

1 AN ACT relating to motorboats and making an appropriation therefor.

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

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 132 IS CREATED TO  
4 READ AS FOLLOWS:

5 *Federally documented vessels not used in the business of transporting persons or*  
6 *property for compensation or hire, or for other commercial purposes, shall be exempt*  
7 *from state and local ad valorem taxes, including in the county, city, school, and other*  
8 *taxing district in which it has a taxable situs.*

9 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 235 IS CREATED TO  
10 READ AS FOLLOWS:

11 *(1) (a) Except as provided in paragraph (b) of this subsection, beginning January*  
12 *1, 2022, the owner or operator of any motorboat on the waters of the*  
13 *Commonwealth shall pay an annual waterway usage fee, when the*  
14 *motorboat is:*

15 *1. Documented with the United States Coast Guard;*

16 *2. Not primarily located in the Commonwealth; or*

17 *3. Not registered in accordance with KRS 235.040.*

18 *(b) The waterway usage fee shall not apply when a motorboat is owned by the*  
19 *United States, a state, or a subdivision thereof and is on the waters of the*  
20 *Commonwealth for official government use.*

21 *(2) The amount of the annual waterway usage fee shall be as follows:*

22 *(a) Twenty-five dollars (\$25) for motorboats that are under sixteen (16) feet in*  
23 *length;*

24 *(b) Fifty dollars (\$50) for motorboats that are at least sixteen (16) feet in*  
25 *length, but less than twenty-six (26) feet in length;*

26 *(c) One hundred dollars (\$100) for motorboats that are at least twenty-six (26)*  
27 *feet in length, but less than forty (40) feet in length; and*

1 (d) Two hundred fifty dollars (\$250) for motorboats that are at least forty (40)  
2 feet in length or greater.

3 (3) The waterway usage fee shall be in addition to any other fees assessed on the  
4 motorboat.

5 (4) All moneys derived from the collection of the waterway usage fee shall be  
6 promptly remitted to the State Treasurer for deposit into the waterway usage fund  
7 established in Section 3 of this Act, except for the transaction fee permitted by  
8 subsection (6) of this section, which shall be deducted before payment to the  
9 depository.

10 (5) (a) The Department of Revenue shall distribute the moneys in the waterway  
11 usage fund as follows:

12 1. First, five percent (5%) of the total moneys in the fund to the  
13 Department of Fish and Wildlife Resources for the enforcement of the  
14 waterway usage fee;

15 2. Second, distribute moneys to the state, county, city, consolidated local  
16 government, urban-county government, school, and other taxing  
17 districts until each taxing district receives an amount equal to the  
18 amount of tax revenues that the taxing district collected in the 2020  
19 assessment year from the ad valorem tax assessment of federally  
20 documented vessels not used in the business of transporting persons or  
21 property for compensation or hire, or for other commercial purposes;

22 3. Third, twenty-five percent (25%) of the remaining money to the  
23 Kentucky lakes and rivers tourism fund established in Section 4 of this  
24 Act; and

25 4. Lastly, the remaining revenue shall be equally divided and distributed  
26 among all taxing districts that assess and collect ad valorem taxes  
27 from motorboats.

1 (b) If, in any year, the total revenue collected from the waterway usage fee is  
2 not sufficient to cover the distribution in paragraph (a)2. of this subsection,  
3 each taxing district shall receive a pro rata reduction in revenues.

4 (6) (a) The waterway usage fee shall be considered a permit for the purpose of KRS  
5 150.195 and shall be collected in the same manner as permits in that  
6 section.

7 (b) The owner or operator of the motorboat shall receive a waterway usage  
8 sticker in receipt of full payment of the waterway usage fee. The owner or  
9 operator of the motorboat shall immediately display the sticker on each side  
10 of the motorboat's bow.

11 (c) For the performance of the duties required by this section, the authorized  
12 collector of the waterway usage fee may retain a transaction fee in an  
13 amount that is equal to the fee amounts authorized by the Department of  
14 Fish and Wildlife Resources for the sale of licenses and tags listed under  
15 KRS 150.175.

16 (7) Nothing in this section shall be interpreted or construed to invalidate any  
17 requirements to register a motorboat under KRS Chapter 235 or pay ad valorem  
18 taxes under KRS Chapters 132, 133, and 134.

