

P U B L I C H E A R I N G

before

SENATE APPROPRIATIONS COMMITTEE

on

ASSEMBLY BILL No. 1159

(Amending the New Jersey Boat Act of 1962)

Held:
January 6, 1971
Assembly Chamber
State House
Trenton, New Jersey

MEMBERS OF COMMITTEE PRESENT:

Senator Alfred D. Schiaffo (Chairman)
Senator Richard J. Coffee
Senator John L. Miller

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SENATOR ALFRED D. SCHIAFFO (Chairman): Good morning, ladies and gentlemen. This is a public hearing before the Senate Appropriations Committee on Assembly Bill No. 1159, which is an act to amend The New Jersey Boat Act of 1962 and calls for - as I am sure you are all well aware - a potential increase in registration fees.

I am Senator Schiaffo from Bergen County, Chairman of the Committee; and on my right is Senator Coffee from Mercer County, a hard-working member of the Appropriations Committee. We are the only two here today but sufficient enough to record your remarks for availability to the Committee, first, and, secondly, availability to the entire membership of the Senate for their study and deliberation on this bill.

We have a series of witnesses who have indicated a desire to testify. We will take as much time as we feel is necessary to sufficiently cover the subject but I would ask, in the interest of saving time for all of us here, including you, that if you are scheduled to testify and it appears that what you planned to say has already been said by a previous witness perhaps at that point you can ask that you need not be called. Don't misunderstand me. I am not precluding your opportunity to say what you feel like saying but if your position is, for example, that the proposed increase to \$5.00 a year on boats 16 feet or less is wrong and six or seven people say this, the Committee has gotten the message from the first fellow who, I am sure, would be representative of many boat owners in the 16 feet or less class.

The first witness we will call upon, which is usual and protocol, is a member of the Legislature, Assemblyman Kenneth Black.

K E N N E T H A. B L A C K: Good morning, Senator Schiaffo and Senator Coffee. I appreciate this opportunity to address you gentlemen and those present today. I would like to make a few brief statements. I regret that I do not have a formal statement to present to the Committee.

I speak not as an Assemblyman who proposed this bill when it went through the lower House, although I did follow such action, but rather I speak as one who seeks to secure legislation which would correct injustices already perpetrated upon the boaters of this State and to see improved boating safety upon the waters in New Jersey.

Through these two goals I would seek to see New Jersey and New Jersey boating return to its proper level as a form of recreation in a State which previously has been known as an outstanding maritime province.

Boating is a year-round activity in this State and is enjoyed by citizens of all ages and all economic means. Many of our boaters are retirees who over the years saved funds in order to purchase a boat with which to add greater enjoyment to their golden years.

Today these boaters journey out upon the waters of the surrounding bodies and their safety is in jeopardy.

I feel that, for the revenues that they have produced for the State, they are entitled to greater safety on the water.

I do not oppose the basic concept of raising additional revenues for as Sponsor of A-986 I was fortunate in seeing a bill passed, which would provide an additional \$150,000, signed just two weeks ago, to provide greater safety on the waters.

However, when I reviewed Assembly Bill 1159, the present bill being discussed today, I felt it was most unjust in taxation and somewhat lacking in empathy regarding facts long known by those in authority in the administration. What are these facts? No, 1, available funds. Funds are provided by the boating public, and these funds do constitute revenue to the State. The most glaring example of all is the Motor Fuel Tax. The total tax derived from motor fuels in the State of New Jersey for the fiscal year 1971 is in the vicinity of \$210 million. Based on partial surveys conducted for the National Association of Boat and Engine Manufacturers, it is estimated that

approximately 1 1/2% or \$3,150,000 of this gasoline tax collected is generated by the boating public.

As of this date, 28 states reserve a portion of their gas tax revenue for marine use.

Another example of the complete lack of funds appropriated for boating is the income from the sales tax on the sale of boats, engines and other related products. It is conservatively estimated that the State realizes in excess of \$1 million a year through the sales tax from the sale of boats and engines.

In addition, the boatmen also pay in excess of \$430,000 each and every year to the State of New Jersey for boating registrations.

Under a law passed in 1939, \$90,000 is to be provided to the then Department of Commerce and Navigation, to be used for construction, reconstruction, maintenance and improvements of inland waterways. This \$90,000 sum was provided at the height of the depression with a very small number in operation at that time. We have today, approximately, 200,000 boats registered in New Jersey and the State now furnishes \$600,000. There is a difficult comparison with regard to aid for inland waterway funds from the Gasoline Tax, as indicated by the figures presented.

There are other sources which can be cited which provide money that enters the General Fund and does not directly return to provide safety or improved facilities for New Jersey boaters.

State income from boating this year, based on sales tax revenue, gas tax revenue, registration and common dredging royalties will be in the vicinity of \$7 million.

In Governor Cahill's address, early last year, he indicated that an initial appropriation had been requested in the amount of \$840,000, and it was necessary at that time to cut that request to \$400,000. It was pointed out at that time that the Marine Police equipment was deteriorating,

patrol activities would have to be reduced and the service to the public would undoubtedly be less.

I am in favor of seeing added funds directed toward the safety and improved safety of New Jersey boaters. I feel this can best be done through development of the year-round Marine Police facilities. I further feel that certain areas of the State are significantly lacking in facilities for the boaters.

I would like to point out just in passing that a number of boats travel each year up and down the coast of the United States between New England down as far as Florida and back. These are the transients. Most of these transients can reach a facility in the Atlantic City area at the State Marina. From the State Marina, to go to their next normal port, which is Annapolis, is a journey of 200 miles. Half way between will place you in the lower Delaware Bay. In the lower Delaware Bay there are very few marinas capable of handling those boats, at any time due to tide, that draw more than two feet of water. One of these marinas is located at Fortescue and it is a leased facility from the State. These gentlemen have, through their efforts, formed a corporation and in turn rent this marina. This marina is located in Fortescue, which is in Cumberland County - I do not represent Cumberland County and, therefore, gentlemen, I am not grinding my own ax. I would say this, that these men have maintained this marina as best they can, yet over the years deterioration has taken place and they are in need, and their need is felt also by any transients, whether they be New Jersey residents attempting to turn south into the Chesapeake, or whether they be Chesapeake people or others traveling up and down the coast. There is a need to have a deepwater safe port that can be used in time of storm on the Delaware Bay.

This is just one example of the needs in a certain particular part of the State. This need is encountered up and down, and additional funds are necessary. I do feel

that the amount of increase called for in A-1159 is exorbitant. I think that it will hurt boat manufacturing, especially the part that calls for a \$100 per year charge for a number to be placed on any boat that is owned by a dealer or manufacturer, and the boat is to be used for demonstration purposes.

I think further that additional fees will only hurt the head boat industry. These are the boats that take fishermen out on a one-day basis, forty or fifty to a boat.

From my own experience in the Delaware Bay, I have seen on innumerable occasions no aid available to these head boats when they have breakdown problems. Consequently, they have to rely upon each other for protection. And for the money that has been generated for the State of New Jersey, I think it is high time the State assumed its rightful responsibility and made adequate provisions.

I thank you very much, gentlemen, for taking this much time. I apologize again for not having a formal presentation. I certainly know that you will review the bill and investigate all of this, its impact and ramifications. Thank you very much for the time.

SENATOR SCHIAFFO: Thank you, Assemblyman.

Do you have any questions, Senator?

SENATOR COFFEE: No.

SENATOR SCHIAFFO: Thank you very much.

ASSEMBLYMAN BLACK: Thank you, Senator.

SENATOR SCHIAFFO: We will now hear from Commissioner Sullivan.

R I C H A R D J. S U L L I V A N: Thank you, gentlemen.

The purpose of A-1159 is to raise revenues by raising fees. And this income is dedicated to marine enforcement and to the cost of operating the registration program.

Under the present system, we are now registering

about 135,000 boats of the 200,000 total boat population. We issue approximately 45,000 licenses to operate power boats in non-tidal waters. We issue licenses to about 350 dealers and we issue approximately 4800 tax exemption certificates for business used vessels. The total income derived at present from all of these issuances is approximately \$450,000. Of this amount, \$45,000 is dedicated, under the terms of the existing statute, to aiding the operation of the coastal patrol of the Division of Fish and Game, which is an enforcement activity in our coastal waters. \$140,000 is used for administrative costs and operating the registration process itself. This leaves \$270,000 to operate the Marine Patrol. Because this is patently insufficient, we have, in the recent past, transferred money from the Inland Waterways Fund - in the most recent year that was \$92,000 - in order to help pay salaries of Marine Police in order to keep the stations open longer.

For the record I will mention that in fiscal year 1970 the amount so transferred was \$92,000; in 1969, \$85,000; in 1968, \$55,000; and in 1967, \$37,000. This means in this four year period we have deferred from the maintenance of Inland Waterway Channels \$269,000.

Now, at the present time, operating under this \$270,000 budget, the full-time, year-round Marine Police in New Jersey consists of 13 people - 3 deputy chiefs, 7 sergeants and 3 patrolmen. These, obviously, are the cadre of the much larger force which operates in the summertime.

We are relying, therefore, in operating this whole program, on a very heavy infusion of seasonal employees in the heavy part of the season, and on a large number of volunteers. We pay \$1.75 an hour for a seasonal employee, yet even at this low rate we consume \$180,000 of our total budget in paying seasonal employees.

To give you some idea, without an elaborate enumeration, of the variation in the work force in terms of

equivalent full time men, in 1969 we ran from 7 in January up to 51 in May, 98 in June, 124 in July, 129 in August, and thence down to 86, 68, 23, and 2.

There are several problems involved in operating a force on this basis. One is that boating more and more is becoming less and less of a seasonal operation. The kind of craft now available to be put in the water on short notice, aluminum or fiberglass boats, means that the practice of putting the boats up for the winter has been discontinued in many places. There is considerable boating during what used to be an off season.

By relying on seasonal employees and volunteers, it is my position that we are not able to operate a well-trained, well-disciplined, well-supervised enforcement activity that will provide the boating public with the service that it needs.

At the present time the Navy of the Marine Patrol consists of 45 boats. Four of these are now inoperable. Most of them are outboard boats which cannot accommodate every water. Repairs are needed to many of these. The average age of the whole fleet is five years and, obviously, in the work that they do they undergo very heavy service.

In addition, it seems to me negligent on the part of the State not to equip these vessels to do all that's necessary in complete Marine Police work. They should be equipped with rescue equipment. They should be equipped with firefighting facilities. Last year our Marine Police were called to a fire of a 40 foot craft in Barnegat Bay and they had to come in with a hand-operated fire extinguisher. All that they could do was make sure that the people were safe and then watch the boat burn.

There is not enough training. In my judgment, we need a high-grade training program on paid time in the functions of police officers, which indeed these men are, and the functions of first aid and rescue, which they are

often called upon to do, and in the proper handling of boats.

We will always need seasonal augmentation because there still is a seasonal characteristic to our workload. But it troubles me to see police activity operated by a very large number of people working irregular hours, some of them using State boats, some of them bringing their own, with all the difficulties that go into this kind of uncertain arrangement.

It seems to me obvious that added income must be provided if this force is to be brought up to the level that the problem requires, that the equipment be afforded that's absolutely needed, that the high degree of training be assured. If the bill as proposed is adopted the annual income will rise from \$450,000 to \$1.1 million in the first full year of operation. And I have here, which I will present to you for the record, if you choose, our estimates of the allocations of these increased funds to the various activities carried out in marine patrol activities. I won't take up your time to enumerate them here. It would essentially involve the addition of more full time people, the addition of new boats, the replacement of boats --

MEMBER OF AUDIENCE: We can't hear.

MR. SULLIVAN: The increased funds would essentially be allocated to added training, added full time marine patrolmen, new equipment - mostly boats, replacement of existing equipment, and the addition of rescue and fire-fighting equipment.

I passed out a document before which is an administrative order that became effective on the 1st of January, 1971, which accomplished a very substantial reorganization of our Department. (See p. 76)

It seems to me that, in addition to providing income, we have the obligation to organize for maximum efficiency and productivity in marine enforcement as well as in other

areas. So a part of this reorganization is a consolidation of all marine enforcement activities in a single agency, bringing together the marine police, the coastal patrol from the Division of Fish and Game, and the Shell Fisheries Fleet that's carrying out the enforcement on the harvesting of shell fish. Additional organization within that unit hopefully will consolidate the use of the vessels that all of these agencies have, consolidate repair and maintenance facilities and make a larger number of craft available to respond in the event of emergency.

In principle, I am personally opposed to dedicated funds. It seems to me that operating government by dedicated funds is based upon the false premise that there is a necessary connection between the revenue collected by an agency and the cost of its operation. If we operated the Division of Motor Vehicles and the Alcoholic Beverage Commission on dedicated funds, half of the employees in State Government would work for those two departments.

On the other hand, I don't see any inequity in calling upon the voting public to increase the revenue to State Government in order that services designed essentially for their benefit may be provided. On a much more pragmatic basis, however, having concluded that a substantial increase in income is absolutely necessary to provide decent service in this area, I have to recognize that unless it's provided through a rise in these license fees, we're not very likely to see it in the budget year beginning on the 1st of July.

I would make one small recommendation as to change. While this bill was dealt with back in the fall, it carried an effective date of the 1st of January, 1971, which obviously must be altered. I would suggest that, in order that our administrative processes could be carried out, if this bill is approved the effective date be 30 days after the date of its adoption.

I would also urge the Legislature to give early and favorable consideration to the bill in order that we can

begin to collect the added revenue when we get the rush of license applications in April, May and June of this year.

Now, I am sure that those who are on the receiving end of rises in fees won't much like the idea. I think the bill is an equitable bill. I think the revenue is absolutely necessary to provide the service. I think the service is a very important one to the public, and I urge the Legislature promptly to adopt this bill.

I will be glad to answer any questions you have here or to file any supplementary information that you think would be helpful.

SENATOR SCHIAFFO: Thank you, Commissioner.

One of the, of course, apparent questions that I would like to ask you is: The proposed fees, how are they in comparison to our neighboring states?

MR. SULLIVAN: They are somewhat higher but I would rather give you a more specific answer to that. In fact, I can enter into the record the fee schedules which we have collected for the States of Connecticut, Delaware, Maryland, New York and Pennsylvania for comparison purposes.

The fees vary considerably. Some states don't have a sliding scale based upon the size of the vessel. New Jersey's fees will be higher than adjacent states, but I don't see that the amount of money that's involved makes this a very forceful argument. But I will, if you wish, Senator --

SENATOR SCHIAFFO: I would like that included in the record. You will just have to give that to the girl and she will put it in later.

Would this in any way prejudice our basic economy in terms of -- I don't own a boat so you will have to go slowly with me -- would the fact that our fees were higher than our neighboring states cause any economic lag in terms of people registering boats in other jurisdictions? Could that possibly happen because our fees are higher?

MR. SULLIVAN: In my opinion it's most unlikely. For example, the State of Maryland charges \$5.00 per year for any size boat. In our proposed bill all boats up to 16 feet would have a similar charge; up to 26 feet, and this would include a very substantial part of the boat population, is \$10.00. It hardly seems likely to me that there is going to be an exodus of boat owners in that category to Maryland licensure in order to save \$5.00.

SENATOR SCHIAFFO: You don't think the \$5.00 would make the difference?

MR. SULLIVAN: I don't think so.

SENATOR SCHIAFFO: How about the dealership, which is what I call it, this \$100 dealership cost? Do you think that would have any effect? That's what that is, isn't it, in effect that change from \$5.00 to \$100, that's similar to an automobile dealer type of operation.

MR. SULLIVAN: Right. We have proposed raising it to make it the same as a motor vehicle dealer.

SENATOR SCHIAFFO: I see. That would be the same.

MR. SULLIVAN: I don't think it's an unreasonable charge for a dealer to pay \$100 a year. I think the \$5.00 charge is silly. I think there may be a point of misunderstanding, however. If we issue this \$100 dealership, we can issue a series of numbers, in effect, to the dealers so that they can use, say, four or five - they wouldn't have to pay \$500 - in much the same manner that Motor Vehicles do, by having a single number but with a suffix number 1, 2, 3, 4, or 5. So their fee in no case would be higher than \$100.

