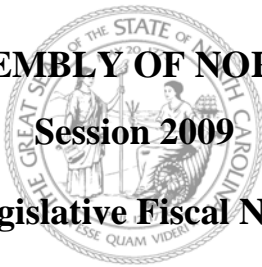


**GENERAL ASSEMBLY OF NORTH CAROLINA**



**Session 2009**

**Legislative Fiscal Note**

**BILL NUMBER:** House Bill 39 (First Edition)

**SHORT TITLE:** Require Boating Safety Education.

**SPONSOR(S):** Representatives Williams, Wray, Faison, and Wilkins

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2009-10</u></b>	<b><u>FY 2010-11</u></b>	<b><u>FY 2011-12</u></b>	<b><u>FY 2012-13</u></b>	<b><u>FY 2013-14</u></b>
<b>REVENUES</b>					
General Fund	\$0	\$0	\$0	\$0	\$0
Wildlife Resources Commission	\$0	\$0	\$0	\$0	\$0
<b>EXPENDITURES</b>					
General Fund	\$0	\$0	\$0	\$0	\$0
Wildlife Resources Commission	\$13,500	\$41,233	\$41,996	\$42,722	\$43,474
<b>POSITIONS (cumulative):</b>					
General Fund	0	0	0	0	0
Wildlife Resources Commission	0	0	0	0	0
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>		Wildlife Resources Commission			
<b>EFFECTIVE DATE:</b> When the bill becomes law; enforcement shall take effect as provided in G.S. 75A-16.2(c).					

**BILL SUMMARY:**

House Bill 39 would require boating safety education prior to operating a vessel with a ten horsepower or greater motor. A person may comply with the boating safety education requirement in a variety of ways, such as completing a boating safety course, passing a proctored exam that covers the information included in an approved course, or possessing a license to operate a vessel issued by the United States Coast Guard. Vessel operators must present proof of compliance with the boating safety education requirements upon the request of a law enforcement officer. Failure to provide proof of compliance would result in a \$100 penalty.

The education requirement is phased in by age from 2011 to 2015. All vessel operators, regardless of age, must meet the requirements by July 11, 2016. Table 1 provides the age phase-in of the boating safety education requirement in H.B. 39.

**Table 1: Age Phase-in Requirements by Year of H.B. 39**

<b>Age of Vessel Operator</b>	<b>Education Requirement Date</b>
20 years or younger	July 11, 2011
30 years or younger	July 11, 2012
40 years or younger	July 11, 2013
45 years or younger	July 11, 2014
50 years or younger	July 11, 2015

**BACKGROUND**

According to the US Coast Guard, North Carolina ranks 11<sup>th</sup> in total number of registered boats with approximately 375,815 registered boats in 2007. The Wildlife Resources Commission (WRC) estimates that between January 1, 2004 and December 31, 2008, there were 360,845 new boats registered in North Carolina.

North Carolina is one of 14 states that do not require either boater education or a boat license for all boat operators. Thirty-six states require boating education; one state, Alabama, requires licenses. However, the North Carolina General Assembly did enact a personal watercraft law in 1999 that states that no one under 14 years of age can operate a personal watercraft in North Carolina waters, and that individuals between the ages of 14 and 16 can only operate a personal watercraft if they 1) are riding with a person who is at least 18 years old or 2) have successfully completed an approved boating safety education course.

WRC offers a free boating education course that covers boat operation, legal requirements, handling emergencies, and other important boat safety information. Completion of this course certifies anyone between the ages of 14 and 16 to operate a personal watercraft in North Carolina. This course would fulfill the education requirement of H.B. 39 as well. WRC estimates that its current cost of providing the boating safety education course is \$225,000 per year. These funds come from both WRC and the US Coast Guard Recreational Boating Safety grant program, which requires a 50% match. In most years, WRC spends more state dollars than are available through the federal program; this is known as an overmatch. The additional costs over the grant amount are paid from state funds and no additional federal funds are available.

The \$225, 000 covers the cost of providing 365 classes a year. The \$225,000 breaks out as follows:

Staff payroll	\$ 160,000 (about 5,000 hours)
Materials	\$ 50,000
Travel	\$ 15,000

In 2007, WRC offered the class 365 times, and taught it 316 times; 49 were cancelled due to low enrollment. The average attendance was 15 students per course; maximum capacity is 50 students per course. Thus, there is an additional 13,250 spaces available within the current course schedule.

