

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
First Reader

House Bill 425 (Delegate T. Morgan, *et al.*)  
Environment and Transportation

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Natural Resources - State Boat Act - Auctioneers

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This bill excludes a licensed auctioneer from the definition of “dealer,” under the State Boat Act, if (1) the auctioneer is acting on behalf of a seller, secured party, or owner; (2) title does not pass to the auctioneer; and (3) the auction is not for the purpose of avoiding the provisions of Title 10 (“Waters”) of the Natural Resources Article (which includes the State Boat Act). **This bill takes effect July 1, 2025.**

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Fiscal Summary

**State Effect:** The bill does not materially affect State finances.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** The State Boat Act, enacted in 1960, governs boating in the State. Under the Act, a “dealer” is any person who (1) engages in whole or in part in the business of buying, selling, or exchanging new and unused vessels or used vessels, or both, either outright or on conditional sale, bailment, lease, chattel mortgage, or otherwise and (2) has an established place of business for sale, trade, and display of vessels. In addition, a “dealer” is a yacht broker, and a holder of a lien created under Title 16, Subtitle 2 (“Lien on Aircraft, Boats, Mobile Homes, and Motor Vehicles”) of the Commercial Law Article who sells the vessel pursuant to that title, including an auctioneer and a company commonly known as a lien and recovery company.

A manufacturer or dealer may not conduct business in the State unless licensed as a Maryland boat dealer. The annual license fee is \$25, and a surety bond or other security (of a specified amount based on whether the dealer is a new dealer in the State and the gross annual sales of the dealer) must accompany each application for a boat dealer license or license renewal.

A licensed boat dealer is also required to collect the excise tax on all sales of vessels to be titled and numbered and on all sales of vessels to be federally documented for use in the State. If the vessel excise tax is not collected by a licensed dealer, the owner must remit the tax directly to DNR within 30 days of the date of sale.

**Additional Comments:** DNR indicates there are currently eight auctioneers licensed as boat dealers.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** SB 23 (Senator Bailey) - Education, Energy, and the Environment.

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

**Fiscal Note History:** First Reader - February 2, 2025  
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