19 ➔SECTION 3. A NEW SECTION OF KRS CHAPTER 235 IS CREATED TO  
20 READ AS FOLLOWS:

21 (1) The waterway usage fund is hereby created as a separate trust fund. The fund  
22 shall be administered by the Finance and Administration Cabinet.

23 (2) The fund shall receive amounts collected from the waterway usage fee established  
24 in Section 2 of this Act.

25 (3) Moneys in the fund collected in the preceding year shall be disbursed by April 15  
26 of each year in accordance with subsection (5) of Section 2 of this Act.

27 (4) Notwithstanding KRS 45.229, fund amounts not expended at the close of the

1 fiscal year shall not lapse but shall be carried forward to the next fiscal year.

2 (5) Any interest earnings in the fund shall be combined with the waterway usage fee  
3 revenue and are hereby appropriated for disbursement in accordance with  
4 subsection (5) of Section 2 of this Act.

5 ➔SECTION 4. A NEW SECTION OF KRS CHAPTER 148 IS CREATED TO  
6 READ AS FOLLOWS:

7 (1) The Kentucky lakes and rivers tourism fund is hereby created as a separate trust  
8 fund administered by the Tourism, Arts and Heritage Cabinet.

9 (2) The purpose of the fund shall be to assist local governments in promoting  
10 tourism activities on the waters of the Commonwealth through direct marketing  
11 and advertising.

12 (3) The fund shall consist of amounts received from the waterway usage fund  
13 established in Section 3 of this Act, appropriations, gifts, grants, federal funds, or  
14 any other funds, both public and private, made available for the purpose set forth  
15 in this section.

16 (4) Moneys in the fund shall be distributed to cities, counties, urban-county  
17 governments, charter county governments, unified local governments, and  
18 consolidated local governments through an application process. Any distribution  
19 of funds shall be contingent upon the governing body of the local government or  
20 private entities providing a match in dollars of at least twenty percent (20%) of  
21 the amount requested from the fund.

22 (5) Notwithstanding KRS 45.229, fund amounts not expended at the close of the  
23 fiscal year shall not lapse but shall be carried forward to the next fiscal year.

24 (6) Any interest earnings in the fund shall become part of the fund and shall not  
25 lapse.

26 (7) Moneys deposited in the fund are hereby appropriated for the purposes set forth  
27 in this section and shall not be appropriated or transferred by the General

1        Assembly for any other purposes.

2        (8) The Tourism, Arts and Heritage Cabinet shall promulgate administrative  
3        regulations to establish an application and approval process for the distribution  
4        of funds.

5        ➔Section 5. KRS 235.990 is amended to read as follows:

6        (1) Any person who violates any of the provisions of this chapter or administrative  
7        regulations adopted under this chapter shall be fined not less than fifty dollars (\$50)  
8        nor more than two hundred dollars (\$200) unless otherwise stated in this section.  
9        After July 15, 2000, any person who violates KRS 235.230 shall be fined not less  
10       than fifteen dollars (\$15) nor more than one hundred dollars (\$100) and each day  
11       the violation continues may constitute a separate offense.

12       (2) Any person who violates KRS 235.240 shall not be subject to the penalties of KRS  
13       Chapter 189A but shall be guilty of a separate offense and subject to a fine of two  
14       hundred dollars (\$200) to two hundred fifty dollars (\$250) or imprisonment for  
15       twenty-four (24) hours for the first offense, a fine of three hundred fifty dollars  
16       (\$350) to five hundred dollars (\$500) or imprisonment for forty-eight (48) hours for  
17       the second offense, and a fine of six hundred dollars (\$600) to one thousand dollars  
18       (\$1,000) or imprisonment in the county jail for not less than thirty (30) days, or  
19       both, for the third or subsequent offense. Refusal to submit to a breath alcohol  
20       analysis or similar test in violation of KRS 235.240(3) shall be deemed an offense.

21       (3) (a) A person may, in addition or in lieu of the penalties specified in subsection (1)  
22       or (5) of this section, be required to take a safe-boating course approved by the  
23       department or offered by the United States Coast Guard, Coast Guard  
24       Auxiliary, or U.S. Power Squadron and to present the court a certificate  
25       documenting successful completion of the course.

