

# DEPARTMENT OF TAXATION

## 2006 Fiscal Impact Statement

1. **Patron** Harvey B. Morgan

2. **Bill Number** HB 327

3. **Committee** Senate Finance

**House of Origin:**

       **Introduced**

       **Substitute**

       **Engrossed**

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

**Second House:**

  X   **In Committee**

       **Substitute**

       **Enrolled**

### 5. **Summary/Purpose:**

This bill would provide for the following additional separate property tax classifications of boats and watercraft:

- Weighing five tons or more and not used solely for business purposes;
- Weighing less than five tons and not used solely for business purposes; and
- Weighing five tons or more and used solely for business purposes.

Currently, there are separate property tax classifications for:

- Watercraft weighing five tons or more;
- Privately owned pleasure boats 18 feet and over used for recreational purposes;
- Watercraft used solely for business purposes weighing less than five tons;
- Privately owned motorized pleasure boats and watercraft under 18 feet used for recreational purposes only; and
- Privately owned non-motorized pleasure boats and watercraft under 18 feet used for recreational purposes only.

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 the separate classifications of boats and watercraft, 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, privately owned motorized pleasure boats under 18 feet used for recreational purposes only, privately owned non-motorized pleasure boats under 18 feet used for recreational purposes only, and boats used for business purposes only weighing less than five tons. This bill would allow localities to tax boats used for business purposes differently than it taxes boats not used solely for business purposes and would allow localities to tax boats weighing 5 tons or more differently than it does boats weighing less than 5 tons.

cc : Secretary of Finance

Date: 02/17/2006 WBS  
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