At the end of title XXXV add the following:

SEC. ___ APPLICATION OF LAW.

Section 4301 of title 46, United States Code, is amended by adding at the end the following:

“(d) For purposes of any Federal law except the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), any vessel, including a foreign vessel, being repaired or dismantled is deemed to be a recreational vessel, as defined under section 2101(25), during such repair or dismantling, if that vessel—

“(1) shares elements of design and construction of traditional recreational vessels (as so defined); and

“(2) when operating is not normally engaged in a military, commercial, or traditionally commercial undertaking.”.