26       (b) A person shall, in addition to the penalties of subsection (2) of this section, be  
27       required to take a safe-boating course offered by the department and to present

1           the court a certificate documenting successful completion of the course. The  
2           person attending a class under this paragraph shall pay the department a fee of  
3           one hundred dollars (\$100) for the costs of materials and instruction before  
4           receiving a certificate of completion.

5       (4) After July 15, 2000, any person who violates KRS 235.420 or 235.430 shall be  
6       fined not less than fifteen dollars (\$15) nor more than one hundred dollars (\$100). A  
7       person who violates KRS 235.420 or 235.430 shall be fined not less than one  
8       hundred dollars (\$100) nor more than three hundred dollars (\$300) for the second  
9       offense, and not less than three hundred dollars (\$300) nor more than five hundred  
10      dollars (\$500) for the third or any subsequent offense.

11     (5) Any person failing to obey a citation issued in accordance with KRS 235.315 shall  
12     be guilty of a separate offense and shall be fined not less than fifty dollars (\$50) nor  
13     more than two hundred dollars (\$200).

14     (6) Any person who makes a false statement regarding a marine boat toilet on the  
15     application for registration or renewal registration for a motorboat shall be fined one  
16     hundred dollars (\$100). This penalty shall be separate from any other penalty that  
17     may be applicable for violation of this chapter.

18     (7) Any person who resists, obstructs, interferes with, threatens, attempts to intimidate,  
19     or in any other manner interferes with any officer in the discharge of his duties,  
20     other than a criminal homicide or an assault against an officer enforcing the  
21     provisions of this chapter, KRS Chapter 150, or the administrative regulations  
22     issued under either of these chapters, shall be guilty of a Class A misdemeanor.

23     (8) Any person who commits a criminal homicide or an assault against an officer  
24     enforcing the provisions of this chapter, KRS Chapter 150, or the administrative  
25     regulations issued under either of these chapters shall be subject to the penalties  
26     specified for the offense under KRS Chapter 507 or 508, as appropriate.

27     (9) Any person who violates KRS 235.203 shall be fined fifty dollars (\$50).

1 **(10) Any person who fails to pay the waterway usage fee as required by Section 2 of**  
 2 **this Act shall be fined five hundred dollars (\$500). Prior to issuing a citation, the**  
 3 **Department of Fish and Wildlife Resources enforcement officer may issue a**  
 4 **warning notice giving the offender a specified period of time in which to pay the**  
 5 **waterway usage fee. If the person to whom the notice is given fails or refuses to**  
 6 **pay the waterway usage fee within the time specified, the person shall be issued a**  
 7 **citation with a penalty in the amount of five hundred dollars (\$500). No person**  
 8 **shall receive more than three (3) warning notices in a ten (10) year period.**

9 ➔Section 6. KRS 235.999 is amended to read as follows:

10 **(1) Except as provided in subsection (2) of this section,** sixty percent (60%) of a fine  
 11 imposed for the violation of this chapter or KRS Chapter 150 shall, when collected,  
 12 be paid into the game and fish fund.

13 **(2) The money collected from the fine imposed by subsection (10) of Section 5 of this**  
 14 **Act shall be distributed as follows:**

15 **(a) Sixty percent (60%) to the waterway usage fund established in Section 3 of**  
 16 **this Act; and**

17 **(b) Forty percent (40%) to the Department of Fish and Wildlife Resources for**  
 18 **the enforcement of the waterway usage fee.**

19 ➔Section 7. KRS 150.160 is amended to read as follows:

20 **(1) Except as provided in subsection (2) of this section,** sixty percent (60%) of a fine  
 21 imposed for the violation of this chapter or KRS Chapter 235 shall, when collected,  
 22 be paid into the game and fish fund.

