

MAINE STATE LEGISLATURE

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AK
ROS

Date 6/12/23

Majority

L D. 1177

(Filing No H- 442)

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TRANSPORTATION

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
131ST LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H P 749, L D 1177, "An Act to Assess a Slip Fee on Megayachts Registered in Overseas Tax Havens"

Amend the bill by striking out the title and substituting the following
'An Act to Assess an Impact Fee on Megayachts'

Amend the bill by striking out everything after the enacting clause and inserting the following

'Sec. 1. 38 MRSA §14 is enacted to read

§14. Impact fee; megayachts

1. Definitions. As used in this section, unless the context otherwise indicates, the following terms have the following meanings

A "Department" means the Department of Environmental Protection

B "Fund" means the Megayacht Fund established in subsection 3

C "Megayacht" means a privately owned pleasure vessel owned by an individual or a corporation and measuring at least 150 feet in overall length "Megayacht" does not include a commercial fishing vessel, a commercial cruise vessel with more than 20 passengers not including crew, a commercial scientific research vessel, a marine salvage or construction equipment vessel, a commercial freight carrying vessel, a vessel built before 1950, a vessel made primarily of wood, a military vessel or a vessel owned by an academic institution.

D "Slip" means a dock, mooring, finger float, pier or any other marine infrastructure that allows for vessels to securely stay for a period of longer than 8 hours

2. Impact fee. If a municipality collects slip fees, the municipality shall require the owner of a megayacht to pay an impact fee of \$10 per foot of length over 150 feet for each day up to 30 consecutive days that the megayacht is secured to a slip with respect to which the municipality collects a slip fee. The municipality may retain 10% of all impact fees collected pursuant to this subsection and shall quarterly transmit the remainder of those

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1 impact fees to the Treasurer of State for deposit in the fund. The department may adopt
2 rules to implement this subsection. Rules adopted under this subsection are routine
3 technical rules as defined in Title 5, chapter 375, subchapter 2-A.

4 **3. Megayacht Fund established.** The Megayacht Fund is established within the
5 department to receive impact fees assessed and collected under subsection 2. The
6 department, in accordance with procedures and criteria established by the department by
7 rule, shall quarterly disburse the impact fees within the fund as follows.

8 A. Fifty percent of funds to municipalities to support harbor infrastructure and sea level
9 rise mitigation infrastructure; and

10 B. Fifty percent of funds to support public transit infrastructure, including ferries and
11 land-based public transportation.

12 Rules adopted under this subsection are routine technical rules as defined in Title 5, chapter
13 375, subchapter 2-A.

14 **Sec. 2. Appropriations and allocations.** The following appropriations and
15 allocations are made

16 **ENVIRONMENTAL PROTECTION, DEPARTMENT OF**
17 **Megayacht Fund N459**

18 Initiative Provides baseline allocations to establish the program

19	OTHER SPECIAL REVENUE FUNDS	2023-24	2024-25
20	All Other	\$500	\$500
21			
22	OTHER SPECIAL REVENUE FUNDS TOTAL	\$500	\$500

24 Amend the bill by relettering or renumbering any nonconsecutive Part letter or section
25 number to read consecutively

26 **SUMMARY**

27 This amendment replaces the bill and changes the title. The amendment removes the
28 requirement in the bill that only megayachts registered in overseas tax havens are subject
29 to a fee and instead provides that any vessel that meets the definition of "megayacht" is
30 subject to the fee. The amendment changes the definition of "megayacht" to include a vessel
31 that is at least 150 feet in length. The amendment provides that vessels built before 1950,
32 vessels made primarily of wood, military vessels and vessels owned by an academic
33 institution are not included in the definition of "megayacht." It changes the term "slip fee"
34 to "impact fee." It caps the amount of days that a megayacht must pay the impact fee to 30
35 consecutive days. It allows the Department of Environmental Protection to adopt rules to
36 implement the impact fee. It replaces the purposes for which disbursements must be made
37 from the Megayacht Fund to require that 50% of funds support harbor infrastructure and
38 sea level rise mitigation infrastructure and 50% of funds support public transit

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infrastructure, including ferries and land-based public transportation. The amendment requires the department to adopt rules to administer the fund.

FISCAL NOTE REQUIRED

(See attached)

COMMITTEE AMENDMENT



131st MAINE LEGISLATURE

LD 1177

LR 2063(02)

An Act to Assess a Slip Fee on Megayachts Registered in Overseas Tax Havens

Fiscal Note for Bill as Amended by Committee Amendment "A (H-472)"
 Committee: Transportation
 Fiscal Note Required: Yes

Fiscal Note

Potential State Mandate - Unfunded

	FY 2023-24	FY 2024-25	Projections FY 2025-26	Projections FY 2026-27
Appropriations/Allocations				
Other Special Revenue Funds	\$500	\$500	\$500	\$500

State Mandates

Required Activity

Requires certain municipalities to assess and collect an impact fee on privately owned pleasure vessels over 150 feet in length and remit 90% of all fees collected to the State

Unit Affected

Municipality

Local Cost

Moderate to limited scope

The required local activities in this bill may represent a state mandate pursuant to the Constitution of Maine. If the bill does require a local unit of government to expand or modify its activities so as to necessitate additional expenditures from local revenue, the state mandate provisions of the Constitution of Maine require either (1) General Fund appropriations be provided to fund at least 90% of any additional necessitated local costs of the mandate, or (2) a Mandate Preamble be added to the bill and two-thirds of the members of each House vote to exempt the mandate from the funding requirement. If the bill does represent a state mandate and neither one of these actions occurs, the local units of government will not be required to implement the mandated activities.

Fiscal Detail and Notes

This bill establishes the Megayacht Fund (MF) within the Department of Environmental Protection (DEP). The bill creates an impact fee of \$10 per foot of length over 150 feet per day for up to 30 consecutive days assessed by municipalities on privately-owned pleasure vessels. Municipalities may keep 10% of the total fee collected and must remit the remaining 90% to the state to be deposited into the MF. The bill directs that 50% of the revenue deposited into the MF be distributed to municipalities to support harbor and sea level rise mitigation infrastructure and 50% to support public transit infrastructure. Because of the limited number of private yachts that may qualify for the fee, an estimate of the revenue cannot be determined at this time. The bill includes allocations of \$500 to the MF beginning in fiscal year 2023-24 to establish the program and allow for future disbursements of the revenue generated by the fee. The DEP has indicated that depending on the amount of funding available for disbursement, additional staffing may be needed to manage the disbursement program, this staffing is not included in this fiscal note but would be reflected in future budgets.

Sufficient Other Special Revenue Funds allocations currently exist within the Multimodal - Transit program to allow expenditure of any funds received