

Department of Legislative Services
 Maryland General Assembly
 2014 Session

FISCAL AND POLICY NOTE

House Bill 299 (Delegate Glass, *et al.*)
 Environmental Matters

State Boat Act - Certificate of Number Fee - Altering Motor Horsepower for Fee Exemption

This bill expands eligibility for an exemption from the certificate of number (registration) fee to specified vessels equipped with a 9.9 horsepower motor or less rather than specified vessels equipped with a 7.5 horsepower motor or less.

Fiscal Summary

State Effect: Special fund revenues decrease by \$122,100 in FY 2015 due to expanding the certificate of number fee exemption. Future year estimates reflect annualization. Expenditures are not directly affected.

(in dollars)	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
SF Revenue	(\$122,100)	(\$135,600)	(\$135,600)	(\$135,600)	(\$135,600)
Expenditure	0	0	0	0	0
Net Effect	(\$122,100)	(\$135,600)	(\$135,600)	(\$135,600)	(\$135,600)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law/Background: The State Boat Act, enacted in 1960, governs boating in the State. In accordance with the State Boat Act, any vessel equipped with propulsion machinery of any type on the waters of the State must be numbered for identification. Specified vessel owners must file an application for a certificate of number with the

Department of Natural Resources (DNR). Certificates of number (also called registrations) are valid for two years and cost \$24. Vessels 16 feet in length or less and equipped with a 7.5 horsepower motor or less are exempt from the registration fee. Registration fees are paid into the State Boat Act Fund, which is administered by DNR and used to carry out the purposes of the State Boat Act, including:

- developing plans for the improvement and promotion of the waters of the State for recreational purposes;
- promoting safety of life and property through an educational program directed to boat owners, boat operators, and others concerning the inherent hazards to vessels and people on the waters;
- planning a regulatory program and its related cooperation with officials of other states, the federal government, and local governments;
- improving the State's waterways by deepening channels; acquiring and developing access areas; clearing waterways by removing logs, debris, and other material obstructing or detrimental to navigation; building docks; and clearing waters of aquatic vegetation;
- cooperating with federal, State, or local agencies which make funds available for the administration of the State Boat Act;
- towing disabled vessels on any waters of the State to the nearest safe harbor or to a location where commercial towing facilities are available in order to protect life and property while not competing with commercial towing services; and
- designating and marking channels in State waters.

DNR is also authorized to use the State Boat Act Fund for specified administrative costs. In addition, within the limits of funds available, DNR may enter into any agreement with the federal government, any municipality or other political subdivision of the State, or any private agency to share the cost of any development, construction, or improvement of waterways or of facilities determined to have beneficial value to the boating public.

In practice, DNR advises that the State Boat Act Fund is used primarily to support the activities of the Natural Resources Police and the Licensing and Registration Service.

State Revenues: Special fund revenues for the State Boat Act Fund decrease by an estimated \$122,100 in fiscal 2015 as a result of expanding the existing exemption from

the requirement to pay vessel registration fees. This estimate is based on information provided by DNR and assumes that (1) the number of vessels affected by the bill in fiscal 2015 through 2019 remains at the 10-year average of 5,621 annually and (2) current trends with regard to when registrations are typically submitted continue. The fiscal 2015 revenue estimate assumes that 90% of annual boat renewals are processed between October 1, 2014, and July 1, 2015. Future year revenue decreases are estimated at \$135,600 annually and reflect annualization. Expenditures are not directly affected.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Natural Resources, Department of Legislative Services

Fiscal Note History: First Reader - February 3, 2014
mm/lgc

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