

Department of Finance and Administration

Legislative Impact Statement

Bill: SB479

As Engrossed: 3/25/2019

Bill Subtitle: TO AUTHORIZE AND REQUIRE THE ISSUANCE OF A TITLE FOR A WATERCRAFT; AND TO CREATE THE ARKANSAS MOTORBOAT REGISTRATION AND TITLING ACT.

Basic Change :

Sponsor: Sen. Sample

Senate Amendment No. 2 --- SB479 now changes the distribution of fees from motorboat titling and registration. As introduced, SB479 designated a portion of the fees for the Arkansas Game & Fish Commission. These fees are now designated for deposit to the Department of Finance and Administration in the Commercial Driver License Fund. The amendment did not change the fee designated for the State Police Retirement Fund.

Senate Amendment No. 1 --- Amendment No.1 requires original or duplicate certificates of number instead of photocopies.

Original Bill --- SB479 allows for watercraft titling. Arkansas has no law requiring the issuance of title for watercraft. Therefore, lienholders cannot file a lien on watercraft that is reflected in the Office of Motor Vehicle records, other than watercraft listed on a lien contract surrendered for the watercraft trailer. Currently, ownership of watercraft is transferred on a small space on the registration certificate. Transferring ownership on a certificate of title would be a much more secure method of transferring ownership since a title document is much more secure than a registration document. Issuance of title for watercraft would be a deterrent to theft of watercraft.

Revenue Impact :

Unknown increase of title fees for new boat purchases manufactured on and after January 1, 2020.

Taxpayer Impact :

For new boats manufactured on and after January 1, 2020, customers would be required to obtain a title as well as a registration for their watercraft and pay the ten-dollar (\$10.00) title fee when initially applying for title and registration in their name. Customers would be required to surrender the watercraft's manufacturer's certificate of origin (MCO) for a new watercraft or the previous owner's title if a used watercraft. Lienholders could have their lien noted on a certificate of title and hold the title until the lien is satisfied.

Resources Required :

Additional programing will be required and is estimated to cost \$45,000.00.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

Program the motor vehicle system for changes. Revise the Motor Vehicle Procedures manual and distribute revised manual to State Revenue Offices.

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Other Comments :

None.

Legal Analysis :

None.