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Senate Bill 821 (as introduced 11-10-11)
Sponsor: Senator John Moolenaar
Committee: Outdoor Recreation and Tourism

Date Completed: 2-8-12

CONTENT

The bill would amend Parts 445 (Charter and Livery Boat Safety) and 801 (Marine Safety) of the Natural Resources and Environmental Protection Act to do the following:

- **Require a livery boat that was a nonmotorized canoe, kayak, or raft to be inspected every three years, and require all other livery boats to be inspected annually.**
- **Require a livery boat that was a nonmotorized canoe, kayak, or raft to display the permitted maximum number of people and weight.**
- **Revise the expiration date of an annual livery boat permit, and establish a three-year permit period for livery boats that were nonmotorized canoes, kayaks, or rafts.**
- **Increase from \$5 to \$6 the fee that a vessel owner must pay for a certificate of number for a nonmotorized canoe or kayak used for rental or other commercial purposes.**
- **Provide that a certificate of number issued for a nonmotorized canoe or kayak used for rental or other commercial purposes would not expire.**

Part 445: Livery Boat Inspection

A person may not operate a boat livery unless the boats and equipment are inspected and a permit to operate the livery is issued under Part 445. The owner of a boat livery must apply to the sheriff of the county in which the livery is located for inspection of its boats and equipment and, subject to certain exceptions, pay an inspection fee. The sheriff must forward the fee to the Department of Natural Resources (DNR). Upon receiving the fee and the application, the DNR must perform the required inspection or provide for inspection by the county sheriff or sheriff's deputy.

Under the bill, a livery boat and its equipment would have to be inspected annually; however, a livery boat that was a nonmotorized canoe, kayak, or raft and any equipment used with it would have to be inspected once every three years. Also, a nonmotorized canoe, kayak, or raft would have to display the maximum number of people and maximum weight permitted to be carried aboard the boat. The information could be displayed on a manufacturer's decal, plate, or tab or by other means.

Under Part 445, upon completion of the required inspection, the DNR, sheriff, or deputy must approve the issuance of a permit to operate a boat livery, if the requirements of Part 445 are met. The bill would refer to the requirements of Part 445 "within the scope of the inspection".

Currently, the permit expires on December 31 of the year in which it is issued. Under the bill, it would expire on May 31 of the following year. If all of the livery boats were nonmotorized canoes, kayaks, or rafts, the permit would expire on May 31 of the third year following the year in which it was issued.

Part 445 requires an inspecting officer designated by the DNR to affix or cause to be affixed an inspection plate, decal, or tab to each inspected livery boat that meets the minimum safety standards established under Part 445 rules. Under the bill, this provision would not apply to a nonmotorized canoe, kayak, or raft.

The bill would retain the \$2 fee that a boat livery owner must pay to the inspecting officer for each livery boat, including a nonmotorized canoe, kayak, or raft.

Part 801: Certificate of Number

Part 801 requires the owner of certain types of vessels to apply to the Secretary of State for a certificate of number, and display the number and a decal on the vessel. The bill would increase from \$5 to \$6 the fee that a vessel owner must pay upon applying for a certificate of number and decal for a nonmotorized canoe or kayak. (Part 801 exempts a nonmotorized canoe or kayak not used for rental or other commercial purposes from the fee, number, and decal requirements. The bill would retain this exemption.)

Under Part 801, a vessel decal is valid for a three-year period that begins on April 1 and expires on March 31 of the third year. Under the bill, a decal for a nonmotorized canoe or kayak used for rental or other commercial purposes would be valid upon issuance and would not expire. An original certificate of number for such a vessel could be issued at any time.

MCL 324.44514 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

Overall, the bill would have an indeterminate impact on Michigan's finances. The bill would increase the one-time registration fee for canoes and kayaks from \$5 to \$6. It is unknown at this time how many new canoes and kayaks are registered annually, but any additional revenue would be credited to the Michigan State Waterways Fund. Revenue in the Fund is used for the construction, operation, and maintenance of State-owned boating facilities.

Additionally, the bill would require that canoes and kayaks owned by boat liveries undergo inspection every three years. Currently, they are inspected annually for a fee of \$2 per boat. The fees are credited to the local county treasurer and then disbursed to the agency that conducted the inspection. Many inspections are done by county sheriffs, and the remainder are done by DNR conservation officers. Reducing the frequency of canoe and kayak inspections would reduce local revenue received by county sheriffs, as well as revenue credited to the Michigan State Waterways Fund for those inspections performed by conservation officers. The amount of work associated with canoe and kayak inspections would be reduced as well. It is unknown whether the resources saved by less-frequent inspections would be greater or smaller than the loss of revenue.

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.