23 **(2) The money collected from the fine imposed by subsection (10) of Section 5 of this**  
 24 **Act shall be distributed as follows:**

25 **(a) Sixty percent (60%) to the waterway usage fund established in Section 3 of**  
 26 **this Act; and**

27 **(b) Forty percent (40%) to the Department of Fish and Wildlife Resources for**

1                   *the enforcement of the waterway usage fee.*

2           ➔Section 8. KRS 132.020 is amended to read as follows:

- 3 (1) The owner or person assessed shall pay an annual ad valorem tax for state purposes  
4 at the rate of:
- 5 (a) Thirty-one and one-half cents (\$0.315) upon each one hundred dollars (\$100)  
6 of value of all real property directed to be assessed for taxation;
- 7 (b) Twenty-five cents (\$0.25) upon each one hundred dollars (\$100) of value of  
8 all motor vehicles qualifying for permanent registration as historic motor  
9 vehicles under KRS 186.043;
- 10 (c) Fifteen cents (\$0.15) upon each one hundred dollars (\$100) of value of all:
- 11 1. Machinery actually engaged in manufacturing;
- 12 2. Commercial radio and television equipment used to receive, capture,  
13 produce, edit, enhance, modify, process, store, convey, or transmit audio  
14 or video content or electronic signals which are broadcast over the air to  
15 an antenna, including radio and television towers used to transmit or  
16 facilitate the transmission of the signal broadcast and equipment used to  
17 gather or transmit weather information, but excluding telephone and  
18 cellular communication towers; and
- 19 3. Tangible personal property which has been certified as a pollution  
20 control facility as defined in KRS 224.1-300. In the case of tangible  
21 personal property certified as a pollution control facility which is  
22 incorporated into a landfill facility, the tangible personal property shall  
23 be presumed to remain tangible personal property for purposes of this  
24 paragraph if the tangible personal property is being used for its intended  
25 purposes;
- 26 (d) Ten cents (\$0.10) upon each one hundred dollars (\$100) of value on the  
27 operating property of railroads or railway companies that operate solely within



1 the Commonwealth;

2 (e) Five cents (\$0.05) upon each one hundred dollars (\$100) of value of goods  
3 held for sale in the regular course of business, which includes:

4 1. Machinery and equipment held in a retailer's inventory for sale or lease  
5 originating under a floor plan financing arrangement;

6 2. Motor vehicles:

7 a. Held for sale in the inventory of a licensed motor vehicle dealer,  
8 including licensed motor vehicle auction dealers, which are not  
9 currently titled and registered in Kentucky and are held on an  
10 assignment pursuant to KRS 186A.230; or

11 b. That are in the possession of a licensed motor vehicle dealer,  
12 including licensed motor vehicle auction dealers, for sale, although  
13 ownership has not been transferred to the dealer;

14 3. Raw materials, which includes distilled spirits and distilled spirits  
15 inventory;

16 4. In-process materials, which includes distilled spirits and distilled spirits  
17 inventory, held for incorporation in finished goods held for sale in the  
18 regular course of business; and

19 5. Qualified heavy equipment;

20 (f) One and one-half cents (\$0.015) upon each one hundred dollars (\$100) of  
21 value of all:

22 1. Privately owned leasehold interests in industrial buildings, as defined  
23 under KRS 103.200, owned and financed by a tax-exempt governmental  
24 unit, or tax-exempt statutory authority under the provisions of KRS  
25 Chapter 103, upon the prior approval of the Kentucky Economic  
26 Development Finance Authority, except that the rate shall not apply to  
27 the proportion of value of the leasehold interest created through any

- 1 private financing;
- 2 2. Qualifying voluntary environmental remediation property, provided the
- 3 property owner has corrected the effect of all known releases of
- 4 hazardous substances, pollutants, contaminants, petroleum, or petroleum
- 5 products located on the property consistent with a corrective action plan
- 6 approved by the Energy and Environment Cabinet pursuant to KRS
- 7 224.1-400, 224.1-405, or 224.60-135, and provided the cleanup was not
- 8 financed through a public grant or the petroleum storage tank
- 9 environmental assurance fund. This rate shall apply for a period of three
- 10 (3) years following the Energy and Environment Cabinet's issuance of a
- 11 No Further Action Letter or its equivalent, after which the regular tax
- 12 rate shall apply;
- 13 3. Tobacco directed to be assessed for taxation;
- 14 4. Unmanufactured agricultural products;
- 15 5. Aircraft not used in the business of transporting persons or property for
- 16 compensation or hire; *and*
- 17 6. ~~Federally documented vessels not used in the business of transporting~~
- 18 ~~persons or property for compensation or hire, or for other commercial~~
- 19 ~~purposes; and~~
- 20 7. ~~Privately owned leasehold interests in residential property described in~~
- 21 KRS 132.195(2)(g);
- 22 (g) One-tenth of one cent (\$.001) upon each one hundred dollars (\$100) of value
- 23 of all:
- 24 1. Farm implements and farm machinery owned by or leased to a person
- 25 actually engaged in farming and used in his farm operations;
- 26 2. Livestock and domestic fowl;
- 27 3. Tangible personal property located in a foreign trade zone established

