

CHAPTER 52**(HB 202)**

AN ACT relating to watercraft.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 136.1801 is amended to read as follows:

As used in KRS 136.1801 to 136.1806:

- (1) "Corporation" means any corporation, company, association, partnership, limited liability company, limited liability partnership, other business association, or person operating any watercraft for commercial purposes in the Commonwealth;
- (2) "Watercraft" means any boat, towboat, pushboat, barge, or similar vessel. Watercraft shall not include:
 - (a) Floating equipment used in construction, including but not limited to dredges, pile drivers, and flats;
 - (b) Houseboats;
 - (c) Fishing boats;
 - (d) Pleasure boats; or
 - (e) Commercial dining boats;
- (3) "Department" means the Department of Revenue;
- (4) "Operating" or "operated" means owned, leased, rented, or used;
- (5) "Local taxing district" means a local taxing jurisdiction or district, including a county, city, charter county, school district, consolidated local government, urban-county government, and special taxing district, which has a navigable waterway within its borders; and
- (6) "Navigable waterway" means and shall include the following:
 - (a) All of the Mississippi River within or bordering this state;
 - (b) All of the Ohio River within or bordering this state;
 - (c) The Kentucky River beginning at Ohio River mile marker 545.8 and ending at Kentucky River mile marker ~~65~~⁷⁶;
 - (d) The Green River beginning at Ohio River mile marker 784.4 and ending at Green River mile marker ~~108.9~~¹⁴³;
 - (e) The Tennessee River beginning at Ohio River mile marker 934.5 and ending at Tennessee River mile marker 62.4;
 - (f) The Cumberland River beginning at Ohio River mile marker ~~922.5~~^{920.5} and ending at Cumberland River mile marker 74.7;
 - (g) The Big Sandy River beginning at Ohio River mile marker 317.2 and ending at Big Sandy River mile marker 14.2;
 - (h) The Licking River beginning at Ohio River mile marker 470.2 and ending at Licking River mile marker ~~7~~⁸; and
 - (i) Any other waterway in this state utilized by a corporation for the transportation of watercraft during the previous calendar year.

➔Section 2. KRS 136.1803 is amended to read as follows:

On or before ~~May 15, 2009~~^{January 1, 2008}, and each ~~May 15~~^{year} thereafter, each corporation operating watercraft within this state during the previous calendar year shall file on forms prescribed by the department, a detailed description of all watercraft it operated as of January 1 of the current year.

➔Section 3. KRS 136.1804 is amended to read as follows:

- (1) The department shall notify the corporation of the assessed value of its watercraft ~~[by July 1 of]~~ each year, *as soon as possible after rates set by local authorities are provided to the department*. The corporation shall have forty-five (45) days from the date of the department's notice of assessment to protest as provided by KRS 131.110.
- (2) No appeal shall delay the collection or payment of taxes based upon the assessment in controversy. The corporation shall pay to the department all state and local taxing district taxes due on the undisputed value of its watercraft as stated in the protest filed under KRS 131.110. When the valuation is finally determined upon appeal, the corporation shall be billed for any additional tax and interest at the tax interest rate as defined in KRS 131.010(6) from the date the tax would have become due if the assessment had not been appealed. The provisions of KRS 134.390 shall apply to the tax bill.
- (3) The state and local taxing district taxes on the watercraft are due forty-five (45) days from the date of notice of assessment. The tangible property taxes on watercraft shall be collected in accordance with the provisions of KRS 134.020.
- (4) The state rate of taxation on watercraft shall be forty-five cents (\$0.45) upon each one hundred dollars (\$100) of assessed value of the watercraft.
- (5) The department shall annually calculate an aggregate local rate, which shall be imposed upon each one hundred dollars (\$100) of assessed value of the watercraft.
 - (a) The aggregate local rate shall be the sum of each local personal property tax rate for each local taxing district multiplied by a fraction, the numerator of which shall be the length of the navigable waterways in the local taxing district and the denominator of which shall be the total of the length of all navigable waterways in this state. Both the numerator and the denominator shall be adjusted, if necessary, by paragraph (b) of this subsection.
 - (b) For purposes of computing the local property tax rate in paragraph (a) of this section, the length of the navigable waterways of the Green River shall be reduced by fifty percent (50%) and the length of the navigable waterways of the Kentucky River shall be reduced by seventy-five percent (75%).
- (6) The watercraft taxes collected for local taxing districts by the department shall be distributed to each local taxing district based upon the local taxing district's fractional portion of the amount calculated in subsection (5) of this section.
- (7) Prior to distribution of taxes to local taxing districts, the department shall retain an administrative fee of one percent (1%) of the amount due each district. The fee imposed by this subsection shall have no effect upon the discount provided to taxpayers pursuant to KRS 134.020(2).

Signed by the Governor March 20, 2009.