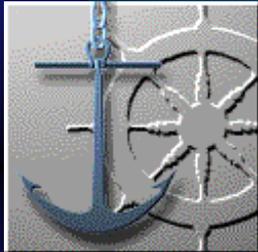




Boating Services



Grant Funding Policy Meeting November 2013

Mark O'Malley





Meeting Agenda

- Statutory Authority for State Grants
- Fund Purposes and Grant Categories
- History of Waterway Improvement Fund and Boating Services
- Funding Status: Past, Present, and Future
- Proposed Grant Funding Policy Changes
- Questions, Comments, Suggestions

State Boat Act

- State Boat Act can be found in the Natural Resources Article, Title 8, Subtitle 7
- Act provides statutory authority to DNR for the Waterway Improvement Fund including its purposes and funding options for projects and activities



Many Purposes of the Fund

- **Install and maintain aids to navigation**
- **Remove abandoned boats and debris**
- **Dredge channels and harbors**
- **Construct and maintain public boating facilities**
- **Support boating safety and acquire fire/rescue/patrol boats and equipment**
- **Install marine sewage pumout stations**
- **Conduct waterway planning and establish boating regulations**
- **Boating related shoreline erosion control**
- **Support Boating information and education**



Funding Categories

- ❑ **\$5,000 Small Project Grants**
- ❑ **100% State Grants less than \$100,000**
- ❑ **100% State Funds for Projects on DNR lands and Select Navigation Projects**
- ❑ **25 Year Interest Free Tax District Loans**
- ❑ **Matching Funds (50/50)**

Note: Statutory Guidelines Apply



DNR Boating Program History

- **Waterway Improvement Program**
- **Waterway Improvement Fund**
- **Boating Administration**
- **Boating Services**



Waterway Improvement Program

- Established in 1961 under the Tidewater Fisheries Commission to address increased demand for public boating facilities
- Responsible for administering the completion of boating access projects in accordance with the State Boat Act

Waterway Improvement Fund

- Established in 1966 by the Maryland General Assembly to provide funding to promote, develop, and maintain Maryland's waterways for the benefit of the general boating public in cooperation with Federal, State, and Local Governments
- Revenues derived from the 5% excise tax that is paid when a boat is titled in Maryland

Note: The Fund no longer receives a portion of the State Motor Fuel Tax

Boating Administration

- **Created in 1989 to consolidate boating related functions in DNR**
- **Waterway Improvement Program (State and Local Side), State Boat Act Advisory Committee/Boating Regulations, Marine Sewage Pumpout Program, Planning and Managing the State Yacht**
- **Administration abolished in 1995**

Boating Services

- Re-established by Secretary Griffin in 2007
- Smaller unit than the previous Boating Administration
- Highlight boating as a major activity in Maryland
- Combined the planning, development, service components associated with recreational boating in the Department

Project Funding Sources

- **Local Matching Funds**
- **U.S. Army Corps of Engineers**
- **State Waterway Improvement Fund**
- **Federal Sport Fish Restoration Program**
- **Federal Boating Infrastructure (BIG) Program**
- **State General Obligation Bonds***