SENATOR SCHIAFFO: Do we have a breakdown of just what the increase in revenues would be? I think the Senate may be interested in this in their evaluation. Now you're raising, for example, the fee for an owner of a boat 16 feet or less from \$2.00 to \$5.00, which is two and a half times what it is now - do you have a breakdown of what that will bring in increased revenues, what it will bring in increased revenues from owners of boats from 16 to 26 feet?

The Fiscal Note lumps it all in one sum and so indicates, as you know, \$621,000 for the whole kit and caboodle. Now I have no idea what the Committee is going to do. We're hearing the arguments on this bill today. Secondly, they may want to - I don't know, but the information should be available to them in any event - consider that any citizen who owns a 16 foot or less shouldn't have to pay more than \$2.00. That may be what they decide. But we ought to have in connection with that just what the loss of revenues would be under the bill for each category. If you don't have that, could you supply that to us?

MR. SULLIVAN: We can very easily subdivide the \$620,000 by the boat size categories. Yes.

SENATOR SCHIAFFO: I would like to have that. If it isn't available to us today, you could perhaps give it to Mr. Silliphant or Legislative Budget & Finance and we could incorporate it into the record. I would like to have that in the record. (See p. 85)

Well, these dedicated funds, these aren't dedicated funds, are they? these increases in fees? Will they all go to the Marine Police, to this outfit, the entire amount of money?

MR. SULLIVAN: It would go to boat registration, marine police, and 10% would go to the coastal patrol which used to be in Fish & Game but is now in the same enforcement unit.

SENATOR SCHIAFFO: And you said you have projected plans as to the number of employees, additional permanent police employees, that you would be considering putting on. Let me put it this way, which came first, did you decide on the basis that you would have \$621,000 more that you could put on 40 more policemen and do a few other things, or did you decide, in the face of the economic position of our State, that perhaps we could get along with 10 additional marine policemen and that would cost X amount of dollars? My point is, did we shoot to spend the \$621,000 or did we

first decide what we could do - and I'm talking barest minimums because I think in 1971 we're all going to have to talk barest minimums - to increase the efficiency, improve somewhat the efficiency of the Department and at the same time not look with a gleam in your eye that there is \$621,000 that we're going to be able to spend if we get the bill passed? Which came first?

MR. SULLIVAN: The incentive for bringing the bill up in the first place was the pressing need for funds to put an effective marine police force in the field. It was our judgment that the amount of income represented by these increases would allow us to operate an effective marine police and also to have funds, which the law also provides, for the maintenance of inland waterways. So, we looked at the amount of money we thought was necessary to operate this facility and then designed a revised fee schedule to produce this amount of income.

SENATOR SCHIAFFO: This judgment of the amount of money necessary to put on this personnel was your Department's exclusively.

MR. SULLIVAN: That's correct.

SENATOR SCHIAFFO: Of course, this is subject, naturally, to the Appropriations Committee and new positions and deciding that perhaps 14 marine patrolmen are too many and we can get along with 10. And if we come up with a decision like that, that could have some influence on whether or not these fees should be at the figures the bill proposes.

MR. SULLIVAN: That's correct.

SENATOR SCHIAFFO: I have no other questions.

Senator Coffee?

SENATOR COFFEE: Commissioner, is this your proposed requested budget for fiscal '71-72?

MR. SULLIVAN: We submitted two budgets, one in the event that income stays at the level it has been, at \$450,000, and the other in the event the bill became effective. One was for \$450,000 and the other was for \$800,000. Because the bill has not been acted upon, the lesser figure will be

dealt with in the budget message.

SENATOR COFFEE: The Fiscal Note shows that in the first year you expect an additional \$621,000, if these fee increases are granted and approved and collected. The following year an additional \$700,000. So I assume that the \$700,000 plus the current \$400,000 is the \$1.1 million figure total operating budget that you would expect in the first full year of operation.

MR. SULLIVAN: That's correct.

SENATOR COFFEE: Now I assume that your budget, in the event this bill is passed, the second budget that you have submitted, would be a total of the present \$400,000 plus \$621,000.

MR. SULLIVAN: That's correct.

SENATOR COFFEE: On the bill itself - you probably can answer it but I have asked Mr. Kent this question because I think it does need some clarification. The first section as to the change in fees I think is clear to everyone, but can you tell us exactly what you mean in section 9 when you talk about issuance of a tax exemption certificate for each power vessel and for the annual renewal of this certificate. What is a tax exemption certificate? What type vessel, is it attached to a business, is this a commercial venture?

MR. SULLIVAN: It's for commercial vessels which fall in two categories, those that are registered with the State and those registered with the Federal Government. The former category, all of these vessel owners are required to purchase from the State on a graduated scale of cost a certificate that will exempt them from personal property tax. Those vessels, which tend to be the larger ones, which are documented through registry by the Coast Guard have the option of either buying such a tax exemption certificate or else paying a personal property tax.

SENATOR COFFEE: Now, Commissioner, are there any other areas in your Department, which is rather new, the

Department of Environmental Protection, where there is a section like the boating industry where the industry is expected to survive - this is administrative costs, operating costs, maintenance and so forth, - solely on the income derived from the people involved in one way or another, using these facilities or involving this industry?

MR. SULLIVAN: It's not an industry but our Division of Fish & Game operates exclusively on the income derived from the sale of fish and game licenses. There is, incidentally, a bill in to raise those too.

SENATOR COFFEE: When you refer to your added summer help, you gave us part-time figures for June, July, August, September and October and maybe November, - and I understand what you mean by part-time help but are any of these men or people part part-time help? Do some of them, just as an example, just work on week-ends or are we talking about monthly employees or weekly employees, per diem employees, hourly employees?

MR. SULLIVAN: We're talking about all of these categories.

SENATOR COFFEE: We're talking about a combination.

MR. SULLIVAN: Yes. There are some people who work full time through the season, there are some people who have other jobs and work when they're available on week-ends or evenings.

SENATOR COFFEE: Now, can you tell me whether the Boating Commission was aware of this piece of legislation, Assembly Bill 1159, and whether or not the Boating Commission was consulted and approved this new fee schedule so that it could be introduced in the form of legislation?

MR. SULLIVAN: Well, there was a predecessor bill to this one, which was drafted back in the spring. I don't know, because I wasn't there at the time, whether or not the Commission was consulted in the preparation of that document. I did not consult with the Boating Commission in revising that earlier bill.

SENATOR COFFEE: Would it not be one of the functions of the New Jersey Boating Commission to be involved in such an important piece of legislation which would bring about such a radical change in the fee schedule? Isn't this one of their duties? Should they not be consulted? Should they not render an opinion?

MR. SULLIVAN: I think a case could be made for consulting them. I don't think it's their essential function to pass judgment on legislative proposals but, obviously, given their statutory purpose, they have an interest in the subject in general.

SENATOR COFFEE: To your knowledge, this current bill was not submitted to the Boating Commission.

MR. SULLIVAN: To my knowledge this revision was not submitted to the Boating Commission. Whether or not the bill from which this came, which was introduced early in the spring last year, was made available to the Boating Commission, I honestly can't say.

SENATOR COFFEE: That's all I have, Mr. Chairman.

SENATOR SCHIAFFO: Thank you.

Senator Miller of the Appropriations Committee has joined us. Do you have any questions, Senator Miller?

SENATOR MILLER: No.

SENATOR SCHIAFFO: Thank you very much, Commissioner.

MR. SULLIVAN: Thank you.

SENATOR SCHIAFFO: Now we will hear from Senator Wayne Dumont.

W A Y N E D U M O N T, JR.: Mr. Chairman, Senator Coffee and Senator Miller, gentlemen: I appreciate very much this opportunity to testify concerning this bill. I want to say at the outset that my testimony is going to be somewhat middle-of-the-road because I don't think any of us who serve here can possibly in any way not realize the need, if we're going to improve services, to raise some more revenue. But at the same time I think there are certain parts of this bill that are either not fair or not clear, or both, and

that, therefore, it's badly in need of revision before it ever passes, if it does.

Now, the question was asked as to the breakdown of the estimated number of boat owners in the various lengths of craft, and the material that was given to me some time ago by Mr. James J. Petrella, who is Assistant Counsel to the Governor and who is right here - and I am sure this is material that many of the Legislators have already, or should have at least, and certainly it ought to be public information too - shows that the estimated number of boat owners under 16 feet is 54,000 in New Jersey. Now at \$2.00 a year that would produce \$108,000 worth of revenue. If it were increased by two and a half times, as pointed out by you, Mr. Chairman, as this bill proposes, it would raise \$270,000 per year. Then between 16 feet and 26 feet there are 29,000 estimated boat owners. At \$4.00 a year, at the present time, they would pay \$116,000 worth of tax or license fees, and if they were raised to \$10.00 as this bill proposes, they would produce \$290,000. In the category from 26 feet to 40 feet there are 9,000 estimated boat owners in the State. The present rate of license fee of \$6.00 produces \$54,000 a year. If they were raised two and a half times, as this bill proposes, to \$15.00 a year, they would then be producing \$135,000 worth of revenue. The 40 feet to 65 feet show only an estimated number of 500 boat owners. At the present time, at \$8.00 a year, they contribute \$4,000 worth of revenue. If they were raised to \$20.00 per year, as this bill again proposes, a two and a half times increase, they would contribute \$10,000 worth of revenue.

There is no estimated number of boat owners over 65 feet who today are supposed to pay \$25.00 but no one makes any contribution to the State, apparently, on that score, and even if that were raised three times to \$75.00, as the bill proposes, still no estimated revenue would be produced.

Now this raises, I think, one of the basic questions here that we ought to consider. If this bill, whether in its present or an amended form - and I think, personally, that it ought to be amended because I think the increases - while \$5.00, it is true, is not going to break anybody in the course of a year, at the same time, on a percentage basis, it is a two and a half times increase on the largest number of boat owners, and that's true throughout on the increase in license fees -- if they are going to contribute, because most of them are in the area of under 16 feet and 16 feet to 26 feet, - as a matter of fact we have a total of 83,000 boat owners just in those two classifications, - if they are going to contribute substantially more revenue, it seems unfair to me, although I know very well it's legal because, as a matter of fact, we passed legislation a few years ago that made it legal here, that in view of the fact that we had a small marine enforcement patrol and that boats could be documented by the U. S. Coast Guard and thus the enforcement procedures would be handled by the Coast Guard, that we let them get away from us at the time.

Now one gentleman here this morning remarked that there are only 20,000 such boat owners in the Nation, I believe is what he said, over 65 feet, and the question would arise, since they travel from state to state, as to what state would be their home base. Well even though many of them might not happen to select New Jersey as their home state, although I would hope many of them would, at the same time I see no reason why they should be getting away with no revenue at all, no contribution to the State Government while at the same time the small boat owners, numbering as I mentioned 83,000 in the first two classifications, would be contributing most of the revenue. As a matter of fact, they contribute most of it today. If you take those two groups alone, they produce at the present \$2.00 and \$4.00 rates \$224,000, and the Commissioner mentioned that the total revenue is only \$450,000 at the

present time. So they contribute just about half of it today. Whereas the large boat owners who, certainly if they can afford a yacht or a boat 65 feet or more in length, can certainly afford to pay some license fees, are not paying anything to the State today and will not under this bill because of the fact that they may document or register with the United States Coast Guard.

So I think we have an inequity here because I don't see any reason why the people who can only afford to own the smaller type boats should contribute either 50% of the total revenue, as it is today, and at least 50% in the future too if this should pass as it is worded, this bill, should have to pick up all of the freight, so to speak, while the large boat owners get away for nothing in the State.

Now I happen to have, within the district that I'm privileged to represent, a great many boat owners, primarily in Sussex County because there are many beautiful lakes in Sussex County; there are not quite as many in Warren because there just aren't as many lakes, and there are very few in Hunterdon. But the point is that Sussex County in the present census will show a 56% increase between 1960 and 1970 in population. That's the second largest county increase in the whole State, on a percentage basis. It means that a great many people who used to be summer vacationers on these lakes are now year-round residents, and understandably, because of the great beauty that the county and all of the northwestern counties have. And a large part of the largest fresh water lake that's wholly within the boundaries of New Jersey, namely Lake Hopatcong, is actually in Sussex County, the rest of it is in Morris County. So many of my constituents have communicated to me their thoughts about this bill.

They would be willing, I think, in many instances to contribute more than they presently pay if the bill were fairer than it is and if, also, they could be given to

understand exactly what the present monies are used for, that are collected, the \$450,000.

Now I realize that the Commissioner outlined this generally but they don't feel that, on the inland lakes particularly, they get as much return as perhaps the coastal waters and the boat owners in the coastal waters do.

Now this material also, that was furnished by the Assistant Counsel to the Governor, dated October 5, 1970, shows that if the increases as proposed in this bill were to pass there would be 28 new positions - 20 of those enforcement positions in Marine Police and 8 clerical positions - for a total cost of \$175,000; that there would be 6 new boats purchased for patrolling purposes at a total cost of \$100,000; that there would be also 6 boats that would need to be replaced - the total cost there is \$100,000, listed; and that wages, salaries and maintenance, all of them operating expenses which now costs \$265,000, would remain at \$265,000 because, as I mentioned, the money for the new positions, the new equipment, would be produced out of the additional license fees, largely out of them.

There are some of my constituents who have told me very honestly they think that there is no necessity on Lake Hopatcong for any more Marine Police, that there may even be too many now, but that there is no necessity for more. Now, as I say, there are some of them; there may be others that feel differently on that score.

As far as the equipment is concerned, I have observed personally the type of equipment that is used and some of that does need to be replaced by better equipment or else be better maintained. And it is difficult when a boat gets old, even though you maintain it, to keep it going too long.

There is also the question of this 10% contribution for coastal patrol to the Fish and Game, which now, of course, is known as the Division of Fish, Game and Shell Fisheries in the new Department of Environmental Protection.

I think it's important to point out that Fish and Game fees, that is hunting and fishing fees, are one of the very few dedicated funds we have in this State. All of the money obtained from fish and game license fees has to be used for the propagation of fish and game and for the operation and expenses of the Division of Fish and Game, as well as Shell Fisheries which is now a part of that Division. And I think the boat owners possibly can very readily and possibly with a lot of merit, as a matter of fact, raise a question as to why we should continue to have 10% of the money contributed by the boaters assigned to the Division of Fish and Game, either today or in the future, because of the fact that that is a dedicated fund as far as the hunting and fishing license fees are concerned. So perhaps there should not be 10% of this money, presently and in the future, contributed to coastal patrol, the Division of Fish and Game, although I thought I heard the Commissioner say that this, under his reorganization that took effect January 1, of this year, a few days ago, would no longer go to Fish and Game but would be a part of the Bureau of Marine Enforcement, I believe he describes it in the reorganization. So that perhaps, therefore, it will go more directly to marine and coastal patrolling work than it has in the past through Fish and Game.

Now one of the other things that I don't think is fair about this bill, and it certainly is not clear because the Commissioner clarified one thing with respect to it in his testimony, and that's these special numbers to be assigned to both dealers and manufacturers. In the first place, that amount of licensing is going to be increased by 20 times under this measure, from the present \$5.00 to \$100.00 per year. One of the dealers, whom I know personally and who lives in Burlington County and who wrote to all of us, because he sent a copy of the letter which he has addressed primarily to Senator Miller, I believe, of your Committee and of Camden County, indicated that he uses three of these numbers which

would increase his present cost from \$15.00 at the present time to \$300.00. And that's a pretty good increase. I think we would all have to concede that when you raise something 20 times in one fell swoop that's not just a substantial increase, it's a real sock, as a matter of fact, to anybody.

One of my constituents who is a dealer has indicated that he thinks it might be fair to charge \$20.00 or \$25.00 but not \$100 for each number.

Now, the Commissioner did clarify that to some degree by saying that you might be able to use a small suffix, as we use on license plates, courtesy plates particularly, when there is a second car or a third car or whatever it may be, and that then only one number would be issued. If that were so, it would certainly help to hold the cost down. But I still think \$100 from \$5.00, even if it's only one number, is much too large an increase, particularly at one time.

And this bill, very frankly, even if that's so, is not clear as to the meaning of the Department in that respect. If there is an intention to issue a single number and then to have small numbers follow on the additional plates, or whatever it is, that may go out bearing that number, then that ought to be spelled out in the bill. It should not be left, I think, just to department regulation because it means that the bill, as written, is not clear in that respect.

I don't know too much about the exemption certificates, therefore, I am not going to try to make any comment about them because I'm not knowledgeable at all on that score.

