

HB0719

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Position: FAV



March 25, 2025

The Honorable Brian J. Feldman
Chair
Maryland General Assembly
Senate Committee on Education, Energy, and the Environment
2 West Miller Senate Office Building
Annapolis, Maryland 21401

The Honorable Cheryl C. Kagan
Vice Chair
Maryland General Assembly
Senate Committee on Education, Energy, and the Environment
2 West Miller Senate Office Building
Annapolis, Maryland 21401

Written Testimony: HB0719 – Support and Pass

Dear Chair Feldman, Vice Chair Kagan, and Members of the Senate Committee on Education, Energy, and the Environment:

The undersigned organizations, which represent the entirety of our nation’s recreational boating industry, write today to express our support for the provisions put forth in HB0719 and urge that the committee vote favorably. This legislation stands to make common-sense updates to Maryland’s recreational boating laws while simultaneously availing more resources for much-needed recreational boating access throughout the state.

The Marine Retailers Association of the Americas (MRAA) is the leading trade association of North American small businesses that sell and service new and pre-owned recreational boats and operate marinas, boatyards, and accessory stores. MRAA represents more than 1,300 individual member retail locations and conducts advocacy efforts on their behalf, including 20 members located in Maryland.

The National Marine Manufacturers Association (NMMA) is the premier trade association for the U.S. recreational boating industry, representing nearly 1,300 marine businesses, including recreational boat, marine engine, and accessory manufacturers. NMMA members collectively manufacture more than 85 percent of the marine products sold in the U.S. Furthermore, the recreational boating industry has a \$230 billion impact on the nation’s economy and in

communities across the country, with 812,000 American jobs across 36,000 U.S.-based marine businesses. Approximately 93% of U.S. boat builders are small businesses.

The Association of Marina Industries (AMI) is a North American trade association dedicated to the marina and boatyard industry. We have over 1300 members throughout the U.S., Canada, Mexico, and the Caribbean—over 1 million boaters in the U.S. access water through our member marinas.

Maryland is home to the Chesapeake Bay, 3,190 miles of coastline, more than 100 lakes, and over 16,000 miles of freshwater streams. Simply put, recreational boating and fishing are part of the Old Line State's history and heritage. It is also a major economic contributor throughout the state, generating \$4.2 billion in annual economic impact. Furthermore, a strong recreational boating culture fuels a workforce of more than 16,000 people at over 1,000 businesses. It is safe to say that in Maryland, boating means business.

HB0719 proposes much-needed updates to Maryland's recreational boating laws, ensuring that fee structures reflect modern economic realities, including inflation and the evolving financial landscape. The undersigned organizations and our members support the bill's proposed fee adjustments, as the current fee structure has remained unchanged since 1983. These updates are necessary to respond to today's fiscal conditions and sustain Maryland's vital recreational boating infrastructure.

Additionally, we commend the proposed improvements to the Waterway Improvement Fund, which will provide up to \$1 million for projects benefiting the general boating public. Enhanced access to Maryland's fresh and saltwater resources will create new opportunities for recreational boaters and strengthen the state's boating economy, where access remains a key limiting factor.

For these reasons, we respectfully urge the Committee to vote in favor of HB0719. The proposed changes will positively impact Maryland's economy, residents, and visitors by expanding boating access, enhancing boater safety, and ensuring that the Maryland Department of Natural Resources has the necessary resources to fulfill its mission.

We appreciate your time and consideration of this important legislation. Please do not hesitate to reach out with any questions.

Sincerely,

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Uploaded by: John Stefancik

Position: FAV



March 25, 2025

The Honorable Brian J. Feldman, Chair
Senate Education, Energy and the Environment Committee
2 West Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

**Re: House Bill 719 - Natural Resources - State Boat Act – Alterations
Testimony in Support**

Dear Chair Feldman:

On behalf of the Marine Trades Association of Maryland, I am writing in support of House Bill 719 which, among other things, will modify license fees paid by a manufacturer or dealer; application fees for a certificate of number; Maryland use sticker fees; and fees to issue a certificate of title, a transfer of title, or a duplicate or corrected certificate of title. The proposal also alters definitions and regulatory requirements under the State Boat Act. House Bill 719 will also allow the owner of a vessel to apply to the Department for a nonmotorized vessel decal.

