

HOUSE BILL 648

C2

8lr1446

By: **Delegates Riley, Costa, Dwyer, James, Kipke, Kullen, Mizeur, and Norman**
Introduced and read first time: February 1, 2008
Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Business Regulation – Boat Sales**

3 FOR the purpose of requiring a boat broker to place certain moneys received in
4 anticipation of a boat purchase into a boat broker trust account until the
5 moneys are disbursed or returned to certain persons; requiring a boat broker
6 trust account to be separate from a boat broker’s operating account; defining
7 certain terms; and generally relating to boat sales.

8 BY adding to

9 Article – Business Regulation
10 Section 19–401 and 19–402 to be under the new subtitle “Subtitle 4. Boat Sales”
11 Annotated Code of Maryland
12 (2004 Replacement Volume and 2007 Supplement)

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

15 **Article – Business Regulation**

16 **SUBTITLE 4. BOAT SALES.**

17 **19–401.**

18 (A) IN THIS SUBTITLE THE FOLLOWING WORDS HAVE THE MEANINGS
19 INDICATED.

20 (B) **“BENEFICIAL OWNER” MEANS A PERSON FOR WHOSE BENEFIT A**
21 **BOAT BROKER IS ENTRUSTED TO HOLD MONEY.**

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (C) "BOAT" MEANS ANY VESSEL THAT IS PROPELLED BY SAIL OR
2 MACHINERY IN THE WATER.

3 (D) "BOAT BROKER" MEANS A PERSON WHO PROVIDES BOAT
4 BROKERAGE SERVICES FOR ANOTHER PERSON.

5 (E) "BOAT BROKER TRUST ACCOUNT" MEANS AN ACCOUNT THAT A
6 BROKER MAINTAINS AT A FINANCIAL INSTITUTION FOR THE DEPOSIT OF TRUST
7 MONEY.

8 (F) "BOAT BROKERAGE SERVICES" MEANS TO ENGAGE IN ANY OF THE
9 FOLLOWING ACTIVITIES FOR AN EXPECTATION OF COMPENSATION:

10 (1) SELLING A BOAT, OFFERING TO SELL A BOAT, OR
11 NEGOTIATING TO SELL A BOAT;

12 (2) BUYING A BOAT, OFFERING TO BUY A BOAT, OR NEGOTIATING
13 TO BUY A BOAT;

14 (3) SOLICITING OR OBTAINING A LISTING OF A BOAT; OR

15 (4) NEGOTIATING THE PURCHASE, SALE, OR EXCHANGE OF A
16 BOAT.

17 (G) "TRUST MONEY" MEANS A DEPOSIT, PAYMENT, OR OTHER MONEY
18 THAT A PERSON ENTRUSTS TO A BOAT BROKER TO HOLD FOR THE BENEFIT OF
19 THE PERSON OR A BENEFICIAL OWNER.

20 **19-402.**

21 (A) A BOAT BROKER SHALL PLACE ANY TRUST MONEYS RECEIVED IN
22 ANTICIPATION OF A BOAT PURCHASE INTO A BOAT BROKER TRUST ACCOUNT
23 UNTIL THE BOAT BROKER:

24 (1) DISBURSES THE TRUST MONEYS TO THE BENEFICIAL OWNER
25 ON COMPLETION OF THE BOAT PURCHASE; OR

26 (2) RETURNS THE TRUST MONEYS TO THE PURCHASER IF THE
27 BOAT PURCHASE IS NOT COMPLETED.

28 (B) A BOAT BROKER TRUST ACCOUNT ESTABLISHED UNDER THIS
29 SECTION SHALL BE SEPARATE FROM THE BOAT BROKER'S OPERATING
30 ACCOUNT.

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
2 October 1, 2008.