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By: **Delegates McClenahan, Moe, Cadden, Howard, Conroy, Bozman,  
Conway, and Love**

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Assigned to: Ways and Means

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Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 9, 2000

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CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Natural Resources - Boat Excise Tax - Certificate of Title**

3 FOR the purpose of altering the definition of "fair market value" under the boat excise  
4 tax to eliminate the requirement that a licensed dealer take title to a used vessel  
5 that is traded in as part of the consideration for the sale of a new vessel in order  
6 to qualify for a certain exclusion from the computation of the boat excise tax  
7 under certain circumstances; altering the definition of "fair market value" to  
8 apply it to the sale of any vessel by a licensed out-of-state or foreign dealer;  
9 requiring the Department of Natural Resources to report to certain committees  
10 of the General Assembly on or before a certain date; and generally relating to  
11 the elimination of certain requirements associated with qualifying for a certain  
12 exclusion from the computation of the boat excise tax under certain  
13 circumstances for the value of a trade-in vessel.

14 BY repealing and reenacting, with amendments,  
15 Article - Natural Resources  
16 Section 8-716(a)  
17 Annotated Code of Maryland  
18 (1990 Replacement Volume and 1999 Supplement)

19 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
20 MARYLAND, That the Laws of Maryland read as follows:

1 **Article - Natural Resources**

2 8-716.

3 (a) (1) In this section the following words have the meanings indicated.

4 (2) "Fair market value" means:

5 (i) As to the sale of any vessel by a licensed dealer OR A LICENSED  
6 OUT-OF-STATE OR FOREIGN DEALER, the total purchase price, as certified by the  
7 dealer on a form acceptable to the Department, less the value of any vessel that is  
8 traded in as part of the consideration for the sale [and to which the dealer takes  
9 title], which trade-in value may not exceed the value for the trade-in vessel as shown  
10 in a national publication of used vessel values adopted by the Department;

11 (ii) As to any other vessel that is sold by any person other than a  
12 licensed dealer, the greater of:

13 1. The total purchase price; or

14 2. \$100; or

15 (iii) As to any other vessel that is sold by any person other than a  
16 licensed dealer, either:

17 1. The total purchase price, if verified by means of a certified  
18 bill of sale approved by the Department, in which the actual price paid for the vessel  
19 is stated; or

20 2. The valuation shown in a national publication of used  
21 vessel values adopted by the Department if a certified bill of sale does not accompany  
22 the application.

23 (3) "Used principally in this State" means that this State is the state of  
24 principal use as defined in § 8-701(n) of this subtitle, except that in calculating where  
25 the vessel is used or used most, a vessel is not considered to be in use for any period  
26 of time that it is held for maintenance or repair for 30 consecutive days or more.

27 (4) "Total purchase price" means the price of a vessel, including  
28 simultaneously purchased motors, spars, sails, and accessories exclusive of trailer,  
29 agreed on by the buyer and seller, with no deduction for trade-in or other  
30 nonmonetary consideration.

31 (5) (i) "Vessel" has the meaning indicated in § 8-701(p) of this subtitle.

32 (ii) "Vessel" does not include a ship's lifeboat, a vessel propelled  
33 only by sail, or vessel manually propelled.

34 SECTION 2. AND BE IT FURTHER ENACTED, That the Department of  
35 Natural Resources shall report to the House Ways and Means Committee and the

1 Senate Budget and Taxation Committee on or before July 1, 2001, in accordance with  
2 § 2-1246 of the State Government Article, on the fiscal impact of this Act.

3 SECTION ~~2~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take  
4 effect July 1, 2000.