

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1195

Bill Subtitle: TO AMEND THE LAW CONCERNING EXCEPTIONS FOR NUMBERING MOTORBOATS.

Basic Change :

Representative Vines
Senator A. Clark

The bill would re-establish the mechanism used by boat manufacturers and dealers to comply with requirements for boat numbering that were repealed in 2011. Prior to the 2011, Arkansas law provided that a boat dealer or manufacturer could purchase a permit with an identifying number in the name of the dealer or manufacturer at a fee of two dollars (\$2.00) which allowed use of the boat for demonstration purposes on Arkansas and out-of-state waterways. This permit would be displayed on boats being operated without the necessity of the boat being registered. Following the 2011 amendment, boat dealers and manufacturers wishing to use boats for demonstration purposes are required to register each boat in the businesses name. This bill again allow a boat dealer to obtain the two-dollar (\$2.00) boat dealer/manufacturer permit and use the boat for demonstration purposes without registration of each boat.

The proposal would be effective 90 days after final adjournment of the General Assembly.

Revenue Impact :

Approximately two thousand dollars (\$2,000) was collected in FY 12 from one hundred-fifty boat dealers and manufacturers who registered boats for demonstration purposes. The boat dealers and manufacturers would pay an annual \$2.00 permit fee rather than the current registration fee due on each boat. This would create an annual loss of revenue for the Game and Fish Commission of one thousand seven hundred dollars (\$1,700).

Taxpayer Impact :

Boat dealers and manufacturers could again obtain a two-dollar (\$2.00) permit to operate boats for demonstration purposes and would no longer be required to register each boat and pay regular boat registration fees for such purposes.

Resources Required :

Minimal

Time Required :

Adequate time is provided for implementation

Procedural Changes :

None

Other Comments :

None

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Legal Analysis :

Under current law, every motorboat used on the waters of Arkansas must be numbered as provided by the Arkansas Game and Fish Commission. However, state law provides various exceptions to the numbering requirement, which include the following: (1) the boat is numbered in another state; (2) the boat is not from the United States; (3) the boat is owned by the United States government or a state government; (4) the boat is a lifeboat of another boat; or (5) the boat has been recently purchased.

HB1195 creates another exception to permit boats owned by dealers or manufacturers and used for demonstration and testing purposes to be exempt from the numbering requirement. To qualify for this exception, a dealer or manufacturer must obtain a permit from the Arkansas Department of Finance and Administration (DFA) at a cost of \$2.00 for each permit. It is noteworthy that the exception for boat dealers and manufacturers created by HB1195 is not new. This exception was repealed by Act 900 of 2011. HB1195 recreates the exception for dealers and manufacturers that existed prior to 2011.

This bill does not contain an emergency clause or effective date.