The fee of \$1.50 to \$3.00 would not seem, even though it's 100% increase, - would not seem to be unreasonable. That's for an operator's license. I have one of those and have had for a long time and would not feel, personally, that going from \$1.50 to \$3.00 is necessarily unreasonable. But I would have to say that this bill, over-all, I think

contains inequities and unclear language.

In the first place, increasing all of these license fees two and a half times is a very heavy increase. And when you go up three times on the type of license fee that we don't even collect a penny from, and won't in the future unless we change the law of this State, that's not going to mean anything to us anyway. And the charge to the dealers is certainly, I think, way out of sight, plus the fact that it's not clear.

Now as far as I know, the State does maintain the inland waterway and I realize that \$220,000 that is proposed out of this money would go to that each year. One of our associates, gentlemen, as you may remember, and I am not going to identify him by name, indicated he didn't think this would take care of even a half mile of the inland waterway per year, \$220,000. He is very knowledgeable about boats too, I might add. But certainly something has to be done about the inland waterway because of the fact that I receive many complaints from my own constituents, or at least friends of mine who have boats of that size and who use the inland waterway, that it is not in good shape and that something ought to be done to improve it. And, obviously, if nothing is expended to improve it, it's not going to get any better. But, here again, it would seem to me that if these license fees were increased to some degree, but not as much as the bill wants them to be, and the dealer license fee also were increased to some degree but not nearly as much as this bill would have it, that there would be some money available to purchase some new equipment and also to do something annually with improvement of the inland waterway.

Now two other points that were raised. One, that the State of New Jersey ought to be competitive with bordering states and this increase would make it uncompetitive. In fact, Mr. Parsons, in his letter to Senator Miller, - and I'm sure you will hear from Mr. Parsons directly later on today, and I have great respect for his judgment, said that

this increase would make New Jersey more than double, in most instances, with bordering states.

All we have to do is draw an analogy, and I'm not saying this because I voted against the sales tax increase earlier this year from three cents to five cents, but my principal concern at the time was what it would do toward discouraging rather than encouraging people from other states to continue to shop in New Jersey. I think this concern has been borne out by the fact that the indications are that the sales tax is going to produce \$30 million less, over-all, in New Jersey than the estimates based upon the increase from three cents to five cents showed it would produce in the first fiscal year of operation, beginning last July 1. It's just common sense, as a matter of fact, that if we at anytime become uncompetitive with our sister states, we are not going to encourage people to do business in New Jersey. And if, in fact, these increases would make us more than double other states, and if, in fact, somewhat to the contrary but borne out to some degree at least by what the Commissioner said - that even if they were not more than double what other states are but they would make us higher than other states in any event then, obviously, we're not going to continue to do the boating business in New Jersey that we do today.

So we have got to consider these things. We have to consider them every time we raise a tax or a license fee, what that is going to create in New Jersey as contrasted to what our sister states have by way of taxes or license fees for the same items. This, I think, has to be carefully investigated.

Now one other point that was raised was the question of the fact - and Assemblyman Black mentioned this - the \$5 million to \$7 million contributed by boat owners today through sales taxes and through fuel taxes. One of these situations, as pointed out by the dealers, is the question of the fact that there is no rebate or discount provided

under New Jersey law, the New Jersey Sales Tax Law, for people, business people, in collecting tax. This I have always felt was unfair. I realize I haven't been able to produce enough votes to get a bill out of the Senate the last three years and it will be in again, of course, this year. It would provide a very minimal 1% rebate or discount of the total tax collected to each business person. But I still think that's fair play. And I think until we get to that we are simply imposing upon every businessman, who collects a sales tax, an unfair burden in what he has to do by way of additional bookkeeping, in what he has already had to produce in the way of more money to buy cash registers that show a sales tax column. And I don't think it's fair, and other states have recognized this point and have done something about it by providing rebates or discounts in those states. Pennsylvania has long done this.

There is one other point that I might bring in too, in favor of one of my constituents who points out that a person 70 years of age can now obtain a fishing license without a fee, and he thinks that any boat owner who is over 65 years of age should be able to get a license without a fee, as well, as a senior citizen. I am sure that argument might appeal to Senator Coffee and to Senator Schiaffo, in fact to all of you, Senator Miller too, as a point that he is making in this letter.

I think that's all I can say with respect to this, Mr. Chairman. I just think there are inequities to be corrected and clarifications needed in the bill before it should ever pass. Regardless of the fact that it may cost revenue and losses to the State by not having been enacted before January 1 of 1971, it is far more important to have a fair bill, when one passes, particularly when it affects taxes or license fees, than to have one that has any inequities in it or any unclear material, and I think this bill contains both.

Thank you very much.

SENATOR SCHIAFFO: Thank you, Senator.

Are there any questions, Senator Coffee?

SENATOR COFFEE: Senator Dumont, you quoted quite extensively from a report compiled evidently by the Assistant Counsel to the Governor.

SENATOR DUMONT: Yes, sir.

SENATOR COFFEE: Would it be possible for us to have that submitted?

SENATOR DUMONT: I will be glad to leave it with you. There were a few figures we had to correct here on the third page, which the Assistant Counsel well knew, as a matter of fact, because he pointed out at the outside that some of the proposed rates set forth here were not accurate in accordance to what the bill proposed. So I made the changes on this. I didn't make them all but I made what would be collected from the under 16 feet and the 16 feet to 26 feet and the 40 feet to 65 feet boat owners. So I will leave this with you, with those corrections that have been entered.

SENATOR COFFEE: I would like to request, Mr. Chairman, that that be made an official part of this hearing.

SENATOR DUMONT: It may well be that Mr. Petrella may want to submit to you the same material with the items correct and thus not have it go in with --

SENATOR SCHIAFFO: Well, I was just going to say, it could be a part of Senator Dumont's testimony, but whether or not --

SENATOR DUMONT: Mr. Petrella says that the Commissioner is submitting this anyway.

Is he going to put it in in writing?

MR. PETRELLA: Yes.

SENATOR SCHIAFFO: I had asked the Commissioner to give us something of that sort but there would be no objection on my part to your submitting that. But since it has been modified it does not reflect what the Assistant Counsel to the Governor prepared and it would be part of

Senator Dumont's testimony. I will leave it up to you, Senator Dumont. If you want to submit that as part of your testimony --

SENATOR DUMONT: I think I ought to clear it with Mr. Petrella first because it was his material that he prepared but it's material that ought to be public information anyway. How do you want to do this?

SENATOR COFFEE: Mr. Chairman, I would strongly urge that the entire report be made a part of this hearing.

SENATOR SCHIAFFO: All right. Would you be kind enough to leave that with us, Senator Dumont?

SENATOR DUMONT: Yes, sir, that I will do. (See p.82)

SENATOR COFFEE: Through you, Senator, I would like to request of the Assistant Counsel to the Governor whether or not this report was submitted to any other Senator.

SENATOR SCHIAFFO: Was that report, Mr. Petrella --

SENATOR DUMONT: Excuse me, Senator. On the bottom here it says copies were sent to Honorable Joseph J. Maraziti and Honorable Alfred D. Schiaffo. And, incidentally, the memorandum at the outset was directed to Senate President Raymond Bateman, Majority Leader Harry L. Sears, and Assistant Majority Leader Alfred N. Beadleston - Subject: Assembly Bill 1159.

SENATOR COFFEE: I would like to note for the record that the Minority Leader and the Assistant Minority Leader are conspicuously absent in receiving copies.

SENATOR SCHIAFFO: Let the record so note.

SENATOR COFFEE: I will not make any comment on that score.

SENATOR SCHIAFFO: Senator Miller, do you have any questions?

SENATOR MILLER: No.

SENATOR SCHIAFFO: Thank you very much, Senator Dumont.

SENATOR DUMONT: Thank you very much, gentlemen, I appreciate it.

SENATOR SCHIAFFO: There was a gentleman in the audience who had requested that he be called early since he was an Attorney and had a pre-trial conference. I think his name is Harry Mopsick.

MR. MOPSICK: Yes, sir.

SENATOR SCHIAFFO: All right, Mr. Mopsick, you may testify now.

H A R R Y M O P S I C K: Gentlemen, my name is Harry Mopsick, General Counsel for the Federated Boatmen of New Jersey. I am of Linden, New Jersey.

I come here on behalf of the Federated Boatmen of New Jersey, a non-profit corporation, and its members numbering over five thousand interested boatmen.

Now, Senator Coffee raised a very germane question of Commissioner Sullivan - and I am departing from my prepared text for a moment - as to whether the New Jersey Boating Commission was consulted with respect to the pending bill. Now strangely enough, gentlemen, the New Jersey Boating Commission is a product of interested boatmen and I happened to sit with a special committee over a period of a year and a half creating the New Jersey Boating Commission, and had the good fortune to help and advise in the wording of the statute that finally created this Commission.

Now it has not been consulted, and I'm not here to argue on their behalf. But, on the other hand, I wish to say that certain purposes of the Boating Commission are similar to those of the Federated Boatmen of New Jersey, and I will briefly read them to you:

1. To protect boating interests and encourage the development of safe recreational boating in New Jersey.

2. To make appropriate recommendations concerning legislation and administration.

3. To provide boatmen and boating groups with the facts concerning all matters affecting their interests.

4. To sponsor and promote programs to educate the

boating public on safe boating and related activities, conservation of water resources, and other matters pertaining to the public use of the waterways of the State.

This is an interesting one:

5. To insure that revenue derived from boatmen be used solely to promote the best interests of boating.

6. To strive for unanimity among all boatmen of the State in all matters affecting their interest.

Gentlemen, we are in complete agreement with the major philosophy of Governor Cahill's administration in that we must work towards a "pay as you go government". But let us look at the record:

It has been approximated that the State of New Jersey has received from sources relating to boating in the neighborhood of six million dollars in the past year. This estimate is based upon sales taxes, fuel taxes and boat registration fees. In the statement of estimated revenues and expenditures it has been estimated by your Treasury Department that the general state revenues expected from motor fuel taxes for the year 1971 will reach two hundred and ten million dollars. Were the boatmen to receive even one per cent return for boating purposes, it would equal two million, one hundred thousand dollars. This is not a fanciful figure, there are several states that are presently returning one percent of fuel taxes for the administration of boating needs in their respective states. It is interesting to note that the estimated revenue from the Bureau of Navigation for 1971 is \$399,838.00. Let's remember that figure. Their budget request was \$840,522.00, the amount appropriated and recommended was \$399,838.00 - get the similarity? That's what they brought in and that's what they're getting. On the other hand, the Division of Shell Fisheries, with a projected income of \$92,710.00, received a budget recommendation of \$523,313.00. Based upon these figures alone it would appear that while the Governor's "pay as you go" philosophy is carried out to the

letter in the case of the Bureau of Navigation, it goes over the deep-end when it comes to shell fish.

I do not question the need for funds to finance the New Jersey Marine Police so they can do a better job of looking after safety on the water. What disturbs me, and should disturb and upset you, is that there seems to be so precious little set aside for boating programs by the State from the millions Jersey boaters are already paying every year in sales taxes, fuel taxes and boat registration fees. It is grossly unfair to take boaters' tax money for highway development, contribute to fish, game and shell fisheries funds, and other programs of no benefit whatever to boating, and then expect them to pay additional taxes because an insufficient amount has been budgeted for boating's needs in the first place.

I submit there are other ways of raising the money for the Marine Police without increasing boatmen's registration fees.

Now one final aside, if I may, in answer to my good friend, Senator Dumont, and one of the comments that he made. I am a great admirer of the Senator but I must accuse him of being penny wise and pound foolish, for this reason: He complains that the larger boats are documented and, therefore, do not contribute to the State Government. This is basically the same false premise under which many of our well-meaning Legislators labor. Actually, when the larger boats, whether they be from New Jersey or out of State, come into our State they bring with them a substantial boost to the economy of every part of the State they happen to be in. This is the key, and let's not be shortsighted.

Thank you.

SENATOR SCHIAFFO: Thank you, Mr. Mopsick.

Are there any questions by members of the Committee?

SENATOR MILLER: Mr. Mopsick, you say on the second page of your memo that there are some states that

have sort of a program of returning a certain percentage to the boatmen?

MR. MOPSICK: That is right.

SENATOR MILLER: Do you know what states?

MR. MOPSICK: Offhand I would say California, possibly one in the northwest. I have here Mr. Bob Synnestvedt who is National Secretary of the Boating Organization of America.

MR. SYNNESTVEDT: I believe there are 33 states who return a portion of their motor fuel tax to the boaters.

MR. MOPSICK: 33 states.

SENATOR MILLER: Could that information be made available to the Committee, the states that do?

MR. MOPSICK: Definitely. Surely.

SENATOR COFFEE: Sir, would you care to comment on what would happen to New Jersey's competitive position with our surrounding states if our registration fees were much higher than surrounding states?

MR. MOPSICK: Yes, Senator. I think, in order to understand the entire concept, we must realize that we boatmen are a dedicated people in the sense that we are not fools. We spend a lot of money for our avocation and yet we hate to be taken for a ride. A typical example is your program of sales tax. Well, originally, you had a personal property tax proposed that was knocked down, pertaining to boats in New Jersey. This was done about two or three years ago. You have a sales tax, you have a lot of exemptions in your sales tax but you hit the boat owner. This drives a tremendous amount of good dollars away from our economy. People are just not going to pay the State of New Jersey money that they don't have to pay to the State of New Jersey. And they will purchase their boats in other areas where they are not subject to a sales tax.

Now you take registration fees - yes, I agree with Senator Dumont that even though it's a 100% increase

on the small boaters, it's not much, it goes from what \$1.50 to three or four or five or ten? But they are in the State. They are small boat owners. They are really bound here and they have no choice but to pay that extra tribute.

On the other hand, the men who know what the score is - and I'll tell you right now, they are the men who have the larger boats and who are documented and who go out of the State and don't pay any sales taxes in New Jersey -- they don't have to pay any registration fees in New Jersey but, by the same token, they are fully aware of the hostile climate in New Jersey with respect to boatmen, and I'll tell you why. We depend, in great measure, on the boating in developing our resort industry, and yet we don't spend anything, comparatively speaking, to improve our waterways. We do not do what we should do in promoting the Bureau of Navigation. You have a Department here, you have a Boating Commissioner who is most excellently qualified. He stands on the same level as any other boating commissioner in any state in the country, and yet you tie his hands. You have a Boating Commission and you don't even consult your Boating Commission when you foist this type of legislation on the boating public.

All of these things add up, gentlemen, and the men in the boating public know about these things. They travel. New Jersey is just one state along the eastern seaboard.

I just got back from the Keys, down at Marathon. We took our boat down there and I can assure you that we had some excellent reception all the way down from state officials, from municipal officials, and particularly in the large southern states where they do everything and anything to encourage the boatmen to come in and stay. This is what I call good business. We don't do this in New Jersey.

SENATOR SCHIAFFO: Thank you very much, Mr. Mopsick.

MR. MOPSICK: Thank you for taking me out of turn.

SENATOR SCHIAFFO: Mr. William J. Garry.

W I L L I A M J. G A R R Y: Mr. Chairman and members of the Committee, I would like to state that some of the remarks I will make will clarify some of the remarks that have been made. So it may seem like duplication when I enter into a field but it will be for the purpose of clarification, basically.

The thing that concerns me most is that the passage of A-1159 would be a short-sighted imposition of an added tax on pleasure boaters disguised as a license. I am concerned with the unfairness of 1159 and the effect its passage and enactment could have on New Jersey businesses that depend on the \$82 million that the pleasure boaters spend in the State. Finally, I'm inclined to feel that enactment of 1159 will be self-cancelling in the field of raising revenues for the State.

SENATOR SCHIAFFO: Mr. Garry, excuse me for one second. You hold a position --

MR. GARRY: I hold a number of positions but I am speaking as --

SENATOR SCHIAFFO: An individual boater-owner.

MR. GARRY: A boater who has boated on the west coast, the east coast, the Mississippi River.

SENATOR SCHIAFFO: Well, I know you hold some offices and I thought you might want that in the record.

MR. GARRY: No. I am speaking as an individual because of the fact that some of the remarks I will make --

SENATOR SCHIAFFO: Are you own.

MR. GARRY: Are my own, yes.

