SPORT FISH RESTORATION AND RECREATIONAL BOATING SAFETY ACT OF 2014

REPORT
OF THE
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
ON
S. 2028

JULY 7, 2014.—Ordered to be printed
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Mr. ROCKEFELLER, from the Committee on Commerce, Science, and Transportation, submitted the following

REPORT

[To accompany S. 2028]

The Committee on Commerce, Science, and Transportation, to which was referred the bill (S. 2028) to amend the law relating to sport fish restoration and recreational boating safety, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

PURPOSE OF THE BILL

S. 2028 would reauthorize the Sport Fish Restoration and Boating Trust Fund (the Fund) and its various uses through the end of fiscal year (FY) 2021.

BACKGROUND AND NEEDS

Recreational fishing and boating provides substantial economic opportunities and benefits to the Nation. According to the National Marine Fisheries Service, in 2011 marine recreational anglers in the United States spent $23.4 billion, with an estimated $56 billion impact on the U.S. economy.¹ The Coast Guard reports in 2011 there were 12,505,656 recreational vessels registered in the United States.² According to the National Marine Manufacturers Association, which represents more than 1,300 boat builders and other ma-

² United States Coast Guard, Recreational Boating Statistics 2011 at 5.
The Fund is the mainstay of funding for State and Federal sport fish conservation and recreational boating safety efforts in support of the U.S. angling and boating community. Types of programs supported by the Fund include those dealing with coastal wetlands conservation and restoration, recreational vessel sewage disposal, interstate fishery commissions, multistate conservation grants, and fish species restoration projects. Funds go to State projects designed to enhance sport fish conservation in the States and to assist States in establishing and maintaining recreational boating safety programs.

The Fund receives income from the following five sources: (1) motorboat fuel taxes; (2) annual tax receipts from small engine fuel used for outdoor power equipment; (3) a manufacturers' excise tax on sport fishing equipment; (4) import duties on fishing tackle and on yachts and pleasure craft; and (5) interest on funds invested prior to disbursal. In FY 2013, the Fund received a total of $595 million from these five sources.

All moneys received in a given fiscal year are apportioned to the States in the following fiscal year. Fund receipts are made available for eight different authorized uses, based on a statutory formula division of appropriations, as follows:

- 18.5 percent to coastal wetlands programs, of which 70 percent is provided for the Corps of Engineers Louisiana Coastal Wetlands Restoration Program, 15 percent is provided to the National Coastal Wetlands Conservation Grants Program, and 15 percent is provided for the North American Wetlands Conservation Fund;4
- 18.5 percent to the U.S. Coast Guard’s Office of Boating Safety to provide grants to States and nonprofit organizations for the development and implementation of a coordinated national recreational boating safety program;5
- 2 percent to a competitive grant program for States to construct pump-out and dump stations to dispose of vessel sewage from recreational boaters;6
- 2 percent to a competitive grant program that provides matching funds to States to install or upgrade docking facilities for transient recreational boats;7
- 2 percent to the Recreational Boating and Fishing Foundation, a tax-exempt corporation established in 1998 to carry out a National Outreach and Communications Program which provides grants to increase participation in recreational boating and fishing and to encourage greater public involvement in aquatic stewardship;8
- up to $3 million annually to the Secretary of the Interior for a multistate conservation grant program;9

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5 Id. § 777c(a)(2).
6 Id. § 777c(a)(3).
7 Id. § 777c(a)(4).
8 Id. § 777c(a)(5).
9 Id. § 777m(a).
• $200,000 annually to each of the Atlantic States Marine Fisheries Commission, the Gulf States Marine Fisheries Commission, the Pacific States Marine Fisheries Commission, and the Great Lakes Fisheries Commission, and $400,000 annually to the Sport Fishing and Boating Partnership Council;10 and
• the residuum of Fund receipts to the U.S. Fish and Wildlife Service Sport Fish Restoration Program, under which funding is apportioned to States on a formula basis.11

**SUMMARY OF PROVISIONS**

S. 2028, the Sport Fish Restoration and Recreational Boating Safety Act of 2014, would reauthorize the Fund and provide for maximum amounts that can be spent on administration of Trust Fund programs.

