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Aruna Miller, Lt. Governor
Josh Kurtz, Secretary
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March 25, 2025

BILL NUMBER: House Bill 720 – Third Reader

SHORT TITLE: Natural Resources – Repeal of Somers Cove Marina Commission and Improvement Fund and Alteration of Operations

DEPARTMENT’S POSITION: SUPPORT

EXPLANATION OF DEPARTMENT’S POSITION

The Department supports the third reader version of House Bill 720. This legislation allows the Department to restructure the operations of Somers Cove Marina in order to gain critically necessary fiscal oversight. Currently, the quasi-governmental structure of the Somers Cove Marina Commission has led to a lack of Department involvement and oversight on fiscal and operational matters. This legislation would repeal the Somers Cove Marina Improvement Fund in its current form and add new authority for the Secretary to execute leases, procure and execute contracts, and maintain employment of marina management. As amended, the bill would allow the Secretary of the Department to assess necessary fees and charges to ensure the marina may continue to operate and direct all review into an existing Property Maintenance Fund, which would operate as a special, nonlapsing fund and would be used for maintenance, management, and development of Somers Cove Marina. This legislation would also repeal the Somers Cove Marina Commission and replace it with a Somers Cove Marina Advisory Commission, to represent a diverse cross-section of stakeholders including tourism, economic development, local business, fishing, and boating interests in order to advise the Secretary on matters related to the management, operation, maintenance and development of the Marina. Finally, the bill would require the Department to develop a master plan for the facility to improve services to the boating public by October 1, 2027.

BACKGROUND INFORMATION

Somers Cove Marina, located in Crisfield, is one of the most unique properties owned by the Department of Natural Resources. The 515-slip facility also includes an extended fuel dock, launching ramps, clean and modern bath houses, laundry rooms, large and small pavilions, swimming pools and other amenities. It is also at the heart of Crisfield and is home to the annual Tawes Crab and Clam Bake that brings together Marylanders from across the State.

The operational structure of the Marina is one that is unique to state government. The property is owned by the Department of Natural Resources but the oversight of the Marina is delegated to a quasi-governmental Commission that is comprised of Secretary-appointed members, members appointed by Somerset County, and members appointed by the Town of Crisfield. Additionally, the Commission is responsible for the

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Somers Cove Marina Improvement Fund which is outside of the fiscal oversight of the Agency, yet still subject to the potential legislative audits when applicable.

The combination of both the Commission and the Fund being squarely outside of the direct purview of the Department leaves the agency without the necessary oversight of ongoing operational and fiscal concerns related to the Marina. These concerns include but are not limited to:

1. Processes and procedures related to the collection and remittance of funds related to the operation of the Marina.
2. Ongoing debt owed to the Department by the Commission in unpaid staffing expenses.
3. Continued investment into the maintenance and infrastructure of the Marina without necessary oversight and input into the future of the Marina.
4. Difficulties surrounding the "co-mingling" of staff from differing entities - the State, local governments, and the Commission.

If this legislation passes, the Department will be able to change the operational structure of the Marina to allow the agency to retain ownership but have the authority to lease out operations to another entity who is qualified to effectively manage a facility of this size and complexity - all while allowing the Department to gain critical oversight of the finances of the facility to ensure that the agency can have necessary fiscal oversight.

BILL EXPLANATION

This legislation will address ongoing fiscal and operational concerns surrounding Somers Cove Marina by:

1. Repealing the current Somers Cove Marina Commission and establishing a new Somers Cove Marina Advisory Commission in the Department to advise the Secretary on managing, operating, and improving the Marina;
2. Repealing the current Somers Cove Improvement Fund and direct any revenue from the Marina to the Natural Resources Property Maintenance Fund (an existing Fund);
3. Convert the existing Natural Resources Property Maintenance Fund into one of our typical Special Funds where interest is credited to the Fund;
4. Authorizing the Secretary to execute leases and contracts to manage the Marina, employ a marina manager and other staff, and assess slip fees;
5. Requiring the Secretary to set the compensation for the marina manager, develop a master plan, and update the master plan every five years;
6. Add uncodified language requiring the Department to strive to have the current Marina Commission members reappointed to the new Advisory Commission;
7. Add uncodified language to address the continuity of operations of the Marina during the transition from the current Commission to the Department; and
8. Add uncodified language requiring the current Commission to transfer the remaining balance in the Marina Improvement Fund to the Department's Natural Resources Property Maintenance Fund on or before the effective date of the Act.