



Government Affairs Committee Meeting Notes

September 10th, 2026 – 10:30 AM

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Suggested notes:

- Watercraft Excise Tax Diversion Proposal: Jay, Tarin, Bob, Trevor, and James aligned against DNR's proposal to divert watercraft excise tax revenue to a private mooring-ball registration program, while coordinating respectful discussions with DNR and legislators about alternative funding.
 - DNR Proposal: DNR is pursuing legislation to dedicate part of the watercraft excise tax to a mooring-ball registration program. The proposal initially described a 5% diversion and was later reduced to 2.5%. The program would register private mooring balls, which are currently registered voluntarily, including balls located near residences or rented to others.
 - Industry Concerns: Jay and Tarin said NMTA and RBAW do not support taking watercraft excise tax revenue for this purpose. Their concern is that repeatedly allocating portions of the industry-funded revenue stream to individual programs would weaken recreational boating's ability to act as a gatekeeper over funds collected from boaters. Bob added that the proposed amount would not materially address the scale of the mooring-ball problem and that the program is not urgent compared with other boating priorities.
 - Program Challenges: Jay explained that registration could support an On Buoy-style system in which private buoy owners place their moorings into a rental pool, but significant unresolved issues remain, including state liability, responsibility for system failures, and who would cover damage to a boat or dock. The registration system may improve administration but does not resolve those broader risks.
 - Coordination With DNR: Jay and Roman said they were scheduled to meet with DNR on Monday, while Trevor noted that DNR had already heard the proposal's concerns in an earlier meeting but had not yet received the full industry response. James said WPPA was gathering detailed member feedback and intended to coordinate with NMTA and maintain its partnership with DNR while steering the agency toward another funding source.
- Derelict Vessel Program Funding: Participants reviewed the increasing demand on the Derelict Vessel Removal and Vessel Turn-In programs, discussed funding availability

and commercial-vessel use, and agreed that protecting the existing recreational boating allocation will remain a legislative priority.

- Program Demand: Jay reported that DNR has spent substantial funds on derelict vessels and that the recreational boating allocation is approximately \$4 million annually, or \$8 million per biennium. John cited a rise in completed removals from roughly 23 vessels in an earlier biennium to approximately 305 vessels in the current year, demonstrating increased program demand and the need for updated year-by-year data after 2021.
- Funding Protection: Jay said NMTA and its partners previously prevented proposed sweeps of Derelict Vessel Removal Program funds and intend to defend the allocation throughout the legislative session. Trevor said avoiding another sweep would remain on the legislative agenda because the proposal could reappear amid the state's budget deficit. Jay planned to raise the issue with Representative Reed, and the group expected budget negotiations to remain central throughout the 105-day session.
- Commercial Vessel Funding: Jay explained that commercial vessels contribute relatively little to the program compared with the demand they create for derelict-vessel removal and salvage. In response to Mary's question about using commercial fishing-license revenue for fishing-vessel deconstruction, Jay said commercial fishing fees or licensing revenue could be explored, but recreational watercraft excise tax funds should not be used. Commercial stakeholders have also stated that they do not want to increase demands on the existing derelict-vessel removal or turn-in programs.
- Turn-In Program Balance: Markham asked whether the Vessel Turn-In Program had run out of money after a customer was removed from the accepted queue. Jay said the program appeared to have little available funding and might be awaiting new appropriation or authorization, although the amount authorized could differ from the amount currently appropriated and spendable. Jay agreed to check with DNR for a more concrete balance.
- Root Causes: John asked whether legislators understand that some derelict vessels originate as inexpensive or donated boats used as housing and never properly registered. Jay acknowledged that housing instability, theft, and marina-related problems contribute to the issue, while noting that not every abandoned or unsafe boat fits that explanation. Participants emphasized that earlier intervention and a healthier turn-in program could remove vessels before they sink.
- Legislative And Budget Outlook: Jay and Roman said the 2027 legislative environment is expected to center on a significant budget deficit, taxes, and agency spending limits, with fewer major agency initiatives expected outside budget-related matters.
 - Agency Proposals: Jay said cabinet-level agencies must submit proposals by September 15 and are working through stakeholder outreach, tracking, and submission requirements. DNR is not a cabinet agency and therefore does not need all requests approved by the governor, although its watercraft excise tax proposal remains under discussion.

