

May 12, 2015

Senator Anne Gobi
Joint Committee in
Environment, Natural
Resources & Agriculture
Room 513
Boston, MA 02133

Representative Paul Schmid
Joint Committee on
Environment, Natural
Resources & Agriculture
State House, Room 473F
Boston, MA 02133

MASSACHUSETTS
MARINE TRADES
ASSOCIATION



RE: **OPPOSE** - SB 449: An Act relative to out of state mooring

Dear Chairwoman Gobi, Chairman Schmid and Committee Members:

Thank you for the opportunity to testify regarding the above-referenced bill, and for your leadership in service to us all. **We have great respect for the bill's sponsor, but must oppose this bill due to what we believe is inadvertent error risking loss, not gain, in Commonwealth revenues.** The changes contemplated in this bill will also have a negative impact on those marine trades jobs remaining in Massachusetts. The jobs providing services to recreational and other boaters are just too important to lose to neighboring states. Our skilled and talented Massachusetts workers want and need these jobs.

Established in 1964, the Massachusetts Marine Trades Association (MMTA) is the statewide, non-profit, representative body for over 1,200 marine trades businesses in the Commonwealth. Our businesses employ over 16,000 men and women and generate an estimated \$2.08 billion in annual economic activity for Massachusetts. The mission of the Association is to further the interests of the marine trades and the boating public through the promotion of boating, participation in legislation and professional improvement programs.

The recreational marine industry contributes positively and significantly to the economic strength and quality of life enjoyed in Massachusetts. The 'business of boating' provides jobs, economic opportunity, public access to our precious waterways, improves aesthetics of inland and coastal waters and supports environmental stewardship while promoting a family-friendly form of recreation and tourism. With over 186,000 state and federally registered vessels and 1 million anglers in the Commonwealth and over 5 million residents living within 10 miles of the ocean, any negative impact on the stability of the marine trades (economic, regulatory or others) has the potential to negatively affect millions of citizens and visitors.

The Association and its 300 member firms also seek to stem the exodus of recreational boating businesses from the Commonwealth and the loss of waters-

edge usage for recreational boating purposes. The Association acts as a source of information about recreational boating and boating businesses for the general public, via its website at www.BoatMA.com; for the Massachusetts Legislature, where the Association is a frequent participant in public hearings and in the 50-member Legislative Boating Caucus; and for executive branch agencies, the MA Federal delegation and authorities with regulatory and economic development responsibilities.

With respect to SB 449, we oppose the bill because we believe the changes proposed therein would inadvertently lose Commonwealth revenues, rather than increase them. The bill would newly require payment of boat excise tax on boats registered out-of-state unless the owner has property interests in the state where the boat is registered and keeps the boat in Massachusetts for more than sixty days. The key revenue-raiser with respect to boats, however, is the money boaters spend in Massachusetts on boat repairs and on goods and services.

Bluntly, if out-of-state boaters keep their boats out of state to avoid of the Commonwealth's registration and excise tax impositions we will continue to lose revenue for Massachusetts businesses and bleed marine trades jobs to neighboring states. Chasing these jobs and monies away with a threat of new excise taxes and registration fees is very much counterproductive, particularly where Massachusetts is surrounded by states offering favorable registration and tax treatments for recreational boaters. Those states, too, are benefitting from those monies spent by recreational boaters.

The attached study documents that for every \$1 a boater spends on a mooring or docking, they spend another \$4 in local shops, restaurants and other businesses. Local businesses need those revenues from out-of-state boaters just as local boatyards need the repair jobs they would lose if this bill were to pass. These numbers tell us that we need to encourage more out of state boats to spend the summer boating season, or longer, in Commonwealth waters.

We at MMTA do understand the purpose of the bill may have been to encourage in-state Massachusetts residents to register their boats here and not out-of-state. However, this bill will not accomplish that result; it will only discourage boaters from bringing their boats and their money into Massachusetts. It's hard enough maintaining a boating business squeezed between two states which don't tax boat purchases or levy excises tax after having created tax incentives for boating-related jobs. SB 449 is another pressure on recreational boaters that has very real negative consequences for marine trades and other local businesses that boaters frequent.

Massachusetts possesses world renowned recreational boating opportunities and destinations, yet we don't do enough to encourage people to visit and boat Massachusetts' waters. Where the Massachusetts marine trades face heavy

competition from neighboring states, the Commonwealth continually seek ways to extract funds from our boaters, effectively encouraging them to boat elsewhere. Unfortunately this bill seeks additional small revenues from out of state boats looking to spend their summer in Massachusetts waters and their money in Massachusetts businesses.

MMTA certainly supports the bill sponsors and others in seeking compliance with current tax requirements, which are substantial. The changes proposed are not revenue-beneficial, however, so we must oppose them. SB 449 is sending the wrong message about recreational boating in Massachusetts where, once again, we appear an unfriendly destination to recreational boaters. Simply put, we must stop finding ways to encourage boaters to forgo time spent in Massachusetts for our neighboring boating friendly states. Please help us stop this trend and help foster recreational boating in Massachusetts. We welcome any opportunity to discuss the most beneficial means of growing recreational boating and the economic opportunities it creates for our state. Data on the economics of sensible tax and fees policies for recreation boating bear out the benefits of encouraging boaters to choose Massachusetts as their home ports, or at least their destination waters.

Thank you again for the opportunity to comment on SB 449. MMTA's Government Relations and Legal Counsel, Jamy Buchanan Madeja is always available to discuss any changes to the proposed legislation. Please feel free to contact her at 617-227-8410 or jmadeja@buchananassociates.com.

Sincerely,

A handwritten signature in black ink that reads "Toby Burr". The signature is written in a cursive, slightly slanted style.

Toby Burr, President, Massachusetts Marine Trades Association

Cc Senator Michael O. Moore
Senator Mary S. Keefe