is paid on~~
17 ~~issuance of any certificate of title if the owner of the vessel for which a certificate of title~~
18 ~~is sought was the owner of the vessel prior to June 1, 1965, or paid Maryland sales and use~~
19 ~~tax on the vessel as required by law at the time of acquisition. The Department may~~
20 ~~require the applicant for titling to submit satisfactory proof that the applicant owned the~~
21 ~~vessel prior to June 1, 1965.~~

22 SUBTITLE 7A. MARINE INDUSTRY ECONOMIC DEVELOPMENT TASK FORCE.

23 8-7A-01.

24 IN THIS SUBTITLE, "TASK FORCE" MEANS THE MARINE INDUSTRY ECONOMIC
25 DEVELOPMENT TASK FORCE.

26 8-7A-02.

27 (A) THERE IS A MARINE INDUSTRY ECONOMIC DEVELOPMENT TASK FORCE
28 IN THE DEPARTMENT.

29 (B) THE TASK FORCE CONSISTS OF:

30 (1) THE SECRETARY OF NATURAL RESOURCES OR THE SECRETARY'S
31 DESIGNEE;

32 (2) THE SECRETARY OF BUSINESS AND ECONOMIC DEVELOPMENT OR
33 THE SECRETARY'S DESIGNEE; AND

34 (3) THE FOLLOWING SEVEN MEMBERS TO BE APPOINTED BY THE
35 SECRETARY;

4

1 (I) FOUR MEMBERS SELECTED FROM A LIST OF NAMES
2 RECOMMENDED BY THE MARINE TRADES ASSOCIATION OF MARYLAND, INC.;

3 (II) ONE MEMBER OF THE SPORTFISHING INDUSTRY;

4 (III) ONE MEMBER FROM THE PUBLIC MEMBERSHIP OF THE
5 MARYLAND TOURISM DEVELOPMENT BOARD; AND

6 (IV) ONE MEMBER FROM THE GENERAL PUBLIC.

7 8-7A-03.

8 (A) THE SECRETARY SHALL APPOINT THE CHAIRMAN OF THE TASK FORCE.

9 (B) THE DEPARTMENT SHALL PROVIDE STAFFING FOR THE TASK FORCE.

10 (C) A MEMBER OF THE TASK FORCE MAY NOT RECEIVE COMPENSATION BUT
11 IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE STANDARD STATE
12 TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.

13 8-7A-04.

14 THE TASK FORCE SHALL HAVE THE FOLLOWING DUTIES AND
15 RESPONSIBILITIES:

16 (1) ASSIST THE DEPARTMENT AND THE RECREATIONAL BOATING
17 INDUSTRY IN RECOMMENDING NECESSARY STRATEGIES, INCLUDING THE STATE
18 BOAT EXCISE TAX, TO PROMOTE, SUSTAIN, AND EXPAND THE STATE'S BOATING
19 ECONOMY;

20 (2) EVALUATE AND REVIEW THE STATE'S RECREATIONAL BOATING
21 ECONOMIC COMPETITIVENESS WITH OTHER STATES AND MAKE
22 RECOMMENDATIONS AS TO MEASURES TO PROMOTE THIS INDUSTRY;

23 (3) DEVELOP AND IMPLEMENT A COMPREHENSIVE MARKETING PLAN
24 TO PROMOTE THE RECREATIONAL BOATING INDUSTRY IN CONCERT WITH THE
25 MARYLAND TOURISM DEVELOPMENT BOARD, THE DEPARTMENT OF BUSINESS AND
26 ECONOMIC DEVELOPMENT, AND PRIVATE SECTOR ENTITIES; AND

27 (4) UNDERTAKE AND PERFORM SUCH OTHER DUTIES AND FUNCTIONS
28 FROM TIME TO TIME AS NECESSARY TO CARRY OUT THE PROVISIONS OF THIS
29 SUBTITLE.

30 8-7A-05.

31 (A) THE TASK FORCE SHALL SUBMIT A PRELIMINARY REPORT ON ITS
32 FINDINGS AND RECOMMENDATIONS ON OR BEFORE JANUARY 1, 1997 TO THE
33 GOVERNOR, THE APPROPRIATE STATE AGENCIES, AND, SUBJECT TO § 2-1312 OF THE
34 STATE GOVERNMENT ARTICLE, THE LEGISLATIVE POLICY COMMITTEE OF THE
35 GENERAL ASSEMBLY.

36 (B) THE TASK FORCE SHALL SUBMIT ITS FINAL REPORT ON ITS FINDINGS AND
37 RECOMMENDATIONS ON OR BEFORE JUNE 30, 1997 TO THE GOVERNOR, THE
38 APPROPRIATE STATE AGENCIES, AND, SUBJECT TO § 2-1312 OF THE STATE

1 GOVERNMENT ARTICLE. THE LEGISLATIVE POLICY COMMITTEE OF THE GENERAL
2 ASSEMBLY.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 1996. It shall remain effective for a period of one year and, at the end of June 30,
5 1997, with no further action required by the General Assembly, this Act shall be
6 abrogated and of no further force and effect.