

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

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

3 ➔Section 1. KRS 136.1804 is amended to read as follows:

- 4 (1) The department shall notify the corporation of the assessed value of its watercraft
5 each year, as soon as possible after rates set by local authorities are provided to the
6 department. The corporation shall have sixty (60) days from the date of the
7 department's notice of assessment to protest as provided by KRS 131.110.
- 8 (2) No appeal shall delay the collection or payment of taxes based upon the assessment
9 in controversy. The corporation shall pay to the department all state and local taxing
10 district taxes due on the undisputed value of its watercraft as stated in the protest
11 filed under KRS 131.110. When the valuation is finally determined upon appeal,
12 the corporation shall be billed for any additional tax and interest at the tax interest
13 rate as defined in KRS 131.010(6) from the date the tax would have become due if
14 the assessment had not been appealed. The provisions of KRS 134.015(6) shall
15 apply to the tax bill.
- 16 (3) The state and local taxing district taxes on the watercraft are due sixty (60) days
17 from the date of notice of assessment. The tangible property taxes on watercraft
18 shall be collected in accordance with the provisions of KRS Chapter 134.
- 19 (4) **(a)** The state rate of taxation on watercraft shall be forty-five cents (\$0.45) upon
20 each one hundred dollars (\$100) of assessed value of the watercraft.
- 21 **(b) *The state portion of the tax imposed under this section shall be distributed***
22 ***to the riverport financial assistance trust fund established in Section 2 of***
23 ***this Act.***
- 24 (5) The department shall annually calculate an aggregate local rate, which shall be
25 imposed upon each one hundred dollars (\$100) of assessed value of the watercraft.
- 26 (a) The aggregate local rate shall be the sum of each local personal property tax
27 rate for each local taxing district multiplied by a fraction, the numerator of

1 which shall be the length of the navigable waterways in the local taxing
2 district and the denominator of which shall be the total of the length of all
3 navigable waterways in this state. Both the numerator and the denominator
4 shall be adjusted, if necessary, by paragraph (b) of this subsection.

5 (b) For purposes of computing the local property tax rate in paragraph (a) of this
6 section, the length of the navigable waterways of the Green River shall be
7 reduced by fifty percent (50%) and the length of the navigable waterways of
8 the Kentucky River shall be reduced by seventy-five percent (75%).

9 (6) The watercraft taxes collected for local taxing districts by the department shall be
10 distributed to each local taxing district based upon the local taxing district's
11 fractional portion of the amount calculated in subsection (5) of this section.

12 (7) Prior to distribution of taxes to local taxing districts, the department shall retain an
13 administrative fee of one percent (1%) of the amount due each district. The fee
14 imposed by this subsection shall have no effect upon the discount provided to
15 taxpayers pursuant to KRS 134.015.

16 ➔Section 2. KRS 174.210 is amended to read as follows:

17 (1) There is created a riverport financial assistance trust fund, to be administered by the
18 Transportation Cabinet.

19 (2) The riverport financial assistance trust fund:

20 (a) May receive appropriations, federal funds, contributions, gifts, and donations;

21 and

22 (b) Shall receive the state portion of the commercial watercraft tax assessed
23 under Section 1 of this Act.

24 (3) The purpose of the riverport financial assistance trust fund shall be to improve
25 riverport facilities and infrastructure, to capture the economic and trade potential
26 offered by water transportation. To the extent funds are available, the fund shall
27 make grants to riverport authorities for new construction and major replacement or

1 repair projects, including but not limited to improvement of docks, wharves,
2 equipment, port buildings, storage facilities, roads and railroads to facilitate the
3 flow of commerce through the port, other on-site improvements, and related
4 professional services. Eligible projects shall not include routine operations,
5 maintenance, or repair activities.

6 (4) Notwithstanding KRS 45.229, moneys remaining in the fund at the close of a fiscal
7 year shall not lapse but shall carry forward into the succeeding fiscal year. Interest
8 earned on any moneys in the fund shall accrue to the fund. Amounts from the fund
9 shall be disbursed and expended in accordance with this section.

10 (5) To be eligible for a grant under this section, the applicant shall provide at least a
11 twenty percent (20%) match, which may be obtained from any public or private
12 source.

13 (6) (a) Grant applications shall be reviewed and awarded annually.

14 (b) The Transportation Cabinet shall submit all applications to the Water
15 Transportation Advisory Board established by KRS 174.200 for evaluation
16 and recommendations prior to awarding any grant funding under this section.

17 (c) Priority shall be given to applicants with a riverport master plan, for capital-
18 intensive projects for which permits have been obtained, and for projects for
19 which matching funds have been obtained.

20 (7) The Transportation Cabinet shall submit on an annual basis a report detailing all
21 grants awarded under this section to the Water Transportation Advisory Board, the
22 Interim Joint Committee on Transportation, and the Interim Joint Committee on
23 Appropriations and Revenue.