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# **Key Issue Update – March 15, 2023**

## Boater Fees and Taxes – State Parks & Division of Boating and Waterways Budget

RBOC supports the dedication of boater fees and taxes for programs and services that directly benefit boaters.

We appreciate the decision made by the Governor and Legislature with the state budget for the current fiscal year to refrain from significantly increasing boat registration fees and 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, the most effective and efficient use of those funds, to identify approaches for increasing the 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. RBOC urges the Legislature to ensure that the recommendations developed through this stakeholder process are incorporated.

The recommendations of the boating community and industry are attached here. They include:

- A report on the economic impact of recreational boating in California
- The enhanced participation and financial contribution of 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 that are not addressed by the existing SAVE grant program.
- The enhancement of the Division's administration of essential programs.
- The identification of efficiencies and programmatic improvements to programs that are not attracting the de-sired number of recipients due to statutory requirements that may be out-ofdate.
- 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 attributable to recreational boaters to the HWRF.
- An identification and expenditure of other funds for grants for 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.

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State Budget AB 221 [Ting] & SB 72 [Skinner] Budget Item 3790



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## **Beach Erosion & Replenishment, Shoreline Erosion Control**

RBOC supports the dedication of state general fund dollars in the current year's budget and in the Governor's proposed budget for the next fiscal year for beach erosion control and replenishment. This program will become increasingly important within the state's response to climate change, will necessarily expand beyond sand, and benefits all Californians.

RBOC is concerned with the financial and workload burden that AB 966 [Davies] would place on the underfunded DBW to prepare a report to the Legislature on shoreline erosion control and public beach restoration programs. This is better placed at an agency with a broader policy objective and funding resources. This will better accomplish the objective of the measure to detail and discuss existing programs, evaluate the need for continued projects and program application requirements, and identify the beaches of the state that contain a critically eroded shoreline.

AB 966 [Davies], Assembly Water, Parks & Wildlife

### **Abandoned and Derelict Commercial Vessels**

The state budget for the current fiscal year recognizes the benefits all Californians receive through the dedication of state general fund dollars to programs that aim and preventing and addressing the negative environmental impacts that occur when a large vessel formerly used for commercial purposes is abandoned on the state's waterways.

Recreational boaters have already stepped up, sponsoring and financially supporting a landmark, effective state surrendered and abandoned vessel exchange [SAVE] program managed by the Division of Boating and Waterways [DBW] to reimburse local governments when they accept a recreational vessel in lieu of abandonment or remove an abandoned or derelict recreational vessel from their waterways.

RBOC has communicated with the author and proponents to our interest in ensuring that, as the funding provisions for AB 748 are identified, the program does not impinge upon or create budget pressures on the SAVE program and DBW.

AB 748 [Villapudua] Assembly Print

# **Boating and the Sacramento-San Joaquin Delta**

RBOC continues to oppose the Delta Conveyance Project as planned, which even though revised to one tunnel, still would significantly impede navigation and harm Delta recreation. Another 15-20 year project that not only disrupts all uses of the waterways, but also overruns its budget, and may not finish on schedule or at all, is not the best answer.

Available funds and attention instead should be directed to more feasible ways to improve and mitigate water quality issues. The current planned project would severely disrupt navigation, boating-related commerce and communities throughout and after construction. It may also significantly and permanently increase the transport of invasive species into the Delta waterways, and to exacerbate algal blooms. These reduce recreational opportunities on the waterways and already impose significant costs on the boating community.

Department of Water Resources, State Water Project, Delta Conveyance



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### **Offshore Windfarms**

RBOC is concerned that plans are being developed to erect substantial wind farm clusters in navigable waters on the California coast. These wind farms could cause unwelcome effects impairing recreational and commercial navigation. Further, they may impair endangered marine mammal populations and result in other environmental harm.

Both may be mitigated by careful placement analysis, configuration of support lines back to the shore, and location impact assessment studies where appropriate. Early state legislative activity (such as AB 344 and SB 286) on this topic should be monitored and evaluated in light of those risks, and the possibility of appropriate guardrails.

AB 344 [Wood] Assembly Utilities and Energy 3-22-23 Hearing

SB 286 [McGuire] Spot Bill

## **Outdoor Recreation & Preservation of Water**

RBOC supports the expansion of sustainable outdoor recreation, the preservation of ocean and inland waterways, and the promotion of the economic development and job growth that can occur in this sector.

As these initiatives move forward through legislation and administrative actions including the 30x30 and Outdoors for All efforts, and baselines are established to measure our progress, it is essential to acknowledge the significant progress that California has already achieved, the tremendous value that on-the-water recreation provides to sustaining our mental and physical health, and the importance of measures that have considered and incorporate a variety of reasoned perspectives.

Natural Resources Agency, 30x30 California

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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** 

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**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

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

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Marine Recreation Association

Kate Pearson, President, 619-666-1640

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