**LEGISLATIVE HISTORY**

S. 2028, the Sport Fish Restoration and Recreational Boating Safety Act of 2014, was introduced by Senators Rockefeller and Thune on February 12, 2014, and referred to the Committee on Commerce, Science, and Transportation. On April 9, 2014, the Committee met in open Executive Session and, by a voice vote, ordered S. 2028 reported without amendment.

**ESTIMATED COSTS**

In accordance with paragraph 11(a) of rule XXVI of the Standing Rules of the Senate and section 403 of the Congressional Budget Act of 1974, the Committee provides the following cost estimate, prepared by the Congressional Budget Office:

*S. 2028—Sport Fish Restoration and Recreational Boating Safety Act of 2014*

S. 2028 would reauthorize and modify the current formula used to distribute funds from the Sport Fish Restoration and Boating Trust Fund (SFRBTF) through 2021. CBO estimates the legislation would have no significant effect on the federal budget.

The legislation would adjust the allocation of amounts from the SFRBTF to programs related to sport fish restoration, boating safety, and coastal wetlands restoration under the Federal Aid Sport Fish Restoration Act, but would not affect the overall amounts spent from the fund.

Grants for coastal wetland projects, sport fish restoration, and boating safety are financed by excise taxes and other collections deposited into the SFRBTF. Each program receives direct spending authority equal to a specified allocation of the fund's income. The bill would change how those amounts are allocated from the trust fund after 2014. That change could have a minor effect on the rate of spending; however, the legislation would not change the amount available to be spent from the fund. Because enacting S. 2028 could affect direct spending pay-as-you-go procedures apply. However, CBO estimates that any change in direct spending would be insignificant for each year. Enacting the bill would not affect revenues.

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10 Id. § 777m(e).
11 Id. § 777(c).
S. 2028 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act and would impose no costs on state, local, or tribal governments.

The CBO staff contact for this estimate is Martin von Gnechten. The estimate was approved by Theresa Gullo, Deputy Assistant Director for Budget Analysis.

REGULATORY IMPACT

In accordance with paragraph 11(b) of rule XXVI of the Standing Rules of the Senate, the Committee provides the following evaluation of the regulatory impact of the legislation, as reported:

NUMBER OF PERSONS COVERED

S. 2028 as reported would not create any new programs or impose any new regulatory requirements, and therefore would not subject any individuals or businesses to new regulations.

ECONOMIC IMPACT

Enactment of this legislation is not expected to have any significant adverse impacts on the Nation's economy. To the contrary, if the current statutory authority for the Fund is allowed to expire due to failure to enact S. 2028 or similar reauthorization legislation, the loss of roughly $600 million in funding that is apportioned annually to the States for boating safety programs, boater education programs, and fish and habitat restoration programs is expected to have significant negative economic consequences.

PRIVACY

The bill would not impact the personal privacy of individuals.

PAPERWORK

S. 2028 would have no impact on paperwork requirements for individuals or businesses.

CONGRESSIONALLY DIRECTED SPENDING

In compliance with paragraph 4(b) of rule XLIV of the Standing Rules of the Senate, the Committee provides that no provisions contained in the bill, as reported, meet the definition of congressionally directed spending items under the rule.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This section would provide that this Act may be cited as the “Sport Fish Restoration and Recreational Boating Safety Act of 2014”.

Section 2. Division of annual appropriations

This section would amend section 4 of the Federal Aid in Fish Restoration Act (16 U.S.C. 777c) to authorize the formula division of appropriations of the Fund through FY 2021. It would increase the amounts authorized for use in covering the costs of administering the program by: (1) authorizing funding to the department
in which the Coast Guard is operating for administration of boating
safety programs paid for by the Fund; and (2) providing a formula
for maximum amounts that the Secretary of Interior may use from
the Fund to administer sportfish and habitat restoration programs.
This section would also make necessary technical and conforming
amendments to related authorities in section 4 of that Act.

