

HOUSE BILL 250

Introduced by Eudaily, et al.

|      |                         |
|------|-------------------------|
| 1/17 | Introduced              |
| 1/18 | Referred to Fish & Game |
| 1/18 | Rereferred to Taxation  |
| 1/19 | Fiscal Note Requested   |
| 1/26 | Fiscal Note Received    |
| 1/28 | Fiscal Note Printed     |
| 2/01 | Hearing                 |
| 3/16 | Tabled in Committee     |

1 *HOUSE* BILL NO. *250*  
2 INTRODUCED BY *Timothy Kaden* *Monty Thomas* *Lois*  
3 *Ream*

4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE FEE IN  
5 LIEU OF TAX ON MOTORIZED CANOES AND RUBBER RAFTS; AMENDING  
6 SECTIONS 23-2-502 AND 23-2-517, MCA; AND PROVIDING AN  
7 IMMEDIATE EFFECTIVE DATE."  
8

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

10 **Section 1.** Section 23-2-502, MCA, is amended to read:

11 "23-2-502. Definitions. As used in this part, unless  
12 the context clearly requires a different meaning, the  
13 following definitions apply:

14 (1) "Certificate of number" means the certificate  
15 issued annually by the county treasurer to the owner of a  
16 motorboat or by the department of justice to dealers or  
17 manufacturers, assigning such motorboat an identifying  
18 number and containing such information as required.

19 (2) "Certificate of ownership" means a certificate  
20 issued by the department of justice identifying the owner of  
21 a motorboat or sailboat 12 feet in length or longer.

22 (3) "Dealer" means any person who engages in whole or  
23 in part in the business of buying, selling, or exchanging  
24 new and unused vessels or used vessels, or both, either  
25 outright or on conditional sale, bailment, lease, chattel

1 mortgage, or otherwise, and who has an established place of  
2 business for sale, trade, and display of vessels. A yacht  
3 broker is a dealer.

4 (4) "Department" means the department of fish,  
5 wildlife, and parks of the state of Montana.

6 (5) "Documented vessel" means a vessel which has and  
7 is required to have a valid marine document as a vessel of  
8 the United States.

9 (6) "Identifying number" means the boat number set  
10 forth in the certificate of number and properly displayed on  
11 the motorboat.

12 (7) "License decals" means the serially numbered  
13 license stickers issued annually by the county treasurer and  
14 displayed as required by law.

15 (8) "Lienholder" means a person holding a security  
16 interest.

17 (9) "Manufacturer" means any person engaged in the  
18 business of manufacturing or importing new and unused  
19 vessels or new and unused outboard motors for the purpose of  
20 sale or trade.

21 (10) "Motorboat" means any vessel, including a canoe or  
22 rubber raft, propelled by any machinery, motor, or engine of  
23 any description, whether or not such machinery, motor, or  
24 engine is the principal source of propulsion. The term  
25 includes boats temporarily equipped with detachable motors

1 or engines but does not include a vessel which has a valid  
2 marine document issued by the U.S. coast guard of the  
3 United States government or any federal agency successor  
4 thereto.

5 (11) "Operate" means to navigate or otherwise use a  
6 motorboat or a vessel.

7 (12) "Operator" means the person who navigates, drives,  
8 or is otherwise in immediate control of a motorboat or  
9 vessel.

10 (13) "Owner" means a person, other than a lien holder,  
11 having the property in or title to a motorboat or vessel.  
12 The term includes a person entitled to the use or possession  
13 of a motorboat or vessel subject to an interest in another  
14 person, reserved or created by an agreement securing payment  
15 or performance of an obligation, but the term excludes a  
16 lessee under a lease not intended as security.

17 (14) "Passenger" means every person carried on board a  
18 vessel other than:

19 (a) the owner or his representative;

20 (b) the operator;

21 (c) bona fide members of the crew engaged in the  
22 business of the vessel who have contributed no consideration  
23 for their carriage and who are paid for their services; or

24 (d) any guest on board a vessel which is being used  
25 exclusively for pleasure purposes who has not contributed

1 any consideration, directly or indirectly, for his carriage.

2 (15) "Person" means an individual, partnership, firm,  
3 corporation, association, or other entity.

4 (16) "Security interest" means an interest that is  
5 reserved or created by an agreement that secures payment or  
6 performance of an obligation and is valid against third  
7 parties generally.

8 (17) "Uniform state waterway marking system" means one  
9 of two categories:

10 (a) a system of aids to navigation to supplement the  
11 federal system of marking in state waters;

12 (b) a system of regulatory markers to warn a vessel  
13 operator of dangers or to provide general information and  
14 directions.

15 (18) "Vessel" means every description of watercraft,  
16 unless otherwise defined by the department, other than a  
17 seaplane on the water, used or capable of being used as a  
18 means of transportation on water.

19 (19) "Waters of this state" means any waters within the  
20 territorial limits of this state. (Subsections (2), (3),  
21 (8), (9), and (16) effective July 1, 1988--sec. 8, Ch. 433,  
22 L. 1987.)"

23 **Section 2.** Section 23-2-517, MCA, is amended to read:

24 "23-2-517. Fees for motorboats and, sailboats,  
25 motorized canoes, and motorized rubber rafts. (1) The owner

1 of a motorboat 10 feet in length or longer or a sailboat 12  
2 feet in length or longer shall pay a fee based on the length  
3 of the motorboat or sailboat, as follows:

4       (2)(a) The fee for a motorboat at least 10 feet in  
5 length but less than 14 feet in length or sailboat at least  
6 12 feet in length but less than 14 feet in length is \$7.50.

7       (3)(b) The fee for a motorboat or sailboat at least 14  
8 feet in length but less than 16 feet in length is \$15.

9       (4)(c) The fee for a motorboat or sailboat at least 16  
10 feet in length but less than 17 feet in length is \$32.

11       (5)(d) The fee for a motorboat or sailboat at least 17  
12 feet in length but less than 19 feet in length is \$3 a foot  
13 or fraction of a foot.

14       (6)(e) The fee for a motorboat or sailboat 19 feet in  
15 length or longer is \$4 a foot or fraction of a foot.

16       (2) The fee for a motorized canoe or motorized rubber  
17 raft is \$7.50 regardless of its length or age. (Applicable  
18 to motorboats and sailboats registered on or after January  
19 1, 1988.)"

20       NEW SECTION. **Section 3. Extension of authority.** Any  
21 existing authority to make rules on the subject of the  
22 provisions of [this act] is extended to the provisions of  
23 [this act].

24       NEW SECTION. **Section 4. Effective date.** [This act] is  
25 effective on passage and approval.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB250, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

The Act adds a fee in lieu of tax on motorized canoes and rubber rafts of \$7.50.

ASSUMPTIONS:

1. The Act will reduce the fee in lieu of taxes only on motorized canoes and rubber rafts 14 feet in length or longer. The number of craft in this category is unknown, but small.
2. The fee in lieu of taxes is collected by the county treasurer and distributed in the same manner as personal property taxes.

FISCAL IMPACT: Insignificant

Ray Shackelford      1/25/89  
RAY SHACKLEFORD, BUDGET DIRECTOR      DATE  
OFFICE OF BUDGET AND PROGRAM PLANNING

Ralph S. Eudaily      1-27-89  
RALPH S. EUDAILY, PRIMARY SPONSOR      DATE

Fiscal Note for HB250, as introduced

**HB 250**