

Department of Fiscal Services
 Maryland General Assembly

FISCAL NOTE

House Bill 902 (Chairman, Environmental Matters Committee)
 (Departmental - Natural Resources)
 Environmental Matters

State Boat Act - Fees

This departmental bill eliminates the registration fee (\$24) exemption for specified small vessels. It increases the fee for documented vessels from \$10 to \$24, and increases the title fee from \$2 to \$12.

This bill is effective January 1, 1997.

Fiscal Summary

State Effect: Special fund revenue increase of \$994,300 in FY 1997; out-year revenues vary with biennial fee schedule. Special fund expenditures increase commensurate with revenues.

(in dollars)	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001
SF Revenues	\$994,300	\$866,400	\$994,300	\$866,400	\$994,300
SF Expenditures	\$994,300	\$866,400	\$994,300	\$866,400	\$994,300
Net Effect	\$0	\$0	\$0	\$0	\$0

*Note: () - decrease; GF - general funds; FF - federal funds; SF - special funds
 Assuming that the number of vessels remains constant at 1995 levels*

Local Effect: None.

Small Business Effect: The Department of Natural Resources has determined that this bill has minimal or no impact on small business (attached). Fiscal Services concurs with this assessment as discussed below.

Fiscal Analysis

Bill Summary: Currently, any vessel equipped with propulsion machinery of any type must be numbered for identification; this does not include vessels which have a valid document issued by the United States Coast Guard (USCG) or other specified vessels such as lifeboats or boats powered only by sail. Registration fees for these numbers are \$24 and must be renewed every two years; vessels 16 feet in length or less and equipped with a 7.5 horsepower motor or less are exempt from the registration fee. The legislation removes this exemption. Vessels that have a valid document issued by the USCG (and do not have to register) must obtain a vessel validation sticker which costs \$10 and must be renewed every two years. The bill increases the fee to \$24 every two years (equal to the registration fee). Under current law, DNR charges a \$2 fee to issue a certificate of title, a transfer of title, or a duplicate or corrected certificate of title; this is increased to \$12.

State Effect: Special fund revenues in the form of fees would increase under this legislation. There are currently 40,531 motorized vessels exempt from the registration fee; 20,266 vessel owners would register biennially and pay a \$24 fee (half are issued each year). Owners of the 9,140 documented vessels would pay an additional \$14 in fees every two years. The additional \$10 for the titling fee would be paid by 37,990 vessel owners per year. Exhibit 1 shows the amount of additional revenue generated per year, assuming that the number of vessels remains constant at 1995 levels:

Exhibit 1
Potential Revenue Increase Through Fees

	FY 1997	FY 1998	FY 1999	FY I 2000	FY 2001
Registration Fee	486,384	486,384	486,384	486,384	486,384
Validation Fee	127,960	0	127,960	0	127,960
Title Fee	379,990	379,990	379,990	379,990	379,990
Total Increase	994,334	866,374	994,334	866,374	994,334

Source: Department of Natural Resources (1995 Boat Registration & Titling Statistics)

It is assumed that all additional fee revenues will be used on boating education and enforcement programs.

Small Business Effect: While the fee increases discussed will affect small businesses, as noted in the DNR analysis, it is expected that this effect will be minimal. The costs involved

are assumed to be nominal in relationship to the other costs associated with buying or running boats.

Information Source(s): Department of Natural Resources, Department of Fiscal Services

Fiscal Note History: First Reader - February 27, 1996

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