While New Jersey has a Boat Regulation Commission, this Commission was not consulted by the administration on the bill before it was drawn. Had the Commission been consulted, the statement attached to the bill would not have reflected the total lack of knowledge contained in it.

Now the statement that I am referring to was

attached to the advanced copies. I don't believe it's on the later copy of it. But it's indicative of the lack of knowledge the Commission has had about boating. I will cover the points in the statement point by point.

For instance, that statement states, "The schedule of license fees proposed is fair and reasonable." Now, let's go back to June 11, 1962 when New Jersey approved a fee for the numbering of all power vessels. That fee, just 8 years ago, was \$6.00 for three years, \$2.00 a year. On December 21, 1965 these fees, graduated now to the length of the vessel, were raised to today's schedule. In the case of a 26 foot boat this was an increase from the former \$2.00 per year to the present \$6.00 per year.

Now to examine the administration's so-called fairness doctrine, as presented in the statement. New Jersey's present fee schedule, when taken across the board, exceeds the annual fees charged by our neighboring states. While New Jersey's graduated scale runs from \$2.00 to \$25.00, Pennsylvania's - and I'm talking about the present fees - runs from \$4.00 to \$6.00. New York's from \$1.00 to \$3.33. Delaware \$3.00 across the board. Maryland, \$5.00 across the board. Referring to this mythical group of boats at the top of the scale, A-1159 would increase this fee above those charged by the other states that I've just mentioned by 1250%. So it gets to take on an unthinking situation.

Now let's take the next sentence in the statement attached to 1159. "The cost of administration and enforcement are the same regardless of boat sizes, however, the graduated increases are reasonable since persons affording the larger pleasure boats can be assumed to have the ability to pay slightly higher fees."

I would like to call to your attention where we've missed the one fact that should be looked at in this. Now, looking at the classified ads in Soundings, which is a popular book in boating, a popular boating publication, I find a 34 foot Elco offered for \$2,750; a 26 foot ACF, 1938 vintage,

for \$1,000; a 29 foot, 1930 Richardson for \$2,000; etc., etc. Can you equate the ability to pay of the buyers of these craft, fee wise, with the skipper who buys a 33 foot 1968 Pembroke, listed in the same advertisement at \$23,500, or the 34 foot 1968 Hatteras at \$39,500? The length of the boat doesn't indicate the ability of the man to pay additional fees.

Now let's go to the second paragraph of the statement. "The increased revenue will be available for enforcement of the New Jersey Boat Act, including patrol activity, improving of inland waterway maintenance, and contribution to the fish, game and shell fisheries funds." What business do the funds of the boater have in fish, game and shell fisheries?

If the Governor's contention is that boating activities should be paid for in the form of registration fees on boats by the boater in return for what he gets, other areas should bear their burden.

Now to the third paragraph of the statement. "The increases in fees are needed to provide services which are primarily limited to the class paying the fees, and should result in needed revenue to carry the program for several years."

To this I say, services needed by the class paying the fees should be paid for from the more than \$5 million to \$7 million, which has been referred to here today, which finds its way into New Jersey's Treasury.

Now the Outboard Boating Club of America estimates that all New Jersey boaters paid approximately \$3.2 million in fuel taxes in 1969. Our neighbors on both sides of us are among the states channeling marine fuel taxes back to programs benefitting pleasure boating. New York's boating enthusiasts are reaping the fruits of installations and services made possible by a huge bond issue - and this could be an indirect thing which might not show up in what was asked for here - supported by taxes collected on fuel purchased for use in boats. In 1970 in Pennsylvania \$600,000 of the fuel taxes collected on marine fuel was earmarked

to make the hobby of boating and its allied activities more pleasant.

So on both sides of us we have tremendous installations to attract New Jersey boaters up to New York which are paid for from fuel taxes that the boater pays. In Pennsylvania the boaters are now benefitting from revenues raised from marine fuel taxes there. So we have precedents on both sides of us to use this tremendous fund of \$5 million to \$7 million which is not tapped for boating.

Suppose, as a result of enactment of Assembly No. 1159 - and it's reasonable to expect many skippers will see the benefits of these thoughts - sales these dealers now handle go to dealers in Delaware, where they would not have to pay a sales tax, or to Maryland where the tax is 3%. This would be a natural result of ridiculously high registration fees in New Jersey. New Jersey registrations on those boats you see on trailers across the river in Bucks County would be transferred to another state.

Now yesterday I made a survey of the Levittown area and of 15 boats and trailers in driveways, 12 of them are registered in New Jersey. If this increase went into effect, you can see where next year's registration would be on these boats because 90% of our boats are outboard boats and they are highly mobile because they are trailered. Now, it's immaterial to an owner where he buys it or where he registers it because, with the law, you would have to tally each day - well, New Jersey is 180 days or Pennsylvania is 90 days - to make sure that the boat was in those waters for those days. So these fellows are free to register wherever they want to and to buy wherever they want to. Now, no one can guess from that that New Jersey will not lose financially. In the marina that my boat is occupying a space in, in Maryland, 150 miles from here, out of the ten boats in my line, 8 of them are New Jersey boats, 1 documented, 6 registered. Now other marinas throughout Maryland contain boats that are New Jersey registered.

Obviously, these registrations will be switched to where they can get them for a lower fee. And Maryland dealers are going to reap the harvest in sales that might normally go to New Jersey dealers.

As a result, New Jersey's sales tax receipts would suffer and the number of boats registered in New Jersey would decline. New Jersey dealers would face dark days. For that matter, the bill could be self-defeating as a revenue raising gesture.

Finally, let me direct my remarks to another tax imposed by New Jersey in the guise of a license fee. 1159 would also increase the \$1.50 now payable for an operator's license on nontidal waters to \$3.00. For the record, an issue was made at the 1966 meeting of the National Association of State Boating Law Administrators about New Jersey being the only state having requirements for an operator's license. It is possible that, when this license was started, about the end of World War I, in 1919, a test was required. In recent years this license has been issued without the need for a test and can be issued to someone who has never been in a boat. It is merely a revenue raising subterfuge. And it seems to me that these piecemeal operations come up with this thing.

So, gentlemen, it is my hope that the Senate of New Jersey will promote the economic development of this State by defeating this ill-conceived bill. This is the least you can do for the 200,000 owners of outboard motors, the one-in-five citizens of the State who participate in pleasure boating on a more than once or twice a season basis and the businessmen that boating supports.

Thank you.

SENATOR SCHIAFFO: Thank you, Mr. Garry.

There is one thing - do you mean to say that I, who have never operated a boat, can go in and, if this bill were passed, pay \$3.00 and get an operator's license?

MR. GARRY: My dog could get one. I could get one for my dog. That's how much of an operator's license

this is. It is a tax revenue raising measure.

SENATOR SCHIAFFO: Is there any criteria at all?

MR. GARRY: You have to know where to get \$1.50 and where to enter your application.

SENATOR SCHIAFFO: And where to take it.

MR. GARRY: Yes, that's the criteria.

SENATOR SCHIAFFO: That's very interesting.

Now, with respect to the registrations. As you indicated, you have a boat in Maryland and there are 8 registrations there, 1 documented.

MR. GARRY: Yes.

SENATOR SCHIAFFO: If I lived, as I do, in Bergen County and owned a boat in Maryland, what do I have to show to pick up a registration there? Is that registration recognized here in New Jersey?

MR. GARRY: That registration is recognized by reciprocal privileges in the laws of New Jersey for 180 days. My boat is registered in Maryland because I try to be honest with the system. I could bring my boat up here to the Bordentown Yacht Club, where I moved it from and where, incidentally, I think there are 10 other boats that were formerly docked at the Bordentown Yacht Club that are now in the same marina that I occupy, because Maryland provides for the boater way beyond the services that the State of New Jersey does. Now the question of documented boats was brought up too. Under today's relaxed laws, you can document a boat that's 26 or 28 feet long. At a yacht club meeting on Monday night in this area the principal conversation was about fellows who were going to transfer from registration to documentation.

SENATOR SCHIAFFO: What does that comprise? Filing with the Federal Government?

MR. GARRY: That's right. Which means that anyone with a boat from 26 feet up, and I know of a boat 26 feet that was documented and I know of a boat 28 feet that was. Now all you would have to do if you wanted to stay in the

New Jersey waters is take advantage of the relaxed Federal regulations on documentation and you're no longer a registered boat.

SENATOR SCHIAFFO: And we would have to give, naturally, recognition to the documentation since it's the Federal Government.

MR. GARRY: Naturally. This is a Federal setup.

SENATOR SCHIAFFO: What you are indicating to me then is that there is a possibility, if this bill were to pass in its present form, that many boat owners would take advantage of being able to document their 26 footers.

MR. GARRY: That's correct. And those which are trailered outboard boats, there is nothing to stop them at all. As I said, yesterday I made a survey in Levittown of 15 boats in driveways, 12 of them were registered in New Jersey. Now you take the whole picture - these registrations will be transferred in a lump group. There is no reason, if they are going to have to pay more for New Jersey registration than Pennsylvania registration - there is no reason for them to maintain a New Jersey registration inasmuch as they are residents of another state.

SENATOR SCHIAFFO: Well, why did they get the New Jersey registration?

MR. GARRY: Because basically most of the boating, their trailering, is down to a shore point. Well, Senator Coffee was briefing you on something here. He is --

SENATOR SCHIAFFO: He asked me to ask the question.

MR. GARRY: But he was in back of the installation of an outboard boat launching ramp in Mercer County on Duck Island, and if you go down there on a Saturday or Sunday in the summertime and check the number of Pennsylvania license plates that are dumping boats in there, you will find that --

SENATOR COFFEE: One-third.

MR. GARRY: One-third. Well, I didn't know, but one-third of them are Pennsylvania license plates coming

into there. But they register in New Jersey basically because at the time they registered the sales tax in New Jersey was 3%, in Pennsylvania it was 6%, so they took the maneuver that we're trying to discourage here. Naturally, anyone who bought a boat that was worth a few thousand bucks would register it where the sales tax was the lowest. In their case they saved half the sales tax by registering in New Jersey. Now to switch to a Pennsylvania registration is no problem, or a Delaware registration or a Maryland registration.

SENATOR SCHIAFFO: After they bought it.

MR. GARRY: After they bought it. This whole bill could be self-defeating as a revenue measure.

SENATOR SCHIAFFO: Thank you.

Do you have any questions, Senator?

SENATOR COFFEE: Mr. Chairman, I think that Mr. Garry has helped paint the picture a bit more clearly than Mr. Mopsick, this morning, in showing that not only are we talking about an immediate situation that would increase registration fees but we have to look beyond that to the total economic repercussions that could be caused. And that's why I wanted him to develop a bit more thoroughly the various combinations of arrangements that could be made with New Jersey residents not only buying their boat outside the State, registering their boat out of the State, and berthing it out of the State, and still coming back into the State with it if they wanted to. There are real problems in this area and I think the very fact that we have had this public hearing will give us reason to bring some of these problems, that have long existed but now could be compounded, out into the open.

MR. GARRY: I am a member of a board of directors in one Chamber of Commerce and I am chairman of the promotion committee of another Chamber of Commerce, and I am interested in bringing revenues into New Jersey, not driving revenues out of New Jersey.

SENATOR SCHIAFFO: Well, I fail to follow on the purchase of the boat, Pennsylvania 6% and New Jersey 5%. As far as the purchase of the boat is concerned, I don't see where there would be, surely talking about Pennsylvania, any economic drag. But what other areas?

SENATOR COFFEE: Delaware.

MR. GARRY: Delaware. Let me bring another facet in that somebody else may bring up later but I skipped it for the sake of time. I hope the Senate will remember that pleasure is New Jersey's number one industry; that one in every five citizens participate in boating each year; that many of the proudest names in boating are attached to the products of New Jersey, supplying employment to over 20,000 New Jersey residents who share a payroll of almost \$200 million; that the marine dealers in all New Jersey's 21 counties, including the counties represented by the Senator here - there are 23 dealers that I know of there, total almost 1,000 and account for approximately \$65 million in retail sales. Boating is important in New Jersey. Are we trying to destroy a business which is one of our basic businesses?

SENATOR SCHIAFFO: Well, I hope not, and certainly I wouldn't be a party to that. The question is whether this bill is going to do that. Now we are not discussing the repeal of the sales tax with respect to boats. I am sure that the boaters themselves are not talking about that.

MR. GARRY: I'm not talking about that.

SENATOR SCHIAFFO: What I'm concerned about is, if we raise - and I asked that question of the Commissioner, that very question because I am concerned about economic lag and a slowdown here in New Jersey, and if it just aids and abets it, I wouldn't be for a bill of this kind. I am concerned about whether or not an owner of a boat between 16 feet and 26 feet, who would be required to pay \$10.00 a year, where that would contribute to the economic slowdown or economic loss of sales or loss of something. Now

I agree with you in this regard, I cannot completely buy an answer, very candidly, from the Commissioner that \$5.00 is not going to make or break. I don't think that's the criterion. I think everybody should want to save \$5.00 if we possibly can. And if we can save a few dollars for, whether he be the boat owner or anybody else we should try to do that. But if the fees are increased from \$4.00 to \$10.00, this is where I would like you to explain to me how this in itself - I suppose, let's see if I understand this. This would be by registrations in other states and, while the boat is registered in other states I suppose the boat owners would avail themselves of services that other states would be able to render in terms of purchase of gasoline or equipment or accessories - is that what you are trying to say?

MR. GARRY: What I am saying is that this is demonstrated by my survey of Levittown yesterday where 12 boats out of 15 were registered in New Jersey because at the time they paid 3% sales tax, so it was convenient, instead of paying the 5 or 6% which Pennsylvania had when they bought the boat.

Now if they bought it in Pennsylvania because of an equal sales tax, then they would have registered in Pennsylvania. But they bought it in New Jersey. They took advantage of the monetary gain which could be several hundred dollars, and registered in New Jersey because, again, they could register it for a fee which wasn't exorbitant. But when you compare the fees that New Jersey has now, being higher than other states, surrounding states, and then we're going to raise these two and a half times? How would we justify this?

I'm saying this, that every boat that I see in Maryland marinas with New Jersey registrations on, and the boats I see across the river in Pennsylvania are going to shift their registrations to the state where the boat is kept because it's going to be economically more feasible.

And when they make purchases, they are going to make them on the basis of that.

SENATOR SCHIAFFO: O.K. I understand what you are saying, Mr. Garry. Thank you very much.

MR. GARRY: Thank you, sir.

SENATOR SCHIAFFO: For the benefit of the others who are going to testify, we're going to go until one o'clock and then recess, then if there are any others left, we will take them after the break at two o'clock, and then go until four o'clock.

Mr. Synnestvedt.

ROBERT E. SYNNESTVEDT: Thank you, Mr. Chairman. I am very grateful to sit here and represent the National Boating Federation, a national organization of boat owners representing 951,000 boatmen throughout the Country. Included in our membership are the boatmen of New Jersey, Pennsylvania, Maryland, and so on.

I have no prepared statement. I simply want to reiterate what has already been said, particularly by Bill Garry and Mr. Mopsick, to the effect that we feel that when you tell the boatmen what you are doing with their revenue and they are satisfied that their needs are being met by their own payment of registration fees, fuel tax and sales tax, - that their needs are being met by their own revenue, they are perfectly willing to be asked to pay more if it's going to benefit them more.

Now there are so many things in New Jersey that we know about that need improving that it seems hardly fair to ask the boatmen, who are already paying more than is being spent in New Jersey, to pay more. Their revenue is going elsewhere, obviously.

Now, you have heard that there are several million dollars coming in through the payment of fees and taxes by the boating public in this State. There are many other benefits coming to the State that accrue from these boats coming here. I have captained a boat between here and

Florida and New York many times, large boats. These boats, when they put into a port like Atlantic City, would spend maybe a few thousand dollars over a week-end before they leave again, on their way up and down the coast. They would stop again at Cape May or perhaps Philadelphia and continue on up or down the coast. These people, when they come here, they buy groceries, they use your hotels, they buy all kinds of things, and the economy that comes into the State through this revenue is more than just what the boatmen pay in revenues and fees. Besides which, there seems to be a misunderstanding about licensing. Licensing operators is a misnomer. It isn't a license at all, it's a tax that you collect from boatmen in your fresh water lakes. And this is the only state in the whole country that does this.

There is one little lake, I think it's in Oregon, where the municipality collects a tax for services rendered, which is another thing.

