

# MAINE STATE LEGISLATURE

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1 FIRST REGULAR SESSION  
2

3 ONE HUNDRED AND ELEVENTH LEGISLATURE  
4

5 Legislative Document

No. 858

6  
7 H.P. 675

House of Representatives, February 23, 1983

8 On Motion of Representative Higgins of Portland referred to the  
9 Committee on Taxation. Sent up for concurrence and ordered printed.

10 EDWIN H. PERT, Clerk

Presented by Representative Kilcoyne of Gardiner.

Cosponsor: Representative Kane of So. Portland.

11  
12 STATE OF MAINE  
13

14 IN THE YEAR OF OUR LORD  
15 NINETEEN HUNDRED AND EIGHTY-THREE  
16

17 AN ACT to Provide for Simplified and  
18 Uniform Taxation of Watercraft.  
19

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

22 Sec. 1. 12 MRSA §7791, sub-§11-A is enacted to  
23 read:

24 11-A. Principally moored or docked. "Prin-  
25 cipally moored or docked" means where a watercraft is  
26 moored, docked or anchored the majority of time the  
27 watercraft is used in Maine waters.

28 Sec. 2. 12 MRSA §7794, as amended by PL 1979, c.  
29 720, §§1 and 2, is further amended to read:

30 §7794. Certificate of number or decal

1           1. Motorboats requiring. The owner of every  
2 motorboat, including airmobiles, used on the waters  
3 of the State as the state of principal use shall  
4 obtain a certificate of number for the motorboat from  
5 the commissioner. The following motorboats are exempt  
6 from this section.

7           A. A watercraft which has or is required to have  
8 a valid marine document as a watercraft of the  
9 United States;

10          B. A motorboat already covered by a current cer-  
11 tificate of number issued under a federally  
12 approved numbering system of another state or a  
13 federal law, provided that the number so issued  
14 is displayed on the motorboat and provided that  
15 the motorboat has not been within this State for  
16 a period in excess of 60 consecutive days after  
17 the state of principal use has been changed;

18          C. Military or public watercraft, except recrea-  
19 tional type watercraft of the United States;

20          D. A motorboat whose owner is the United States,  
21 a state or subdivision thereof which is used for  
22 governmental purposes and which is clearly iden-  
23 tifiable as such;

24          E. A ship's lifeboat;

25          F. Motorboats from a country other than the  
26 United States, provided the motorboat has not  
27 been within this State for a period in excess of  
28 60 consecutive days; and

29          G. Motorboats used exclusively for racing pur-  
30 poses which display on their hulls in a prominent  
31 manner a valid boat number issued by a recognized  
32 racing association.

33           1. Motorboats requiring. The owner of every  
34 motorboat, including airmobiles, used on the waters  
35 of the State as the state of principal use shall  
36 obtain a valid certificate of number for the motor-  
37 boat from the commissioner or hold a valid certifi-  
38 cate of number awarded by the United States or by  
39 another state pursuant to the Federal Boat Safety Act

1 of 1971, United States Code Annotated Title 46,  
2 Section 1451, et seq.

3 Each motorboat with respect to which the owner holds  
4 a valid certificate of number awarded by the United  
5 States or by another state, pursuant to the Federal  
6 Boat Safety Act of 1971, or any other motorboat,  
7 which motorboat is used upon the waters of this State  
8 for more than 90 days in any calendar year shall  
9 obtain a valid certificate of decal from the commis-  
10 sioner. No person may store, launch, moor or operate,  
11 and no owner may permit the storing, launching,  
12 mooring or operation of any such motorboat, unless  
13 the owner holds a valid certificate of decal awarded  
14 by this State and the registration decal is displayed  
15 as directed by the commissioner.

16 The following motorboats are exempt from this  
17 section:

18 A. Military or public watercraft, except recrea-  
19 tional type watercraft of the United States;

20 B. A motorboat whose owner is the United States,  
21 a state or subdivision thereof which is used for  
22 governmental purposes and which is clearly ident-  
23 ifiable as such a motorboat;

24 C. A ship's lifeboat;

25 D. Motorboats from a country other than the  
26 United States, provided the motorboat has not  
27 been used on the waters of this State in excess  
28 of 90 consecutive days within any calendar year;

29 E. Motorboats used exclusively for racing pur-  
30 poses which display on their hulls in a prominent  
31 manner a valid boat number issued by a recognized  
32 racing association; and

33 F. Watercraft owned by out-of-state residents  
34 for which the owner holds a valid certificate of  
35 number awarded by another state or the United  
36 States pursuant to the Federal Boat Safety Act of  
37 1971, which have been left in this State by the  
38 owner for the purposes of repair or storage,  
39 except those watercraft which have been used on

1 the waters of this State for 90 days during the  
2 preceding calendar year.

3 2. Application. The owner shall make application  
4 to the commissioner on forms approved by the commis-  
5 sioner. The application shall show the legal resi-  
6 dence of the applicant and the place where the boat  
7 is situated and, in the case of a nonresident, where  
8 the boat is principally moored or docked.

