

SB 304 - EEE 01-31-2024 - MTAM - FAV.pdf

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January 31, 2024

The Honorable Brian J. Feldman, Chair
Senate Education, Energy & the Environment Committee
2 West Miller Senate Office Building
Annapolis, Maryland 21401

**Re: Senate Bill 304 - Natural Resources - State Boat Act – Alterations
Testimony in Support**

Dear Chair Feldman:

On behalf of the Marine Trades Association of Maryland, I am writing in support of Senate Bill 304 which, among other things, will modify license fees paid by a manufacturer or dealer; application fees for a certificate of number; Maryland use sticker fees; and fees to issue a certificate of title, a transfer of title, or a duplicate or corrected certificate of title. The proposal also alters definitions and regulatory requirements under the State Boat Act. Senate Bill 304 will also allow the owner of a vessel to apply to the Department for a nonmotorized vessel decal.

Provisions under Senate Bill 304 that result in voluntary nonmotorized vessel decals will lead to federal funding increases for DNR Natural Resources Police. Additionally, local Waterway Improvement Fund projects including dredging and marking channels and harbors, construction of jetties and breakwaters, and clearing of debris, aquatic vegetation, and obstructions in navigable waters will significantly benefit Maryland's boating community.

When the provisions of Senate Bill 304 are fully implemented, Special Fund Revenues for the State Boat Act Fund in DNR will increase for the first time in over 20 years, and these revenues will support program costs which support Maryland's boating industry.

The Marine Trades Association of Maryland is a 501(c)(6) organization representing the recreational boating industry in Maryland. The recreational boating industry has a \$4.2 billion economic impact in Maryland representing 16,871 jobs. With 3,190 miles of shoreline, our waterways and watersports are a big part of who we are and why people choose Maryland as their home.

I appreciate your time and consideration.

Sincerely,

John Stefancik
Executive Director

cc: Members, Senate Education, Energy & the Environment Committee

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Wes Moore, Governor
Aruna Miller, Lt. Governor
Josh Kurtz, Secretary
David Goshorn, Deputy Secretary

January 31, 2024

BILL NUMBER: **Senate Bill 304 – First Reader**

SHORT TITLE: **Natural Resources- State Boat Act - Alterations**

DEPARTMENT'S POSITION: **SUPPORT**

EXPLANATION OF DEPARTMENT'S POSITION

Several fees related to Boating have not seen an increase in decades and because of that, the Department's ability to fund boating related projects through the State Boat Act Fund and Waterway Improvement Fund have diminished. For example, from FY19 to FY24 the Department has only been able to fund, on average, 64% of funding requests received through the Waterway Improvement Fund.

The proposed legislation would implement targeted increases to several fees related to the State Boat Act to ensure that the Department has the necessary resources to manage these programs and even increase our services that we provide to the boating public, these include:

1. Changing the license fee from \$25 to \$50 for a manufacturer or dealer's license.
2. Changing the certificate of title issuance, transfer, or correction fee from \$2 to \$20.
3. Creating a tiered approach to vessel certificates of number that is based on the size of the vessel and also including sailboats over 16 feet in the requirement to have a certificate of number – as opposed to the \$24 biennial certificate of number fee for vessels of all sizes; and,
4. Implementing the same tiered approach to vessels that have valid U.S. Coast Guard Documents but are also required to apply for a Maryland use sticker – as opposed to the \$10 biennial fee under current law.

This tiered approach to boat certificates of number is similar to the approach of several neighboring States including: Delaware, New Jersey, and Virginia. The fee charged is most comparable to that of New Jersey and Delaware.

Additionally, this legislation creates a voluntary \$12 nonmotorized vessel decal that can voluntarily be purchased by individuals for placement on vessels that are not subject to other numbering requirements – such as kayaks or canoes. This program will in turn provide the Natural Resources Police with better information to match lost nonmotorized vessels with their owners and also make necessary determinations on the users safety if a lost vessel is found on the waters of the State.

This Departmental also makes several technical changes to the State Boat Act to better align Maryland Statute with Federal Law; these changes include:

1. The inclusion of electronically propelled personal watercraft in our State definitions of personal watercraft;

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2. The removal of the term “class A vessel” from State law as the United States Coast Guard (USCG) has recently removed all references to these different types of classes of vessels;
3. Updating language around Personal Floation Devices (PFD) to align with the USCG’s updated PFD guidance, and;
4. Making several other editorial and conforming changes to the State Boat Act to ensure alignment with the Code of Federal Regulations.

Lastly, this bill will also modernize the process by which boating regulations are adopted by removing the requirement that they be published in a local newspaper – this will save the Department roughly \$5,000 a year and also update our regulatory process to be more in line with the current administrative procedure act.

BACKGROUND INFORMATION

Currently, Maryland Code § 8 – 701(m)(1) defines “personal watercraft” as containing an inboard motor which uses an internal combustion engine powering a water jet pump as its primary source of motive propulsion. Whereas the United States Coast Guard under 33 C.F.R 173.3 defines a “personal watercraft” as a vessel propelled by a water-jet pump or other machinery as its primary source of motive power and designed to be operated by a person sitting, standing, or kneeling on the vessel, rather than standing within the vessel’s hull. Additionally, 33 C.F.R 174.19(13) states the following: authorized terms include “air thrust”, “Manual”, “Propeller”, “sail”, “water jet”, or “other” 33 C.F.R 174.19(15) Fuel: authorized terms are electric, diesel, gas, or other. Thus, it is necessary to update Maryland Code to recognize additional primary sources of propulsion along with internal combustion engines.

The bill would also amend Maryland Code to ensure alignment with the Code of Federal Regulations. It also makes editorial changes to update cross-references, make conforming amendments and make other technical changes.

Maryland Code § 8 – 712.3(a)(3) includes the following language: “Class A vessel” means a motorboat that is less than 16 feet in length as defined by the U.S. Coast Guard in 46 C.F.R. § 24.10–17. Furthermore, the following Maryland Statute(s) reference the “Class A vessel” language: § 8 – 701(m); § 8 – 712.3(a)(2); and § 8 – 712.3(b). However, the United States Coast Guard no longer recognizes “Class A” as a vessel classification. A Final rule was published in the Federal Register noting that the Coast Guard removed references to motorboat classes “A, 1, 2, or 3” because the recreational boating safety regulations no longer refer to motorboat classes but rely solely on vessel length category. Additionally, the referenced cite, 46 C.F.R. § 24.10–17, no longer exists. Thus, removal of references to “Class A vessel” Maryland Code is necessary.

The purpose of the change is to update Maryland Code regarding personal flotation devices (PFDs) to align with the United States Coast Guard’s updated PFD requirements. The action will also ensure the Maryland Department of Natural Resources ability to update regulations and recognize the possibility that a variety of United States Coast Guard approved PFDs may be onboard a vessel to meet requirements.

The revenue derived from the proposed fees is received by the State Boat Act Fund which provides resources to the Department to implement the provisions of the State Boat Act – including most notably, the Waterway Improvement Fund. If passed, the Department plans to continue and expand our efforts to support the boating community and the work done through the State Boat Act and the Waterway Improvement Fund.

BILL EXPLANATION

The bill would raise certain fees and create a voluntary non motorized vessel decal. This bill would also update multiple Maryland statutes to align with the United States Coast Guard Federal Regulations and update the public notice provision with current Administrative Procedures Act requirements.