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By: **Delegates W. Baker, C. Davis, Eckardt, Cane, Crouse, McClenahan,  
Schisler, Conway, Bozman, Conroy, and Ports**

Introduced and read first time: February 8, 2002

Assigned to: Ways and Means and Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

2 **Natural Resources - State Boat Act**

3 FOR the purpose of authorizing the Department of Natural Resources to use certain  
4 money to recover certain interest and penalties; authorizing the Department to  
5 establish a certain fee, not to exceed a certain amount, that the Department may  
6 charge for certain temporary certificates; extending the time period within  
7 which a licensed boat dealer shall send the Department a certain certificate;  
8 extending the expiration date for certain certificates; reducing the period of time  
9 within which certain emergency rescue boats must apply for a registration  
10 renewal; exempting the possession of certain vessels within the State for a  
11 certain time period from the requirement to pay a certain tax; requiring a  
12 certain applicant to include, as part of the application, certain vessel identifying  
13 materials; defining certain terms; and generally relating to the State Boat Act.

14 BY renumbering

15 Article - Natural Resources  
16 Section 8-701(g) through (s), respectively  
17 to be Section 8-701(h) through (t), respectively  
18 Annotated Code of Maryland  
19 (2000 Replacement Volume and 2001 Supplement)

20 BY adding to

21 Article - Natural Resources  
22 Section 8-701(g) and 8-716(k)  
23 Annotated Code of Maryland  
24 (2000 Replacement Volume and 2001 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article - Natural Resources  
27 Section 8-701(c), 8-710.1(a), 8-710.2(a), (b)(5), and (c), 8-712(c)(2), 8-716(a)  
28 and (e), and 8-722(c)(3)  
29 Annotated Code of Maryland

1 (2000 Replacement Volume and 2001 Supplement)

2 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
3 MARYLAND, That Section(s) 8-701(g) through (s), respectively, of Article - Natural  
4 Resources of the Annotated Code of Maryland be renumbered to be Section(s)  
5 8-701(h) through (t), respectively.

6 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
7 read as follows:

8 **Article - Natural Resources**

9 8-701.

10 (c) (1) "Dealer" means any person who:

11 (i) Engages in whole or in part in the business of buying, selling, or  
12 exchanging new and unused vessels or used vessels, or both, either outright or on  
13 conditional sale, bailment, lease, chattel mortgage, or otherwise; and

14 (ii) Has an established place of business for sale, trade, and display  
15 of vessels.

16 (2) "Dealer" includes:

17 (I) [a] A yacht broker; AND

18 (II) A HOLDER OF A LIEN CREATED UNDER TITLE 16, SUBTITLE 2 OF  
19 THE COMMERCIAL LAW ARTICLE WHO SELLS THE VESSEL PURSUANT TO THAT TITLE,  
20 INCLUDING AN AUCTIONEER AND A COMPANY COMMONLY KNOWN AS A LIEN AND  
21 RECOVERY COMPANY.

22 (G) "MARINE REPAIR CONTRACTOR" MEANS A PERSON OR ENTITY ENGAGED  
23 FULL TIME IN THE BUSINESS OF PROVIDING MAINTENANCE, REPAIR, OR SIMILAR  
24 SERVICES TO VESSELS.

25 8-710.1.

26 (a) Prior to the issuance of a boat dealer's or manufacturer's license, each  
27 applicant shall file with the Department acceptable evidence of a bond or other  
28 security deemed sufficient and adequate by the Department for the payment of fees  
29 and taxes the applicant receives based upon the applicant's volume of sales and the  
30 class of boat dealer's or manufacturer's license which the applicant has requested.  
31 The bond shall be for the use and benefit of the Department and any member of the  
32 public who suffers or sustains any loss by reason of any violation of this subtitle by  
33 the licensee, the licensee's agent, or the licensee's employee. THE DEPARTMENT MAY  
34 ALSO USE THE BOND TO RECOVER ANY PENALTY AND INTEREST CHARGED TO THE  
35 LICENSEE BASED ON A FAILURE TO PAY THE FEES OR TAXES RECEIVED BY THE  
36 APPLICANT.

1 8-710.2.

2 (a) The Department may design temporary certificates of boat number and  
3 furnish them to any licensed boat dealer who:

4 (1) Applies for at least 25 of the certificates on a form that the  
5 Administration requires; and

6 (2) Submits [a fee of \$1] THE FEE, NOT TO EXCEED \$1, SET BY THE  
7 DEPARTMENT for each certificate with the application.

8 (b) (5) Within [3] 30 days after a dealer issues a temporary certificate of  
9 boat number, the dealer shall mail a copy of the temporary certificate to the  
10 Department.

11 (c) A temporary certificate of boat number expires when the first of either of  
12 the following occurs:

13 (1) A certificate of boat number for the vessel is issued by the  
14 Department; or

15 (2) [60] 90 days expire from the date the temporary certificate was  
16 issued by the dealer.