Section 3. Extension of exception to limitation on transfers to fund

This section would amend section 9504(d)(2) of the Internal Rev-
enue Code of 1986 to extend until September 30, 2021, the current
exception that allows transfer to the Fund of expenditures to liq-
uidate obligations entered into prior to that date.

Section 4. Recreational boating safety allocations

This section would strike subsection (c) of section 13104 of title
46, United States Code, which currently authorizes the Secretary
of the department in which the Coast Guard is operating to allo-
cate not more than 5 percent of available funds for distribution to
national nonprofit public service organizations.

Section 5. Recreational boating safety

This section would make necessary technical and conforming
amendments to title 46, United States Code.

Section 6. National Boating Safety Advisory Council

This section would amend section 13110(e) of title 46, United
States Code, to authorize the Coast Guard’s National Boating Safe-
ty Advisory Council through September 30, 2021.

Changes in Existing Law

In compliance with paragraph 12 of rule XXVI of the Standing
Rules of the Senate, changes in existing law made by the bill, as
reported, are shown as follows (existing law proposed to be omitted
is enclosed in black brackets, new material is printed in italic, ex-
isting law in which no change is proposed is shown in roman):

FEDERAL AID IN FISH RESTORATION ACT

SEC. 4. DIVISION OF ANNUAL APPROPRIATIONS.

(a) In General.—For each fiscal year through [2014] 2021, the
balance of each annual appropriation made in accordance with the
provisions of section 3 remaining after the distributions for admin-
istrative expenses and other purposes under subsection (b) and for
multistate conservation grants under section 14 shall be distrib-
uted as follows:

(1) Coastal Wetlands.—An amount equal to 18.5 percent to
the Secretary of the Interior for distribution as provided in the
Coastal Wetlands Planning, Protection, and Restoration Act
(16 U.S.C. 3951 et seq.).

(2) Boating Safety.—An amount equal to 18.5 percent to
the Secretary of the department in which the Coast Guard is
operating for State recreational boating safety programs under
section 13107 of title 46, United States Code.
(3) Clean Vessel Act.—An amount equal to 2.0 percent to the Secretary of the Interior for qualified projects under section 5604(c) of the Clean Vessel Act of 1992 (33 U.S.C. 1322 note).

(4) Boating Infrastructure.—An amount equal to 2.0 percent to the Secretary of the Interior for obligation for qualified projects under section 7404(d) of the Sportfishing and Boating Safety Act of 1998 (16 U.S.C. 777g–1(d)).

(5) National Outreach and Communications.—An amount equal to 2.0 percent to the Secretary of the Interior for the National Outreach and Communications Program under section 8(d) of this Act. Such amounts shall remain available for 3 fiscal years, after which any portion thereof that is unobligated by the Secretary for that program may be expended by the Secretary under subsection (c) of this section.

(b) [Set-aside for Expenses for Administration of the Dingell-Johnson Sport Fish Restoration Act] Set-Asides.—

(1) In general.—

(A) Set-aside for Administration.—From the annual appropriation made in accordance with section 3, for each fiscal year through 2014, the Secretary of the Interior may use no more than the amount specified in subparagraph (B) for the fiscal year for expenses for administration incurred in the implementation of this Act, in accordance with this section and section 9. The amount specified in subparagraph (B) for a fiscal year may not be included in the amount of the annual appropriation distributed under subsection (a) for the fiscal year.

(B) Available Amounts.—The available amount referred to in subparagraph (A) is—

(i) for each of fiscal years 2001 and 2002, $9,000,000; fiscal year 2015, $11,896,000;

(ii) for fiscal year 2003, $8,212,000; fiscal year 2016, $12,299,000; and

(iii) for fiscal year 2004 and each fiscal year thereafter, the sum of—

(I) the available amount for the preceding fiscal year; and

(II) the amount determined by multiplying—

(aa) the available amount for the preceding fiscal year; and

(bb) the change, relative to the preceding fiscal year, in the Consumer Price Index for All Urban Consumers published by the Department of Labor.

