



Section 5 of this bill removes the requirement that the owner of a boat provide the marina owner the title of the boat for any period of contracted mooring at the marina longer than 24 hours.

Section 6 of this bill requires that a marina not interfere with a boat owner's right to take possession of his or her boat and remove it from the marina, including a boat against which the marina has commenced a civil action to enforce a possessor lien.

Section 7 of this bill repeals the section of KRS Chapter 376 that allows a marina to enforce a possessory lien on a boat by filing a civil action in the county in which the boat is located.

Section 8 of this bill declares an emergency and an effective date for Sections 5 to 7 of this bill. Section 9 sets an effective date of January 1, 2019 for Sections 1 to 4 of this bill.

The additions to duties of local officials appear in Sections 1, 2, and 4 of this bill, affecting the county clerk and the property valuation administrator (PVA). Under this bill, all motorboats entering or staying upon Kentucky waters must register with the county clerk, with no exemptions for federally documented vessels or out of state motorboats. This will increase compliance with ad valorem taxes on motorboats, since part of the application is the situs for ad valorem tax assessment of the motorboat. The PVA will need to include this valuation of personal property of more vessels than are currently documented with county clerks.

There is expected to be a fiscal impact to local governments, but the extent of this impact is indeterminable. According to the U.S. Coast Guard, a boat length of at least 25 feet is a good estimator of whether the vessel weighs 5 net tons, which is the minimum tonnage requirement to be a federally documented vessel.

Based on data from the Kentucky Transportation Cabinet, there were 5,428 vessels registered in Kentucky that were 26 feet and longer. There are 4,913 federally documented vessels that are 26 feet or longer with the owner having a Kentucky address. However, according to the Kentucky Department of Revenue, there are only 1,519 owners of vessels that have filed their documented vessels as tangible personal property that is taxable in this state.

Assuming that the documented vessels where the owner has a Kentucky address are all located in Kentucky, this difference of approximately 3,400 vessels is an approximation of how many vessels are not paying property taxes. If we assume that they have similar values to those that taxes are paid on, an approximate estimate of their value is \$288.5 million. Since data is not readily available on the distribution of these vessels and their individual values, it is impossible to determine what the impact will be on any given county's property tax collections. However, the tax collections are expected to increase.

**Part III: Differences to Local Government Mandate Statement from Prior Versions**

The Part II section above pertains to the bill as introduced and there are not any prior introduced versions of the bill to complete the Part III section.

**Data Source(s):** LRC Appropriations and Revenue Staff; LRC Economists; KY Transportation Cabinet; KY Department of Revenue; KY Department of Fish and Wildlife; U.S. Coast Guard

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