

HOUSE BILL 15

Introduced by Kadas, et al.

12/27	Fiscal Note Requested
1/02	Introduced
1/02	Referred to Taxation
1/04	Hearing
1/06	Fiscal Note Received
1/06	Fiscal Note Printed
1/12	Tabled in Committee

1 HOUSE BILL NO. 15
2 INTRODUCED BY KADAS
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT EXEMPTING MOTORBOATS
5 PROPELLED BY A MOTOR OR ENGINE RATED AT 5 HORSEPOWER OR LESS
6 FROM CERTAIN FEES; AND AMENDING SECTIONS 23-2-516 AND
7 23-2-517, MCA."
8
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:
10 **Section 1.** Section 23-2-516, MCA, is amended to read:
11 "23-2-516. Fee in lieu of tax for motorboats 10 feet
12 in length or longer and sailboats 12 feet in length or
13 longer -- exception. (1) There is a fee in lieu of property
14 tax as prescribed in 23-2-517 imposed on motorboats 10 feet
15 in length or longer and sailboats 12 feet in length or
16 longer. The fee is in addition to the annual fee required
17 by 23-2-512 for filing of the application for a certificate
18 of number.
19 (2) The fee imposed by subsection (1) need not be paid
20 by:
21 (a) the owner of a motorboat propelled by a motor or
22 engine rated at 5 horsepower or less; or
23 (b) a dealer for motorboats or sailboats that
24 constitute inventory of the dealership. (Applicable to
25 motorboats and sailboats registered on or after January 1,

1 1988.)"
2 **Section 2.** Section 23-2-517, MCA, is amended to read:
3 "23-2-517. Fees for motorboats and sailboats --
4 exception. (1) The owner of a motorboat 10 feet in length or
5 longer or a sailboat 12 feet in length or longer shall pay a
6 fee based on the length of the motorboat or sailboat, except
7 that the owner of a motorboat propelled by a motor or engine
8 rated at 5 horsepower or less is not required to pay the fee
9 provided for in this section.
10 (2) The fee for a motorboat at least 10 feet in length
11 but less than 14 feet in length or sailboat at least 12 feet
12 in length but less than 14 feet in length is \$7.50.
13 (3) The fee for a motorboat or sailboat at least 14
14 feet in length but less than 16 feet in length is \$15.
15 (4) The fee for a motorboat or sailboat at least 16
16 feet in length but less than 17 feet in length is \$32.
17 (5) The fee for a motorboat or sailboat at least 17
18 feet in length but less than 19 feet in length is \$3 a foot
19 or fraction of a foot.
20 (6) The fee for a motorboat or sailboat 19 feet in
21 length or longer is \$4 a foot or fraction of a foot.
22 (Applicable to motorboats and sailboats registered on or
23 after January 1, 1988.)"
24 **Section 3.** Extension of authority. Any existing
25 authority to make rules on the subject of the provisions of

LC 0229/01

1 [this act] is extended to the provisions of [this act].

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB 015, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to exempt motorboats propelled by a motor rated at 5 horsepower or less from current fee in lieu of tax.

ASSUMPTIONS:

1. There will be approximately 38,000 motorboats requiring certification in FY 90 and FY 91. (RMV)
2. Of the 38,000, approximately 15% are equipped with a motor that is 5 horsepower or less. (Industry sources)
3. Assume all boats with motors 5 horsepower or less are 14 feet or under; current law fee in lieu of tax for these boats is \$7.50
4. Mill levies are assumed to be 250 overall, 6 mills for the University System, 45 for School Foundation Program, and 199 for Local Government.
5. This proposal is not expected to have an impact on expenditures.

FISCAL IMPACT:

Revenues:

There will be a reduction in revenue collections of \$42,750 in each year of the biennium under the proposed legislation.

EFFECT ON COUNTY OR OTHER LOCAL REVENUE OR EXPENDITURES:

<u>FUND INFORMATION:</u>	<u>Change in Revenue</u>
University Levy	(\$1,026)
Foundation Program	(\$7,695)
Local Government	(\$34,029)



DATE

1/5/89

RAY SHACKLEFORD, BUDGET DIRECTOR
Office of Budget and Program Planning



DATE 1-6-89

MIKE KADAS
PRIMARY SPONSOR
Fiscal Note for HB 015, as introduced

HB 15