(C) Set-aside for Boating Safety.—

(i) In general.—From the annual appropriation made in accordance with section 3, for each fiscal year through 2021, the Secretary shall transfer to the Secretary of the department in which the Coast Guard is operating—

(I) $5,000,000 for the purposes set forth in section 13107(c) of title 46, United States Code;

(II) $200,000 to fund the National Boating Safety Advisory Council established under section
13110 of title 46, United States Code, and the authorized activities of the Council; and

(III) not less than $7,000,000 for national boating safety activities of national nonprofit public service organizations, and such sums made available for allocation and distribution shall remain available until expended.

(ii) LIMITATION.—The amounts specified in clause (i) for a fiscal year may not be included in the amount of the annual appropriation distributed under subsection (a) of this section for the fiscal year.

(2) PERIOD OF AVAILABILITY; APPORTIONMENT OF UNOBLIGATED AMOUNTS.—

(A) Period of availability.—For each fiscal year, the available amount under paragraph (1) shall remain available for obligation for use under that paragraph under paragraph (1)(B) shall remain available for obligation for use under paragraph (1)(A) until the end of the fiscal year.

(B) Appportionment of unobligated amounts.—Not later than 60 days after the end of a fiscal year, the Secretary of the Interior shall apportion among the States any of the available amount under paragraph (1) under paragraph (1)(B) that remains unobligated at the end of the fiscal year, on the same basis and in the same manner as other amounts made available under this Act are apportioned among the States under subsection (c) for the fiscal year.

(c) Appportionment among States.—The Secretary after the distribution, transfer, use and deduction under subsection (b), and after deducting amounts used for grants under section 14 of this title, shall apportion 57 percent of the balance of each such annual appropriation among the several States in the following manner: 40 percent in the ratio which the area of each State including coastal and Great Lakes waters (as determined by the Secretary of the Interior) bears to the total area of all the States, and 60 percent in the ratio which the number of persons holding paid licenses to fish for sport or recreation in the State in the second fiscal year preceding the fiscal year for which such apportionment is made, as certified to said Secretary by the State fish and game departments, bears to the number of such persons in all the States. Such apportionments shall be adjusted equitably so that no State shall receive less than 1 percent nor more than 5 percent of the total amount apportioned. Where the apportionment to any State under this section is less than $4,500 annually, the Secretary of the Interior may allocate not more than $4,500 of said appropriation to said State to carry out the purposes of this Act when said State certifies to the Secretary of the Interior that it has set aside not less than $1,500 from its fish-and-game funds or has made, through its legislature, an appropriation in this amount for said purposes.

(d) Unallocated Funds.—[So much of any sum not allocated] Except as otherwise provided in this section, so much of any sum not allocated under the provisions of this section for any fiscal year is hereby authorized to be made available for expenditure to carry out the purposes of this Act until the close of the succeeding fiscal year. The term fiscal year as used in this section shall be a period
of twelve consecutive months from October 1 through the succeeding September 30, except that the period for enumeration of persons holding licenses to fish shall be a State's fiscal or license year.

(e) EXPENSES FOR ADMINISTRATION OF CERTAIN PROGRAMS.—

(1) IN GENERAL.—For each fiscal year, of the amounts appropriated under section 3, the Secretary of the Interior shall use only funds authorized for use under paragraphs (1), (3), (4), and (5) of subsection (a) to pay the expenses for administration incurred in carrying out the provisions of law referred to in [those subsections] those paragraphs, respectively.

(2) MAXIMUM AMOUNT.—For each fiscal year, the Secretary of the Interior may use not more than $900,000 in accordance with paragraph (1).

(2) MAXIMUM AMOUNT.—For fiscal year 2015, the Secretary of the Interior may use not more than $1,200,000 in accordance with paragraph (1). For each fiscal year thereafter, the maximum amount that the Secretary of the Interior may use in accordance with paragraph (1) shall be determined under paragraph (3).

(3) ANNUAL ADJUSTED MAXIMUM AMOUNT.—The maximum amount referred to in paragraph (2) for fiscal year 2016 and each fiscal year thereafter shall be the sum of—

(A) the available maximum amount for the preceding fiscal year; and

(B) the amount determined by multiplying—

(i) the available maximum amount for the preceding fiscal year; and

(ii) the change, relative to the preceding fiscal year, in the Consumer Price Index for All Urban Consumers published by the Department of Labor.

