

Department of Legislative Services
Maryland General Assembly
2018 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1398 (Delegate Metzgar, *et al.*)
Environment and Transportation

State Boat Act - Solar Reflective Lights on Buoys - Requirement

This bill requires, beginning July 1, 2018, that all buoys in the navigable waters of the State must be equipped with solar reflective lights. **The bill takes effect July 1, 2018.**

Fiscal Summary

State Effect: General fund expenditures are expected to increase significantly, potentially by as much as \$3.6 million in FY 2019 and by approximately \$1.2 million annually thereafter. Revenues are not affected.

Local Effect: Local government expenditures increase by an indeterminate amount. Revenues are not affected.

Small Business Effect: Potential meaningful.

Analysis

Current Law/Background: The Department of Natural Resources (DNR) is responsible for administering the State Boat Act, which is intended to foster the development, use, and enjoyment of all the waters of Maryland. DNR's responsibilities under the Act include planning a regulatory program and its related cooperation with officials of other states, the federal government, and local governments, and designating and marking channels in the waters of the State. The Waterway Improvement Fund established under the Act is used for, among other things, marking channels and harbors and establishing aids to navigation in cooperation with and as an extension of operations of the U.S. Coast Guard.

DNR's Hydrographic Operations unit works with the U.S. Coast Guard to mark the major channels for the State and places regulatory and danger buoys and signs statewide.

State Expenditures: General fund expenditures are expected to increase significantly for DNR to implement the bill, potentially by as much as \$3.6 million in fiscal 2019 (which includes one-time costs) and by approximately \$1.2 million annually thereafter (for ongoing costs), for:

- the cost of solar reflective lights (\$1 million);
- replacement buoys that can accommodate the lights (\$1 million); and
- personnel (seven hydrographic engineers, \$380,800), vehicles (four trucks, \$160,000), vessels (four small buoy tenders and trailers, \$550,000), and other equipment and expenses (\$538,600) needed to install the solar reflective lights and replacement buoys and to maintain and periodically replace the solar reflective lights.

The bill does not define "solar reflective light"; however, the above estimate assumes that lights similar to lights used by the U.S. Coast Guard buoys (which use both battery and solar power and have adjustable settings to differentiate lights on buoys that serve different purposes) are installed at a cost of \$400 per light. DNR needs to replace the vast majority of its buoys with buoys that could accommodate the lights, at a minimum cost of \$450 per buoy. DNR currently maintains approximately 2,500 buoys. DNR expects that adding the lights to buoys requires increased maintenance of the buoys (repairing or replacing lights) to ensure the lights can be relied on for navigation and safety.

The estimate also assumes that implementation of the bill begins July 1, 2018 (the bill's effective date), and that the bill's July 1, 2018 deadline for all buoys to be equipped with solar reflective lights is not met. Based on information provided by DNR, it does not appear that the deadline is feasible to meet, even if implementation begins before the bill's effective date.

Local Expenditures: Local government expenditures similarly increase, for local governments that maintain buoys, at least for the cost of the solar reflective lights and any replacement buoys needed to accommodate the lights. Any such increase cannot be estimated at this time, as the number of buoys local governments maintain is unknown.

Small Business Effect: Small businesses that maintain buoys, such as private marinas, may also be meaningfully impacted by costs to comply with the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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md/lgc

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