- 1                   pursuant to 19 U.S.C. sec. 81, provided that the zone is activated in  
2                   accordance with the regulations of the United States Customs Service  
3                   and the Foreign Trade Zones Board; and
- 4           4.   Property which has been certified as an alcohol production facility as  
5                   defined in KRS 247.910, or as a fluidized bed energy production facility  
6                   as defined in KRS 211.390; and
- 7           (h)   Forty-five cents (\$0.45) upon each one hundred dollars (\$100) of value of all  
8                   other property directed to be assessed for taxation shall be paid by the owner  
9                   or person assessed, except as provided in KRS 132.030, 132.200, 136.300,  
10                  and 136.320, providing a different tax rate for particular property.
- 11   (2)   Notwithstanding subsection (1)(a) of this section, the state tax rate on real property  
12                  shall be reduced to compensate for any increase in the aggregate assessed value of  
13                  real property to the extent that the increase exceeds the preceding year's assessment  
14                  by more than four percent (4%), excluding:
- 15           (a)   The assessment of new property as defined in KRS 132.010(8);
- 16           (b)   The assessment from property which is subject to tax increment financing  
17                  pursuant to KRS Chapter 65; and
- 18           (c)   The assessment from leasehold property which is owned and financed by a  
19                  tax-exempt governmental unit, or tax-exempt statutory authority under the  
20                  provisions of KRS Chapter 103 and entitled to the reduced rate of one and  
21                  one-half cents (\$0.015) pursuant to subsection (1)(f) of this section. In any  
22                  year in which the aggregate assessed value of real property is less than the  
23                  preceding year, the state rate shall be increased to the extent necessary to  
24                  produce the approximate amount of revenue that was produced in the  
25                  preceding year from real property.
- 26   (3)   By July 1 each year, the department shall compute the state tax rate applicable to  
27                  real property for the current year in accordance with the provisions of subsection (2)

1 of this section and certify the rate to the county clerks for their use in preparing the  
2 tax bills. If the assessments for all counties have not been certified by July 1, the  
3 department shall, when either real property assessments of at least seventy-five  
4 percent (75%) of the total number of counties of the Commonwealth have been  
5 determined to be acceptable by the department, or when the number of counties  
6 having at least seventy-five percent (75%) of the total real property assessment for  
7 the previous year have been determined to be acceptable by the department, make  
8 an estimate of the real property assessments of the uncertified counties and compute  
9 the state tax rate.

10 (4) If the tax rate set by the department as provided in subsection (2) of this section  
11 produces more than a four percent (4%) increase in real property tax revenues,  
12 excluding:

13 (a) The revenue resulting from new property as defined in KRS 132.010(8);

14 (b) The revenue from property which is subject to tax increment financing  
15 pursuant to KRS Chapter 65; and

16 (c) The revenue from leasehold property which is owned and financed by a tax-  
17 exempt governmental unit, or tax-exempt statutory authority under the  
18 provisions of KRS Chapter 103 and entitled to the reduced rate of one and  
19 one-half cents (\$0.015) pursuant to subsection (1) of this section;

20 the rate shall be adjusted in the succeeding year so that the cumulative total of each  
21 year's property tax revenue increase shall not exceed four percent (4%) per year.

22 (5) The provisions of subsection (2) of this section notwithstanding, the assessed value  
23 of unmined coal certified by the department after July 1, 1994, shall not be included  
24 with the assessed value of other real property in determining the state real property  
25 tax rate. All omitted unmined coal assessments made after July 1, 1994, shall also  
26 be excluded from the provisions of subsection (2) of this section. The calculated  
27 rate shall, however, be applied to unmined coal property, and the state revenue shall

1 be devoted to the program described in KRS 146.550 to 146.570, except that four  
2 hundred thousand dollars (\$400,000) of the state revenue shall be paid annually to  
3 the State Treasury and credited to the Office of Energy Policy for the purpose of  
4 public education of coal-related issues.