(f) TRANSFER OF CERTAIN FUNDS.—Amounts available under paragraphs (3) and (4) of subsection (a) that are unobligated by the Secretary of the Interior after 3 fiscal years shall be transferred to the Secretary of the department in which the Coast Guard is operating and shall be expended for State recreational boating safety programs under section 13107(a) of title 46, United States Code.

INTERNAL REVENUE CODE OF 1986

[26 U.S.C. 9504]

SEC. 9504. SPORT FISH RESTORATION AND BOATING TRUST FUND.

(d) LIMITATION ON TRANSFERS TO TRUST FUND.—

(1) IN GENERAL.—Except as provided in paragraph (2), no amount may be appropriated or paid to the Sport Fish Restoration and Boating Trust Fund on and after the date of any expenditure from such Trust Fund which is not permitted by this section. The determination of whether an expenditure is so permitted shall be made without regard to—

(A) any provision of law which is not contained or referenced in this title or in a revenue Act, and

(B) whether such provision of law is a subsequently enacted provision or directly or indirectly seeks to waive the application of this subsection.
(2) EXCEPTION FOR PRIOR OBLIGATIONS.—Paragraph (1) shall not apply to any expenditure to liquidate any contract entered into (or for any amount otherwise obligated) before October 1, 2014, in accordance with the provisions of this section.

(e) CROSS REFERENCE.—For provision transferring motorboat fuels taxes to Sport Fish Restoration and Boating Trust Fund, see section 9503(c)(3).

TITLE 46. SHIPPING

SUBTITLE II. VESSELS AND SEAMEN

PART I. STATE BOATING SAFETY PROGRAMS

CHAPTER 131. RECREATIONAL BOATING SAFETY

§ 13104. Allocations.

(a) The Secretary shall allocate amounts available for allocation and distribution under this chapter for State recreational boating safety programs as follows:

(1) One-third shall be allocated equally each fiscal year among eligible States.

(2) One-third shall be allocated among eligible States that maintain a State vessel numbering system approved under chapter 123 of this title and a marine casualty reporting system approved under this chapter so that the amount allocated each fiscal year to each eligible State will be in the same ratio as the number of vessels numbered in that State bears to the number of vessels numbered in all eligible States.

(3) One-third shall be allocated so that the amount allocated each fiscal year to each eligible State will be in the same ratio as the amount of State amounts expended by the State for the State recreational boating safety program during the prior fiscal year bears to the total State amounts expended during that fiscal year by all eligible States for State recreational boating safety programs.

(b) The amount received by a State under this section in a fiscal year may be not more than one-half of the total cost incurred by that State in developing, carrying out, and financing that State's recreational boating safety program in that fiscal year.

(c) The Secretary may allocate not more than 5 percent of the amounts available for allocation and distribution in a fiscal year for national boating safety activities of national nonprofit public service organizations.

§ 13107. Authorization of appropriations

(a)(1) Subject to paragraph (2) and subsection (c), the Secretary shall expend in each fiscal year for State recreational boating safety programs, under contracts with States under this chapter, an amount equal to the sum of (A) the amount made available from the Boat Safety Account for that fiscal year under section 15 of the Dingell-Johnson Sport Fish Restoration Act and (B) the amount transferred to the Secretary under subsections (a)(2) and (f) of section 4 of the Dingell-Johnson Sport Fish Restoration Act (16 U.S.C. 777c(a)(2) and (f)). The amount shall be allocated as provided under section 13104 of this title and shall be available for
State recreational boating safety programs as provided under the guidelines established under subsection (b) of this section. Amounts authorized to be expended for State recreational boating safety programs shall remain available until expended and are deemed to have been expended only if an amount equal to the total amounts authorized to be expended under this section for the fiscal year in question and all prior fiscal years have been obligated. Amounts previously obligated but released by payment of a final voucher or modification of a program acceptance shall be credited to the balance of unobligated amounts and are immediately available for expenditure.

