

**COMMONWEALTH OF KENTUCKY STATE FISCAL NOTE STATEMENT  
LEGISLATIVE RESEARCH COMMISSION  
2018 REGULAR SESSION**

**MEASURE**

2018 BR NUMBER **0477**

**HOUSE** BILL NUMBER **183**

RESOLUTION NUMBER \_\_\_\_\_

AMENDMENT NUMBER \_\_\_\_\_

**SUBJECT/TITLE** **An ACT relating to personal property and declaring an emergency.**

**SPONSOR** **Representative Moffett**

**NOTE SUMMARY**

FISCAL ANALYSIS:  IMPACT     NO IMPACT     INDETERMINABLE IMPACT

LEVEL(S) OF IMPACT:  STATE     LOCAL     FEDERAL

BUDGET UNIT(S) IMPACT: **Fish and Wildlife, Transportation**

FUND(S) IMPACT:  GENERAL     ROAD     FEDERAL     RESTRICTED AGENCY **Game and Fish Fund, Motorboat Titling Fund**     OTHER

**FISCAL SUMMARY**

<b>FISCAL ESTIMATES</b>	<b>2017-2018</b>	<b>2018-2019</b>	<b>2019-2020</b>	<b>ANNUAL IMPACT AT FULL IMPLEMENTATION</b>
<b>REVENUES</b>		Indeterminable	Indeterminable	Indeterminable
<b>EXPENDITURES</b>		(Indeterminable)	(Indeterminable)	(Indeterminable)
<b>NET EFFECT</b>		Indeterminable	Indeterminable	Indeterminable

( ) indicates a decrease/negative

**MEASURE'S PURPOSE:** The measure's purpose is to require all motorboats that are operating in Kentucky to register with the county clerk and to prevent a marina owner from interfering with a boat owner's right to take possession of his or her boat.

**PROVISIONS/MECHANICS:** Section 1 amends KRS 235.070 by deleting the provision that allows federally documented vessels to be exempt from registration requirements.

Section 2 amends KRS 235.120 by deleting the 60-day reciprocity period to require motorboats with a number covered by full force and effect to display the number before operating the motorboat on the waters.

Section 3 amends KRS 235.125 to require federally documented vessels to display the number and validation sticker.

Section 4 amends KRS 235.210 by deleting the provision that allows motorboats that have a number documented by federal law or another state to operate without the number in Kentucky if less than 60 consecutive days.

Section 5 amends KRS 235.230 by deleting the provision that requires a boat owner to provide a boat title to the marina owner if the marina has been contracted to provide mooring to the boat for longer than 24 hours.

Section 6 amends KRS 376.270 by adding a provision to prohibit a marina owner from interfering with a boat owner's right to take possession of his or her boat.

Section 7 repeals KRS 376.272.

Section 8 provides an emergency clause for sections 5 to 7.

Section 9 provides that sections 1 to 4 will take effect January 1, 2019.

**FISCAL EXPLANATION:** This legislation is projected to have a fiscal impact on state funds, but the amount of the impact is indeterminable. Currently, federally documented vessels are exempt from registration requirements pursuant to KRS 235.070. If enacted, this legislation would eliminate that exemption.

A vessel must weigh at least 5 tons to qualify for a title as a federally documented vessel. The U.S. Coast Guard estimates that a boat length of at least 25 feet would meet the minimum tonnage. Based on information provided by the Kentucky Transportation Cabinet, there were 5,428 vessels registered in Kentucky that were 26 feet or longer. Currently, there are 4,913 vessels documented by the U.S. Coast Guard with the owner having a Kentucky address. Given that KRS 235.070 exempts federally documented vessels from registration requirements, it is indeterminable as to how many, if any, of those federally documented vessels have registered in Kentucky.

If enacted, this legislation should increase revenue collected from boat registration fees. A portion of the registration fees collected by the county clerks is earmarked to the Transportation Cabinet and the Department of Fish and Wildlife. According to Fish and Wildlife, revenue from registration fees will likely increase, but this legislation may have an adverse effect on the sales of non-resident fishing licenses if boat owners from other states are required to register their boats in Kentucky as well as their state of residency. There may be additional minimal administrative costs and decal costs associated with the new registration requirements.

According to the Kentucky Department of Revenue, there are only 1,519 owners that have reported their documented vessels as taxable, tangible personal property in this state. If this legislation is enacted, property tax collections should increase.

Any fiscal impact affecting local governments can be found in the local mandate.

**DATA SOURCE(S): Fish and Wildlife, Transportation Cabinet, LRC Appropriations and Revenue Committee**

**PREPARER: Seth Dawson NOTE NUMBER: 107 REVIEW: JAB DATE: 2/22/2018**