



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

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February 19, 2025

**BILL NUMBER: House Bill 720 – First Reader**

**SHORT TITLE: Natural Resources – Repeal of Somers Cove Marina Commission and Improvement Fund and Alteration of Operations**

**DEPARTMENT’S POSITION: SUPPORT WITH AMENDMENTS**

### **EXPLANATION OF DEPARTMENT’S POSITION**

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The Department supports House Bill 720 with amendments. This legislation allows the Department to restructure the operations of Somers Cove Marina in order to gain critically necessary fiscal oversight. Currently, the quasi-governmental structure of the Somers Cove Marina Commission has led to a lack of Department involvement and oversight on fiscal and operation matters. This legislation would repeal the Somers Cove Marina Commission and the Somers Cove Marina Improvement Fund in its current form and add new authority for the Secretary to execute leases, procure and execute contracts, and maintain employment of marina management. Further, the bill would require the Department to develop a master plan for the facility to improve services to the boating public by October 1, 2027.

The Department is offering amendments that would clarify the fiscal authorities of the Department and reconstitute a Somers Cove Advisory Commission. Specifically, the amendments would:

- (1) Specify the Secretary may assess necessary fees and charges as necessary to ensure the marina may continue to operate.
- (2) Direct all revenue received by the Department into an existing Property Maintenance Fund, which is designated a special, nonlapsing fund and would be used for maintenance, management, and development of Somers Cove Marina; and
- (3) Require the membership of the Somers Cove Advisory Commission represent a diverse cross-section of stakeholders representing tourism, economic development, local business, fishing, and boating interests to advise the Secretary on matters related to the management, operation, maintenance and development of the Marina.

### **BACKGROUND INFORMATION**

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Somers Cove Marina, located in Crisfield, is one of the most unique properties owned by the Department of Natural Resources. The 515-slip facility also includes an extended fuel dock, launching ramps, clean and modern bath houses, laundry rooms, large and small pavilions, swimming pools and other amenities. It is also at the heart

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of Crisfield and is home to the annual Tawes Crab and Clam Bake that brings together Marylanders from across the State.

The operational structure of the Marina is one that is unique to State Government. The property is owned by the Department of Natural Resources but the oversight of the Marina is delegated to a quasi-governmental Commission that is comprised of Secretary-appointed members, members appointed by Somerset County, and members appointed by the Town of Crisfield. Additionally, the Commission is responsible for the Somers Cove Marina Improvement Fund which is outside of the fiscal oversight of the Agency, yet still subject to the potential legislative audits when applicable.

The combination of both the Commission and the Fund being squarely outside of the direct purview of the Department leaves the agency without the necessary oversight of ongoing operational and fiscal concerns related to the Marina. These concerns include but are not limited to:

1. Processes and procedures related to the collection and remittance of funds related to the operation of the Marina.
2. Ongoing debt owed to the Department by the Commission in unpaid staffing expenses.
3. Continued investment into the maintenance and infrastructure of the Marina without necessary oversight and input into the future of the Marina.
4. Difficulties surrounding the "co-mingling" of staff from differing entities - the State, local governments, and the Commission.

If this legislation passes, the Department will be able to change the operational structure of the Marina to allow the agency to retain ownership but have the authority to lease out operations to another entity who is qualified to effectively manage a facility of this size - all while allowing the Department to gain critical oversight of the finances of the facility to ensure that the agency can have necessary fiscal oversight.

## **BILL EXPLANATION**

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This legislation will address ongoing fiscal and operational concerns surrounding Somers Cove Marina by:

1. Repealing the current Somers Cove Marina Commission;
2. Repealing the current Somers Cove Improvement Fund;
3. Authorizing the Secretary to execute leases and contracts to manage the Marina, employ a marina manager and other staff, and assess slip fees;
4. Requiring the Secretary to set the compensation for the marina manager, develop a master plan, and update the master plan every five years;

Additionally, the Department is proposing amendments to the legislation that would:

5. Direct any revenue from the Marina to the Natural Resources Property Maintenance Fund (an existing Fund);
6. Establish a new Somers Cove Marina Advisory Commission in the Dept. to advise the Secretary on managing, operating, and improving the Marina;
7. Convert the existing Natural Resources Property Maintenance Fund into one of our typical Special Funds where interest is credited to the Fund;
8. Add uncodified language requiring the Department to strive to have the current Marina Commission members reappointed to the new Advisory Commission;

9. Add uncodified language to address the continuity of operations of the Marina during the transition from the current Commission to the Department; and
10. Add uncodified language requiring the current Commission to transfer the remaining balance in the Marina Improvement Fund to the Department's Natural Resources Property Maintenance Fund on or before the effective date of the Act.

BY:

(To be offered in the Environment and Transportation Committee)

AMENDMENTS TO HOUSE BILL 720  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 7, strike the second “and”; in the same line, after “staff” insert “and assess certain fees”; in line 9, after “circumstances;” insert “requiring certain revenue to be deposited into the Natural Resources Property Maintenance Fund; establishing the Somers Cove Marina Advisory Commission to advise the Secretary of Natural Resources on certain matters; altering certain provisions related to the Natural Resources Property Maintenance Fund; requiring interest of the Fund to be credited to the Fund;”; in line 17, after “5–908.1” insert “and 5–908.2”; and after line 19, insert:

“BY repealing and reenacting, with amendments,

Article – Natural Resources

Section 5–909

Annotated Code of Maryland

(2023 Replacement Volume and 2024 Supplement

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement

Section 6–226(a)(1) and (a)(2)(i)

Annotated Code of Maryland

(2021 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)204. and 205.

Annotated Code of Maryland

(2021 Replacement Volume and 2024 Supplement)

BY adding to

Article – State Finance and Procurement

Section 6–226(a)(2)(ii)206.

Annotated Code of Maryland  
(2021 Replacement Volume and 2024 Supplement)”.

AMENDMENT NO. 2

On page 8, in line 12, before “THE” insert “(A)”; in line 12, strike “AND”; and after line 22, insert:

“(V) ASSESS SLIP AND OTHER FEES AND CHARGES AS NECESSARY TO OPERATE, MAINTAIN, MANAGE, AND IMPROVE SOMERS COVE MARINA; AND”.

On page 9, after line 3, insert:

“(B) ALL REVENUE RECEIVED BY THE DEPARTMENT FROM MANAGING, OPERATING, MAINTAINING, IMPROVING, AND DEVELOPING SOMERS COVE MARINA SHALL BE DEPOSITED INTO THE NATURAL RESOURCES PROPERTY MAINTENANCE FUND ESTABLISHED UNDER § 5-909 OF THIS ARTICLE.

5-908.2.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “COMMISSION” MEANS THE SOMERS COVE MARINA ADVISORY COMMISSION.

(B) (1) THERE IS A SOMERS COVE MARINA ADVISORY COMMISSION IN THE DEPARTMENT.

(2) (1) THE COMMISSION SHALL CONSIST OF THE FOLLOWING MEMBERS:

1. ONE REPRESENTATIVE FROM SOMERSET COUNTY, APPOINTED BY THE BOARD OF COUNTY COMMISSIONERS OF SOMERSET COUNTY;

2. ONE REPRESENTATIVE FROM THE CITY OF CRISFIELD, APPOINTED BY THE MAYOR OF CRISFIELD;

3. THE SECRETARY OF NATURAL RESOURCES, OR THE SECRETARY’S DESIGNEE;

4. ONE REPRESENTATIVE FROM THE COMMERCIAL FISHING INDUSTRY;

5. ONE REPRESENTATIVE FROM THE ECONOMIC DEVELOPMENT OR TOURISM INDUSTRY;

6. ONE REPRESENTATIVE OF SAILBOAT OWNERS, WHO MAY BE A CURRENT SLIP HOLDER AT SOMERS COVE MARINA; AND

7. ONE REPRESENTATIVE OF POWER BOAT OWNERS, WHO MAY BE A CURRENT SLIP HOLDER AT SOMERS COVE MARINA.

(II) THE COMPOSITION OF THE COMMISSION SHALL CONSTITUTE A DIVERSE CROSS-SECTION OF STAKEHOLDERS BROADLY REPRESENTATIVE OF MULTIPLE INTERESTS INCLUDING TOURISM, ECONOMIC DEVELOPMENT, BUSINESS COMMUNITIES, FISHING, AND BOATING.

