

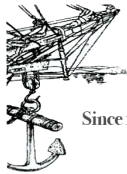


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The California Association
of Harbor Masters
and Port Captains



March 31, 2023

Armando Quintero, Director
California State Parks
Via email to Armando.Quintero@parks.ca.gov

Re: State Budget - State Parks & Division of Boating and Waterways
Harbors and Watercraft Revolving Fund Deficiency
AB 221 [Ting] & SB 72 [Skinner] & Related Trailer Bills
Budget Item 3790

Director Quintero –

California's boating community and industry together support the dedication and utilization of boater fees and taxes for programs and services that directly benefit boaters. We therefore write to you today to re-affirm our interests, concerns, and requests as the state budget for FY 2023-2024 is being developed prior to the start of that fiscal year on July 1.

We appreciate the decision made by the Governor and Legislature within the state budget for the current fiscal year to refrain from significantly increasing boat registration fees, and in convening a stakeholder process to provide a path to expanded opportunities for all Californians to enjoy on-the-water recreation in the years ahead.

This process provided the opportunity for all interested parties and the state to review the expenditure of more than \$100 million each year in fuel tax dollars attributable to boats owners. Within that review, we were able to assess a need to determine the most effective and efficient use of those funds, to identify approaches for increasing the disproportionately small percentage of those monies currently directed to boating programs, and to enhance the financial participation of non-boaters who benefit from the current and future programs.

We anticipate that the Governor's May Budget Revise may propose one or more solutions to the Harbors and Watercraft Revolving Fund [HWRF] deficiency. We urge the administration and the Legislature to ensure that the recommendations developed through this stakeholder process are incorporated.

Another copy of our July 14, 2022 letter setting forth the recommendations of the boating community and industry are attached here. They include:

DBW Harbors and Watercraft Deficiency – Budget Item 3790

March 31, 2023

PAGE THREE

- A comprehensive report on the economic impact of recreational boating in California.
- The enhanced participation and financial contribution of non-boating stakeholders and beneficiaries who benefit from current and future programs and services.
- The enhancement of the statutory authority and role of the Commission to provide not only advice, but also consent on the Division's loans and grants from the HWRF.
- The identification of approaches that can be taken to meet the new challenges identified through the stakeholder engagement process such as the number of abandoned and derelict vessels not currently addressed by the existing SAVE grant program.
- The enhancement of the Division's administration of essential programs.
- The identification of efficiencies and improvements to programs that are not attracting the desired number of recipients due to statutory requirements that may be out-of-date, obsolete, or non-competitive.
- Encouragement of Californians to take advantage of the unique and diverse on-the-water opportunities that exist throughout the state.
- A return of a significant amount of the motor vehicle fuel taxes directly generated by recreational boaters to the HWRF.
- An identification and expenditure of other funds for grants directed to beach erosion control.
- As appropriate, a vessel registration fee adjustment that is reasonable and that corresponds to the revenues and savings that are recommended above.

With the dedicated leadership provided by members of the Boating and Waterways Commission and the personnel at the Division of Boating and Waterways, the boating community engaged in the extensive stakeholder process with optimism that the recommendations would inform budgetary decisions and policy initiatives to enhance unique California's on-the-water opportunities for all Californians.

The process concluded at the end of last year with the submission of each subcommittee's report to the Division of Boating and Waterways and the Department of Parks and Recreation.

We urge the administration and the Legislature to incorporate the recommendations into the May budget revise that will be released in the near future. We remain available to discuss any or all of the recommendations at your convenience.

Sincerely [in alphabetical order]:

BoatU.S.—Boat Owners Association of the United States
David B. Kennedy, BoatU.S., Government Affairs, 703-461-4367

California Association of Harbor Masters and Port Captains
Andrea Lueker, President, 805-550-3909

California Yacht Brokers Association
Peter Zaleski, President, 619-857-2349

Marine Recreation Association
Kate Pearson, President, 619-666-1640

National Marine Manufacturers Association
Rachel Fischer, Wester Policy and Engagement Manager, 202.737.9766

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DBW Harbors and Watercraft Deficiency – Budget Item 3790

March 31, 2023

PAGE THREE

Pacific Inter-Club Yacht Association

Larry Mayne, Commodore, 650-888-2324

Recreational Boaters of California

Debrenia Madison Smith, Esq., President, 510-220-5964

Southern California Yachting Association

John A. Caldwell, Commodore, 310.488.6769

Enclosure

C: Wade Crowfoot, Secretary, Natural Resources Agency
Ramona Fernandez, Deputy Director, Division of Boating and Waterways
The Honorable Nancy Skinner, Chair, Senate Budget Committee
The Honorable Phil Ting, Chair, Assembly Budget Committee
The Honorable Josh Becker, Chair, Senate Budget Subcommittee #2
The Honorable Steve Bennett, Chair, Assembly Budget Subcommittee #3



July 14, 2022

Armando Quintero, Director
California State Parks
Via email to Armando.Quintero@parks.ca.gov

Re: DBW Harbors and Watercraft Deficiency – Recommendations

Director Quintero –

Our organizations write to express our appreciation for the stakeholder process the Division of Boating and Waterways [DBW] and the Boating and Waterways Commission are undertaking to provide stakeholders with the opportunity to obtain information and provide input into recommendations that are being prepared for submission to the Legislature to address the deficiency in the Harbors and Watercraft Revolving Fund [HWRF] and an appropriate increase in vessel registration fees.