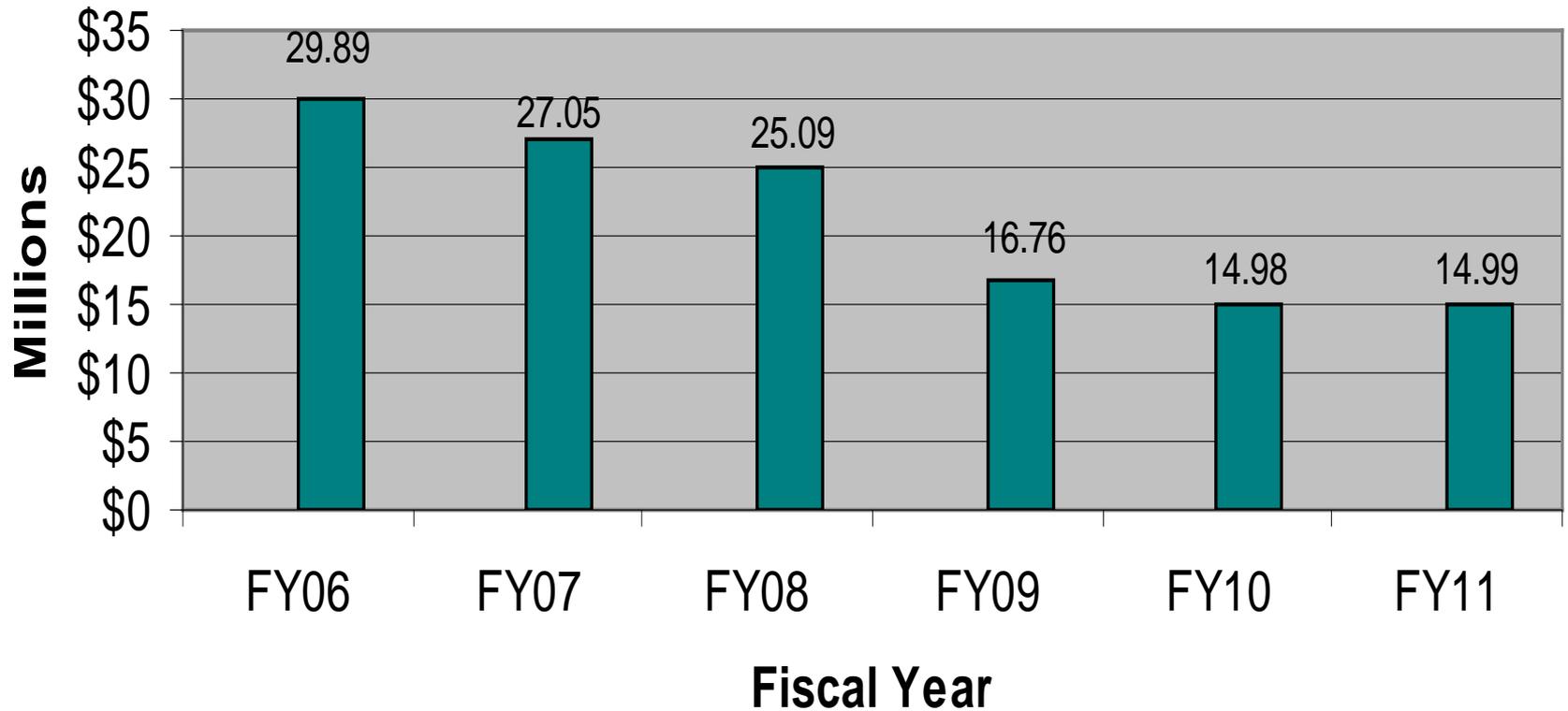
- Replaced cash from Waterway Improvement Fund Projects transferred to the General Fund



Recent Developments

- **Vessel Excise Tax Revenue for the Waterway Improvement Fund has decreased 50% due to reduced boat sales**
- **Waterway Improvement Fund no longer receives motor fuel tax revenues**
- **Corps of Engineers have indicated that they no longer have O&M Funds to maintain federal shallow water navigation channels that support recreational boating**
- **Backlog of State projects at state parks that are ready to proceed**
- **Backlog of dredging projects in some local jurisdictions**
- **Average \$18 million in annual grant requests for state and local projects that exceed available state funding**

Waterway Improvement Fund Historic Attainment



DNR's Use of the Fund

- **Manage Miscellaneous Local Grants**
- **Provide Grants Management and Technical Assistance**
- **Manage Marine Sewage Pumpout Program**
- **Waterway Planning, Boating Facility Mgt, Clean Marina Initiative**
- **Oversee Boating Regulations and Boat Act Advisory Committee**
- **Marine Operations and Tax Investigations for the Natural Resources Police**
- **In-House Marine Construction Crew (State and Local Projects)**
- **Engineers that Support Waterway Projects on State Lands**
- **State Park Operations that have Boating Access**
- **Vessel Excise Tax Collection**



Funding Policy History

- **Funding policies relaxed by DNR in 1990's as tax revenues increased**
- **Allowed more phased projects**
- **Allowed higher percentage of state funds for community navigation projects**
- **Stopped requiring matching funds at facilities that charged fees**

Proposed Policy Changes

- Eliminate phased projects for 100% State funded grants where project costs exceed \$100,000
- Provide 100% State grants for navigation projects that benefit a publicly owned boating facility and/or are cost shared with the Corps of Engineers
- Navigation projects that primarily serve local communities would be funded by either 50/50 matching funds, DNR tax district loans, or local special benefit districts depending upon the level of benefit to the boating public. Projects that benefit public boating facilities, Corps Projects, or main public thoroughfare channels will be top priority
- Facilities that have a user fee will require 50% matching funds regardless of project cost
- Policy will not impact projects already funded with State grants and that require a single additional grant under \$100,000 in order to be fully funded

Why Enact Policy Changes Now?

- **Maximize the use of limited State funds.**
- **Ensure that the available State funds will be used to provide the greatest benefit to the general boating public**
- **Address the most critical needs for the boating public**
- **Continue essential services that support boating safety, navigation, public boating access and the environment**



Looking to the Future

- **Vessel Excise Tax revenues appears to have stabilized**
- **Projects may need to be smaller in scope**
- **Maintenance will need to be a priority**
- **Creative partnerships will be required to complete future projects**
- **Need to engage elected officials to support the Waterway Improvement Fund**
- **Need to promote boating as a major industry in your area and Maryland**



THANK YOU!!

