



STATE OF CONNECTICUT
DEPARTMENT OF ENVIRONMENTAL PROTECTION



Public Hearing – March 4, 2009
Environment Committee

Testimony Submitted by Commissioner Gina McCarthy
Department of Environmental Protection

**Raised Bill No. 824, AN ACT CONCERNING MARINE DEALERS, MARINE
SURVEYORS AND YACHT BROKERS**

Thank you for the opportunity to present testimony regarding Raised Bill No. 824 – AN ACT CONCERNING MARINE DEALERS, MARINE SURVEYORS AND YACHT BROKERS. We appreciate the Committee's willingness to raise this bill on behalf of the Department of Environmental Protection. This bill seeks two important changes to boating law. First, this bill grants broader access to marine dealer registration numbers for qualified businesses that are currently denied such access. Second, this bill enables the Commissioner to set and change certain fees relevant to marine dealers. We strongly support these changes.

Raised Bill No. 824 establishes definitions for "yacht broker" and "marine surveyor", and allows yacht brokers and marine surveyors to have access to marine dealer registration numbers, which are the boating industry's equivalent of automobile "dealer plates".

Yacht brokers arrange for the showing and sale of a vessel for a commission. Marine surveyors assess the condition of marine equipment or the seaworthiness of a vessel. These independent businesses are currently excluded from the ability to obtain marine dealer registration numbers because they do not maintain a fixed office and showroom, which the law currently requires as a prerequisite for receiving such numbers. These businesses must pay vessel registration fees and sales tax if they intend to operate an unregistered vessel on the water for the purpose of demonstrating or assessing it. Such expenses can be considerable and are not borne by other marine dealers.

In the past, the requirement to maintain an office and a showroom was an assurance to the State that a marine dealer was operating legitimately. However, advancing technologies such as wireless mobile telephones and mobile computers have enabled legitimate businesses to emerge that are proving to be viable without the benefit of a fixed physical structure. To these businesses, the requirement to maintain such a structure in order to qualify for marine dealer registration numbers is an impediment to business. We now seek to remove this impediment.

Marine dealer registration numbers grant broad rights to the holder. As we remove this impediment for yacht brokers and marine surveyors to access marine dealer registration numbers, we are aware that unqualified businesses or individuals may try to obtain them. To

prevent such potential abuse, access to these numbers by newly enfranchised yacht brokers and marine surveyors will be carefully controlled. New collateral regulations will limit the yacht broker to one marine dealer registration number in their first year, and will impose performance criteria for renewal. Marine Surveyors will be limited to one number at all times and will be required to maintain their professional certification.

Ultimately, this bill enables the yacht broker to demonstrate an unregistered vessel on the water and a marine surveyor to assess a vessel in marine conditions, while passing the responsibility of paying sales tax and registering the vessel to the eventual owner. The ability to provide these additional services will have a positive effect on this segment of the boating industry by assisting in the sale of vessels and surveying services.

In addition, this bill establishes the Commissioner's right to collect a reasonable fee to offset the State's cost related to the examination and processing of each application for marine dealer registration numbers, and amends the law to allow the Commissioner to reset the existing fee for each marine dealer registration number, new or renewed, by regulation instead of by legislation.

Thank you for the opportunity to present testimony on this proposal. If you should require any additional information, please contact the Department's legislative liaison, Robert LaFrance, at 424-3401.