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Senate Bill 1403 (as introduced 9-28-00)
Sponsor: Senator Philip E. Hoffman
Committee: Hunting, Fishing and Forestry

Date Completed: 10-4-00

CONTENT

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

- **Require the Department of Natural Resources (DNR) to issue charter boat licenses, rather than inspection certificates.**
- **Require charter boat owners to have their boats inspected by certified marine surveyors.**
- **Delete requirements that the DNR perform dockside inspections every 24 months, and dry dock inspections every 72 months.**
- **Establish a \$100 license application fee for each charter or livery boat.**
- **Eliminate dry dock and dockside inspection fees.**
- **Increase the charter boat pilot's license examination fee from \$30 to \$50.**
- **Impose penalties on charter boat operators engaged in fishing who did not submit monthly catch activity reports.**
- **Prohibit a livery boat owner from allowing a boat to depart if the person who would operate it was under the influence.**
- **Prohibit a livery boat owner from renting a personal watercraft without providing the operator and passengers with a personal flotation device, at no charge.**

(Under the Act, "boat livery" means a place of business or any location where a person rents or leases any vessel to the general public for noncommercial use on State waters; or a place where a person offers cabins, cottages, motel or hotel rooms, or other similar rental or leased units where a vessel is furnished for the use of the person renting or leasing the unit, but does not include a single privately owned cabin or cottage leased or rented to another where a vessel is furnished for the use of the person renting or leasing the unit. "Charter boat" means a vessel that is rented or leased or offered for rent or lease to carry passengers for hire if the owner or the owner's agent retains possession, command, and control of the vessel.)

Charter Boat Licenses

Under the Act, a person may not rent or lease, or offer to rent or lease, a charter boat or carry passengers for hire on a vessel on State waters unless the DNR has inspected the vessel, if required by Part 445, and has issued a certificate of inspection; the vessel operator is a licensed pilot or is under the supervision of a licensed pilot who is on board; and the person complies with the reporting requirements under Part 445.

The bill would delete the condition requiring the DNR to inspect the vessel and issue a certificate of inspection. Under the bill, a person could not rent or lease a charter boat or carry passengers for hire on a vessel, unless the DNR had issued a license for the vessel (as provided in the bill), and the charter boat was appropriately equipped and maintained as provided in Part 445 and the rules governing vessels carrying passengers for hire.

The bill provides that if, after the inspection and payment of fees, the charter boat and equipment complied with Part 445 and the rules, the DNR would have to issue to the charter boat owner a license authorizing the vessel to operate as a charter boat (instead of issuing a certificate of inspection). As currently provided for a certificate of inspection, the bill provides that the license would have to be displayed on the charter boat

and contain the maximum passenger, crew, and total person capacity of the charter boat. In addition, the license would expire on May 31 of the third year following the year in which the charter boat was inspected, except the DNR could extend that date under certain circumstances. (Currently, a certificate of inspection expires on May 31 of the second year following the year in which the charter boat was dockside inspected.)

Inspections

The bill would delete the current provisions that require the DNR to inspect or arrange for the inspection of every charter boat and its equipment once every 24 months while the charter boat is dockside and at least once every 72 months while the charter boat is in dry dock. The bill would require the owner of a vessel who was applying for a charter boat license to arrange for the inspection of the vessel by a certified marine surveyor to determine if the charter boat and its equipment complied with the Act. ("Certified marine surveyor" would mean an individual who was a member of a national association or society whose purpose was to certify or accredit marine surveyors.)

The bill specifies that a charter boat that had been issued a certificate of inspection that was valid on the bill's effective date would not be required to arrange for an inspection by a certified marine surveyor until the certificate of inspection expired.

The bill also provides that in the administrative rules governing vessels carrying passengers for hire under the Michigan Administrative Code (R 281.3101-281.3506), any reference to marine inspector would have to be considered a reference to a certified marine surveyor.

Monthly Catch Report

Under the Act, a charter boat operator engaged in fishing is responsible for maintaining on board a daily record of all catch activity, making the daily catch activity records available for inspection, and completing and submitting to the DNR a monthly catch activity report. If a charter boat operator does not submit a completed monthly catch activity report form within 30 days after the operator is required to do so, the DNR must notify that charter boat operator of the noncompliance. The DNR may revoke the certificate of inspection if a charter boat operator does not submit a completed monthly catch activity report form within 60 days after the form is required.

The bill provides that if a charter boat operator did not submit a completed monthly catch activity report form within 60 days after it was required to be delivered, the charter boat operator would be responsible for a State civil infraction and subject to a civil fine of up to \$250. The bill would delete reference to revocation of the certificate.

Inspection Fees

Currently, the owner of a charter boat or livery boat must pay to the Department certain inspection fees for dry dock and dockside inspections. When the DNR inspects any charter boat or livery boat at an interval other than as required under Part 445, the inspection must be conducted without an inspection fee for a dockside inspection, and for a reduced fee to be determined by the DNR for a dry dock inspection. (For a boat that has never been inspected, the dry dock and dockside inspection fee is \$250 for Class A and D vessels; \$120 for Class B vessels; and \$350 for Class C vessels. Otherwise, the fees are \$100 for dockside and \$150 for drydock inspections of Class A and D vessels; \$60 for dockside and \$60 for dry dock inspections of Class B vessels; and \$150 for dockside and \$200 for dry dock inspections of Class C vessels.) When a 24-month dockside inspection and a 72-month dry dock inspection are required in the same year, the owner must pay only the fee for the dry dock inspection.

The bill would delete these inspection fees and require a \$100 license application fee for each charter boat or livery boat.

Livery Boat Owners

Under the Act, a boat livery owner or his or her representative must not permit a livery boat to depart the premises if the equipment required under the rules is not aboard the livery boat; if the livery boat contains a number of persons exceeding the maximum number approved for the boat; or if the livery boat is equipped with a motor with a horsepower rating exceeding the maximum horsepower approved for the boat. The bill would add that a boat livery owner could not permit a livery boat to depart the premises if the owner or his or her representative had good cause to believe that the person or persons who were intending to operate the livery boat were incapable of doing so due to the consumption of alcohol or if the person appeared to be under the influence of a controlled substance.

Under a bill, the boat livery could not lease, hire, or rent a personal watercraft unless the personal watercraft was in good, seaworthy condition, and the boat livery provided each person who would be operating or riding on the personal watercraft with a Type I, Type II, or Type III personal floatation device as described in the Michigan Administrative Code, at no extra charge.

MCL 324.44501 et al.

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill would result in a reduction of approximately \$20,000 per year in revenue from inspection fees. The bill also would lead to an indeterminate reduction in staff time and associated spending for inspection activities.

Fiscal Analyst: P. Graham