## **ASSUMPTIONS AND METHODOLOGY:**

### Course Offerings and Enrollment

H.B. 39 requires boating safety education for all boat operators but provides substantial flexibility in meeting this requirement. WRC currently teaches a boating safety course that would fulfill the education requirements. There are also many courses approved by the National Association of State Boating Law Administrators (NASBLA) including courses taught by the US Coast Guard, the Boat Owners Association of the United States (Boat US), and US Power Squadrons. WRC believes that the majority of individuals would take the NASBLA approved on-line course, not the WRC boating safety course. According to the US Coast Guard's 2002 National Recreational Boating Survey, 32.6% of North Carolinians who have taken a boating safety course took the state offered course; approximately 21.4% took the US Coast Guard Auxiliary course and 19.1% enrolled in the US Power Squadron course.

WRC offers the course 365 times per year. Given the existing schedule of classes, WRC could teach 13,250 students each year in currently scheduled courses. WRC estimates that, ultimately, 20,000 additional students will take the class each year. Roughly 150 new classes will be needed to accommodate the 6,750 students who cannot be served with the existing course schedule. However, WRC's cost per student will drop significantly due to the excess capacity within the current schedule.

While H.B. 39 phases in the boating safety education requirement by age, there is no accurate estimate for boat use by age. Since 2004, boat registrations have captured the date of birth of boat registrants but not of all boat users. Often, one boat has many operators. Therefore, the age information available from the boat registrations is not an accurate estimate of either the number of actual users or annual course participants. WRC anticipates that many older boaters will take the boating safety course earlier than required.

WRC estimates that H.B. 39 will cost \$40,500 to implement. This includes the cost of additional supplies (books, tests, answer sheets, handouts, and certification cards) and staff travel. WRC estimates that an additional 2,370 hours of class time would be required to teach the 150 new classes; this would cost between \$75,000 and \$85,000. WRC does not expect to hire new staff in order to provide these classes; WRC will shift staff priorities, focusing current staff on boat safety program instead of to other initiatives staffed by WRC employees.

H.B. 39 requires that all boat operators 20 years of age and younger be trained in just over two years, by July, 2011. WRC recognizes that it must purchase supplies and plan for additional courses before FY 2010-11. Therefore, one third of the anticipated annual costs have been included in FY 2009-10. Table 2 summarizes the expected additional cost of providing boating safety courses through 2016. These figures are based on WRC's cost estimates and are adjusted for inflation.

**Table 2: Estimated Fiscal Impact of H.B. 39 by Year**

<b>Fiscal Year</b>	<b>Phase-In Age</b>	<b>Additional Cost Due to H.B 39</b>	
FY 08-09	N/A	\$	-
FY 09-10	N/A	\$	13,500
FY 10-11	20 & Under	\$	41,233
FY 11-12	30 & Under	\$	41,996
FY 12-13	40 & Under	\$	42,722
FY 13-14	45 & Under	\$	43,474
FY 14-15	50 & Under	\$	44,239
FY 15-16	All boaters	\$	45,018

\* The Fiscal Research Division does not have standard inflation factors for FY 2014-15 and FY 2015-16; the inflation rate estimate for FY 2013-14 was used for these years.

Enforcement

WRC, certain Sheriff's departments, and some police departments would enforce the education requirement. Enforcement would most likely occur during stops for other violations. Thus, the expected cost of enforcement would be negligible. It has not been included in this analysis.

Revenues

The revenue impact of violations would be minimal. H.B. 39 provides that a person could take the course after receiving a citation, present that certification in court, and not pay the \$100 fine. The Hunter Safety Education requirement, implemented in 1991, has a similar policy, and WRC has found a high rate of compliance with that education requirement. WRC expects a similar response from the boating public. Thus, this analysis estimates no additional revenue will be collected as a result of this bill.

**SOURCES OF DATA:**

Wildlife Resources Commission.

National Transportation Safety Board, Most Wanted Transportation Safety Improvements.

US Coast Guard, 2007 Boating Statistics.

US Coast Guard, 2002 National Recreational Boating Survey: State Data Report.

**TECHNICAL CONSIDERATIONS:** None

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**APPROVED BY:** Marilyn Chism, Director  
Fiscal Research Division

**DATE:** February 19, 2009



**Signed Copy Located in the NCGA Principal Clerk's Offices**