

CHAPTER 287

(House Bill 648)

AN ACT concerning

Business Regulation – Boat Sales

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

BY adding to

Article – Business Regulation

Section 19–401 and 19–402 to be under the new subtitle “Subtitle 4. Boat Sales”

Annotated Code of Maryland

(2004 Replacement Volume and 2007 Supplement)

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

Article – Business Regulation

SUBTITLE 4. BOAT SALES.

19–401.

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

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

(C) “BOAT” MEANS ANY VESSEL THAT IS PROPELLED BY SAIL OR MACHINERY IN THE WATER.

(D) “BOAT BROKER” MEANS A PERSON WHO PROVIDES BOAT BROKERAGE SERVICES FOR ANOTHER PERSON.

(E) “BOAT BROKER TRUST ACCOUNT” MEANS AN ACCOUNT THAT A BROKER MAINTAINS AT A FINANCIAL INSTITUTION FOR THE DEPOSIT OF TRUST MONEY.

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

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

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

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

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

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

19-402.

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

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

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

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

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

Approved by the Governor, April 24, 2008.