

## WHO MUST BE LICENSED

A Maryland Boat Dealer's license is required to engage in the business of buying, selling, or exchanging vessels in Maryland. Maryland Annotated Code Natural Resources Article, Title 8 Waters, Subtitle 7 State Boat Act defines "dealer" as any person who is in the business of buying, selling, or exchanging new and/or used vessels either outright or on conditional sale, bailment, lease, chattel mortgage, or otherwise, and has an established place of business for sale, trade, and display of vessels. A "dealer" is further defined as a yacht broker and a holder of a lien created under Title 16, Subtitle 2 of the Commercial Law Article who sells the vessel pursuant to that title (including an auctioneer and a company commonly known as a lien and recovery company).

## LICENSING REQUIREMENTS

A person desiring to apply for a boat dealer license must be prepared to meet the following qualifications:

1. There must be a bona fide place of business located in Maryland for the sale, trade or display of vessels. The location must meet all local zoning regulations to allow for the sale of vessels. It must be in a fixed location, accessible to the public, and be of a size adequate and appropriate for the business being conducted. In cases where zoning classifications allow a home office, a license will be considered if all other criteria are met. Home offices must be separate from residential quarters and must have the appearance of an office. Zoning office approval must be submitted with the

application. The location is subject to inspection by an authorized representative of the Department of Natural Resources before approval of an application for a dealer license.

2. Business licenses required by the county or jurisdiction in which the business is to be located must be obtained. Dealers with inventory, new or used, are required to have a county trader's license displayed in a conspicuous place.

3. A business sign must be permanently posted and be large enough to be visible from the nearest street or highway. The sign must clearly identify the business conducted at the dealership and adequately direct customers to the dealership office. Size, location and design of sign will be governed by zoning regulations and may vary from jurisdiction to jurisdiction.

4. Each location must maintain a publicly listed business telephone answered during normal working hours.

5. A person proposing to sell new boats must provide a dealer agreement, franchise or some evidence of their arrangement with a boat manufacturer or distributor.

6. Applicant's for a manufacturer's/importer's license must provide the U.S. Coast Guard Manufacturer's Identification Code (MCI) prior to issuance of the license.

7. An application made in the name of a corporation must be signed by three

officers. Evidence of a closed corporation must be submitted when there are less than three officers.

8. A copy of the brokerage/sales contract must be provided.

9. The dealer's license issued by the Department must be displayed conspicuously in the dealer's place of business.

10. Dealership records regarding the purchase, sale, and transfer of vessels, collection and remittance of excise tax, title and registration fees, and the issuance of temporary registration decals must be maintained on the premises for a period of three (3) years and be available for inspection during regular business hours by authorized representatives of the Department.

## APPLICATION FOR BOAT DEALER LICENSE

An application must be filed with DNR Licensing and Registration Service on a form provided by the Department (DNR-B-141). Do not send the license fee or surety bond at the time of application. An on-site inspection of your business facility will be conducted by Department personnel, and you will be notified in writing of approval or denial of the application. Once approved, the license fee, bond and any additional information deemed necessary will be requested.

## LICENSE FEES

Upon notification of approval of the application, a license fee of \$25.00 must be paid to the Department. The

annual fee for renewal of the license is \$25.00.

## SURETY BONDS

Upon notification of approval of the application, a \$20,000 surety bond must be provided for each license to be issued. In subsequent license years, the amount of surety is determined by the gross sales for the previous year of business based on the following schedule:

- ❖ Gross annual sales of \$500,000 or less = \$5,000 bond
- ❖ Gross annual sales greater than \$500,000 but less than \$1,000,000 = \$10,000 bond
- ❖ Gross annual sales greater than \$1,000,000 but less than \$3,000,000 = \$20,000 bond
- ❖ Gross annual sales greater than \$3,000,000 = \$50,000 bond

## LICENSE PERIOD

Boat dealer licenses are issued on a calendar year basis, and are valid from the date of issuance or renewal through December 31 of each year. Proof of current surety bond will be required for renewal.

## LAWS, REGULATIONS AND PROCEDURES

A licensed dealer is required to understand and comply with all laws, regulations and procedures relating to the titling and registration of boats. A copy of Subtitle 7 of the Natural Resources Article, Annotated Code of Maryland, entitled, "State Boat Act" is on file at each of the Department's service centers and the public library. A Boat Dealer Manual will be provided when the license is issued.