5 ➔Section 9. KRS 132.200 is amended to read as follows:

6 All property subject to taxation for state purposes shall also be subject to taxation in the  
7 county, city, school, or other taxing district in which it has a taxable situs, except the class  
8 of property described in KRS 132.030 and the following classes of property, which shall  
9 be subject to taxation for state purposes only:

- 10 (1) Farm implements and farm machinery owned by or leased to a person actually  
11 engaged in farming and used in his farm operation;
- 12 (2) Livestock, ratite birds, and domestic fowl;
- 13 (3) Capital stock of savings and loan associations;
- 14 (4) Machinery actually engaged in manufacturing, products in the course of  
15 manufacture, and raw material actually on hand at the plant for the purpose of  
16 manufacture. The printing, publication, and distribution of a newspaper or operating  
17 a job printing plant shall be deemed to be manufacturing;
- 18 (5) (a) Commercial radio and television equipment used to receive, capture, produce,  
19 edit, enhance, modify, process, store, convey, or transmit audio or video  
20 content or electronic signals which are broadcast over the air to an antenna;
- 21 (b) Equipment directly used or associated with the equipment identified in  
22 paragraph (a) of this subsection, including radio and television towers used to  
23 transmit or facilitate the transmission of the signal broadcast, but excluding  
24 telephone and cellular communications towers; and
- 25 (c) Equipment used to gather or transmit weather information;
- 26 (6) Unmanufactured agricultural products. They shall be exempt from taxation for state  
27 purposes to the extent of the value, or amount, of any unpaid nonrecourse loans

- 1           thereon granted by the United States government or any agency thereof, and except  
2           that cities and counties may each impose an ad valorem tax of not exceeding one  
3           and one-half cents (\$0.015) on each one hundred dollars (\$100) of the fair cash  
4           value of all unmanufactured tobacco and not exceeding four and one-half cents  
5           (\$0.045) on each one hundred dollars (\$100) of the fair cash value of all other  
6           unmanufactured agricultural products, subject to taxation within their limits that are  
7           not actually on hand at the plants of manufacturing concerns for the purpose of  
8           manufacture, nor in the hands of the producer or any agent of the producer to whom  
9           the products have been conveyed or assigned for the purpose of sale;
- 10       (7) All privately owned leasehold interest in industrial buildings, as defined under KRS  
11       103.200, owned and financed by a tax-exempt governmental unit, or tax-exempt  
12       statutory authority under the provisions of KRS Chapter 103, except that the rate  
13       shall not apply to the proportion of value of the leasehold interest created through  
14       any private financing;
- 15       (8) Tangible personal property which has been certified as a pollution control facility as  
16       defined in KRS 224.1-300. In the case of tangible personal property certified as a  
17       pollution control facility which is incorporated into a landfill facility, the tangible  
18       personal property shall be presumed to remain tangible personal property for  
19       purposes of this subsection if the tangible personal property is being used for its  
20       intended purposes;
- 21       (9) Property which has been certified as an alcohol production facility as defined in  
22       KRS 247.910;
- 23       (10) On and after January 1, 1977, the assessed value of unmined coal shall be included  
24       in the formula contained in KRS 132.590(9) in determining the amount of county  
25       appropriation to the office of the property valuation administrator;
- 26       (11) Tangible personal property located in a foreign trade zone established pursuant to  
27       19 U.S.C. sec. 81, provided that the zone is activated in accordance with the

