

---

By: **Chairman, Environmental Matters Committee (By Request -  
Departmental - Natural Resources)**

Introduced and read first time: February 10, 2006

Assigned to: Environmental Matters

---

Committee Report: Favorable

House action: Adopted

Read second time: March 15, 2006

---

CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Department of Natural Resources - State Boat Act**

3 FOR the purpose of repealing certain provisions of the State Boat Act relating to  
4 out-of-state manufacturers and dealers, including certain registration fees and  
5 certain reporting requirements; repealing certain provisions relating to the  
6 issuance of temporary certificates of boat number; repealing the Boat Dealer  
7 Assurance Fund; altering a certain definition; requiring that funds in the Boat  
8 Dealer Assurance Fund, as of a certain date, revert to the General Fund; and  
9 generally relating to the revision of the State Boat Act.

10 BY repealing and reenacting, without amendments,  
11 Article - Natural Resources  
12 Section 8-701(a)  
13 Annotated Code of Maryland  
14 (2000 Replacement Volume and 2005 Supplement)

15 BY repealing and reenacting, with amendments,  
16 Article - Natural Resources  
17 Section 8-701(p), 8-710(b) and (c), and 8-710.2(a) and (e)  
18 Annotated Code of Maryland  
19 (2000 Replacement Volume and 2005 Supplement)

20 BY repealing  
21 Article - Natural Resources  
22 Section 8-710.2(d)

1 Annotated Code of Maryland  
2 (2000 Replacement Volume and 2005 Supplement)

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

5 **Article - Natural Resources**

6 8-701.

7 (a) In this subtitle the following words have the meanings indicated.

8 (p) "State of principal use" means the [state] JURISDICTION on whose waters  
9 a vessel is used or to be used most during a calendar year which is the period from  
10 January 1 through December 31.

11 8-710.

12 (b) An out-of-state or foreign manufacturer or dealer shall be exempted from  
13 licensing solely for purposes of displaying and selling vessels at a boat show, boat  
14 exposition, or outdoor recreation show if[:

15 (1) The] THE show or exposition is 14 consecutive days or less duration,  
16 admission taxes are paid on charges for admission to the show or exposition, and the  
17 manufacturer or dealer does not principally own, control, or manage the show or  
18 exposition[;

19 (2) Prior to each show or exposition, the manufacturer or dealer shall  
20 have registered for the show or exposition with the Department on forms supplied by  
21 the Department and shall have paid the Department an annual registration fee of  
22 \$25; and

23 (3) Within 30 days after each show or exposition, the dealer or  
24 manufacturer shall report to the Department on forms provided by the Department  
25 all sales of vessels made at the show or exposition].

26 (c) [(1)] Application for a manufacturer's or dealer's license is made on the  
27 form the Department prescribes and contains the name and address of the applicant.  
28 If the applicant is a partnership, the application shall include the name and address  
29 of each partner. If the applicant is a corporation, the application shall contain the  
30 names of the principal officers of the corporation, the state of incorporation, the  
31 addresses of every place where the business is conducted, the nature of the business,  
32 and any other information the Department requires. Every application shall be  
33 verified by oath or affirmation of the applicant if an individual, or by the partner or  
34 officer if the applicant is a partnership or corporation. A license fee fixed by the  
35 Department not to exceed \$25 shall accompany every application.

36 [(2)] Registration for purposes of displaying and selling vessels at a boat  
37 show, boat exposition, or outdoor recreation show shall be made on forms the

1 Department prescribes and may require the same information and verification as for  
2 application for a manufacturer's or dealer's license.

3 (3) The registration fee shall be deposited in the Boat Dealer Assurance  
4 Fund provided for in § 8-710.2 of this subtitle up to the Fund's authorized maximum  
5 amount. Amounts received in excess of the Fund's authorized maximum amount shall  
6 be deposited and used in accordance with § 8-723 of this subtitle.]

7 8-710.2.

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

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

12 (2) Submits the fee, not to exceed \$1, set by the Department for each  
13 certificate with the application].

14 [(d) (1) (i) There is a special fund called the Boat Dealer Assurance Fund.

15 (ii) All fees collected by the Department under this section shall be  
16 credited to the Fund.

17 (2) The Fund shall be used exclusively as provided in this subsection:

18 (i) To pay title taxes and fees that boat dealers and manufacturers  
19 have failed to forward to the Department; and

20 (ii) For administrative costs calculated in accordance with §  
21 1-103(b)(2) of this article.

22 (3) A payment may be made under this section only if:

23 (i) A member of the public demonstrates that title taxes and  
24 application fees were paid to a dealer and a manufacturer; and

25 (ii) The dealer or manufacturer has failed to forward the taxes and  
26 fees to the Department as required by this subtitle.

27 (4) Attainments to the Fund in excess of an accumulated balance of  
28 \$100,000 may be expended by the Department for any purpose authorized under §  
29 8-723 of this subtitle. However, any funds not expended pursuant to this subsection  
30 or § 8-723 of this subtitle:

31 (i) Shall remain in the Fund; and

32 (ii) May not revert to the General Fund.]

33 [(e) (D) In addition to any other sanction under this subtitle, on failure of a  
34 dealer to forward to the Department taxes and fees within 30 days of collection, the

1 Department may declare forfeited the bond or other security filed by the dealer under  
2 this subtitle. [The Department shall use funds collected through the forfeiture to  
3 reimburse the Boat Dealer Assurance Fund for the expense of paying title taxes and  
4 fees in accordance with this section.]

5 SECTION 2. AND BE IT FURTHER ENACTED, That the funds in the Boat  
6 Dealer Assurance Fund, on the effective date of this Act, shall revert to the General  
7 Fund.

8 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take  
9 effect October 1, 2006.