

**Department of Legislative Services**  
Maryland General Assembly  
2010 Session

**FISCAL AND POLICY NOTE**

Senate Bill 494

(Senator Astle)

Education, Health, and Environmental Affairs

Economic Matters

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**Department of Natural Resources - Regulation of For-Hire Water Carriers**

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This bill transfers authority for regulating for-hire water carriers from the Public Service Commission (PSC) to the Department of Natural Resources (DNR). A “for-hire water carrier” is a vessel used to accept or solicit passengers for (1) transportation between points along State waters in exchange for remuneration; and (2) sightseeing and touring in State waters in exchange for remuneration. Prior to registering a vessel, for-hire water carriers must show, to DNR’s satisfaction, that they hold an insurance policy or a bond in an amount that is required of a motor vehicle carrying the same number of passengers in accordance with specified PSC regulations. DNR is authorized to adopt implementing regulations and encouraged to make these regulations apply the same insurance and bonding rates that are currently applied under specified PSC regulations.

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**Fiscal Summary**

**State Effect:** Because the bill merely transfers regulatory responsibility for a few entities from PSC to DNR, it does not materially affect the State’s overall finances.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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**Analysis**

**Current Law:** PSC, which was established in 1910, regulates public utilities and certain passenger transportation companies doing business in Maryland. PSC is currently responsible for verifying that common carriers have a liability insurance policy or a bond for a vehicle. A “common carrier” is a person; public authority; or federal, State, district,

or municipal transportation unit that is engaged in the public transportation of persons for hire, by land, water, air, or any combination of them.

Current PSC regulations require that a motor vehicle carrying passengers for which a permit is necessary may not be operated unless the owner maintains a liability insurance policy or bond for that vehicle. The required insurance must have a term of at least six months. Regulations also specify the minimum per accident insurance amounts required for vehicles with varying passenger seating capacities. If an owner of a motor vehicle used to carry passengers elects to secure a bond instead of insurance, the amount of the bond is determined by the number of vehicles and the passenger seating capacity. Regulations also specify additional conditions for compliance and require that PSC receive written notice before a liability insurance policy or bond is cancelled or changed.

**Background:** DNR advises that PSC currently regulates 12 for-hire water carrier companies that have a total of 35 vessels.

DNR's Licensing and Registration Service is responsible for the collection of special funds from the sale of recreational hunting and fishing licenses, the issuance of commercial fishing licenses, the titling and registration of boats, the issuance of documented vessel decals, the sale of off-road vehicle permits, and the collection of the vessel excise tax. DNR advises that its existing licensing software does not accommodate insurance information, and the Licensing and Registration Service would be required to track such information manually.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 988 (Delegate George) - Environmental Matters.

**Information Source(s):** Department of Natural Resources, Public Service Commission, Maryland Insurance Administration, Department of Legislative Services

**Fiscal Note History:** First Reader - February 18, 2010  
mpc/lgc

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