(3) FROM AMONG ITS MEMBERS, THE COMMISSION SHALL ELECT A CHAIR AND A VICE CHAIR.

(4) (I) THE TERM OF A MEMBER IS 4 YEARS.

(II) AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(III) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND QUALIFIES.

(5) THE COMMISSION SHALL MEET AT LEAST BIANNUALLY.

(C) THE COMMISSION SHALL ADVISE THE SECRETARY ON MATTERS RELATED TO THE MANAGEMENT, OPERATION, MAINTENANCE, AND DEVELOPMENT OF SOMERS COVE MARINA.

5-909.

(a) In this section, "Fund" means the Natural Resources Property Maintenance Fund.

[(b) The Natural Resources Property Maintenance Fund is created within the Department to be used for the maintenance, repair, and management of property owned by the Department.

(c) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of the State Finance and Procurement Article.

(2) Any investment earnings of the Fund shall be credited to the General Fund of the State.

(3) Money in the Fund may be used for administrative costs calculated in accordance with § 1-103(b)(2) of this article.]

(B) THERE IS A NATURAL RESOURCES PROPERTY MAINTENANCE FUND IN THE DEPARTMENT.

(C) THE DEPARTMENT SHALL ADMINISTER THE FUND.

(D) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

(2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY, AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

(E) THE FUND CONSISTS OF:

(1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

(2) REVENUE DEPOSITED INTO THE FUND IN ACCORDANCE WITH § 5-908.1(B) OF THIS ARTICLE;

(3) INTEREST EARNINGS; AND

(4) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR THE BENEFIT OF THE FUND.

(F) THE FUND MAY ONLY BE USED FOR:

(1) MAINTAINING, REPAIRING, AND MANAGING PROPERTY OWNED BY THE DEPARTMENT;

(2) MANAGING, OPERATING, MAINTAINING, AND DEVELOPING SOMERS COVE MARINA; AND

(3) ADMINISTRATIVE EXPENSES CALCULATED IN ACCORDANCE WITH § 1-103(B)(2) OF THIS ARTICLE.

(G) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.

**(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO THE FUND.**

**(H) EXPENDITURES FROM THE FUND MAY BE MADE ONLY IN ACCORDANCE WITH THE STATE BUDGET.**

**Article – State Finance and Procurement**

6–226.

(a) (1) Except as otherwise specifically provided by law or by regulation of the Treasurer, the Treasurer shall credit to the General Fund any interest on or other income from State money that the Treasurer invests.

(2) (i) 1. This subparagraph does not apply in fiscal years 2024 through 2028.

2. Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:

204. the Victims of Domestic Violence Program Grant Fund; [and]

205. the Proposed Programs Collaborative Grant Fund; AND

**206. THE NATURAL RESOURCES PROPERTY MAINTENANCE FUND.**

SECTION 2. AND BE IT FURTHER ENACTED, That the Department shall strive to ensure that current members of the Somers Cove Marina Commission are appointed to the Somers Cove Marina Advisory Commission.

SECTION 3. AND BE IT FURTHER ENACTED, That the Department and the Somers Cove Marina Commission shall work cooperatively to ensure the continuity of operations at the marina as management responsibilities are transferred from the Commission to the Department, including any necessary assignments of contracts and negotiation or renegotiation of agreements related to the facility, property, management, maintenance, service, and staffing.

SECTION 4. AND BE IT FURTHER ENACTED, That, on or before the effective date of this Act, the Somers Cove Marina Commission shall transfer the remaining balance from the Somers Cove Marina Improvement Fund to the Natural Resources Property Maintenance Fund established under § 5-909 of the Natural Resources Article, including unencumbered funds, accounts receivable, and cancelled encumbrances.”; and in line 4, strike “2” and substitute “**5**”.