

SUBJECT: Issuing validation cards to permit certain uses of boats by marine dealers

COMMITTEE: Culture, Recreation, and Tourism — favorable, without amendment

VOTE: 6 ayes — Hilderbran, Kuempel, Homer, D. Howard, O'Day, Phillips

0 nays

1 absent — Dukes

WITNESSES: For — Rod Malone, Boating Trades Association of Texas; (*Registered, but did not testify*: Mike Marks, Boating Trades Association of Texas)

Against — None

On — Guillermo R. “Willie” Gonzalez, Texas Parks and Wildlife Department Law Enforcement; (*Registered, but did not testify*: Alfonso Camps, Texas Parks and Wildlife Department Marine Enforcement)

BACKGROUND: Parks and Wildlife Code, sec. 31.041(d) permits boat dealers and manufacturers to use their license numbers to show, demonstrate, and test boats on the water in connection with the sale of boats. While used for these purposes, boats are temporarily exempted from securing permanent registration numbers (TX numbers).

When dealers or manufacturers show, demonstrate, or test boats, sec. 31.041(d) prohibits use for “recreational purposes or for participation in a contest or event.” This has led to confusion and inconsistency in enforcement by the Texas Parks and Wildlife Department (TPWD). In the field, the broad language of the statutory prohibition creates a wide interpretational gap. For instance, any semblance of “recreational” use while demonstrating could subject a dealer or manufacturer to a violation. Further, the meaning of the term “contest or event” is subject to interpretation.

DIGEST: HB 3764 would authorize the Texas Parks and Wildlife Commission to establish rules for issuing and pricing validation cards permitting the limited and temporary use of vessels by dealers, distributors, and manufacturers of vessels for recreational purposes or participation in

contests or events. Fees collected by TPWD would be deposited in the Game, Fish and Water Safety Account.

This bill would take effect September 1, 2007.

**NOTES:**

The fiscal note indicates that HB 3764 would generate \$15,000 in additional revenue to the Game, Fish and Water Safety Account in fiscal 2008 and \$45,000 each fiscal year thereafter from validation card receipts. Establishing the validation card program would cost the Game, Fish and Water Safety Account \$80,000 in fiscal 2008 due to one-time costs and then \$2,700 each fiscal year thereafter. Revenues are estimated to exceed expenditures by 2010.