17 8-712.

18 (c) (2) Emergency rescue boats that belong to fire departments or rescue  
19 squads in Maryland:

20 (i) Shall be exempt from all registration fees; but

21 (ii) Shall apply for a registration renewal every [3] 2 years.

22 8-716.

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

24 (2) "Fair market value" means:

25 (i) As to the sale of any vessel by a licensed dealer or a dealer  
26 licensed by another state or a foreign country, the total purchase price, as certified by  
27 the dealer on a form acceptable to the Department, less the value of any vessel that is  
28 traded in as part of the consideration for the sale, which trade-in value may not  
29 exceed the value for the trade-in vessel as shown in a national publication of used  
30 vessel values adopted by the Department;

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

33 1. The total purchase price; or



1           (6)     The possession within the State of a vessel which was purchased  
2 outside the State if the owner paid or incurred a liability for the Maryland use tax on  
3 the vessel prior to July 1, 1986;

4           (7)     The possession of a vessel that was purchased or acquired prior to  
5 coming into the State by a nonresident of the State and is not used principally on the  
6 waters of the State and if the issuance of a title is not sought;

7           (8)     The possession within the State of a vessel if the current owner,  
8 before July 1, 1986:

9                   (i)     1.     Was licensed by the Department to catch, for commercial  
10 purposes, finfish, eels, crabs, conch, terrapin, soft-shell clams, hard-shell clams,  
11 oysters, or any other fish; and

12                                 2.     Used the vessel for any of the commercial fishing purposes  
13 described in item 1 of this item; or

14                   (ii)    1.     Was licensed as a commercial fishing guide under the  
15 provisions of § 4-210 of this article; and

16                                 2.     Used the vessel as a charter boat with a license as  
17 provided in § 4-745(d)(2) of this article; or

18           (9)     The possession within the State of a vessel that:

19                   (i)     Is owned by a nonprofit organization that:

20                                 1.     Is qualified as tax exempt under § 501(c)(4) of the Internal  
21 Revenue Code; and

22                                 2.     Is engaged in providing a program to render its best  
23 efforts to contain, clean up, and otherwise mitigate spills of oil or other substances  
24 occurring in United States coastal and tidal waters; and

25                   (ii)    Is used for the purposes of the organization.

26           (10)    THE POSSESSION WITHIN THE STATE OF A VESSEL THAT IS TITLED  
27 OR NUMBERED IN ANOTHER STATE OR IS FEDERALLY DOCUMENTED WITH A  
28 HOMEPORT OUTSIDE THE STATE, IF THE VESSEL IS WITHIN THE STATE FOR LESS  
29 THAN 120 DAYS PER CALENDAR YEAR.

30    (K)   (1)     FOR PURPOSES OF SUBSECTION (A)(3) OF THIS SECTION, A VESSEL IS  
31 DEEMED TO BE HELD FOR MAINTENANCE OR REPAIR IF:

32                   (I)     THE MAINTENANCE OR REPAIR WORK IS PROVIDED IN  
33 EXCHANGE FOR COMPENSATION;

34                   (II)    THE MAINTENANCE OR REPAIR WORK IS PERFORMED  
35 PURSUANT TO A SCHEDULE PREESTABLISHED WITH ONE OR MORE MARINE  
36 CONTRACTORS; AND

1 (III) THE TOTAL COST OF THE MAINTENANCE OR REPAIR WORK IS  
2 AT LEAST TWO TIMES THE REASONABLE CURRENT MARKET COST OF DOCKING OR  
3 STORING THE VESSEL.

4 (2) TIME SPENT CONDUCTING SEA TRIALS SHALL BE INCLUDED WHEN  
5 CALCULATING THE PERIOD OF TIME A VESSEL IS HELD FOR MAINTENANCE OR  
6 REPAIR UNDER SUBSECTION (A)(3) OF THIS SECTION.

7 8-722.

8 (c) (3) At the end of the 30-day period the person shall apply to the  
9 Department for title to the vessel in the person's name on forms the Department  
10 approves accompanied by the following affidavits:

11 (i) A statement that the vessel is an abandoned vessel as defined in  
12 § 8-721 of this subtitle;

13 (ii) Proof the registered letter was mailed at least 30 days before  
14 application or a detailed explanation of the unsuccessful steps taken to identify the  
15 owner or lienholder and secure the owner's or lienholder's address; [and]

16 (iii) Proof a notice was printed in a newspaper as required in  
17 paragraph (2) of this subsection;

18 (IV) A CLEAR AND ACCURATE PHOTOGRAPH OF THE VESSEL; AND

19 (V) A TRACING OR CERTIFICATION OF THE HULL IDENTIFICATION  
20 NUMBER.

21 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect  
22 October 1, 2002.