Provisions under House Bill 719 that result in voluntary nonmotorized vessel decals will lead to federal funding increases for DNR Natural Resources Police. Additionally, local Waterway Improvement Fund projects including dredging and marking channels and harbors, construction of jetties and breakwaters, and clearing of debris, aquatic vegetation, and obstructions in navigable waters will significantly benefit Maryland's boating community.

When the provisions of House Bill 719 are fully implemented, Special Fund Revenues for the State Boat Act Fund in DNR will increase for the first time in over 20 years, and these revenues will support program costs which support Maryland's boating industry.

The Marine Trades Association of Maryland is a 501(c)(6) organization representing the recreational boating industry in Maryland. The recreational boating industry has a \$4.2 billion economic impact in Maryland representing 16,871 jobs. With 3,190 miles of shoreline, our waterways and watersports are a big part of who we are and why people choose Maryland as their home.

I appreciate your time and consideration.

Sincerely,

John Stefancik
Executive Director

cc: Members, Senate Education, Energy and the Environment Committee

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Uploaded by: Josh Kurtz

Position: FAV



Wes Moore, Governor
Aruna Miller, Lt. Governor
Josh Kurtz, Secretary
David Goshorn, Deputy Secretary

March 25, 2025

BILL NUMBER: House Bill 719 – Third Reader

SHORT TITLE: Natural Resources – State Boat Act – Alterations

DEPARTMENT’S POSITION: SUPPORT

EXPLANATION OF DEPARTMENT’S POSITION

The Department supports the third reader version of HB719. The proposed legislation, as amended, makes several updates to the State Boat Act to update fee structures for the first time since 1983, provide more flexibility to the Department when doing projects in support of the Boating public, and better align the Department’s statutes with related Federal definitions.

Class A Vessel

The bill updates the state’s definition of vessel. With the increased introduction of electronically propelled personal watercraft, better aligning our State's definition of vessel with the Federal definition will ensure that we are properly including such vessels moving forward. This will also allow the Department to better align with industry standards and continue in our long history of aligning state regulations with federal regulations. Different classes of vessels are also not recognized at the Federal level anymore, so it is necessary to remove the references to "Class A Vessel" to ensure continued alignment.

Personal Floatation Device's

The bill updates the state’s definition of a personal floatation device (PFD). The United States Coast Guard updated its PFD labeling requirements so that new PFDs are no longer identified by a type code. PFD labels now include an icon to better explain intended use. The legislative updates to the definition of PFD will remove old type code labeling but at the same time provide flexibility in authorizing all devices approved by the U.S. Coast Guard.

Administrative Procedure Act Updates

The bill brings into current practice and compliance the Department’s practice of public notification relating to the adoption of any boating regulations. The current provision pertaining to the adoption of boating regulations and publication in newspapers was created prior to the modern Maryland Administrative Procedure Act (APA) and creates a timeline that is at odds with the APA. Additionally, the Department follows a rigorous public notice process to ensure the public is aware of any proposed regulatory changes. That includes a scoping process, emails, social media postings, the legally required small business impact compliance guides, and discussions at open public meetings of advisory bodies, in addition to public comment and postings for the regulatory proposal process as required under the APA.

Contact: Emily Wilson, Director, Legislative and Constituent Services (Acting)
emilyh.wilson@maryland.gov ♦ 410-260-8426 (office) ♦ 443-223-1176 (cell)

Voluntary Nonmotorized Vessel Decal

This legislation creates a voluntary \$12 nonmotorized vessel decal that can voluntarily be purchased by individuals for placement on vessels that are not subject to other numbering requirements - such as kayaks or canoes. This program will in turn provide the Natural Resources Police with better information to match lost nonmotorized vessels with their owners and also make necessary determinations on the users' safety if a lost vessel is found on the waters of the State.

