

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND FIFTH LEGISLATURE

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**Legislative Document**

**No. 1366**

H. P. 1004

House of Representatives, March 5, 1971

Referred to Committee on Taxation. Sent up for concurrence and ordered printed.

BERTHA W. JOHNSON, Clerk

Presented by Mr. Hanson of Gardiner.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-ONE

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**AN ACT Relating to Municipal Excise Taxes on Boats and Motors.**

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Be it enacted by the People of the State of Maine, as follows:

R. S., T. 36, § 1491, additional. Title 36 of the Revised Statutes is amended by adding a new section 1491, to read as follows:

§ 1491. Excise tax on boats and motors

An excise tax shall be levied annually with respect to each calendar year on all boats for the privilege of operating boats on the waters of this State.

1. Canoes and open boats. The excise tax on all canoes and open boats normally propelled by oars shall be \$2.

2. Other boats and motors. The excise tax on all other boats with or without inboard motors, and on outboard motors shall be computed annually as follows:

A. The tax shall be determined on a listed price basis. The base to be used shall be the F.O.B. price as specified by a publication approved by the State Tax Assessor. If such information is not available, then the new price paid by the original purchaser shall be used, and an affidavit shall be presented by the owner to establish the new price basis. If the owner cannot establish the price basis as referred to, then the local assessors shall certify the price to be used.

Fee for boats and boats with inboard motors with a listed price base of \$500 or less shall be \$5.

Price base of \$501 to \$1,000 shall be \$10.

Price base of \$1,001 to \$1,500 shall be \$15.  
 Price base of \$1,501 to \$2,000 shall be \$20.  
 Price base of \$2,001 to \$2,500 shall be \$25.  
 Price base of \$2,501 to \$3,000 shall be \$30.  
 Price base of \$3,001 to \$3,500 shall be \$35.  
 Price base of \$3,501 to \$4,000 shall be \$40.  
 Price base of \$4,001 to \$4,500 shall be \$45.  
 Price base of \$4,501 to \$5,000 shall be \$50.

In addition to these rates all boats with or without inboard motors having a price base of over \$5,000 shall pay an additional \$10 per \$1,000 or any fractional part of \$1,000.

B. For boats used principally for securing of food products directly from the sea licensed by the State as commercial fishing boats or documented by the Bureau of Customs, the computation shall be reduced by  $\frac{1}{2}$ .

C. The tax on an outboard motor shall be computed at 20¢ per horsepower for motors of more than 10 horsepower using manufacturer's rating to determine such horsepower.

D. The tax on a boat or motor, or both, shall be reduced by 10% for each year of age to and including the 6th year of model, but shall not go below the minimum fee of \$2.

E. Fractional horsepower computation shall not be used. A fractional excess of over  $\frac{1}{2}$  horsepower shall be considered as the next full horsepower.

F. The minimum tax shall be \$2 on any boat with or without inboard motor, and \$2 on any outboard motor.

3. Where paid. The excise tax shall be paid in the case of a resident in the place where he resides. In the case of nonresidents registering boats in this State, the excise tax shall be paid in the place where the boat is customarily kept.

4. Exempt from further taxation. Boat owners who have paid the excise tax on their boats and motors as provided for in this section shall be exempt from further or other municipal taxation for that year on said boats and motors.

5. Collection. The excise tax shall be collected by the tax collector. In years when the registration is secured the excise tax shall be due on the day a boat is registered by the Bureau of Watercraft Registration and Safety through the issuance by that bureau of a certificate of number. In years other than the year the registration is secured and in the case of boats not required to be registered, and outboard motors, the excise tax shall be due on the day before property taxes for the year in question are committed to the collector.

The tax collector within 3 years after the due date of an excise tax unpaid under this section may bring an action in a district court within the district where the excise tax was levied to recover the excise tax due and unpaid, providing demand for payment has been sent to the taxpayer within 60 days

of the tax due date and payment was not made within 30 days from the sending of the demand.

6. Lien. If the excise tax imposed by this section is not paid when due, the tax collector may file, in the office of the register of deeds in the county where real property or fixtures of the taxpayer is located and in the office in which a security or financing statement or notice with respect to personal property of the taxpayer would be filed, a notice of lien specifying the amount of excise tax and interest due, name and last known address of the taxpayer liable for the amount and the fact that demand for payment was sent to the taxpayer at his last known address within 60 days of the tax due date and payment was not made within 30 days from the sending of the demand and the excise tax remains unpaid.

From the time of the filing, the amount set forth in the notice of lien constitutes a lien upon all property of the taxpayer in the county then owned by him or thereafter acquired by him in the period before the expiration of the lien. In the case of any prior mortgage on any real or personal property so written as to secure a present debt and also future advances by the mortgagee to the mortgagor, the lien provided in this subsection, when notice thereof has been filed in the proper office, shall be subject to the prior mortgage unless the tax collector also notifies the mortgagee of the recording of the lien in writing, in which case any indebtedness thereafter created from the mortgagor to the mortgagee shall be junior to the lien provided for in this subsection. The lien has the same force, effect and priority as a judgment lien and continues until it becomes unenforceable by reason of lapse of time unless sooner released or otherwise discharged.

7. Release of lien. The collector shall issue to the taxpayer a certificate of release of the lien or any portion of the property subject to the lien, if the collector finds that the liability for the excise tax demanded together with costs has been satisfied or has become unenforceable by reason of lapse of time or if the collector determines that the taxes are sufficiently secured by a lien on other property of the taxpayer.

8. Enforcement of lien. The lien provided for by subsection 6 may be enforced at any time by a civil action brought by the tax collector as provided in subsection 5. The court shall, after the parties have been notified of the action proceed to adjudicate all matters involved therein and finally determine the merits of all claims to and liens upon the property and in all cases where a claim or interest of the tax collector for unpaid excise taxes is established, the court may decree a sale of such property by the proper officer of the court and a distribution of the proceeds of such sale according to the findings of the court.

6. Payment of excise tax. The excise tax on boats shall be paid in accordance with the following provisions:

A. In years other than the year the registration is secured, the excise tax must be paid before property taxes for the year in question are committed to the collector, otherwise the owner is subject to a personal property tax.

The intent of this provision is to permit the boat owner to take advantage of the excise tax in the 2nd and 3rd years of his registration period.

B. In the case of boats not required to be registered, and outboard motors, the excise tax must be paid before property taxes for the year in question are committed to the collector, otherwise the owner is subject to a personal property tax.

C. The excise tax levied in this section shall be  $\frac{1}{2}$  of the sum named in subsection 2 from September 1st to December 31st.

D. Any owner who has paid the excise tax for a boat the ownership of which is transferred, or which is subsequently totally lost by fire, theft or accident or which is subsequently totally junked or abandoned, in the same calendar year, shall be entitled to a credit to the maximum amount of the tax previously paid in such year for any one boat toward the tax for such other boats, regardless of number of transfers, which may be required of him in the same calendar year.

E. Boats owned by nonresidents of this State, not required to be registered in this State prior to June 30th in any year, shall be exempt from the excise tax, provided that such boat has a current registration in the owner's state of principal use.

F. Payment of the excise tax or personal property tax shall not be a prerequisite for registration of a boat.

#### STATEMENT OF FACT

The purpose of this Act is to levy an annual excise tax for the privilege of operating boats on the waters of the State, payable in the case of a resident registering a boat in the place where he resides and in the case of non-residents in the place where the boat is customarily kept. Since federal law prohibits the payment of an excise tax as a prerequisite to registration, provisions for collection of the tax by the municipal tax collector have been included in this legislation.