Now, the Federal Government, the Coast Guard, the State Boating Law Administrators of the fifty states and the boatmen themselves have all declared that licensing is not a safety measure of any kind unless there is a strict examination and education that precedes it, which would be impossible to do under the present setup. There is no staff available to do it, nationally or statewide, and the conditions would be so varied there could be no test written or otherwise to determine his capacity to operate a boat, with so many different types of boats, so many different circumstances, the ocean, the bays the lakes the rivers - it would be meaningless and terrifically expensive. So that operator licensing has been determined not to be feasible and would not produce anything in the way of safety.

There are several other things here that we're in favor of, such as, the pay-as-you-go proposition is the best all around, and we would favor any state taking a pay-as-you-go attitude, but use the boatmen's fees for

boating. There is so much that needs to be done. On our trips, cruises between New England and Florida, the worst part of the inland waterway is in New Jersey. And everybody that makes that trip will tell you this. There is no protecting of the fishing, against poaching by other boats out here, coastwise. Well, I couldn't mention all of the things that are needed in the way of patrolling, search and rescue, services of one kind or another that need to be done. And if you would use the boatmen's money to do it, I am sure you have more than enough without asking the boatmen to pay more.

Are there any questions?

SENATOR SCHIAFFO: Thank you, sir.

Are there any questions, Senator.

SENATOR COFFEE: No.

SENATOR SCHIAFFO: Thank you very much.

Mr. Robert Miller?

R O B E R T M I L L E R: I want to speak as just a boatman here in Bay Head, New Jersey. I feel that the Marine Police who claim to need more money should put the money they are getting right now to good use to show that they can use the money that they are receiving.

I have just turned over to the Chairman some pictures I have taken of a lagoon lot in Mantaloking, New Jersey, where one of the Marine Policemen lives, has a home. I have given him four pictures which were taken at four different times. When he looks at them he will see that there's a selection of boats, all Marine Police boats. These pictures were only taken on weekends when I am free. These Marine Policemen, undoubtedly, are doing some good. I tend to carry a little bit of a chip. I am sure they serve some purpose. But here is an instance. In one of those pictures there is about \$30,000 worth of boat tied up at a man's home - these are two boats - while the policemen are inside taking it easy. I don't know what they're doing. That's all I have to say on that one

particular item.

One other item, that's been going on to my knowledge for two years, is the taking of crabs out of the mud in the dormant state, during the winter, in the Manasquan River. I don't know if there is a specific law against dredging but I picked up the New Jersey Fishing Laws. There is a very short paragraph here covering crabs and I will read it:

"Taking female crabs with eggs or spawn attached thereto, or from which the egg pouch or bunion has been removed, or taking or having in possession any peeler or shedder measuring less than three inches or a soft crab measuring less than three and a half inches, or taking crabs in any tidal waters, except Delaware Bay, with a line with more than ten baits attached is unlawful."

Now they are referring to a baited line. These boats are using dredges, I would estimate to be four feet in length. They are essentially a rake with a metal or heavy twine bag towed behind them. These rakes dig into the mud, dig up the dormant crabs and, as a result, - I can only speak for last summer, I saw this going on the previous summer -- as a result, in the Bay Head area crabs are practically impossible to catch with a net or with a bait. There are a few but I did notice a definite decline last summer.

Just to sum it up, I feel that these Marine Police are there, they are there even now during the winter. The Bay Head Station has at least one man on full time duty, 24 hours a day, on weekends. This I have seen. Weekdays? again, I don't know. But these boats are operating out of Johnson Bros. Boat Works, where I keep my boat, two of them. They are traveling down the Canal by the Marine Police Station and doing their dredging operations within a mile of the Police. I find it very hard to believe that the Police do not know what's going on. And this has been happening for two years.

Thank you.

SENATOR SCHIAFFO: Thank you, Mr. Miller.

I am sure the Commissioner and his aides have taken note of your testimony and will look into that particular situation. I presume, therefore, that your testimony, as it relates to the bill here, is that you are against the bill unless the Marine Police do their job.

Is that correct?

MR. MILLER: That's correct.

SENATOR SCHIAFFO: Senator Coffee, do you have any questions?

SENATOR COFFEE: No.

SENATOR SCHIAFFO: Thank you.

Mr. William Parsons.

W I L L I A M P A R S O N S: Senators, I find it rather difficult to come here today and save you time, as you requested in the beginning, because men like Senator Dumont and others have done a fine job. And I would like to state that I represent perhaps one of the largest marinas on the Delaware River, probably, geographically, the largest marina on the East Coast.

I don't know if there are any other men here in the Assembly that represent the industry but I feel as if it should be a question and answer period that we would get involved in rather than trying to make statements, because I think the ground has been covered very well so far. I will try to make it as brief and as quick as possible and we will start with the Marine Police.

I think that these men do an admirable job. I think there are tremendous areas where they could be improved. I feel that they need the money necessary to do the job properly. And I couldn't do anything but compliment them for the job they have done with the limited means that they have to do it with. I object violently, some times, to the fact that they use volunteers on busy days and weekends, men who may be not as highly qualified to do the job as would be the men who are hired permanently by the Department. But

I think that this particular Department and their needs are necessary and I think the State should consider doing everything in their power for them.

I have to take the approach to the license fees, as has Senator Dumont, - I have to be the middle of the road with my feelings toward the boatmen and their license fees. I would say that my particular marina borders on the State of Pennsylvania and I am definitely against raising license fees to the boatmen to any higher fee than our neighboring state.

Now, I am not about to sit here and try to kid the Senate that I think that boaters are going to get out of boating or leave New Jersey and go to Pennsylvania for an increase of \$5.00 to \$15.00. I think, in final essence, I take the attitude and the approach that it's a matter of principle. I don't think there is any boater that I come in contact with, and I have stated this to all of you in a personal letter, and a copy of Senator Miller's letter, - I think it's a matter of principle but I think the State of New Jersey - and it has been talked about in all different areas - I think the State of New Jersey should suddenly or somehow try to do something for the boaters in the State of New Jersey. They should let it be known that they are wanted. I am not a speaker, I'm not a talker, but I know that there is something that happens in the State of New Jersey that discourages people from boating in this State. I think the people that boat in this State are not wanted. I have this feeling that they're not wanted. I, particularly, am on a border state and I think I get it more than the men would in possibly your counties or other counties that are not bordering on Pennsylvania. But I think there is a need for this State to get behind the boaters. And if the State of New Jersey gave the boaters something in return for the monies that have been reported here already that go into the general fund, that varies from \$3 million to \$7 million, as statements have been made, - I think if

the State of New Jersey would spend some of this money on our deplorable waterways and encourage the boater to boat in the State of New Jersey, I believe that the boatmen, without question, would pay more money in license fees to support this type of program.

I can't add anything more to this than I've already said. I think at this particular time it's very poor timing, so far as asking the boater for more money, and I object to it and I want to go on record with this.

I don't know if there are any other marina dealers here today. If there are, I'm not aware of it. But I want to go on record that I violently object, and I mean violently object, to having license fees for dealers raised to \$100. Now the Commissioner, I believe, cast something on this by saying that there was going to be \$100 worth of limit, but this is the way I did interpret the bill and, therefore, I would have to make some reservations on this, if that's so. But, as my letter read, and I would like to read you my letter so that it goes on record. I wrote, - this is a copy of the letter I sent to you, which is a copy of a letter I sent to Senator Miller:

"Dear Senator: I am directing this letter to you for it is my understanding that Assembly Bill 1159 in regard to boating fees may be coming up for a vote in the Senate next week, and after careful study, find you represent the greatest number of boaters my facilities accommodate. Therefore, I wish to object strenuously and ask you to vote against this bill. I have taken the liberty of listing below the many reasons for such an unjust bill."

The first paragraph read: "Dealer registration. The dealer is already paying \$5.00 per registration. This facility, meaning mine, uses three which would send our cost to \$300.00." No. 2 of this paragraph: "The most provoking situation is the selling, collecting, bookkeeping,

payment and audit of the sales tax, the responsibility of which has been thrust upon the boat dealer without even thanks. This additional overhead, which is tremendous, together with other taxation, is more than enough without paying a fee for the privilege of selling boats."

Then I went on to boat registrations. Paragraph 1, under this, was sales tax.- "it is reported together with gasoline tax funnels \$5 million of boaters' money into the General Treasury." And I asked that they read a copy of this clipping enclosed.

No. 2. Why should the boatmen be made to support a contribution to fish, game and shell fisheries funds.

No. 3. Very little is done for the boaters in the State of New Jersey in the coastal waterways. Depths and conditions are deplorable.

No. 4. The money spent in the State by New Jersey residents, together with out-of-state boaters, is tremendous.

No. 5. The State of New Jersey should be competitive with other bordering states.

This increase would make New Jersey more than double in most instances.

And, 6. In summation, before more money is requested of the boaters the State should show an interest in their problems and then possibly the boater would not be reluctant to pay greater fees.

Gentlemen, this letter was delivered to each one of you personally on your desks, Monday, two weeks ago. I can't add any more than I've already said concerning it but I think that the dealer should not pay any more money, that the dealer should not have to in any manner pay a fee to do business in this State when he is doing the gigantic job that he is doing now to support our sales tax program.

My particular facility pays from twenty to thirty thousand dollars per year in sales tax monies collected.

As I said before, I'm not an orator but I do know that in my facility this means that I have to add a half a

girl to my facility to do nothing but bookkeep the State's tax. And I resent the fact that we get nothing back from the State in order to try to support this. I just don't think that it's right that the boat dealers in the State should be made to support this program and have to pay for the collection of it.

I think at the moment - this again is in the same light with the dealer registration, that I don't think there is a dealer in the State who wouldn't pay a greater fee if he felt that he wasn't already carrying more than his share in supporting the State.

I would only say this, men, that when the sales tax was 3%, the marine dealers in the State of New Jersey had a tremendous competitive edge on the bordering states, and I speak particularly of Pennsylvania. I think that when the sales tax was first put into effect the marine dealer, and I speak for myself, went all out to sell the sales tax to the consumer, and attempted to sell the man or woman into keeping his boat in the State of New Jersey. I speak for myself, but I made a game out of it because if I knew that at the end of the year I was capable of collecting another \$10,000 in sales tax for the State of New Jersey, I would attempt to do this because I knew that indirectly this \$10,000 would show up in my pockets and your pockets. Now, if every other dealer in the State did a portion of this, this would be a tremendous amount of income that came into the State of New Jersey. And this is frankly how I feel about the State of New Jersey. But now that the sales tax has been raised to 5%, we have no competitive edge, and it's meaning volume to me because now there is really nothing to sell other than at a competitive price.

I don't feel, likewise, with the registration fees that the boaters should be put at this time to greater fees, particularly nothing more than what it is in our bordering states. I think it's a matter of principle and nothing else.

If there are any questions, I would be more than happy to hear them. The job has been well done by many other men here and it would only be repetition and I would hold you up longer.

Thank you.

SENATOR SCHIAFFO: That you very much, Mr. Parsons. You haven't held us up at all. We're interested in your remarks and comments.

Do you have any questions, Senator Coffee?

SENATOR COFFEE: No.

SENATOR SCHIAFFO: Thank you very much, Mr. Parsons.

Arthur Speck.

MR. SPECK: I would like to give my time to the next speaker.

SENATOR SCHIAFFO: Thank you very much, Mr. Speck.

J. C. Horneff.

J. C. H O R N E F F: Mr. Chairman, my name is J. C. Horneff and I am from Tuckerton, New Jersey, and I am in the boat rental business.

I am not sure of my exact figure here and I say that this is approximate, that there are probably 500 of the same type businesses as I have. It's a small boat rental business.

Our rentals are mostly to people in the low to low middle income brackets, and in most cases they cannot afford to buy and maintain a boat, so we rent one to them. About 70% of our rentals are to people from Pennsylvania. Some of these people have already been complaining that our boat rates are too high and that fishing and crabbing and boat rates are better in Maryland and Delaware. We have lost about 10% of our rental business to crabbers who now go to Maryland and Delaware primarily because they think and tell us that the crabbing is better down there. They also say, naturally, that the boat rentals are cheaper down there.

Now, 1159 proposes higher fees for us which we, naturally, would pass on to the consumer. We could not absorb this. To my knowledge, there are no wealthy boat rental operators partly because we're in a seasonal business.

I know that the budgets in all businesses are increasing. I would assume that a 10% increase in any commercial budget would be high, but more or less expected. But now the State says we are going to raise the fees - now this is speaking strictly from a rental business - 144%. This sounds unbelievable. But my license fees in 1964 - I'm speaking now of 30 boats which haven't changed - was \$120. In 1970 it went to \$507. Well, actually, it went there in 1965 but as of this past year, in 1970, it was \$507. My fee in 1971 will be \$1240. Bear in mind that this is a small business and this again covers the same amount of boats.

A percentage increase from 1970 to 1971 of 144% is pretty bad. But worse yet, the percentage increase from 1964 to 1971 would be 933%. The small business, like my own, will pay an average of \$38.75 per boat, if 1159 goes through. Some boats would be \$60.00, others as low as \$20.00.

I think a good comparison, to show how unfair the bill appears to me, is this. If I bought a 45 foot, \$95,000 yacht - and there are boats that high, my friend just bought a Hatteras and that's what it cost him - my license fee in this State would be \$20.00. But if I bought a row boat to use in this rental business, and this boat cost me brand new \$200, my license fee would be \$60.00. So, a \$200 boat would pay \$60.00, where a \$95,000 boat would pay \$20.00.

I estimate that the boat rental customers alone spend \$40,835,000 on various related items while renting boats in the State of New Jersey. Now this would include - I had a breakdown of it, but their breakfast and lunch and dinner, what they would pay for bait, for beer and rental of the boat, would be \$40 million. And I have not

included vacationers who spend more money for sleeping accommodations at motels. This pertains only to one-day renters.

I don't think it is quite fair to hit a rental business so hard with a tax that might in any way jeopardize \$40,835,000 income to the State.

Are there any questions?

SENATOR SCHIAFFO: Yes, Mr. Horneff. Let me understand this again. In your own business, you are using that as a specific instance. You say you have 30 boats?

MR. HORNEFF: Yes.

SENATOR SCHIAFFO: Now, how do you arrive at the tax, if you will, that you would have to pay? I'm trying to locate this thing in the bill.

MR. HORNEFF: Well, on the first page there - I didn't bring my copy with me -- on the first page, toward the lower part of it, there was a fee of \$6.00 for three years. It will be now raised to \$10.00 per year. Now this is per boat. So that boat went from \$2.00 to \$10.00, which is quite a jump. I think Senator Dumont covered that.

SENATOR SCHIAFFO: Oh, I see it here. Then you get a tax exempt certificate.

MR. HORNEFF: No. In that particular case, that's just a number of the boat, the registration number, and that will cost us \$10 for each boat.

SENATOR SCHIAFFO: I see. For those boats that are entitled to a tax exempt certificate, they would pay \$10.00 a year instead of \$2.00 a year.

MR. HORNEFF: Right.

Now, on the other page, the tax exempt certificate rates are there. And in my case I have boats that are up to 16 foot and boats between 16 and 26 feet. So it's either \$20 or \$50 right there.

SENATOR SCHIAFFO: Ten and fifty, yes.

MR. HORNEFF: So the smallest boat would be ten and ten, that would be twenty, and the largest boat would be the fifty and ten, sixty dollars.

SENATOR SCHIAFFO: And last year, for that small boat, you would have been paying evidently \$6.00, four and two.

MR. HORNEFF: The smallest boat would have paid \$6.00 and the largest I would have paid \$27.00.

SENATOR SCHIAFFO: \$27.00 which would then be \$60.00.

MR. HORNEFF: Yes. I might make one more comment. I've heard a lot --

SENATOR SCHIAFFO: How many businesses do you estimate there are in the State?

MR. HORNEFF: Well now, this is something I am not sure of. I had one little booklet that showed me on Long Beach Island alone there were a hundred rental boat places - not on Long Beach Island, in that general vicinity, Long Beach Island, Tuckerton, Beach Haven, Barnegat, in those areas. So I just assume that there would probably be five times that many in the whole State if you take in from Sandy Hook all the way down and up the Bay. So, it's an assumption.

SENATOR SCHIAFFO: An assumption of about 500? Is that what you're saying?