- 1 regulations of the United States Customs Service and the Foreign Trade Zones  
2 Board;
- 3 (12) Motor vehicles qualifying for permanent registration as historic motor vehicles  
4 under the provisions of KRS 186.043. However, nothing herein shall be construed  
5 to exempt historical motor vehicles from the usage tax imposed by KRS 138.460;
- 6 (13) Property which has been certified as a fluidized bed energy production facility as  
7 defined in KRS 211.390;
- 8 (14) All motor vehicles:
- 9 (a) Held for sale in the inventory of a licensed motor vehicle dealer, including  
10 motor vehicle auction dealers, which are not currently titled and registered in  
11 Kentucky and are held on an assignment pursuant to the provisions of KRS  
12 186A.230;
- 13 (b) That are in the possession of a licensed motor vehicle dealer, including  
14 licensed motor vehicle auction dealers, for sale, although ownership has not  
15 been transferred to the dealer; and
- 16 (c) With a salvage title held by an insurance company;
- 17 (15) Machinery or equipment owned by a business, industry, or organization in order to  
18 collect, source separate, compress, bale, shred, or otherwise handle waste materials  
19 if the machinery or equipment is primarily used for recycling purposes as defined in  
20 KRS 139.010;
- 21 (16) New farm machinery and other equipment held in the retailer's inventory for sale  
22 under a floor plan financing arrangement by a retailer, as defined under KRS  
23 365.800;
- 24 (17) New boats and new marine equipment held for retail sale under a floor plan  
25 financing arrangement by a dealer registered under KRS 235.220;
- 26 (18) Aircraft not used in the business of transporting persons or property for  
27 compensation or hire if an exemption is approved by the county, city, school, or

1 other taxing district in which the aircraft has its taxable situs;

2 (19) ~~[(Federally documented vessels not used in the business of transporting persons or~~  
3 ~~property for compensation or hire or for other commercial purposes, if an~~  
4 ~~exemption is approved by the county, city, school, or other taxing district in which~~  
5 ~~the federally documented vessel has its taxable situs;~~

6 ~~(20)~~ Any nonferrous metal that conforms to the quality, shape, and weight  
7 specifications set by the New York Mercantile Exchange's special contract rules for  
8 metals, and which is located or stored in a commodity warehouse and held on  
9 warrant, or for which a written request has been made to a commodity warehouse to  
10 place it on warrant, according to the rules and regulations of a trading facility. In  
11 this subsection:

12 (a) "Commodity warehouse" means a warehouse, shipping plant, depository, or  
13 other facility that has been designated or approved by a trading facility as a  
14 regular delivery point for a commodity on contracts of sale for future delivery;  
15 and

16 (b) "Trading facility" means a facility that is designated by or registered with the  
17 federal Commodity Futures Trading Commission under 7 U.S.C. secs. 1 et  
18 seq. "Trading facility" includes the Board of Trade of the City of Chicago, the  
19 Chicago Mercantile Exchange, and the New York Mercantile Exchange;

20 ~~(20)~~~~(21)~~ Qualifying voluntary environmental remediation property for a period of three  
21 (3) years following the Energy and Environment Cabinet's issuance of a No Further  
22 Action Letter or its equivalent, pursuant to the correction of the effect of all known  
23 releases of hazardous substances, pollutants, contaminants, petroleum, or petroleum  
24 products located on the property consistent with a corrective action plan approved  
25 by the Energy and Environment Cabinet pursuant to KRS 224.1-400, 224.1-405, or  
26 224.60-135, and provided the cleanup was not financed through a public grant  
27 program of the petroleum storage tank environmental assurance fund;



1 ~~(21)~~~~(22)~~ Biotechnology products held in a warehouse for distribution by the  
2 manufacturer or by an affiliate of the manufacturer. For the purposes of this section:

3 (a) "Biotechnology products" means those products that are applicable to the  
4 prevention, treatment, or cure of a disease or condition of human beings and  
5 that are produced using living organisms, materials derived from living  
6 organisms, or cellular, subcellular, or molecular components of living  
7 organisms. Biotechnology products does not include pharmaceutical products  
8 which are produced from chemical compounds;

9 (b) "Warehouse" includes any establishment that is designed to house or store  
10 biotechnology products, but does not include blood banks, plasma centers, or  
11 other similar establishments; *and*

12 (c) "Affiliate" means an individual, partnership, or corporation that directly or  
13 indirectly owns or controls, or is owned or controlled by, or is under common  
14 ownership or control with, another individual, partnership, or corporation;

15 ~~(22)~~~~(23)~~ Recreational vehicles held for sale in a retailer's inventory; and

16 ~~(23)~~~~(24)~~ A privately owned leasehold interest in residential property described in KRS  
17 132.195(2)(g), if an exemption is approved by the county, city, school, or other  
18 taxing district in which the residential property is located.

19 ➔Section 10. This Act takes effect on January 1, 2022.