Fees

The revenue derived from the various fees related to the State Boat Act are deposited into the State Boat Act Special Fund which is used to implement the State Boat Act at the Department. This revenue primarily funds Units involved in boating activities including Licensing and Registration, Natural Resources Police, and Fishing and Boating Services. Please see below for the specific impacts of this legislation. Registration fees are federally required to fund only the costs of administration of the registrations. That fee funds the Licensing and Registration Service. The costs of administering boat registrations has increased dramatically since 1983. The proposed fee is based on inflationary changes over the past 42 years and would bring that funding in line with those changes in order to cover actual costs of administration of registrations.

Again, these fees have been the same since 1983 - and because of that many of these do not fund the programs that they were originally intended to fund, and in turn the Department has to tap further into reserves or rely more heavily on other funds, including general funds. For example, the fee to register a boat every two years is proposed to go from \$24 every two years to \$70 every two years - this number was derived from using inflation to determine what the commensurate amount should be today compared to the 1983 level. The inflation-adjusted amount is actually higher at approximately \$73, but the cost was rounded down to \$70.

Waterway Improvement Fund (WIF) Financing

The WIF is funded via the excise tax on vessel sales in the State as well as a small portion of the fuel tax attributed to motorized vessels. The WIF serves as the Department's primary fund source to provide grants for capital projects across the State in support of the general motorized boating public. The WIF provides funds to local and state government entities within Maryland for engineering and construction of public boating facilities, dredging of navigable channels, and rescue and safety vessels including buoy tenders and ice breakers. The Department has been unable to provide adequate funding to local governments due to both rising costs and statutory limitations for funding levels. This has caused some projects to not be pursued by local governments due to the matching requirements, or delays in projects in order to phase them in, which ultimately costs more money. This has created safety issues for facilities, inefficiencies and delays, and significant cost in both funding and staff time.

The bill as amended would address this by increasing that 100% funding ceiling from \$250,000 to \$500,000 for facility projects to support the boating public, and then setting a similar funding ceiling of \$1,000,000 for marina projects in support of the general boating public. Beyond these 100% funding levels, matching funds would then be required by the grant recipient/local government.

Additionally, the amount of operating funds that do not need legislative approval has historically been \$225,000 for service contracts related to public boat ramps plus \$175,000 for small projects for a total of \$350,000. The ceiling for 'small projects' had historically been \$5,000. However, this is no longer adequate due to the rising cost of facility repairs and small capital equipment needs due to inflation. The request is to increase this ceiling to \$25,000 while combining the service contract funding with the 'small project'

funding (\$225,000 plus \$175,000). This request does not have a fiscal impact as there is no request for additional funding, only a request to have the ability to distribute the funding at a higher threshold. The bill as amended restores text that was inadvertently removed. The amendment changes the 100% funding threshold to local governments from \$250,000 to \$500,000 for eligible construction projects in 8-708(b)(3)(i).

Lastly, the bill as amended changes the renewal time from three years to two years for emergency vessels, which would make the renewal time period consistent with all other vessel renewal time periods.

BACKGROUND INFORMATION

A similar bill, SB 304/HB 239, was introduced in 2024.

Maryland Code § 8 - 701 updates occurred as follows: 2006 Md. HB 1234, Enacted- April 11, 2006; 2001 Md. HB 73- Enacted, May 18, 2001; 2002 Md. HB 1190- Enacted, April 25, 2002; 2003 Md. SB 305 - Enacted, April 8, 2003

In 2021, SB 305 included updates to align with the APA process among other updates and did not pass.

BILL EXPLANATION

The bill as amended would raise certain fees and create a voluntary nonmotorized vessel decal and provide more fiscal flexibility in funding grants under the Waterway Improvement Fund. This bill would also update multiple Maryland statutes to align with the United States Coast Guard Federal Regulations and updates the public notice provision with current Administrative Procedures Act requirements.