MR. HORNEFF: Yes. I do have some other figures and I could drop you a letter showing how I arrived at that figure, based on my own business and the assumption that the other boat businesses would be approximately the same. And I am not the biggest boat rental business.

SENATOR SCHIAFFO: All right. Thank you, Mr. Horneff.

Any questions, Senator?

MR. HORNEFF: I would like to make one more comment before I go, just to touch on the Marine Police, police patrol. I heard people say that they are inadequate and are not doing their job. Now, in our area we do have

occasion, naturally in the rental boat business, to call on them, and they have been exceptionally efficient, moreso than any other, either State Police or local police. They are there within minutes, they have their radios going and in just about minutes they have somebody there in a boat and somebody there by car. So it seems to me that they are doing a real good job. Whether their income is adequate or not, I'm not sure. I did hear that the fellow who heads up the Department - and I'm not sure I know his name, I wouldn't mention it if I did - he says that his budget is adequate, that he does not need any more money for the Marine Patrol. And this is supposed to be the head of the Department.

SENATOR SCHIAFFO: Thank you very much.

C. W. Wood?

MR. WOOD: I feel that I can pass.

SENATOR SCHIAFFO: Thank you so much, Mr. Wood.
William Scott?

MR. SCOTT: I'll pass.

SENATOR SCHIAFFO: Arthur C. Merk?

MR. MERK: I pass.

SENATOR SCHIAFFO: John Walker?

J O H N W A L K E R: Senator, I spent three years in the Navy and I had experience with different organizations such as the Coast and Geodetic Survey, and as far as my knowledge goes, they do all surveying in the waterways, that includes inland waterways. The Army Corps of Engineers does all the dredging and the Coast Guard does all the marking of these channels. Now I don't know where the State falls into this and why they need the money to keep these waterways up, if it falls under the Federal Government, unless the State has to contribute a certain amount of money and the money is inadequate.

SENATOR SCHIAFFO: In other words, your point is, if the Federal Government - and evidently they haven't been doing the greatest job - one of the gentlemen indicated that the lousiest portion of the inland waterways is coming

through New Jersey when he takes his boat down from up North. It is my guess that our Bureau of Marine Enforcement and the allied groups are going to patrol and see that the boating laws are not broken and to see that there are no violations. But I think the actual dredging and survey is done by the Federal Government. But there is a part that we play in it.

I notice here, Mr. Walker, that one of the functions of the State agencies is the bulkheading and dredging of State marinas and dredging the State controlled lakes. They need monies for these purposes and also construction, maintenance, improvement and dredging of inland waterways. So the State does pay and make some contribution to the dredging of the inland waterways.

MR. WALKER: Another point I had was the fact that under the penalties of the Motor Boating Act of 1940 the maximum fine for anyone endangering life, limb or property, anyone moored along the waterways, is \$2,000 or a year in prison. I would like to know how far the maximum has been enforced with these fines. And, as far as I can see, from my experience, having a marina along Tuckerton Creek for the past four years, quite a bit of revenue could have been gotten from these fines because there's a great problem with speeding down there, and they are eroding the banks of the creek and filling it in.

SENATOR SCHIAFFO: Well, whatever fees are collected do come into the General Treasury. And I think, I'm not defending anybody, - I think one of the purposes of the bill and the increase in revenues is to get more increased enforcement to enforce these boating laws. Right now, as has been indicated and testified to, we have an inadequate fleet in terms of material and in terms of supplies, in terms of ability to enforce these things. Our personnel being seasonal and not being large enough, there is also a hindrance in getting maximum enforcement of the boating laws. This is one of the purposes of the bill, I think.

MR. WALKER: Thank you.

SENATOR SCHIAFFO: All right, Mr. Walker.

Do you have any questions?

SENATOR COFFEE: No.

SENATOR SCHIAFFO: Harold Hayes? Virginia Hayes?

V I R G I N I A H A Y E S: I am Virginia Hayes and I operate a boat livery with my husband Harold. I can't say much more than Mr. Horner said. He covers our feeling. We are in the same predicament.

I have to say that I am violently opposed to this bill. It would be a hardship on us. We have written to Senator Hiering, who is our Senator, expressing this same opinion and asking him to act on it.

The only other thing I can add to this is: In my opinion, this bill is tantamount to the Stamp Act and to the Tea Tax and I can't understand why our Legislature would even consider a bill that could very possibly kill the goose that is laying the golden egg, which is our boating industry.

SENATOR SCHIAFFO: Thank you very much, Mrs. Hayes. Are there any questions? [No response.] Thank you.

Mr. Robert Zimmerman.

R O B E R T B. Z I M M E R M A N: Mr. Chairman, ladies and gentlemen: I am Bob Zimmerman, President of the Lake Hopatcong Protective Association, which is dedicated to preservation of Lake Hopatcong for recreational purposes. We represent - we are the clearing house for about 26 other organizations and the total people represented are about 2,000.

We recognize and we understand that Lake Hopatcong is the property of all the people of the State, not only those of us who live there and pay taxes there. We understand the legal problems of collecting money for things that must be done. There are things that need to be done both at the shore and at the lakes. The last time I helped take a 40-footer to Florida, we ran aground three times because it was not properly dredged. It was not in New Jersey territory.

At our own lake our police are operating from what is nothing but a shack. It doesn't even have toilet

facilities in it. It's a disgrace. That should be improved.

We are not talking of money as such. That has been talked about a lot and I don't want to repeat. I am not going to say anything about dealers. They have adequately taken care of themselves. What my people object to is what they consider the unfairness of collecting from one group and giving it to another. We can see there is nothing in this bill that would give us any money at the lake.

We have three problems up there usually: weeds, the treatment for the weeds - really two main ones - and dredging. The State has done quite a good job on weeds. We still get complaints. But I think they have done quite well. Most people would support me in that. We thank them for this. With dredging, they have confined themselves to the channels on which they have done a fairly good job. They have done not a good job on individual obstructions. At the present time if you look south of Brady Bridge, you will see rocks now that you can see with the lake down 6 feet that are only 3 feet under water when the water is to the spillway. Many of our boats on the lake draw 30 inches. Even the modern outboard with the long shaft will draw 32. So you can see there is very little clearance there. We would like to have something done about that.

As far as safety goes, we feel the police are doing a very adequate job, but the main issue is this matter of collecting money from one set of people and giving it to someone else. I would like to make a special plea that the boatmen's fees be used for boating. They are really taxes, not licenses, as has been said before. They should be collected fairly and they should be distributed fairly, according to need and the money paid.

There has been much testimony and a great deal of time taken. I would like to say more, but as a matter of courtesy to all those here, that is all. Thank you.

SENATOR SCHIAFFO: Thank you.

Mr. Morris.

M E R R I L L M O R R I S: My name is Merrill Morris. I represent the Marine Council, a trade association in New Jersey. We are unanimously opposed to this bill from start to finish.

I don't want to go back over the testimony that Mr. Mopsick made so clear, but I think New Jersey boating as part of the recreational industry in the State of New Jersey has been shortchanged for a great many years. The people who draw up the tax measures down here apparently ignore or are unaware of the fact that the recreation industry in the State is a great deal supported by boating. I think the resort industry in the State is a great deal supported by boating. I believe the resort industry says it takes in about \$75 million of \$1.5 billion from boating alone and conjunctive activities, such as when someone will come down and stay aboard a boat for a weekend or whatever they may do.

There are parts of this bill which, of course, can be justified by saying it only costs about \$2. But actually, when we are talking in percentages the increase goes from 100 to 2,000 per cent. This is very hard to take by an industry which had a very bad year in 1970.

I have a number of petitions here in opposition to this with about 160 signatures from boatmen and marine dealers. I am sure if we had had another week, we could have brought in another hundred marine dealers. We didn't have very much time to bring them down here.

I think, as a whole, we would like to see this Conservation Department sit down with some of the people in boating, with the sportsmen and others, and get the whole thing organized so there will be more money coming into these different territories. We object to the 10 per cent allocation of funds for the coastal patrol, which is a tax out of the boatman's pocketbook, for which he derives no benefit, particularly any boatman that goes on a fresh water lake, and a great many of these small boats are operated on the fresh water lakes.

I have from the Outboard Boating Council of America a breakdown of what this is going to mean as far as the taxes are concerned. It puts New Jersey in the upper bracket. I think we are second only to Florida in the whole country. I think this is a very well-done piece of work. It shows Maryland - and in Maryland they have an excellent system. They have a tremendous program for boatmen. They welcome boatmen down there. They have one of the best coordinated activities in their Chesapeake Bay Department of anywhere along the east coast. They also have a system where it costs \$3 - it's now \$5 - for each boat. There is no graduated fee depending on any apparent ability to pay, which is what this is based on. I think they have about 40 patrol boats and they give you all kinds of help down there. They are well organized - they are well financed. Much of the money comes from a special part of their sales tax which is put back into boating.

I think it was Mr. Synnestvedt mentioned that many other states, 33 other states, take money that comes in from boating revenues. Now we are talking about people who are out for pleasure. A man who goes out on a Sunday or Friday cruise, whatever it may be, every time he burns a gallon of gas he is paying 10 cents a gallon in marine fuel taxes or fuel taxes which don't get put back where they should be put back. We have been suffering for a number of years from this money being dedicated somewhere else. It goes everywhere except into boating. As to boating facilities, you have three State-owned. You have Atlantic City, you have Fortescue, which is leased out, and you have Leonardo, which is not in very good condition. You have Forked River, which is in pretty good shape. But actually some of them are in competition with present marine operations and some of the dealers are not too pleased with that. However, there are a great many things that could be done for boating. You have a mobile population of boatmen here using these small

boats. Your majority of boats are on trailers. I wonder how many trailer ramps there are available in New Jersey, how many places there are for a boat to go in and out, whether there could be any assistance from the State to private operators to put in ramps like this. The only really good facility or one of the best along the coast is in Atlantic Highlands. That was Federal. Of course, now the town has taken it over. But these are the kinds of things I think ought to be thought about by your Conservation Commissioner, Mr. Sullivan, and his advisors. He has some good advisors in that department. There should be some planning with the whole Conservation Department or Environmental Department now for the over-all program for ten years for boating - what is going to happen in the lower Delaware Bay and what will happen in these other territories, rather than saddle the boatman with a nitty-gritty increase of a couple of dollars to finance something. You are going to come back in two years and want more money. This thing won't even finance itself. The bill just shows that it won't finance itself.

You mentioned about the intercoastal waterway, which is a technical name for what goes through New Jersey. It is really a miserable ditch that goes through most of New Jersey. But it is not maintained by the State of New Jersey; it is maintained by the Army Corps of Engineers. Federal funds go in there. So whatever is being used in this bill, or your information there, is not being spent on the intercoastal waterway because it is coming from the Federal government. You may be leading into it. You may be dredging from a marina out to it or you may be dredging from Atlantic City Marina out to some other place, but you are not maintaining the intercoastal waterway. I think you might be well advised to ask Congress to do a better job on getting funds and have some of that mess cleared up. We have been fortunate over the past couple of years in having cooperation from the Army Engineers and they have asked us

where these low spots are. And on reporting to them, they are making an effort to dredge them out.

There are, I think, about 500 dealers in New Jersey, but however many there are, they are paying between \$1,000 and \$1200 a month in sales taxes to you now. This is certainly a substantial amount of money. As Mr. Parsons pointed out, they don't get help for it. It is a service and they provide it.

If you take this bill-- and I have to go by the bill - I can't go by what Mr. Sullivan says because I think the bill is very clear. We are talking about boat dealers and manufacturers. There are several fairly good-sized boat manufacturers in New Jersey. Luhres is one example; Pacemaker is another example. They make, build and distribute hundreds of boats from their plants. Then you put them in this category here which specifies that they can't even take a picture of the boat or it can't be demonstrated, photographed, transported or displayed anywhere without a number on it. And the number is going to cost \$500. I don't think there is any question about that. It doesn't say that's for the facility. If you are comparing it with the automobile dealers' fee, the automobile dealers, I believe, are paying \$75 a year and they have to move about 200 units a month. A marine dealer is happy as the dickens if he can sell 200 units a year. So even if you are talking about anything else, this is just an incomparable fee.

You don't realize perhaps just exactly what some of these people do. Senator, I know you are interested. They are in the marine livery business. That means that they have a lot of boats - row boats - these are not expensive boats relatively speaking. But they will suffer. That is not a big profit business and the thing you are saddling them with is unbelievable.

Would you be interested in knowing the fees in other states? I have a breakdown here by states.

One of the things I think you will find with a

pleasure boatman is he doesn't want restriction. This is his last resort. He gets told where to go on the highway. By the time he gets from his office or home down to the boat yard and he gets out in his boat, he wants to be relaxed. I think one of the things that irritates them a great deal is that some of the activities of some of the marine policemen are not relaxing. Also they get irritated over the price of things. As one gentleman pointed out, you can buy a 30-foot or 40-foot boat for a thousand dollars and you can buy a 16-foot boat for \$5,000. So this is not an equitable way of setting the fees. I really think to do this right you should make it a dollar amount. It is so much a boat and set it at that and leave it at that. I don't think any increase is really necessary and I think what should be done is take the whole department, get Mr. Sullivan and his associates and go through the whole and figure out where money can be used and spent in the right place. But it shouldn't be put on the back of the individual boatowner and the marine dealer.

SENATOR SCHIAFFO: Thank you, Mr. Morris.

Are there any questions?

SENATOR COFFEE: Who belongs to the Marine Council?

MR. MORRIS: It is a unified effort by the industry to improve boating. These are boat yard dealers. These include highway dealers, marina operators, builders. We go through the whole gamut.

SENATOR COFFEE: Do you work in a professional capacity with them?

MR. MORRIS: Yes, I do. I am the Director of the Council.

SENATOR COFFEE: Does this include manufacturers?

MR. MORRIS: Yes, we have a couple of them - not all, unfortunately.

SENATOR COFFEE: How many classifications of membership do you have?

MR. MORRIS: Anyone in the marine field. In some

cases this can be a bank that may be interested in marine financing. It can be an insurance broker who has some activity or full activity in the marine field. It can be anyone in the trade. As a result of this bill, we have now been inspired and I think we are going to have individual members. You have no idea how much opposition there is to this thing. We have had a few meetings in public places and people have come out to them. They have been indignant. When you hold a meeting at ten o'clock on a Monday morning in the early part of January, it is hard to get these people out because the majority of them are not in a position to give up a day's work and come down here and speak.

SENATOR COFFEE: Is the membership fee for all of your members the same?

MR. MORRIS: No, it is graduated. The minimum is \$50.

SENATOR COFFEE: And how many total members do you have?

MR. MORRIS: Right now about 50.

SENATOR COFFEE: That's all.

SENATOR SCHIAFFO: Just one point, Mr. Morris, on your concern that you didn't bring more boatmen down, that really isn't necessary as long as you have spoken for them. All we are interested in at a public hearing is to get the feeling and get the understanding of the boat industry and the people who are interested in boats.

Thank you very much.

MR. MORRIS: Thank you.

SENATOR SCHIAFFO: We only have two more witnesses so we are just going to continue. That way we can complete the hearing and we won't have to come back this afternoon.

Harvey Drake.

H A R V E Y D R A K E: Good afternoon, Mr. Chairman and members of the Committee! My name is Harvey Drake and I am Chairman of the Delaware River Yachtsmen's League, which boasts 21,372 members, all made up of working-class people.

We have a delegation here of only 10 members today because ---

SENATOR SCHIAFFO: -- they're working.

MR. DRAKE: -- they're working. But this means an awful lot to them because for years most of these members have been boating and they have been boating by the sweat of their brow. They are not rich. We started out in boating when there was no license fee. The license was given out by the Coast Guard and it was just as safe then as it is today. In fact, the members that I represent do not feel that this fee is too great. We oppose it because we are not getting anything for the money we have already spent.

Last year, a delegation went to see Commissioner Rankin. We asked for an audience with Governor Hughes. We were granted an audience with Commissioner Rankin and it was a red-carpet treatment. I hope this doesn't turn out the same way. We were treated beautifully, but we accomplished nothing. Pennsylvania had purchased a snag boat and we went in to ask the State of New Jersey if they would help operate this snag boat. We were given what we thought was encouragement throughout the whole meeting. It turned out we didn't get anything.

The Delaware River Port Authority donated \$25,000 to the operation of this snag boat. They are trying to clean up the Delaware River with this snag boat and it is an impossible situation.

