SENATE BILL 90

M1, Q7 (3lr0366)

ENROLLED BILL

— Budget and Taxation/Ways and Means —

Introduced by Senator Astle	and favarion mays	and means	
Read	and Examined by Pro	oofreaders:	
		Proof	reader.
		Proof	reader.
Sealed with the Great Seal	and presented to th	e Governor, for his approv	al this
day of	at	o'clock,	M.
		Pre	esident.
	CHAPTER	_	
AN ACT concerning			
Motor Fuel Tax Di	stribution - Waterv	Tax – Maximum Tax vay Improvement Fund Taterway Improvement Fun	nd
each vessel; and gener payable for each vessel revenue; requiring the revenue to the Watery Natural Resources to seeffect of the limitation of the Task Force to Stumaryland; providing for	camount of the vesse vally relating to a light altering a certain disconptroller to distribute a light and a light	el excise tax to a certain amore excise tax to a certain amore emitation on the vessel exception of certain motor for excision of certain motor for equiring the Department of the tax enacted by this Act; established and the Boating Induction of the Task receiving certain compensation.	runt for ise tax fuel tax of the nent of ing the olishing stry in a Force;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

<u>Underlining</u> indicates amendments to bill.

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Strike out indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1	authorizing the reimbursement of certain expenses; requiring the Task Force to
2	evaluate options and make recommendations for enhancing boating and growing
3	the boating industry; requiring the Task Force to report its findings and
4	recommendations to the Governor and the General Assembly on or before a
5	certain date; providing that the altered distribution of motor fuel tax revenue as
6	enacted by this Act applies only under certain circumstances; providing for the
7	termination of certain provisions of this Act; and generally relating to the
8	distribution of motor fuel tax revenue. vessel excise tax and the Waterway
9	$\underline{Improvement\ Fund.}$
0	BY repealing and reenacting, with amendments,
1	Article - Natural Resources
12	Section 8-716(c)
13	Annotated Code of Maryland
4	(2012 Replacement Volume)
_	(2012 Replacement Volume)
15	BY repealing and reenacting, with amendments,
16	$\underline{Article-Natural\ Resources}$
L 7	Section 8–716(c)
18	Annotated Code of Maryland
19	(2012 Replacement Volume)
) ()	PV renealing and reconsisting with amondments
20	BY repealing and reenacting, with amendments,
21	Article – Tax – General
$\frac{22}{23}$	Section 2–1104 Annotated Code of Maryland
24	(2010 Replacement Volume and 2012 Supplement)
14	(2010 Replacement Volume and 2012 Supplement)
25 26	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:
27	Article - Natural Resources
28	8–716.
29	(e) (1) [Except] SUBJECT TO THE LIMITATION UNDER PARAGRAPH (3)
30	OF THIS SUBSECTION AND EXCEPT as provided in § 8-715(d) of this subtitle and in
31	subsections (e) and (f) of this section, and in addition to the fees prescribed in
32	subsection (b) of this section, an excise tax is levied at the rate of 5% of the fair market
33	value of the vessel on:
34	(i) The issuance of every original certificate of title required for
35	a vessel under this subtitle;
	a read made vine advitor,
36	(ii) The issuance of every subsequent certificate of title for the
37	sale resale or transfer of the vessel:

1	(iii) The sale within the State of every other vessel; and
2 3	(iv) The possession within the State of a vessel used or to be used principally in the State.
4 5	(2) Notwithstanding the provisions of this subsection, no tax is paid on issuance of any certificate of title if the owner of the vessel for which a certificate of
$\frac{6}{7}$	title is sought was the owner of the vessel prior to June 1, 1965, or paid Maryland sales and use tax on the vessel as required by law at the time of acquisition. The
8	Department may require the applicant for titling to submit satisfactory proof that the
9	applicant owned the vessel prior to June 1, 1965.
10	(3) THE EXCISE TAX IMPOSED UNDER THIS SUBSECTION MAY NOT
11	EXCEED \$10,000 FOR ANY VESSEL.
12	<u> Article - Natural Resources</u>
13	<u>8–716.</u>
14 15 16 17 18	(c) (1) [Except] SUBJECT TO THE LIMITATION UNDER PARAGRAPH (3) OF THIS SUBSECTION AND EXCEPT as provided in § 8–715(d) of this subtitle and in subsections (e) and (f) of this section, and in addition to the fees prescribed in subsection (b) of this section, an excise tax is levied at the rate of 5% of the fair market value of the vessel on:
19 20	(i) The issuance of every original certificate of title required for a vessel under this subtitle;
21 22	(ii) The issuance of every subsequent certificate of title for the sale, resale, or transfer of the vessel;
23	(iii) The sale within the State of every other vessel; and
24 25	(iv) The possession within the State of a vessel used or to be used principally in the State.
26 27 28 29 30 31	(2) Notwithstanding the provisions of this subsection, no tax is paid on issuance of any certificate of title if the owner of the vessel for which a certificate of title is sought was the owner of the vessel prior to June 1, 1965, or paid Maryland sales and use tax on the vessel as required by law at the time of acquisition. The Department may require the applicant for titling to submit satisfactory proof that the applicant owned the vessel prior to June 1, 1965.
32 33	(3) The excise tax imposed under this subsection may not exceed \$15,000 for any vessel.

