



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

---

February 19, 2025

**BILL NUMBER: House Bill 719 – First Reader**

**SHORT TITLE: Natural Resources – State Boat Act – Alterations**

**DEPARTMENT’S POSITION: SUPPORT WITH AMENDMENTS**

**EXPLANATION OF DEPARTMENT’S POSITION**

---

The proposed legislation 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**

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 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.

**PFD's**

Additionally, the United States Coast Guard updated its personal floatation device (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.

**Local Newspaper Requirements**

The 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.

**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

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

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. Generally speaking this means that this revenue primarily funds Units involved in boating activities including Licensing and Registration, Natural Resources Police, and Fishing and Boating Services. Please see the below for the specific impacts of this legislation. Registration fees, in particular, are federally required to fund only the administration of the registrations. That fee funds the Licensing and Registration Service. The costs of administering the registrations has increased dramatically since 1983. The proposed fee would bring that funding in line with the inflationary changes over the past 42 years.

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. The most significant increase here is the increase from \$24 every two years to \$70 every two years for boat registrations - 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 high 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 proposed amendment 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.

## Amendments:

The change to the 100% funding threshold to local government from \$250,000 to \$500,000 for eligible construction projects in 8-708(b)(3)(i)1 was in the Department's draft of the bill originally, but was inadvertently removed. The amendment restores that proposed text.

Two additional amendments will also provide more appropriate funding for projects under the Waterway Improvement Fund: (1) authorizing the Department to have the option to 100% finance public boating facility projects up to \$500,000 with a matching fund requirement over the \$500,000 threshold; and (2) adjusting the small project thresholds from \$5,000 to \$25,000. These three amendments are not requesting additional funds and thus do not result in a fiscal or operational impact.

Lastly, there is an amendment to change 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 would raise certain fees and create a voluntary nonmotorized vessel decal. 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.

BY:

(To be offered in the Environment and Transportation Committee)

## **AMENDMENTS TO HOUSE BILL 719**

(First Reading File Bill)

### **AMENDMENT NO. 1**

On page 1, in line 24, after "8-708(b)," insert "8-  
709(b).".

### **AMENDMENT NO. 2**

On page 3, in line 16, strike “paragraph (3)” and substitute “PARAGRAPHS (3) AND (4)”; after line 28, insert:

**“(4) THE CONTRIBUTION OF THE WATERWAY IMPROVEMENT FUND SHALL BE LIMITED TO NOT MORE THAN 50% OF THE COST:**

**(I) OVER \$500,000 FOR CONSTRUCTION PROJECTS IN PARAGRAPH (3)(I)1 OF THIS SUBSECTION; AND**

**(II) OVER \$1,000,000 FOR MARINA CONSTRUCTION PROJECTS IN PARAGRAPH (3)(I)2 OF THIS SUBSECTION.**

8-709.

(b) Notwithstanding the provisions of subsection (a) of this section, in any fiscal year the Department may expend from the Waterway Improvement Fund without legislative approval a total sum of not more than [\$225,000. Of this amount, a sum of not more than \$125,000 may be expended for small projects under § 8-707(a)(3) and (4) of this subtitle] **\$350,000 IN OPERATING FUNDS FOR SMALL PROJECTS**, subject to the limitation that a single project of this kind may not exceed [~~\$5,000~~] **\$25,000** in cost to the Waterway Improvement Fund, and a sum of not more than \$100,000 may be expended for boating safety and education.”.

On page 5, in line 13, strike “3” and substitute “2”.