A lot of people here have expressed gratifying experiences with the marine police. In my case and on behalf of a lot of our members, we express sadness. We see marine police riding around on a Saturday and a Sunday stopping people, giving them tickets for speeding, making wakes, which is good. This is along the line of safety. But we have also had our boats being robbed at night on moorings. We have had them break loose. In one particular instance we had a boat break loose from our club. It went high and dry at low tide. We couldn't get help from the

local police or the marine police. And before we could get the boat back in the water which was three days later, we lost the rudder, the prop, and all the brass fittings off the bottom of the boat.

Now with respect to the dealers, if you raise the fee to the dealers, the working class of people who are boaters are the ones who are going to feel it. With all due respect to the dealers, if the man doesn't make the money, he can't stay in business. And right now, we are in the longest period of recession in this country and I have heard politicians on television and all over say to stop inflation. But we can't stop inflation by raising prices because when you raise prices, we have to raise salaries.

Therefore, I believe that the marine police can do a good job, but what we would like to see is what has been done with the money they have already received - in fact, an itemized statement wouldn't be too far out of line. Thank you.

SENATOR SCHIAFFO: Thank you, Mr. Drake.
Just a minute, Senator Coffee wants to ask you something.

SENATOR COFFEE: You are the Chairman, Mr. Drake, of the Delaware River Yachtsmen's League.

MR. DRAKE: That's right.

SENATOR COFFEE: How many yacht clubs are involved?

MR. DRAKE: We represent 40 yacht clubs on both sides of the Delaware River from Trenton to the Delaware Bay.

SENATOR COFFEE: Did I understand you to say these 40 yacht clubs comprised 20,000 members?

MR. DRAKE: That's right, or better.

SENATOR COFFEE: That's all.

SENATOR SCHIAFFO: Thank you, Mr. Drake.

MR. DRAKE: One thing more I would like to emphasize if I may, we have been approached unofficially by other neighboring states telling us that they will make facilities and be glad to have us boat there, because we

do bring revenue into these marinas. Thank you.

SENATOR SCHIAFFO: Thank you, Mr. Drake.

The spokesman for the Marine Trades Association of Ocean County.

R I C H A R D K O R M A N: Mr. Chairman, ladies and gentlemen: My name is Richard Korman. I represent the Marine Trades Council of Ocean County, which is a newly-formed group which was formed mainly for the purpose of combating bills of this type which we feel are restrictive and which we feel are hurting the trade.

I am a small marina operator. I don't have a big marina. I represent a small group, but I feel it is going to be a growing group.

We have had a lot of speakers who have made a lot of points, so I am not going to use my prepared speech. Rather there are a few points I would like to make at this time.

I think the criterion of this whole thing about this bill is whether the bill is equitable, whether the bill is necessary at all, and if the bill is necessary, is it sufficient to do the job? I don't think this bill does any of them.

Number one, we know the bill isn't equitable because it hits hardest at the boat dealers and the marinas and the boat yards and the boat liveries who have in many cases many boats which will be heavily taxed by this bill. We have, for instance, in our group one dealer who has 170 boats, great big boats, over in Bay Shore in Toms River. One dealer has 170 boats that he has to license. I, myself, have about 50 boats. All the other people whom I represent have a number of boats. We are not talking about an individual boater who has one boat. This man can afford to pay \$3 more. It is not going to hurt him. But we are talking about the dealer, the man who is bearing the brunt of this bill, the man who is going to pay the bulk of the money.

Unfortunately the small businessman in New Jersey is already being hit by an avalanche of direct taxes. I am sure you are aware of some of them. We have to pay social security taxes. We have to pay workmen's compensation taxes. We pay state unemployment taxes. We pay federal unemployment taxes. We pay sales taxes. We pay excise taxes. We pay personal property taxes. We pay business property taxes. And we pay business real estate taxes. Now these are all direct taxes that we pay directly out of our business directly to these various agencies in government. I feel that the marine industry people are already paying way and above their fair share to support the programs of the State of New Jersey, let alone the programs that are necessary for development of the boating industry.

The point has been made by many speakers that there is up to \$7 million a year collected in the State of New Jersey directly from boaters and that none of this is dedicated directly back to boating; it goes into the general fund. It is my contention there is sufficient money here to do whatever is necessary to support the marine police or any other activity that this new bill is supposed to do.

Now if we want to talk about the marine police a little bit, we have heard that the marine police is both good and bad. Well, I suppose it is. Every organization is. If they are bad and if they don't do their job right, it is simply a matter of internal discipline, which has nothing to do with this bill. However, Mr. Sullivan made a point that the State presently collects some \$450,000 for this purpose. \$45,000 is diverted to Fish and Game. \$140,000 of it is used for administration purposes and \$270,000 goes back to the marine police. If I heard him right - it was a little hard to hear his speech - I believe he said there are 13 marine police. Is that true? Thirteen marine police in the State of New Jersey?

SENATOR SCHIAFFO: Thirteen full time.

MR. KORMAN: Thirteen full-time marine police in

a state the size of New Jersey with the waterways that New Jersey has is ridiculous. I think we can all agree to that.

SENATOR SCHIAFFO: At peak season, there are about a hundred, as I understand it.

MR. KORMAN: Well, 100 is still pretty poor for the amount of waterways that we have.

It seems to me that we should look in other directions to help police our waterways and we have a number of good ways we can do it. We have power-boat squadrons which would do a terrific job. These people have boating educational courses with which I am sure you are all familiar and they hold them all over the State. They do a fantastic job. We have the Coast Guard Auxiliary which does another good job of inspecting boats - safety boating inspections and so forth. These are all free of charge. These same people would be more than glad to donate their time to augment the marine police. The marine police in this bill is a vacuum that you can't fill. I mean, you can't fill this vacuum with this bill and this kind of money. It is there and it is too big. The bill is inadequate to do the job and, therefore, it is not necessary.

In the second place, we don't need this bill to do this job. As I stated before, we already have the money there.

Senator Dumont made a couple of points. He mentioned about the marine police not being needed on a certain lake. And another person here made the point there were speeders and the marine police weren't sufficient to catch them. They will never be sufficient if you have 100 or 5,000 of them. There just won't be enough to do the job unless you have voluntary help to do it, because we just have too many waterways for this type of thing to be covered.

So I think we must look into this thing a little

further before we proceed and see if there aren't other ways to do this job. The money this bill is going to raise is insufficient in any event. Two years from now you are going to need another like sum and another like sum. The industry is growing and the State is growing and you just can't do it with this type of bill. This bill is inefficient. It wasn't properly planned. Nobody was consulted apparently. And it is not going to do the job. As I said before, you are hurting a certain group of people. You are hurting the boatmen and the trade very badly with this bill. It is inequitable. It is making people who are already way overtaxed bear the burden. It is unfair. We don't like it. We don't want it. And we urge you to vote against it. Thank you.

SENATOR SCHIAFFO: Thank you very much. Any questions?

SENATOR COFFEE: Mr. Korman, how long has the Marine Trades Association of Ocean County been in existence?

MR. KORMAN: About six weeks. We had our first meeting on December 7th.

SENATOR COFFEE: Was your organization prompted to any extent by this bill being introduced in the Legislature?

MR. KORMAN: No. We were already in the process of forming before this bill was introduced.

SENATOR COFFEE: How many members do you have at the present time?

MR. KORMAN: I don't know. We had a 25-member turn out at the first meeting. Quite a few of this delegation here and the speakers are our members. We hope to get a lot bigger. We hope this thing will spread.

MRS. HAYES: We are members and we will be there tomorrow night.

MR. KORMAN: O.K.

SENATOR SCHIAFFO: Are there any other persons who wish to testify before this Committee?

MR. KORMAN: Excuse me, Mr. Chairman. I have one other little point I would like to make.

SENATOR SCHIAFFO: Go ahead.

MR. KORMAN: Rutgers University has made a recent study which it calls its leisure market study. They stated in this study that New Jersey is rated as a weak market by the Boating Industry Association. Motor purchases and boat purchases are both much lower than would be indicated by New Jersey's share of the effective buying power. It said it was further observed that this certainly ranks as one of the states' most unexploited resources. Also Rutgers University states with regard to slips in the State of New Jersey being in the marina business: Specifically it is recommended that money utilized to construct State-owned slips be diverted to provide low-cost construction loans to private marina developers.

In other words, Rutgers University, which is our State university, says the State of New Jersey should not be in the marina business and we agree. We don't think they belong there. They are competition to us. They use our tax dollars to provide competition to us. We think it is very unfair.

One other thing I would like to bring up - the other speakers have mentioned about the differential between New Jersey and the other states. I don't know how many people are aware of this. I don't think anybody brought this up. But there are thousands of boaters from Pennsylvania, New York, Delaware and Maryland who trailer their boats into the New Jersey shore every weekend and during the week during the summer. I know this for a fact because in my marina alone, I have put in some 50 out-of-state boats on a Saturday or Sunday in the peak of the season. These are boats mainly from Pennsylvania and they come down Route 70 and Route 72 to our section over toward Long Beach Island. A great many of these boats are registered in New Jersey. These boatmen will not register again in New Jersey if this bill is passed.

SENATOR SCHIAFFO: Thank you. I think Mr. Garry mentioned something like that too.

MR. KORMAN: He did, but I just wanted to emphasize the point because I have direct information on it.

SENATOR SCHIAFFO: Thank you.

MR. KORMAN: Any other questions?

SENATOR SCHIAFFO: I have no questions.

J O H N Q U A T T R O C C H I: Good morning! My name is John Quattrocchi. I am from North Plainfield and I own a 25-footer over in Morgan, New Jersey, at the Vikings Marina. We are a fair-sized marina on Raritan Bay and when I found out about this bill, I got a petition up as an indignant boater and I went around to each and every boat in the marina. We have approximately 150 boaters, including several dealers. Vikings Marina is also a dealer. As the operator of our marina and other dealers will testify, if they have to pay \$100 per boat, I as a boater will pay indirectly with increased fees. I pay \$10 a foot. If our marina operators have to sock it to us with increased fees, I am going to move my boat out of the marina and go to Staten Island where I am sure it is cheaper. I have to pay an awful lot of money for my supplies at this marina. If I go elsewhere to buy my marine supplies, paints and hardware, which I have done on occasion, it will mean less business for the marina. And I am sure more boaters will go to discount houses that sell marine paints at much lower prices but are of the same quality. We don't need this bill. We are overtaxed and we have had it up to here with increased taxes and I don't believe we need any more. That's about all I have to say.

SENATOR SCHIAFFO: Thank you, Mr. Quattrocchi. Does anyone else want to be heard? [No response.]

In concluding this hearing of the Senate Appropriations Committee on Assembly 1159, I want to point out that neither Senator Coffee nor I are sponsors of this bill, but this

bill has been referred to our committee. The purpose of this morning's session is to get the divergent viewpoints on the pros and cons of Assembly Bill 1159 for evaluation first by the Committee, to determine whether the bill is feasible and should be released from Committee in its present form or to determine whether or not it should be released at all, or whether it should be modified or amended by some of the suggestions made here today.

Of course, you appreciate that the eventual passage of this bill lies in the hands of the entire Senate body. Thank you so much for coming this morning.

[Hearing Adjourned]



STATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION
RICHARD J. SULLIVAN, COMMISSIONER
TRENTON

ADMINISTRATIVE ORDER NO. FIVE

WHEREAS, the Department of Environmental Protection is charged with the formulation of comprehensive policies for the conservation of the natural resources of the State, the promotion of environmental protection, and the prevention of pollution of the environment of the State:

AND WHEREAS the effectiveness and the efficiency of the Department can be increased greatly by a reorganization which recognizes administratively the inter-relationships among the diverse elements of the environment, and which takes account of new areas of environmental concern:

Therefore, by virtue of the authority vested in me by R. S. 13: 1B-3 and R.S. 13: 1B-5 (as amended by L 1970, Chapter 33, Section 3) I do hereby order and declare the following changes in organization be made:

1. In the Division of Natural Resources:
 - A. Change name to Division of Marine Services.
 - B. Transfer the personnel, responsibilities, and equipment of the Bureau of Geology to the new Division of Water Resources, created in Paragraph 3 below.
 - C. Create a Bureau of Marine Lands Management within the Division.
 - D. Transfer to the Bureau of Marine Lands Management, the personnel, responsibilities, and equipment of the Riparian Section now within the Bureau of Navigation. This Bureau will be charged with the administration of riparian applications for conveyances of grants and leases. It is further charged with the management of Wetlands as defined in the Wetlands Act of 1970.
 - E. Create a Bureau of Marine Enforcement.

- F. Transfer to the Bureau of Marine Enforcement the responsibilities, personnel and equipment of the Marine Patrol Section now in the Navigation Bureau. Also transfer to this Bureau the personnel, equipment, and responsibilities of the Coastal Patrol of the Division of Fish, Game, and Shellfisheries and that portion of the Bureau of Shellfish involved in enforcement activities.
 - G. Transfer the personnel, responsibilities, and equipment of the Bureau of Land Acquisitions to the Office of Legal Services and Real Estate, created in Paragraph 6B, within the Office of the Commissioner.
 - H. Result: Division of Marine Resources with three bureaus: Navigation, Marine Lands Management and Marine Enforcement.
2. In the Division of Environmental Quality:
- A. Transfer personnel, responsibilities, and equipment of the Bureau of Water Pollution Control to the new Division of Water Resources created in Paragraph 3A below.
 - B. Transfer personnel, responsibilities, and equipment of the Bureau of Shellfish Control to the Bureau of Water Pollution Control as a section.
 - C. Transfer the Bureau of Potable Water to the new Division of Water Resources created in Paragraph 3A below.
 - D. Create an Office of Pesticide Control.
 - E. Result: Division of Environmental Quality with three bureaus and one office: Air Pollution Control, Solid Waste Management, Radiation Protection, and Pesticides.
3. In the Division of Water Policy and Supply:
- A. Change name to Division of Water Resources.
 - B. Transfer to this Division the Bureau of Water Pollution Control, the Bureau of Shellfish Control and Bureau of Potable Water all from the Division of Environmental Quality. The Bureau of Shellfish Control will form a section within the Bureau of Water Pollution Control.

- C. Transfer the personnel, responsibilities, and equipment of the Bureau of Geology to this Division. The Bureau of Geology will assume responsibility for the issuance of well driller's licenses and permits for well drilling. This Bureau will report directly to the Division Director.
 - D. Create a Bureau of Water Resources Planning and Management, which will also report directly to the Division Director. This Bureau will assume the personnel, responsibilities, and equipment of the current Bureau of Water Resources, which it replaces.
 - E. Create the Office of Assistant Division Director for Water Quality. He will administer and supervise the Bureau of Water Pollution Control (as constituted above) and the Bureau of Potable Water.
 - F. Change the name of the Bureau of Water Supply to the Bureau of Water Facility Operations.
 - G. Create the Office of Assistant Division Director for Water Supply. He will administer the Bureau of Water Control and the Bureau of Water Facility Operations.
 - H. Result: Division of Water Resources with two Assistant Division Directors. Each Division Director is responsible for two bureaus. The Bureau of Geology and the Bureau of Water Resources Planning and Management will both report directly to the Division Director.
4. Division of Fish, Game and Shellfisheries.
- A. Transfer personnel, equipment and responsibilities of the Coastal Patrol to the new Bureau of Marine Enforcement in the Division of Marine Services.
 - B. Transfer the personnel, equipment and responsibilities of the enforcement activity of the Bureau of Shellfisheries to the Bureau of Marine Enforcement.
 - C. Transfer the non-enforcement personnel of the Bureau of Shellfisheries to the Bureau of Fisheries Management.

