

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 978 (Delegate Franchot)
Environmental Matters

Recreational Vessels - Engine Emissions Standards

This bill prohibits, beginning October 1, 2007, a person from operating a “recreational vessel” powered by a gasoline-fueled outboard marine engine unless the engine meets specified requirements. A person who violates the bill is guilty of a misdemeanor and on conviction is subject to a fine not exceeding \$500. The bill authorizes the Department of Natural Resources (DNR) to adopt regulations consistent with federal law as necessary to implement the bill.

Fiscal Summary

State Effect: Potential significant increase in State expenditures to replace all nonconforming outboard engines with engines that meet the requirements of the bill. Potential minimal increase in general fund revenues beginning in FY 2008 as a result of the bill’s penalty provision.

Local Effect: Minimal. According to DNR, the number of vessels owned by local jurisdictions is not anticipated to be significant for any given jurisdiction.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: A person would not be prohibited from operating a recreational vessel powered by a gasoline-fueled outboard marine engine if the engine: (1) has been certified by the U.S. Environmental Protection Agency (EPA) as meeting all federal emissions standards applicable to a four-stroke marine engine as of October 1, 2002 or

later; and (2) is properly labeled with marine engine emission control information in accordance with federal regulations adopted by EPA.

Recreational vessel means a vessel that is intended by the manufacturer to be operated primarily for pleasure boating and not for commercial purposes.

Current Law: Federal law and the State Boat Act provide various requirements for vessels operating in the State, including registration and numbering requirements, boating safety education requirements, equipment requirements, operating procedures, and others. Federal and State law contain prohibitions relating to polluting waters with garbage, oil, and other pollutants. The Natural Resources Police (NRP) enforce all natural resources laws of the State, including provisions of the State Boat Act on all waterways of the State. In addition to federal penalties, unless otherwise specified, the penalty for violating the State Boat Act shall not exceed \$500 for the first offense. Criminal misdemeanor penalties exist for some violations, including a fine up to \$500 for a first offense; and for subsequent violations, a fine not exceeding \$1,000, or imprisonment not exceeding one year, or both. For other specified misdemeanor violations, upon conviction a person is subject to a fine not exceeding \$5,000, or imprisonment not exceeding five years, or both.

In response to environmental and public health concerns, EPA has established emission standards for several non-road engine categories. The categories of non-road engines currently being addressed by EPA cover a variety of applications, including farm and construction equipment, lawn and garden equipment, marine vessels, and locomotives.

Background: According to EPA, many boats and nearly all personal watercraft are equipped with conventional two-stroke engines. Although these engines are lightweight, easy to maintain, and less expensive than other types of engines, they emit relatively large amounts of hydrocarbons into the air and water. Not only may this have a negative impact on fish and plant life, but also this may contribute to smog.

Working with the marine industry, EPA is requiring a new generation of marine engines featuring cleaner technology and better engine performance. The new standard, which was finalized in October 1996, requires a 75% reduction in outboard and personal watercraft engine hydrocarbon emissions from 1996 levels by the year 2006. The rule is being phased in over a nine-year period; the first year of phase-in occurred in model year 1998. The federal rule applies only to engine manufacturers. Boat owners and dealers are not required to modify their current engines to meet the new standards.

EPA advises that all marine engine manufacturers currently meet EPA standards. Companies such as OMC, Mercury, Honda, and Yamaha have already developed or adopted new engine technology that meets or exceeds EPA standards. EPA advises that not only is the new technology more environmentally friendly, but the engines generally

provide easier starting, faster acceleration, quicker throttle response, and a reduction in fumes and noise. EPA also notes that the new engine technology is more fuel efficient. In addition, EPA advises that the emissions performance of the new marine engines will be covered by a federally mandated three-year or 200-hour warranty, more than double the warranty currently provided by most engine manufacturers.

State Expenditures: Because the bill defines a recreational vessel as a vessel that is intended by the manufacturer to be operated primarily for pleasure boating and not for commercial purposes, it is possible that a significant number of outboard engines owned by the State would need to be replaced before the bill's prohibition takes effect. The total number of nonconforming engines owned by the State is unknown; however, it is reasonable to assume that most of the vessels owned by the State are owned by DNR. DNR advises that NRP operates 114 vessels using outboard motors and that DNR owns an additional 72 vessels using outboard motors. With costs ranging from approximately \$1,600 to over \$9,000 each (depending on the horsepower of the engine), DNR advises that the total cost to convert all 186 of its outboard motors is estimated at approximately \$1.2 million.

Legislative Services advises the total number of nonconforming engines that will still be operational in fiscal 2008 is unknown. Because the vessels owned by DNR are used heavily, it is likely that many of these engines will be replaced prior to the effective date of the prohibition (October 1, 2007). Of course, if this bill passes, DNR would likely replace engines that are no longer operational with higher cost engines (those that meet the federal standards) due to the impending prohibition. To the extent that any engines purchased as a result of the bill are more fuel efficient than engines that otherwise would have been purchased, the increase in costs could be offset somewhat by a decrease in costs for fuel.

DNR can handle any increased enforcement with existing budgeted resources.

Small Business Effect: Because the federal standard only applies to new engines produced by manufacturers and does not require replacement of existing outboard engines, this bill could have a significant impact on small businesses such as boat livery operators, boat dealers, marine engine dealers, and marine engine repair businesses. Those entities could be required to upgrade their inventory of marine engines and parts and could suffer losses associated with any remaining inventory of engines and parts related to engines that would be prohibited after October 1, 2007. Of course, boat and marine engine dealers could also benefit from an increase in sales of outboard motors as recreational boaters replace their engines in accordance with the bill.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Natural Resources, Maryland Department of the Environment, U.S. Environmental Protection Agency, Department of Legislative Services

Fiscal Note History: First Reader - February 28, 2002
lc/cer

Analysis by: Lesley Frymier

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510