9 3. Issuance.

10 A. Upon receipt of the approved application with  
11 the proper fee, the commissioner shall enter the  
12 application upon the office records and issue the  
13 applicant a pocket-sized certificate of number or  
14 certificate of decal stating:

- 15 (1) The number assigned to the motorboat;
- 16 (2) Its description;
- 17 (3) The name and address of the owner; and
- 18 (4) Such other information as the commis-  
19 sioner deems appropriate.

20 B. The holder of any certificate of number or  
21 certificate of decal issued under this chapter  
22 may obtain a duplicate certificate of validation  
23 stickers from the commissioner upon application  
24 and payment of the fee set forth in subsection 4.

25 4. Fees. The fees for each original or renewal  
26 certificate of number or certificate of decal with 2  
27 validation stickers are as follows:

- 28 A. All watercraft requiring or requesting cer-  
29 tificate of number or certificate of decal. \$ 9 6
- 30 B. Duplicate certificate of number ..... \$ 1
- 31 C. Duplicate validation sticker (each one) . 25¢
- 32 D. Certificate of number or certificate of decal  
33 issued with transfer of ownership authorized in  
34 subsection 7 ..... \$ 2

1           5. Restrictions.

2           A. The operator shall have the certificate of  
3           number or certificate of decal available for  
4           inspection on the motorboat for which issued at  
5           all times, whenever the motorboat is in opera-  
6           tion.

7           B. The identification number and validation  
8           stickers assigned by the commissioner and author-  
9           ized by this subchapter shall be displayed on  
10          each side of the bow of the boat in the following  
11          manner:

12                   (1) The identification numbers must be  
13                   painted or permanently attached to the bow  
14                   and be of a color which is in contrast to  
15                   the color of the background so as to provide  
16                   the highest degree of visibility, i.e., dark  
17                   numbers on a light background or vice versa,  
18                   and be plainly visible;

19                   (2) The identification number must be dis-  
20                   played in 3 parts. The prefix which is the  
21                   initial letters ME, designating the State of  
22                   Maine, is to be separated by a hyphen or  
23                   space equal to the width of a letter, other  
24                   than the letter "I," from the numerals which  
25                   follow it. The suffix, which consists of the  
26                   ending letter or letters which appear after  
27                   the numerals, is to be likewise separated  
28                   from the numerals;

29                   (3) The identification number must be dis-  
30                   played to read from left to right, of good  
31                   proportion, with vertical block character  
32                   capital letters and Arabic numerals, all of  
33                   which must not be less than 3 inches in  
34                   height, and maintained in a legible condi-  
35                   tion at all times;

36                   (4) No number other than the assigned boat  
37                   number ~~shall~~ may be displayed on the bow of  
38                   such a motorboat;

39                   (5) The validation sticker, as issued by  
40                   the division, must be displayed approxi-

1 mately 3 inches behind the last letter of  
2 the identification number and on a level  
3 with the number on both sides of the bow  
4 viz.: ME-123-A ; and

5 (6) Nothing in this section ~~shall~~ may pro-  
6 hibit the numbering of any watercraft upon  
7 the request of the owner. The owner shall  
8 comply with all applicable requirements of  
9 this subchapter if he chooses to number his  
10 watercraft; and

11 (7) The certificate of decal and any vali-  
12 ation stickers assigned by the commissioner  
13 shall be available for inspection and dis-  
14 played in a manner as prescribed by the com-  
15 missioner.

16 C. The owner of a certificate of number or cer-  
17 tificate of decal terminated or invalidated under  
18 subsection 11 shall return it within 10 days of  
19 the termination or invalidation.

20 D. The owner of any watercraft which has been  
21 issued a certificate of number or certificate of  
22 decal shall notify the commissioner in writing  
23 within 10 days of:

24 (1) The transfer of all or any part of his  
25 interest, other than the creation of a  
26 security interest, in the watercraft covered  
27 by the certificate;

28 (2) The permanent removal of the watercraft  
29 from the State;

30 (3) The destruction or abandonment of the  
31 watercraft;

32 (4) The theft or recovery of the water-  
33 craft; or

34 (5) Any change in his address.

35 E. Upon sale or transfer of ownership of any  
36 registered watercraft, the owner or dealer shall  
37 remove and destroy any validation stickers on the

1 craft. The validation sticker is nontransferable.

2 F. The person whose name appears on the certifi-  
3 cate of number or certificate of decal as the  
4 owner of a watercraft shall remove the number and  
5 validation stickers from the craft when:

6 (1) The watercraft is documented;

7 (2) The watercraft is no longer used prin-  
8 cipally upon the waters in the this State of  
9 Maine;

10 (3) The application for certificate of  
11 number or certificate of decal contains  
12 false or fraudulent statements or informa-  
13 tion; or

14 (4) The fees for issuance of a certificate  
15 of number or certificate of decal are not  
16 paid.