$\frac{1}{2}$	<u>SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland</u> read as follows:
3	<u> Article - Tax - General</u>
4	<u>2–1104.</u>
5 6 7	(a) Except as otherwise provided in this section, after making the distributions required under §§ 2–1101 through 2–1103 of this subtitle, from the remaining motor fuel tax revenue, the Comptroller shall distribute:
8	(1) 2.3% to the Chesapeake Bay 2010 Trust Fund; and
9	(2) 0.5% TO THE WATERWAY IMPROVEMENT FUND; AND
l0 l1	[(2)] (3) any remaining balance to the Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund.
12 13 14	(b) For each fiscal year beginning on or before July 1, 2015, instead of the distribution required under subsection (a)(1) of this section, the Comptroller shall distribute 2.3% of the remaining motor fuel tax revenue as follows:
15	(1) to the General Fund of the State:
16 17	(i) \$5,000,000 for each fiscal year beginning on or before July 1, 2011;
18 19	(ii) \$5,000,000 for each of the fiscal years beginning July 1, 2012, July 1, 2013, and July 1, 2014; and
20	(iii) \$4,624,687 for the fiscal year beginning July 1, 2015;
21 22	(2) \$8,000,000 to the Budget Restoration Fund for the fiscal year beginning July 1, 2012; and
23	(3) the balance to the Chesapeake Bay 2010 Trust Fund.
24 25 26 27 28	SECTION 3. AND BE IT FURTHER ENACTED, That the Department of Natural Resources shall submit a report on or before August 1 of 2014, 2015, and 2016 to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly that describes the effect of the limitation on the vessel excise tax enacted by Section 1 of this Act during the preceding fiscal year on:
29	(1) the number and type of vessels registered in the State; and
30	(2) the health of the boating industry.

1	\underline{SECT}	TION 4	A. AND BE IT FURTHER ENACTED, That:
2 3	(a) There is a Task Force to Study Enhancing Boating and the Boating Industry in Maryland.		
4 5 6	(b) The Task Force consists of the Secretary of the Department of Natural Resources or the Secretary's designee, who shall serve as the chair of the Task Force and the following individuals appointed by the Secretary:		
7		<u>(1)</u>	one representative of the Marine Trades Association of Maryland;
8	<u>Developmen</u>	<u>(2)</u> <u>t;</u>	one representative of the Department of Business and Economic
10		<u>(3)</u>	one representative of the Maryland Association of Counties;
11		<u>(4)</u>	one representative of the Maryland Municipal League;
12 13	States;	<u>(5)</u>	one representative of the Boat Owner's Association of the United
14 15	Foundation,	<u>(6)</u>	one representative of the Recreational Boating and Fishing
16		<u>(7)</u>	one representative of the Chesapeake Bay Yacht Clubs Association;
17 18	<u>Committee;</u>	<u>(8)</u>	one representative from the Maryland Boat Act Advisory
19		<u>(9)</u>	one individual representing paddle sports; and
20 21	county that	<u>(10)</u> border	one representative of a local tourism board or visitor bureau in a s the Chesapeake Bay.
22 23	(c) <u>Force.</u>	The I	Department of Natural Resources shall provide staff for the Task
24	<u>(d)</u>	A me	mber of the Task Force:
25		<u>(1)</u>	may not receive compensation as a member of the Task Force; but
26 27	<u>Travel Regu</u>	<u>(2)</u> lations	is entitled to reimbursement for expenses under the Standard States, as provided in the State budget.
28	<u>(e)</u>	The T	<u> Fask Force shall:</u>

$\frac{1}{2}$	(1) evaluate options and make recommendations for enhancing boating and growing the boating industry in the State; and
3	(2) consider the following:
4 5	(i) incentives to encourage boats to register in the State and use marinas and boat yards for recreation, repair, and outfitting in the State;
6 7	(ii) the impact of modifying the State vessel excise tax rate and boat registration fees;
8 9	(iii) the expenditure and use of the Waterway Improvement Fund and its benefits to the general boating public and the State's boating industry;
10 11	(iv) the impact on the boating industry and the general boating public of decreased State and federal spending on boating access;
12 13	(v) the costs and needs of maintaining and improving public boating infrastructure and boating safety; and
14 15	(vi) any other matter that the Task Force agrees will enhance boating in the State.
16 17 18	(f) On or before September 1, 2015, the Task Force shall submit a report of its findings and recommendations to the Governor and, in accordance with § 2–1246 of the State Government Article, the General Assembly.
19 20 21 22 23 24 25 26 27 28 29	SECTION 5. AND BE IT FURTHER ENACTED, That, notwithstanding Section 1 of this Act, except as otherwise provided in this section, the altered distribution of revenue from the motor fuel tax under the provisions of Title 2, Subtitle 11 of the Tax—General Article as enacted by this Act does not apply until any Consolidated Transportation Bonds that were issued by the Department of Transportation before July 1, 2013, no longer remain outstanding and unpaid. In any fiscal year for which funds are appropriated by the General Assembly to pay the amount due and payable in that fiscal year for the principal of and interest on the Department of Transportation's Consolidated Transportation Bonds that were issued before July 1, 2013, the revenue from the motor fuel tax shall be distributed as provided in Title 2, Subtitle 11 of the Tax—General Article as enacted by this Act.
30 31 32 33 34	SECTION 2. 6. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2013. Sections 1 and 4 of this Act shall remain effective for a period of 3 years and, at the end of June 30, 2016, with no further action required by the General Assembly, Sections 1 and 4 of this Act shall be abrogated and of no further force and effect.