Throughout the past several months, we have been participating in the subcommittees and have reviewed the boater-derived fees and taxes boaters contribute to the state, the expenditure of those revenues, the objectives of current programs and services, and opportunities to enhance the value programs and services to recreational boating.

As these activities continue into the summer, several recommendations are becoming clear and developing traction. They include:

Report on Economic Impact of Recreational Boating- The preparation and publication of an economic impact report on the impact of recreational boating on a regular, ongoing basis. This document provides data that facilitates an understanding of developments and trends that can inform policy decisions. An advisory group of stakeholders should be established to work with the Division in developing the parameters for a report, identifying vendors, and other actions.

Stakeholder Contributions - The enhanced participation and financial contribution of stakeholders and beneficiaries who benefit from current and future programs and services including:

- The increasing types and number of non-motorized watercraft that utilize state waterways and are increasingly engaged by boating law enforcement.
- The government agencies that benefit from the Division’s ongoing and growing aquatic invasive species program that enables the conveyance of water and navigation of commercial watercraft.

DBW Harbors and Watercraft Deficiency – Recommendations

July 14, 2022

PAGE TWO

B&W Commission Role and Authority - The enhancement of the statutory authority and role of the Commission to provide not only advice, but also consent on the Division's loans and grants from the HWRF. This will ensure in law that the Commission has a vital role that furthers the objectives of the administration, that transparency is provided, and that the Division benefits from their expertise.

Addressing Identified Needs – The identification of approaches that can be taken to meet the new challenges identified through the stakeholder engagement process such as the number of abandoned and derelict vessels that are not addressed by the existing SAVE grant program.

Enhancement of Administration - The enhancement of the Division's administration of essential programs by:

- Moving the administration of vessel registrations from the Department of Motor Vehicles [DMV] to the Division, saving significant dollars.
- Modernizing the boat operator certification card so that it can be provided to boaters in an electronic format such as on their smartphones.

Loans and Grants - The identification of efficiencies and programmatic improvements to programs that are not attracting the desired number of recipients due to statutory requirements that may be out-of-date. These include the capital outlay programs for public and private boating facilities, as well as the abandoned and surrendered vessel program.

Public Access – Encouragement of Californians to take advantage of the unique and diverse on-the-water opportunities that exist throughout the state. The pandemic has confirmed the value of on-the-water experiences that provide physical and mental benefits to all Californians.

Resource Alignment - A return of a significant amount of the motor vehicle fuel taxes attributable to recreational boaters to the HWRF. Those revenues approximate \$107 million per year yet only \$15 million is deposited in the HWRF.

Beach Erosion Funding - An identification and expenditure of other funds for grants for beach erosion control. This effort is of increasing importance and value to the many coastal Californians as we endeavor to address climate change and would ideally be funded by the state General Fund. In recognition of the tenuous nexus to recreational boaters, the appropriate level of HWRF support is the personnel who provide their expertise in administering the grant program.

Vessel Registration Fees – As appropriate, a vessel registration fee adjustment that is reasonable and that corresponds to the revenues and savings that are recommended above.

Thank you for the stakeholder process, as well as this opportunity to provide our recommendations at this stage of our engagement. We would very much like to discuss these recommendations with you and will contact your office to schedule a meeting.

Sincerely [in alphabetical order]:

BoatU.S.—Boat Owners Association of the United States
David B. Kennedy, BoatU.S., Government Affairs, [703-461-4367](tel:703-461-4367)

California Association of Harbor Masters and Port Captains
Andrea Leuker, President, 805-550-3909

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DBW Harbors and Watercraft Deficiency – Recommendations

July 14, 2022

PAGE THREE

California Yacht Brokers Association

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Marine Recreation Association

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National Marine Manufacturers Association

David Dickerson, VP, State Government Relations, 202-737-9761

Pacific Inter-Club Yacht Association

Joan Marsh, Commodore, 925-427-6607

Recreational Boaters of California

Todd Leutheuser, President, 562-896-2161

Southern California Yachting Association

Anne Eubanks, Commodore, 949-243-5148

C: Ramona Fernandez, Acting Deputy Director, Division of Boating and Waterways