

**Local Government Mandate Statement
Kentucky Legislative Research Commission
2020 Regular Session**

Part I: Measure Information

Bill Request #: 1272

Bill #: hb 418

Document ID #: 2711

Bill Subject/Title: AN ACT relating to the registration of motorboats and declaring an emergency.

Sponsor: Representative James A. Tipton

Unit of Government: City County Urban-County
 Charter County Consolidated Local Unified Local
Government

Office(s) Impacted: County Clerks

Requirement: Mandatory Optional

Effect on Powers & Duties: Modifies Existing Adds New Eliminates Existing

Part II: Bill Provisions and the Estimated Fiscal Impact Relating to Local Government

This bill requires that a motorboat documented with the United States Coast Guard (USCG) which is covered by an active and valid identifying number pursuant to federal law, to also be registered with the Commonwealth of Kentucky. It requires that a Kentucky issued validation sticker be placed adjacent to the federally issued identifying number on each side of the bow. A Kentucky issued identifying number should not be displayed on the motorboat.

The fiscal impact of this legislation is indeterminable and expected to be positive but minimal.

The increase in the number of vessels registered in the Commonwealth, will increase fee income to county clerks as they retain \$6 of the registration fee.

According to the Merchant Vessels of the United States data file from the USGC, there are 2,158 Coast Guard Documented vessels that list the owner of the vessel as having a Kentucky address, have identified their home port as being located in Kentucky, and have a current and valid USCG registration. This listing also identifies 156 applications pending and 756 vessels with expired documentation. Boats being identified as recreational vessels, with valid documentation, comprise 1,716 of these vessels. This listing was last updated in September 2019. The USCG does not maintain this listing for enforcement purposes and therefore, the data is presumed to be accurate, but there may be discrepancies.

The 756 vessels in Kentucky with expired USCG documents may not renew their USCG registrations, yet may retain their USCG numbers on the bow. Compliance and enforcement by USCG is unlikely and Kentucky would have no way to identify these vessels to determine their USCG status unless it is involved in an investigation.

According to the Kentucky Department of Revenue (DOR), owners of USCG documented boats based in Kentucky are supposed to file a tangible personal property tax return with the property valuation administrator in the county where the boat is docked. In 2018, DOR reported 1,571 documented boats and 1,359 in 2019 that returned these forms. While there is a requirement to file this form, compliance is essentially voluntary due to USCG documented boats not being required to register in Kentucky and thus trying to determine who did and who didn't file is nearly impossible.

The Kentucky Transportation Cabinet (KYTC), Office of Information Technology, reported that there are currently 852 boats in Kentucky that were once registered in Kentucky but have since become USCG documented.

Assuming there are 3,070 USCG documented vessels (2,158 plus the 756 vessels with expired documentation and 156 pending cases) the potential income to county clerks for a 12-month period would be approximately \$18,400. Additional assumptions is that this figure includes the number of boats reported by DOR and KYTC and all boats are subject to registration, not just recreational boats.

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

The Part II section above pertains to the bill as introduced.

Data Source(s): LRC Staff, Kentucky Department of Revenue, Kentucky Transportation Cabinet, United States Coast Guard

Preparer: Mark Offerman **Reviewer:** KHC **Date:** 2/11/20