

EXHIBIT 2
DATE 3.10.05
SB 126

Senate Bill 126
March 10, 2005
Presented by Chris Smith
House Fish, Wildlife & Parks Committee

Mr. Chairman and committee members, for the record I am Chris Smith, Chief of Staff for Montana Fish, Wildlife & Parks (FWP). This bill has been requested by FWP and it will require boat owners to verify boat ownership every three years in order to meet requirements of federal statute.

The 2003 Legislature passed HB 559 which created permanent registration for boats, snowmobiles, off highway vehicles and other vehicles such as trailers. Prior to the enactment of HB 559, all states in the United States had a Standard Numbering System for boats that is recognized by the United States Coast Guard. Montana's Standard Numbering System that was approved by the United States Coast Guard is in jeopardy because of the enactment of HB 559. The problem is created by authorizing the lifetime registration of a boat. Title 33 Code of Federal Regulations Part 174.27 states that "a certificate of number must not be valid for more than 3 years". The Coast Guard has deemed Montana's Standard Numbering System non-compliant and will withdraw approval of Montana's numbering system if legislation does not resolve the issue. The Coast Guard would then take over the Standard Numbering System for the State. Listed below are the issues that will be affected if the current law is not resolved.

- Reciprocity with other states will be in jeopardy and Montana boaters can be found in violation by operating their boats in other states or on waters in Montana that have federal jurisdiction.
- Montana boaters that operate in other states and on waters with Federal Jurisdiction will be required to register their boats with the United States Coast Guard to be in compliance with federal law and state law in other states.
- Federal funding for boating education and enforcement will be in jeopardy. Montana will lose \$73,294 per year, which amounts to one-third of its federal funding, if Montana does not have a Standard Numbering System.
- HB 559 in the 03 session has created contradictory language in State Law with section, MCA 23-2-512 (4) that states " if an agency of the United States government has in force a comprehensive system of identification numbering for motorboats in the United States, the numbering system employed pursuant to this part by the department of justice must be in conformity."

Senate Bill 126 will require the owner of a motorboat, sailboat, or personal watercraft to verify use of the original identifying numbers every three years by obtaining validation decals from any of the FWP regional offices or through the department website. The decals will be free of charge and must be displayed on each side of the vessel. The law will also give a 40-day grace period before boats must be registered for person-to-person

sales. Currently Montana law only allows for a 30-day grace period if the boat is purchased from a registered boat dealer or manufacturer.

FWP agrees with amendments made to the original bill in the Senate, specifically the amendment that FWP give only verbal or written warnings until December 31, 2007 for failing to display the validation decals. This will give FWP 2 years to educate the boating public and give the public time to get into compliance on this new regulation.

FWP has created a bill that meets the requirements of Federal regulation and does not impact the boaters of Montana financially. FWP has also tried to keep the process of obtaining validation decals as convenient as possible. The passage of this bill will keep boating education and enforcement funded at the same level as currently funded and with increased boat numbers in the state, Montana boating program cannot afford to lose one-third of its federal funding.

I urge your support of SB126.