

Department of Legislative Services  
Maryland General Assembly  
2024 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 936 (Delegate R. Long)  
Environment and Transportation

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Department of Natural Resources - Issuance of Salvage Title for Abandoned or  
Sunken Vessels - Authorization

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This bill authorizes the Department of Natural Resources (DNR) to issue a salvage title to a person who applies and meets other specified requirements for seeking title to an abandoned or sunken vessel if the department determines that the vessel is a total loss. “Total loss” means the condition of a vessel for which the cost of repairs equals or exceeds the actual cash value of the vessel. The bill also authorizes DNR to issue a salvage title instead of disposing of an abandoned or sunken vessel if the vessel is in such a condition of disrepair that DNR cannot remove the vessel intact. DNR must adopt implementing regulations.

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Fiscal Summary

**State Effect:** DNR can handle the bill’s requirements with existing budgeted resources under the assumptions discussed below. Special fund revenues for DNR may increase minimally beginning in FY 2025 from the issuance of salvage titles.

**Local Effect:** The bill does not materially affect local government finances or operations.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** DNR is authorized to seize, remove, and take into custody any abandoned or sunken vessel. The department may use its own personnel, equipment, and facilities or use other persons, equipment, and facilities for removing, preserving, or storing abandoned or sunken vessels. DNR, or a person removing, preserving, or storing an abandoned or

sunken vessel on the department's behalf, may not be held liable for any damage to an abandoned or sunken vessel, which may occur during removal, storage, or custody of the vessel.

“Abandoned or sunken vessel” means any vessel that:

- is left illegally or has remained without permission for more than 30 days on public property, including public marinas, docks, or boatyards;
- has remained for more than 60 days at a private marina or boatyard, or property operated by a private marina or boatyard, without the consent of the owner or person in control of the property;
- has remained for more than 30 days at a private dock or at or near waters' edge on private property without the consent of the owner or person in control of the property;
- has remained on any other private property for more than 180 days without the consent of the owner or person in control of the property; or
- has been found adrift or unattended in or upon the waters of the State and is found in condition of disrepair, presents a potential health or environmental hazard, and is not specified historic property.

Generally, no later than 15 days before an abandoned or sunken vessel is seized, removed, or taken into custody, DNR must send a specified notice to the last known registered owner of the vessel, as shown on the department's records. If DNR is unable to determine the owner, or the notice is returned as undeliverable, the department must publish notice in at least one local newspaper. If the owner or secured party of an abandoned or sunken vessel fails to claim the vessel within three weeks after notice is given, DNR may sell the vessel at public auction, proceed to receive the title to the vessel, or otherwise dispose of the vessel.

DNR may delegate its authority to remove and dispose of abandoned or sunken vessels to any local jurisdiction that consents to the delegation.

Subject to specified notification and documentation requirements, a landowner, a landowner's lessee, or a landowner's agent may acquire title to any abandoned vessel on the landowner's land or the water immediately adjacent to the landowner's land. Acquisition of title divests any other person of any interest in the vessel. DNR may also acquire an abandoned vessel on the waters of the State under the same process.

**State Fiscal Effect:** DNR advises that it can handle the bill's requirements with existing budgeted resources if the department issues regulations requiring the person seeking a salvage title to provide documentation to the department establishing that the vessel is a

total loss. This estimate assumes that the department does so, as it is both (1) cost-effective and (2) generally aligns with the existing process that requires documentation. In absence of such a requirement, DNR advises that the department would need to hire a dedicated staff at a total annualized cost of approximately \$90,000 to inspect abandoned vessels and determine whether they are a total loss. The bill is not anticipated to otherwise materially affect DNR expenditures. Special fund revenues for DNR may increase minimally beginning in fiscal 2025 from the issuance of salvage titles.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Department of Natural Resources; Anne Arundel, Prince George's, St. Mary's, and Worcester counties; City of Havre de Grace; Town of Leonardtown; Department of Legislative Services.

**Fiscal Note History:** First Reader - February 25, 2024  
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