## COLLECTION OF EXCISE TAX AND FEES

A licensed dealer must collect the applicable vessel excise tax and fees and forward them to their assigned Licensing and Registration Regional Service Center along with the appropriate documentation within 30 days of the date of sale or delivery of the vessel, whichever comes first.

## SUBMISSION OF APPLICATIONS/FORMS

Each boat dealer is assigned to and will be managed by a Licensing and Registration Regional Service Center based on the county in which the dealership is located. All applications, forms and requests for information are to be directed to the dealer's managing Service Center. Service Centers are open Monday-Friday, 8:30 a.m. to 4:30 p.m. We have a Service Center in Dundalk, however, no boat dealers are assigned to that office.

## LICENSING AND REGISTRATION SERVICE OFFICES

### ANNAPOLIS SERVICE CENTER

1804 West St, #300  
P.O. Box 1869  
Annapolis, MD 21404  
410-260-3220  
1-866-344-8889 (Toll free in MD)  
*Serving: AA, HO, MO & PG COUNTIES, AND  
BALTIMORE CITY*

### CENTRAL REGIONAL SERVICE CENTER

2 S Bond St  
Bel Air, MD 21014  
410-836-4550  
1-866-623-3187 (Toll free in MD)  
*Serving: BA, CE, CL & HA COUNTIES*

### EASTERN REGIONAL SERVICE CENTER

201 Baptist St., #22  
Salisbury, MD 21801  
410-713-3840  
1-866-812-1678 (Toll free in MD)  
*Serving: DO, SO, WI & WO COUNTIES*

### EAST CENTRAL REGIONAL SERVICE CENTER

120 Broadway Ave., Ste 5/6  
Centreville, MD 21617  
410-819-4100  
1-866-439-1708 (Toll free in MD)  
*Serving: CE, CO, KE, QA & TA COUNTIES*

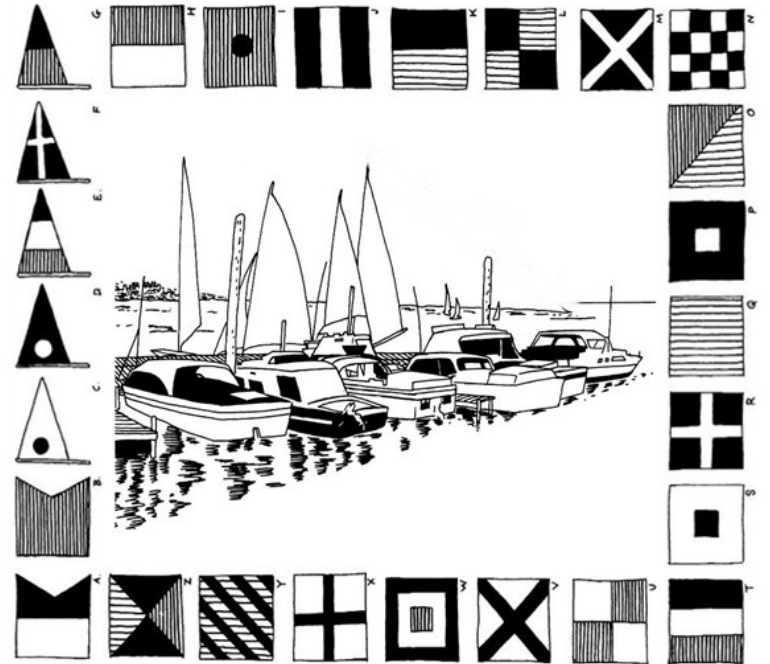
### WESTERN REGIONAL SERVICE CENTER

3 Pershing St., Room 103  
Cumberland, MD 21502  
301-777-2134  
1-866-679-0906 (Toll free in MD)  
*SERVING: FR, WA, AL & GA COUNTIES*

### SOUTHERN REGIONAL SERVICE CENTER

6904 Hallowing Lane  
Prince Frederick, MD 20678  
410-535-3382  
1-866-688-3823 (Toll free in MD)  
*SERVING: CA, CH, SM, PG & AA COUNTIES*

# STATE OF MARYLAND DEPARTMENT OF NATURAL RESOURCES



## GUIDE FOR BOAT DEALER LICENSE APPLICANTS