

**DEPARTMENT OF TAXATION  
2006 Fiscal Impact Statement**

**1. Patron** Harvey B. Morgan

**3. Committee** House Finance

**4. Title** Local Property Tax: Removes Weight  
Restriction on Watercraft or Boats Used  
Only for Business Purposes

**2. Bill Number** HB 327

**House of Origin:**

  X   **Introduced**

      **Substitute**

      **Engrossed**

**Second House:**

      **In Committee**

      **Substitute**

      **Enrolled**

**5. Summary/Purpose:**

This bill would remove the weight restriction from the personal property tax classification for rate purposes of watercraft used for business purposes only. Currently only boats or watercraft used solely for business purposes weighing less than five tons qualify for a separate classification.

The effective date of this bill is not specified.

**6. Fiscal Impact Estimates are:** Not available. (See Line 8.)

**7. Budget amendment necessary:** No.

**8. Fiscal implications:**

This bill will have no impact on state revenues. Unless a locality applies a different property tax rate for boats weighing less than five tons used solely for business purposes, from boats weighing five tons or more used solely for business purposes, there would be no effect on local revenues.

**9. Specific agency or political subdivisions affected:**

All localities

**10. Technical amendment necessary:** No.

**11. Other comments:**

Currently there are separate classifications for boats weighing five tons or more, privately owned pleasure boats 18 feet and over used for recreational purposes, and boats used for business purposes only weighing less than five tons. This bill removes the weight restriction on boats used solely for business purposes to include all boats and watercraft used solely for business purposes, thus placing all boats used for business purposes in the same classification.

cc : Secretary of Finance

Date: 01/16/2006 WBS  
SB0327F161