- Budget Conditions: Jay reported that state revenue and spending levels had improved somewhat compared with earlier expectations, but the budget remained substantially upside down. Agencies had been asked to identify cuts, although the request was not framed as a uniform 10% or 15% reduction. Roman said taxes and budgets would be the main issues, with outcomes also potentially affected by the income-tax discussion.
- Legislator Meeting: Jay said the team would meet with Representative Reed to discuss boating issues and identify proposals the industry supports or opposes. The group planned to explain that the recreational boating community supports the goal of DNR's mooring-ball initiative but opposes funding it through watercraft excise tax revenue, and Trevor recommended also raising the risk of future Derelict Vessel Removal Program sweeps.
- Other Maritime Issues: Jay expected more legislative activity involving commercial maritime matters, ports, scrubbers, and alternative fuels than involving recreational boating. Roman also reported that health-insurance premiums for businesses with fewer than 50 employees purchasing coverage through the exchange were expected to increase by 22% in 2027, following a 21% increase the prior year.
- Wake-Surfing And Boatyard Regulations: Jay described ongoing local wake-surfing restrictions and the Department of Ecology's review of boatyard permit standards and fees, with the team providing local stakeholders guidance and monitoring regulatory changes.
 - Wake-Surfing Restrictions: Jay said wake-surfing bans and restrictions continue to arise on lakes across Washington, including in Mason County. NMTA is providing local groups with model legislation and talking points addressing impacts, noise, safety, and water access, while encouraging committees developing local regulations to consider the full range of issues rather than focusing narrowly on one activity.
 - Boatyard Permit Revision: Jay reported that the boatyard permit revision is underway and that NMTA has participated in discussions about permit parameters and benchmarks. Jay's position is that the existing science-based benchmarks were effective and should not be made more restrictive. They expect some changes but do not currently anticipate major changes to the permit's core elements.
 - Permit Fee Review: The Department of Ecology has a separate fee-review group examining whether boatyard permit fees should reflect usage and permit elements rather than remain a flat fee. Jay asked whether the review was intended to be revenue-neutral or to raise money; Ecology said it was assessing equity and usage, not seeking new revenue. Permit holders received an explanatory letter, and no immediate action was required beyond monitoring the review.
- Transportation Agency Follow-Up: Sam reported that discussions with the Department of Transportation regarding transportation and fish-impact concerns had stalled after a leadership change, leaving stakeholders back at the starting point.

- Leadership Change: Sam said the Department of Transportation had previously promised changes, but none had occurred after a change in leadership. Their recent follow-ups were met with statements that the agency had never agreed to the earlier commitments, so Sam planned to continue checking in approximately once or twice a month.
- Upcoming Committee Coordination: Jay and Tarin closed by encouraging participants to submit additional issues, attend the October Marine and Boatyard Conference, and prepare for continued legislative engagement through the next scheduled committee meeting.
 - Upcoming Events: Jay said preparations were underway for the Marine and Boatyard Conference in October and invited participants to attend. The next scheduled Government Affairs Committee meeting was November 12, although Jay noted that scheduling could change if state-level activity required an earlier or rescheduled meeting.
 - Ongoing Outreach: Jay invited participants to raise issues for discussion at the next meeting or contact them directly with ideas and questions. Tarin asked everyone to remain prepared for the legislative session and the issues that may arise.

Suggested tasks:

- Mooring Buoy Funding: Communicate NMTA, RBAW, and WPPA's coordinated opposition to diverting watercraft excise-tax revenue for the DNR mooring-buoy registration program while recognizing the program's objectives and partnership with DNR. (Jay, Tarin, Trevor, James)
- DNR Legislative Meeting: Address the mooring-buoy funding proposal and protection of the Derelict Vessel Removal Program funds during the meeting with DNR. (Roman, Jay, Trevor)
- Derelict Vessel Data: Obtain updated biennium-by-biennium data on vessels removed through the Derelict Vessel Removal Program from 2021 onward and share it with the group. (John)
- Derelict Vessel Funding: Raise protection of Derelict Vessel Removal Program funding with Representative Reed and maintain it as a legislative priority to prevent future budget sweeps. (Jay, Trevor)
- Vessel Turn-In Funding: Confirm the current balance and spending authority for the vessel turn-in program, including whether funds are authorized but not yet appropriated, and report back to Markham. (Jay)