

HB719_MRAA_FAV

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Position: FAV



February 19, 2025

The Honorable Marc Korman
Chair
Maryland General Assembly
House Committee on Environment and Transportation
250 Taylor House Office Building
Annapolis, Maryland 21401

The Honorable Regina T. Boyce
Vice Chair
Maryland General Assembly
House Committee on Environment and Transportation
250 Taylor House Office Building
Annapolis, Maryland 21401

Written Testimony: HB0719 – Support and Pass Unamended

Dear Chair Korman, Vice Chair Boyce, and Member of the House Committee on Environment and Transportation:

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,

Chad Tokowicz
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Uploaded by: John Stefancik

Position: FAV



February 19, 2025

The Honorable Marc Korman, Chair
House Environment & Transportation Committee
251 Taylor House Office Building
6 Bladen Street
Annapolis, Maryland 21401

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

Dear Chair Korman:

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, House Environment & Transportation Committee

Testimony HB719 Boater Fees 0225.pdf

Uploaded by: Joseph Broseker

Position: FAV



Yacht Clubs of Maryland ...to provide a means for close and frequent interaction and mutual support among member Yacht Clubs...

February 14, 2025

MEMBER CLUBS

BALTIMORE YACHT CLUB

BALTIMORE

BELVEDERE YACHT CLUB

ARNOLD

BODKIN YACHT CLUB

PASADENA

BOUMI SHRINE YACHT CLUB

BOWLEY'S POINT YACHT CLUB

BALTIMORE

BUSH RIVER YACHT CLUB

ABINGDON

CHESAPEAKE COMMODORES CLUB

CLASSIC YACHT CLUB

CRESCENT YACHT CLUB

BALTIMORE

EASTERN YACHT CLUB

BALTIMORE

GALLOWAY YACHT CLUB

Baltimore

GOOSE HARBOR YACHT CLUB

CHASE

GREAT OAK YACHT CLUB

CHESTERTOWN

KENT ISLAND YACHT CLUB

CHESTER

MARLEY BOAT CLUB

PASADENA

MARYLAND YACHT CLUB

PASADENA

MIDDLE RIVER YACHT CLUB

BALTIMORE

MILES RIVER YACHT CLUB

ST. MICHAELS

NEPTUNE YACHT CLUB

BALTIMORE

NORTH EAST RIVER YACHT CLUB

NORTH EAST

NORTH POINT YACHT CLUB

SPARROWS POINT

OTTER POINT YACHT CLUB

ABINGDON

PLEASANT YACHT CLUB

SPARROWS POINT

RED EYE YACHT CLUB

BALTIMORE

RIVERSIDE YACHT CLUB

BALTIMORE

SUE HAVEN YACHT CLUB

BALTIMORE

VENTNOR YACHT CLUB

PASADENA

VETERANS YACHT CLUB ASSOCIATION

Testimony to the Chair, Environment and Transportation Committee (By Request – Departmental – Natural Resources (DNR))

Why we FAVOR passage of HB 719 - Natural Resources - State Boat Act -

Alterations: The proposed fee increases are significant, but reasonable considering there's been no increase in these fees for decades. Given the budget deficits that Maryland faces, we want to make sure that DNR can continue to provide outstanding service to the communities it serves.

- ✓ While we opposed legislation last year (which was HB239) to increase fees, our opposition was to even greater increases and creating a scale of fees that increased based on size of the boat.
- ✓ We believe the fees collected must be directed to cover DNR expenses and waterway improvements. To do otherwise would make this just another means of taxing boaters. Boaters already pay the full Maryland tax on every gallon of gasoline they buy, which doesn't provide any direct benefits to boaters.
- ✓ Fees should correlate to services provided such as titling registration expenses, safety programs, law enforcement, waterway improvements, etc.
- ✓ The State and its citizens benefit from a \$3.5 billion boating industry, commercial fishing, tourism, and thousands of full-time jobs and DNR needs the resources to maintain, at the least, current level of service.
- ✓ DNR services are crucial to the safety of boaters and our magnificent Chesapeake Bay and tributaries.
- ✓ DNR has been very supportive of the boating community, often providing safety presentations to the Yacht Clubs of Maryland community. With looming budget deficits, there needs to be a way for DNR to continue their efforts in support of safe boating.
- ✓ We fear that failure to pass this bill may lead to more boating accidents, injuries, etc.
- ✓ We urge the Maryland Legislature to approve HB 719.

Sincerely,

Kate Cramblett
Commodore, Yacht Clubs of Maryland

HB719_DNR_FWA

Uploaded by: Josh Kurtz

Position: FWA



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

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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”.