(2) The Secretary shall use not more than two percent of the amount available each fiscal year for State recreational boating safety programs under this chapter to pay the costs of investigations, personnel, and activities related to administering those programs.

(b) The Secretary shall establish guidelines prescribing the purposes for which amounts available under this chapter for State recreational boating safety programs may be used. Those purposes shall include—

(1) providing facilities, equipment, and supplies for boating safety education and law enforcement, including purchase, operation, maintenance, and repair;
(2) training personnel in skills related to boating safety and to the enforcement of boating safety laws and regulations;
(3) providing public boating safety education, including educational programs and lectures, to the boating community and the public school system;
(4) acquiring, constructing, or repairing public access sites used primarily by recreational boaters;
(5) conducting boating safety inspections and marine casualty investigations;
(6) establishing and maintaining emergency or search and rescue facilities, and providing emergency or search and rescue assistance;
(7) establishing and maintaining waterway markers and other appropriate aids to navigation; and
(8) providing State recreational vessel numbering and titling programs.

(c)(1) Of the amount transferred to the Secretary under subsection (a)(2) of section 4 of the Dingell-Johnson Sport Fish Restoration Act [(16 U.S.C. 777c(a)(2))], $5,500,000 is available to the Secretary for payment of expenses of the Coast Guard for personnel and activities directly related to coordinating and carrying out the national recreational boating safety program under this title, of which not less than $2,000,000 shall be available to the Secretary only to ensure compliance with chapter 43 of this title. [(16 U.S.C. 777c(b)(1)(C)) —

(A) $5,000,000 is available to the Secretary for payment of expenses of the Coast Guard for personnel and activities directly related to coordinating and carrying out the national recreational boating safety program under this title, of which not less than $2,000,000 shall be available to the Secretary only to ensure compliance with chapter 43 of this title;
(B) $200,000 is available to the Secretary to fund the National Boating Safety Advisory Council and its authorized activities; and
(C) not less than $7,000,000 is available to the Secretary for national boating safety activities of national non-profit public service organizations.

(2) No funds available to the Secretary under this subsection may be used to replace funding traditionally provided through general appropriations, nor for any purposes except those purposes authorized by this section.

(3) Amounts made available by paragraph (1)(C), amounts made available by this subsection shall remain available during the 2 succeeding fiscal years. Any amount that is unexpended or unobligated at the end of the 3-year period during which it is available shall be withdrawn by the Secretary and allocated to the States in addition to any other amounts available for allocation in the fiscal year in which they are withdrawn or the following fiscal year.

(4) The Secretary shall publish annually in the Federal Register a detailed accounting of the projects, programs, and activities funded under this subsection.

§ 13110. National Boating Safety Advisory Council

(a) The Secretary shall establish a National Boating Safety Advisory Council. The Council shall consist of 21 members appointed by the Secretary, whom the Secretary considers to have a particular expertise, knowledge, and experience in recreational boating safety.

(b)(1) The membership of the Council shall consist of—
   (A) 7 representatives of State officials responsible for State boating safety programs;
   (B) 7 representatives of recreational vessel manufacturers and associated equipment manufacturers; and
   (C) 7 representatives of national recreational boating organizations and from the general public, at least 5 of whom shall be representatives of national recreational boating organizations.

   (2) Additional individuals from the sources referred to in paragraph (1) of this subsection may be appointed to panels of the Council to assist the Council in performing its duties.

   (3) At least once a year, the Secretary shall publish a notice in the Federal Register soliciting nominations for membership on the Council.

(c) In addition to the consultation required by section 4302 of this title, the Secretary shall consult with the Council on other major boating safety matters related to this chapter. The Council may make available to Congress information, advice, and recommendations that the Council is authorized to give to the Secretary.

(d) When serving away from home or regular place of business, the member may be allowed travel expenses, including per diem in lieu of subsistence as authorized by section 5703 of title 5 for individuals employed intermittently in the Government service. A payment under this section does not make a member of the Council an officer or employee of the United States Government for any purpose.