

SB0090/335669/1

BY: Committee on Ways and Means

AMENDMENTS TO SENATE BILL 90
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, strike line 3 in its entirety and substitute “Natural Resources – Vessel Excise Tax – Waterway Improvement Fund”; in line 4, after “of” insert “limiting the amount of the vessel excise tax to a certain amount for each vessel;”; in line 8, after “Fund;” insert “requiring the Department of Natural Resources to submit reports on or before certain dates describing the effect of the limitation on the vessel excise tax as enacted by this Act; establishing the Task Force to Study Enhancing Boating and the Boating Industry in Maryland; providing for the composition, chair, and staffing of the Task Force; prohibiting a member of the Task Force from receiving certain compensation, but authorizing the reimbursement of certain expenses; requiring the Task Force to evaluate options and make recommendations for enhancing boating and growing the boating industry; requiring the Task Force to report its findings and recommendations to the Governor and the General Assembly on or before a certain date; providing that the altered distribution of motor fuel tax revenue as enacted by this Act applies only under certain circumstances; providing for the termination of certain provisions of this Act;”; strike line 9 in its entirety and substitute “vessel excise tax and the Waterway Improvement Fund.”; and after line 14, insert:

“BY repealing and reenacting, with amendments,

Article – Natural Resources
Section 8-716(c)
Annotated Code of Maryland
(2012 Replacement Volume)”.

AMENDMENT NO. 2

On page 2, after line 22, insert:

“Article – Natural Resources

(Over)

8-716.

(c) (1) [Except] SUBJECT TO THE LIMITATION UNDER PARAGRAPH (3) OF THIS SUBSECTION AND EXCEPT as provided in § 8-715(d) of this subtitle and in subsections (e) and (f) of this section, and in addition to the fees prescribed in subsection (b) of this section, an excise tax is levied at the rate of 5% of the fair market value of the vessel on:

(i) The issuance of every original certificate of title required for a vessel under this subtitle;

(ii) The issuance of every subsequent certificate of title for the sale, resale, or transfer of the vessel;

(iii) The sale within the State of every other vessel; and

(iv) The possession within the State of a vessel used or to be used principally in the State.

(2) Notwithstanding the provisions of this subsection, no tax is paid on issuance of any certificate of title if the owner of the vessel for which a certificate of title is sought was the owner of the vessel prior to June 1, 1965, or paid Maryland sales and use tax on the vessel as required by law at the time of acquisition. The Department may require the applicant for titling to submit satisfactory proof that the applicant owned the vessel prior to June 1, 1965.

(3) THE EXCISE TAX IMPOSED UNDER THIS SUBSECTION MAY NOT EXCEED \$15,000 FOR ANY VESSEL.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:".

On page 3, after line 12, insert:

“SECTION 3. AND BE IT FURTHER ENACTED, That the Department of Natural Resources shall submit a report on or before August 1 of 2014, 2015, and 2016 to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly that describes the effect of the limitation on the vessel excise tax enacted by Section 1 of this Act during the preceding fiscal year on:

- (1) the number and type of vessels registered in the State; and
- (2) the health of the boating industry.

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) There is a Task Force to Study Enhancing Boating and the Boating Industry in Maryland.

(b) The Task Force consists of the Secretary of the Department of Natural Resources or the Secretary’s designee, who shall serve as the chair of the Task Force, and the following individuals appointed by the Secretary:

- (1) one representative of the Marine Trades Association of Maryland;
- (2) one representative of the Department of Business and Economic Development;
- (3) one representative of the Maryland Association of Counties;
- (4) one representative of the Maryland Municipal League;

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(5) one representative of the Boat Owner's Association of the United States;

(6) one representative of the Recreational Boating and Fishing Foundation;

(7) one representative of the Chesapeake Bay Yacht Clubs Association;

(8) one representative from the Maryland Boat Act Advisory Committee;

(9) one individual representing paddle sports; and

(10) one representative of a local tourism board or visitor bureau in a county that borders the Chesapeake Bay.

(c) The Department of Natural Resources shall provide staff for the Task Force.

(d) A member of the Task Force:

(1) may not receive compensation as a member of the Task Force; but

(2) is entitled to reimbursement for expenses under the Standard State Travel Regulations, as provided in the State budget.

(e) The Task Force shall:

(1) evaluate options and make recommendations for enhancing boating and growing the boating industry in the State; and

(2) consider the following:

(i) incentives to encourage boats to register in the State and use marinas and boat yards for recreation, repair, and outfitting in the State;

(ii) the impact of modifying the State vessel excise tax rate and boat registration fees;

(iii) the expenditure and use of the Waterway Improvement Fund and its benefits to the general boating public and the State's boating industry;

(iv) the impact on the boating industry and the general boating public of decreased State and federal spending on boating access;

(v) the costs and needs of maintaining and improving public boating infrastructure and boating safety; and

(vi) any other matter that the Task Force agrees will enhance boating in the State.

(f) On or before September 1, 2015, the Task Force shall submit a report of its findings and recommendations to the Governor and, in accordance with § 2-1246 of the State Government Article, the General Assembly.

SECTION 5. AND BE IT FURTHER ENACTED, That, notwithstanding Section 1 of this Act, except as otherwise provided in this section, the altered distribution of revenue from the motor fuel tax under the provisions of Title 2, Subtitle 11 of the Tax – General Article as enacted by this Act does not apply until any Consolidated Transportation Bonds that were issued by the Department of Transportation before July 1, 2013, no longer remain outstanding and unpaid. In any fiscal year for which funds are appropriated by the General Assembly to pay the amount due and payable in that fiscal year for the principal of and interest on the Department of

(Over)

Transportation's Consolidated Transportation Bonds that were issued before July 1, 2013, the revenue from the motor fuel tax shall be distributed as provided in Title 2, Subtitle 11 of the Tax – General Article as enacted by this Act.”;

in line 13, strike “2.” and substitute “6.”; and in line 14, after “2013.” insert “Sections 1 and 4 of this Act shall remain effective for a period of 3 years and, at the end of June 30, 2016, with no further action required by the General Assembly, Sections 1 and 4 of this Act shall be abrogated and of no further force and effect.”.