- D. Result: Division with three bureaus: Fisheries Management (which will assume the coordination and research activities of the former Bureau of Shellfisheries in addition to its present duties), Wildlife Management, and the Bureau of Fish and Game Coordination and Law Enforcement.
- 5. In the Division of Parks, Forestry and Recreation.
 - A. Name changed to the Division of Parks and Forestry.
 - B. Result: A division of Parks and Forestry with three bureaus: Parks, Forestry, and Recreation.
- 6. In the Office of the Commissioner.
 - A. Create a Division of Administration with its own Director. The Division Director will be responsible for administrative supervision of the Bureau of Budget, Accounting, and Procurement and the Bureau of Personnel and Payroll which are hereby transferred to the Division.
 - B. Change the name of the Bureau of Legal Services to Office of Legal Services and Real Estate. It will assume the responsibilities of the Bureau of Land Acquisition formerly in the Division of Natural Resources. It will centralize and administer the negotiation and drafting of concession and lease agreements subject to the approval of the Office of the Attorney General. It will centralize and administer the negotiation and drafting of documents necessary in all land acquisitions within the department including lands acquired by purchase, gift, devise or exchange as well as sales of land subject to the approval of the Office of the Attorney General. It will render such administrative legal services and perform such land management tasks as the Commissioner shall direct. It will assume the personnel, equipment, and responsibilities of the Bureau of Land Acquisition. It will be responsible for the proper and efficient conduct of departmental administrative hearings.
 - C. Public Information Office will assume broad responsibilities for the direction of all the Department's public affairs activities as the Commissioner shall direct, and shall review for clearance all press releases and other publications issued by the several divisions within the Department.

7. The Councils, Commissions, and Boards of the Department shall be located in the below listed Divisions, and advise the Commissioner and the Division Director, and continue to perform in accordance with other statutory responsibilities:

Division of Environmental Quality:

Clean Air Council
Commission on Radiation Protection
Solid Waste Management Commission

Division of Marine Services:

Board of Commissioners of Pilotage
Boat Regulation Commission
Natural Resource Council

Division of Fish, Game, and Shellfisheries:

Fish and Game Council
Shellfisheries Council

Division of Parks and Forestry:

Historic Sites Council
Natural Areas Council
Natural Lands Trust
State Review Commission

Division of Water Resources:

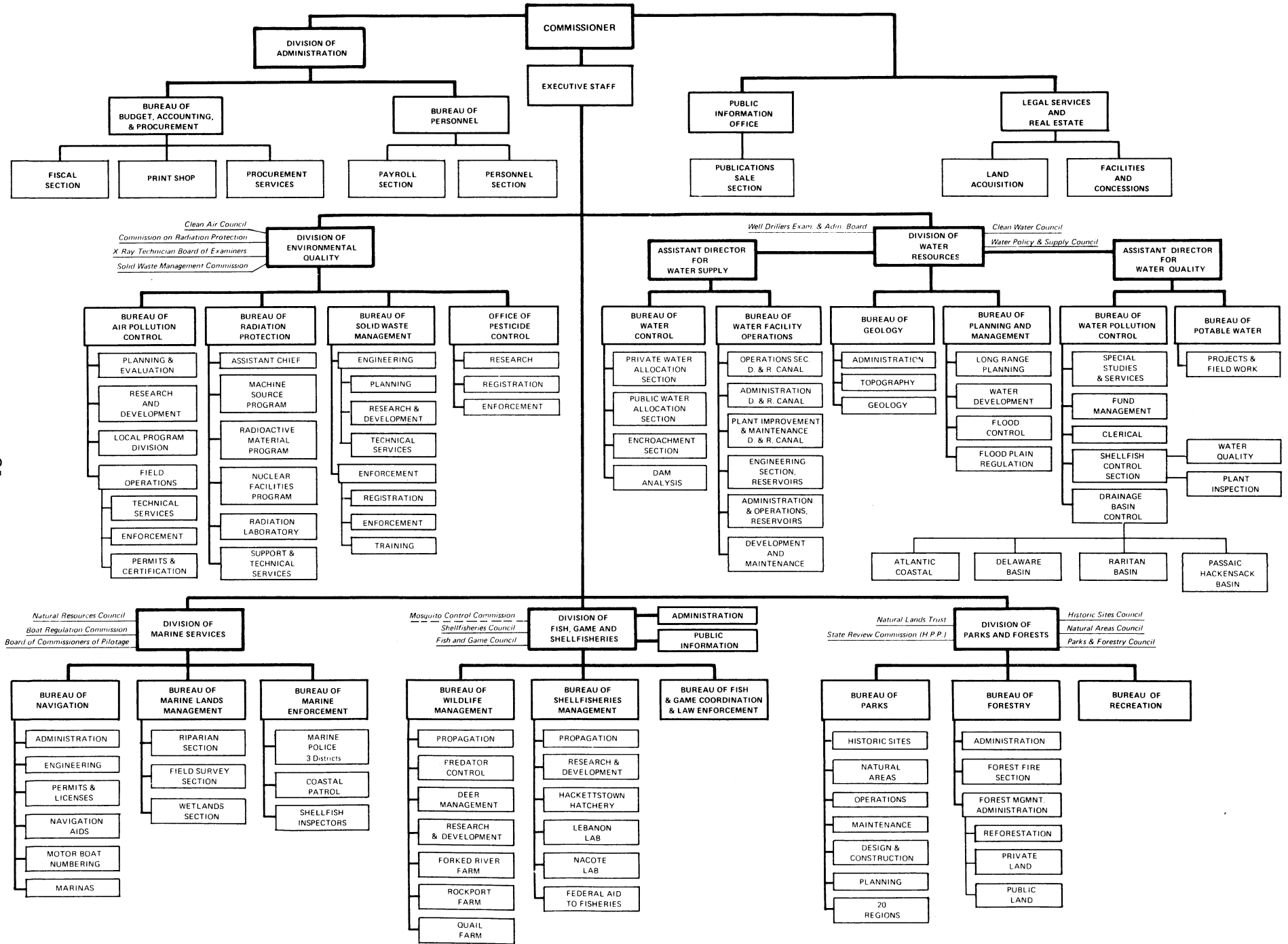
Clean Water Council
Water Policy and Supply Council
Well Drillers Examination and Advisory Board

8. Attached to this memorandum is an organization chart which depicts the results of the reorganization. Further Administrative Orders will treat the details of the reorganization ordered herein.
9. This Order is to take effect on 1 January 1971.

GIVEN under my hand and seal this 17th day of December in the Year of our Lord 1970 and of the Independence of the United States the 193rd signed,


Richard J. Sullivan, Commissioner

STATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION





STATE OF NEW JERSEY
OFFICE OF COUNSEL TO THE GOVERNOR
TRENTON

WILLIAM T. CAHILL
GOVERNOR

October 13, 1970

PIERRE P. GARVEN
COUNSEL TO THE GOVERNOR

JOHN L. KRAFT
ASSOCIATE COUNSEL TO THE GOVERNOR

MEMORANDUM TO: Honorable Raymond H. Bateman
Senator, District 8

Honorable Harry L. Sears
Senator, District 10

Honorable Alfred N. Beadleston
Senator, District 5

SUBJECT: Assembly Bill No. 1159

The administration strongly urges passage of the above bill which increases fees for licensing of power boats. This bill passed the Assembly on October 8, 1970 and is now in your Appropriations Committee. The proposed new fees, which in actual dollars represent small increases, are intended to go into effect on January 1, 1971. Therefore, action on the bill would be appreciated if the Legislature returns in November.

I might mention that the reference in Section 2 of the act to a "tax exemption certificate" refers only to commercial boats and certain sections of the "New Jersey Boat Act of 1962". N.J.S. 12:7-34.47a (Section 6, Chapter 206, Laws of 1965) makes application for such a certificate optional and in lieu of any assessment or personal property tax imposed by the Laws of New Jersey. Sub-section (b) of the cited section states that "the owners of power vessels used solely for their pleasure and recreation shall not be subject to the requirements of sub-section (a) hereof and need not apply for a tax exemption certificate." I thought it might be helpful to indicate this because of certain questions raised in the Assembly regarding fee increase in this category.

The attached statement from Commissioner Sullivan explains his views on this legislation. Your assistance in this regard will be greatly appreciated.

Sincerely,

James J. Petrella
Assistant Counsel
to the Governor

Att:

cc: The Honorable Joseph J. Maraziti
The Honorable Alfred D. Schiaffo

MEMO

STATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTION

TO Mr. Patrella, Assistant Counsel to the Governor
FROM Commissioner Sullivan *[Signature]* DATE 5 October 1970
SUBJECT Department's Position on A-1159

1. It is imperative that the Legislature act on and pass A-1159. The only alternative to increasing numbering fees is to fund the Marine Police out of General Revenue. Given the tightness of the budget for the coming year, it is therefore most unlikely that sufficient funds could be appropriated out of general revenue for the Marine Police to make them into the professional and well-equipped force the State's boatmen expect and deserve.

The only way to insure the safety of the growing numbers of pleasure boaters is to spend an adequate amount on the Marine Police. Their current budget is derived from the dedicated funds received from the motorboat numbering fees. The State currently receives about \$450,000 from boat registration and licensing. Ten percent of this sum is allocated to Fish and Game for coastal patrol. \$140,000 supports the administrative expenses of actually issuing the registrations and licenses. The remaining \$265,000 funds the activities of the Marine Police. This sum is obviously inadequate. It means that only \$1.33 is spent on the safety of each of the pleasure boats in the State. No new equipment has been purchased for the Marine Police in the past four years, since all the money available was required to pay the patrolmen so that some enforcement effort could be mounted. No money remained to fund the channel improvements required in the inland waterways.

2. Presented below are figures representing how the increased fees will be used to improve our Marine Police program.

| <u>Function</u> | <u>Present Fees</u> | <u>Proposed Increased Fees</u> |
|------------------------------|---------------------|--------------------------------|
| Marine Police | | |
| new positions | | |
| (20 enforcement, 8 clerical) | 0 | \$ 175,000 |
| new equipment | | |
| (6 boats) | 0 | 100,000 |
| replacement equipment | | |
| (6 boats) | 0 | 100,000 |
| wages, salaries, and | | |
| maintenance/operation | \$265,000 | 265,000 |
| TOTAL MARINE POLICE | <u>265,000</u> | <u>640,000</u> |
| Motorboat Numbering (Total) | 140,000 | 140,000 |
| Fish and Games (total) | 45,000 | 100,000 |
| Inland Waterways - | | |
| Channel Improvement | 0 | 220,000 |
| | <u>\$440,000</u> | <u>\$1,100,000</u> |

1970-71 Revenue Projections - Motorboat Licensing Act

| <u>Type of License</u> | <u>Estimated Number</u> | <u>Present Rate</u> | <u>Revenue</u> | <u>Proposed Rate</u> | <u>Revenue</u> |
|---|-------------------------|---------------------|----------------|----------------------|----------------|
| Pleasure Boats | | | | | 270,000 |
| Under 16 feet | 54,000 | 2. | \$108,000 | 8.5 | 432,000 |
| 16 feet to 26 feet | 29,000 | 4. | 116,000 | 8.10 | 232,000 |
| 26 feet to 40 feet | 9,000 | 6. | 54,000 | 15. | 135,000 |
| 40 feet to 65 feet | 500 | 8. | 4,000 | 15.20 | 7,500 |
| Over 65 feet | -- | 25. | -- | 50.75 | -- |
| Dealers | 350 | 5. | 1,750 | 100. | 35,000 |
| Business Boats | 3,600 | 2. | 7,200 | 10. | 36,000 |
| Sub Total Boat Licenses | 96,450 | -- | \$290,000 | -- | \$877,500 |
| Tax Exemption Certificates | | | | | |
| Under 16 feet | 3,200 | 4. | \$ 12,800 | 10. | \$ 32,000 |
| 16 feet to 26 feet | 450 | 25. | 11,250 | 50. | 22,500 |
| 26 feet to 40 feet | 160 | 50. | 8,000 | 100. | 16,000 |
| 40 feet to 65 feet | 180 | 75. | 13,500 | 150. | 27,000 |
| Over 65 feet | 60 | 100. | 6,000 | 200. | 12,000 |
| Sub Total Tax Exempt Cent. | \$ 4,050 | -- | \$ 51,550 | -- | \$109,500 |
| Operator Licenses | 48,000 | 1.50 | 72,000 | 3. | 144,000 |
| Miscellaneous Revenues | -- | -- | 25,500 | -- | 31,500 |
| Total Revenues | -- | -- | \$440,000 | -- | \$1,162,500 |
| Sums Transferred to Fish and Game Fund (10% of Boat Licenses) | | | | | 87,750 |
| Motorboat Fund Revenues | | | | | \$1,074,750 |
| Probable Expenditures Fiscal Year 1971 | | | | | |
| Administration and Licensing | | | \$200,000 | | |
| Enforcement and Patrolling | | | 450,000 | | |
| Sub-Total | | | 650,000 | | |
| Funds Available for Inland Waterways Maintenance | | | 424,750 | | |
| Total | | | \$1,074,750 | | |

MEMOSTATE OF NEW JERSEY
DEPARTMENT OF ENVIRONMENTAL PROTECTIONTO Honorable Alfred D. Schiaffo, Chairman, Appropriations Committee, N. J. State Senate.FROM Richard I. Sullivan, Commissioner DATE 7 January 1971SUBJECT ADDITIONAL INFORMATION ON A-1159

1. I am submitting for the record additional information concerning A-1159. My memorandum to Mr. James Petrella, Assistant Counsel to the Governor, dated October 5, 1970 set forth the manner in which the increased revenues derived from the proposed increase in fees would be used. Since that date, I have investigated further the needs and requirements of the Marine Patrol, and consequently have changed my analysis of the way the proposed increased revenue should be distributed. The chart below represents the present position of the Department, and supersedes my memorandum of October 5, 1970, which was provided to the Committee at the Public Hearing yesterday.

| <u>Function/Program</u> | <u>Present Fees</u> | <u>Proposed Fees</u> |
|--|---------------------|----------------------|
| Motorboat Numbering (Administrative Costs) | \$140,000 | \$140,000 |
| Coastal Patrol | 45,000 | 110,000 |
| Channel Improvement | -0- | 100,000 |
| Marine Police | | |
| ¹ New Positions | -0- | 175,000 |
| ² New Equipment | -0- | 120,000 |
| ³ Replacement Equipment | -0- | 100,000 |
| Training Programs | -0- | 50,000 |
| Wages, Salaries, Maintenance, Operations | <u>265,000</u> | <u>305,000</u> |
| TOTAL | <u>\$450,000</u> | <u>\$1,100,000</u> |

¹Twenty (20) new enforcement personnel, 8 clerical assistants to free uniformed Marine Patrolmen for enforcement activities.

²Six (6) patrol craft plus fire fighting and rescue equipment.

³Six (6) patrol craft with accessory equipment.

2. The Committee also requested a breakdown of all registered boats in the State by size, together with an estimate of the revenues received from boats registered in each category. The chart below lists estimates of this data.

| <u>Registration Type</u> | <u>Estimated Number</u> | <u>Current Fee</u> | <u>Present Revenue</u> | <u>Proposed Fee</u> | <u>Proposed Revenue</u> |
|---|-----------------------------|------------------------|----------------------------|-------------------------|-----------------------------|
| Pleasure Boats | | | | | |
| Under 16' | 54,000 | \$ 2.00 | \$108,000 | \$ 5.00 | \$270,000 |
| 16' to 26' | 39,000 | 4.00 | 156,000 | 10.00 | 390,000 |
| 26' to 40' | 9,000 | 6.00 | 54,000 | 15.00 | 135,000 |
| 40' to 65' | 500 | 8.00 | 4,000 | 20.00 | 10,000 |
| Over 65' | -0- | 25.00 | -0- | 25.00 | -0- |
| Dealers | 350 | 5.00 | 1,750 | 100.00 | 35,000 |
| Business Boats | 3,600 | 2.00 | 7,200 | 10.00 | 36,000 |
| | (106,450) | - | (330,950) | - | (876,000) |
| Tax Exemption Cert. | | | | | |
| Under 16' | 3,200 | 4.00 | 12,800 | 10.00 | 32,000 |
| 16' to 26' | 450 | 25.00 | 11,250 | 50.00 | 22,500 |
| 26' to 40' | 160 | 50.00 | 8,000 | 100.00 | 16,000 |
| 40' to 65' | 180 | 75.00 | 13,500 | 150.00 | 27,000 |
| Over 65' | 60 | 100.00 | 6,000 | 200.00 | 12,000 |
| | (4,050) | - | (51,550) | - | (109,500) |
| Operator's Licenses (for non tidal waters) | 48,000 | \$ 1.50 | \$ 72,000 | \$ 3.00 | \$144,000 |

3. I trust that this material will prove helpful to the Committee's deliberations concerning this bill. I reiterate my request that the Committee and the full Senate act favorably upon this measure. If you require any other information, please contact me immediately.


Richard J. Sullivan,
Commissioner

JUN 27 1985



