

**Summary of proposed changes to Watercraft for Hire Code**

<b>What lead to the LMCD creating a watercraft for hire workgroup to review and make recommendations on the watercraft for hire code?</b>	Over the course of the past two years, LMCD staff has received applications to register watercrafts that typically would be considered more for personal use as a "watercraft for hire". These watercraft did not fit the profile of a typical charter boat and some were stored at residential properties, which LMCD code does not allow. Another change to the typical applicant profile was that some of the applicants were not also planning on applying for a alcoholic beverage license.
<b>Goals of the watercraft for hire workgroup:</b>	(1). Create code that is comprehensive, clear, understandable, and provides an even playing field for all applicants, (2). Create code that is comprehensive in the event that an applicant only applies for a watercraft for hire registration (does not also apply for an alcoholic beverage license), and (3). Consider an exemption from the watercraft for hire code for watercraft for hire with 6 passengers or less.

<p><b>Analysis of the existing watercraft for hire code by workgroup:</b></p>	<p>The LMCD's existing watercraft for hire code served the Lake Minnetonka community well for many years. Relative to the existing code and the goals of the workgroup, the workgroup found that (1). The current code is <u>not</u> comprehensive in the event that an applicant only applies for a watercraft for hire registration (does not also apply for an alcoholic beverage license), (2).The current code is <u>not</u> comprehensive or clear in addressing where a watercraft for hire must be stored (must be stored at a commercial marina, not at a residential dock), (3). The current code does <u>not</u> contain an exemption for a watercraft for hire with 6 passengers or less, (4). The current code is generally clear, understandable and provides an even playing field for all applicants.</p>
<p><b>Proposed change #1:</b></p>	<p>Change from "registering" watercraft for hire to "licensing" watercraft for hire. This way, in the event that a licensee is not complying with code, the license can be revoked.</p>

<b>Proposed change #2:</b>	Add provisions to Chapter 1 of the code that promotes public safety in the event that an applicant only applies for a watercraft for hire license only and not a alcoholic beverage license. Provisions added to the Chapter 1 code include requiring any watercraft for hire to have adequate restroom facilities, require that any watercraft for hire has the required designated ports of call, require that the licensee receives mandatory training, require that the watercraft receives the required inspections, require that no watercraft for hire can be stored at a residential dock or property, require that no licensee shall sell or provide alcohol or intoxicating substances without the required license, and require that no licensee shall sell or provide food without the required health department inspections. Most of these items were only contained in the Chapter 3 code. In the past, pretty much all registered watercraft for hire also had an alcoholic beverage license so it wasn't an issue. The code prohibiting storing a watercraft for hire watercraft at a residential property was in a different section of the code. To increase clarity, we also inserted into the Chapter 1 watercraft for hire code.

<b>Proposed change #3:</b>	The workgroup is proposing an exemption (with conditions) from many of the provisions of the watercraft for hire code for any watercraft for hire with 6 passengers or less. This will cover all or most of the fishing charters and any watercraft for hire with 6 passengers or less. The entirety of the proposed code is as follows:
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Operators of watercraft for hire shall be exempt from the requirement of a watercraft for hire license if the operators meet all of the following requirements: (a) The watercraft is carrying 6 or fewer passengers for hire. (b) The watercraft is 25 feet in length or less. (c) No passenger is loaded at any residential property or residential dock. (d) No person shall directly or indirectly deal in, sell, or keep for sale on any watercraft carrying passengers any alcoholic beverages or intoxicating substances (including marijuana) without first obtaining a license to do so from the LMCD as provided in Chapter 3: Alcoholic Beverages and Licensing. No person shall provide or serve any liquids for the purpose of mixing with intoxicating liquor. A passenger for hire may bring and consume alcoholic beverages provided such person is of legal age. (e) No Licensee person operating a watercraft for hire shall provide, directly or indirectly deal in, sell, or keep for sale on any watercraft carrying passengers for hire a a watercraft for hire watercraft at a residential property was in a different section of the code. To increase clarity, we also inserted into the Chapter 1 watercraft for hire code. spection. A passenger on a watercraft for hire that is exempt from licensing may bring and consume their own food and beverages. (f) Any person or watercraft carrying a passenger for hire must have a current liability insurance policy that covers carrying passengers for hire in accordance with then-current LMCD requirements. (g) The operator does not hold a watercraft-for-hire license for the exempt watercraft.