17 6. Numbers permanent. A number once awarded  
18 under this subchapter to a motorboat remains with  
19 that boat until the boat is destroyed, abandoned,  
20 permanently removed or no longer principally used in  
21 this State, except that numbers that have been inac-  
22 tive for at least 7 years may be reissued by the  
23 division.

24 7. Transfer of ownership. Whoever transfers  
25 ownership of a motorboat for which a certificate of  
26 number or certificate of decal has already been  
27 issued under this subchapter and applies for a cer-  
28 tificate of number or certificate of decal for  
29 another motorboat is entitled to a new certificate of  
30 number or certificate of decal upon payment of a  
31 transfer fee of \$2 as set forth in subsection 4,  
32 paragraph D, provided the applicant returns to the  
33 commissioner the old certificate of number or certifi-  
34 cate of decal properly signed and executed, showing  
35 that ownership of the motorboat has been transferred  
36 and that there are at least 6 months of unexpired  
37 time on his old certificate of number or certificate  
38 of decal.



1           8. New ownership. If there is a change of own-  
2           ership of a motorboat for which a certificate of  
3           number or certificate of decal has previously been  
4           issued under this subchapter, the new owner shall  
5           apply for a new certificate of number or certificate  
6           of decal and set forth the original boat number in  
7           his application. He shall pay the regular fee for the  
8           particular motorboat involved and is not entitled to  
9           the special transfer fee set forth in subsection 7.

10           8-A. Transition. Notwithstanding subsection 8,  
11           for 3 calendar years beginning January 1, 1981, the  
12           commissioner may issue a portion of renewal certifi-  
13           cates that shall continue in force until December  
14           31st of:

15           A. The calendar year of issuance, in which case  
16           the fee is \$3; or

17           B. The first complete calendar year after the  
18           year of issuance, in which case the fee is \$6.

19           The commissioner's authority under this subsection is  
20           designed to achieve a more evenly distributed number  
21           of watercraft registration in each year.

22           This subsection is repealed on December 31, 1983.

23           9. Expiration. Every certificate of number or  
24           certificate of decal awarded under this subchapter  
25           continues in force until December 31st of the 2nd  
26           complete calendar year after the year of issuance.

27           10. Renewal. The owner may renew his certifi-  
28           cate of number or certificate of decal at expiration  
29           by stating the old number or such other information  
30           as the commissioner may require in his application  
31           and paying the prescribed fee. The fee is the same  
32           fee he would pay for the original issuance.

33           11. Termination of certificate of number or cer-  
34           tificate of decal.

35           A. Under any of the following conditions, the  
36           certificate of number or certificate of decal  
37           issued by the commissioner is terminated or  
38           invalidated:

- 1 (1) Transfer of the watercraft;
- 2 (2) Documentation of the watercraft;
- 3 (3) Change in state of principal use of the  
4 watercraft;
- 5 (4) Permanent removal of the watercraft  
6 from the State;
- 7 (5) Abandonment or destruction of the  
8 watercraft;
- 9 (6) False or fraudulent information on the  
10 application for the certificate of number or  
11 certificate of decal;
- 12 (7) Failure to pay the required fee for the  
13 certificate of number or certificate of  
14 decal; or
- 15 (8) Involuntary loss of interest in the  
16 watercraft due to legal process.

17 B. The transfer of a partial interest which does  
18 not affect the original owner's right to operate  
19 the watercraft does not terminate or invalidate  
20 the certificate of number or certificate of  
21 decal.

22 Sec. 3. 12 MRSA §7795, as enacted by PL 1979, c.  
23 420, §1, is amended to read:

24 §7796. 10-day boat number and registration

25 1. Issuance. The commissioner may issue tempo-  
26 rary 10-day boat numbers or decals and registrations  
27 to bona fide dealers who request them under such con-  
28 ditions as he deems necessary.

29 2. Fee. The commissioner shall receive 50¢ for  
30 each 10-day temporary plate.

31 3. Use of 10-day plates.

32 A. Upon the sale or exchange by a dealer of any  
33 motorboat which requires numbering or decals, the

1 new owner may secure from him a temporary 10-day  
2 boat number or decal and registration to operate  
3 the craft for one period of 10 consecutive days  
4 only after the date of sale in lieu of a permanent  
5 boat number or decal as required in section  
6 7794, provided the owner shall make application  
7 to the commissioner on the date of sale for a  
8 certificate of boat number or certificate of  
9 decal.

10 B. The application and fee for certificate of  
11 boat number or certificate of decal, together  
12 with a copy of the temporary registration issued  
13 by the dealer, shall be forwarded by the dealer  
14 to the commissioner within 48 hours after the  
15 date of sale of the motorboat.

16 C. The dealer shall affix the temporary 10-day  
17 boat number to the bow of the motorboat and shall  
18 clearly mark thereon the date issued, date of  
19 expiration and his Maine dealer's number. The  
20 temporary decal shall be affixed in a manner pre-  
21 scribed by the commissioner.

22 4. Restrictions.

23 A. The temporary 10-day boat number or decal is  
24 nontransferable and the number shall be conspicu-  
25 ously displayed on the bow of the motorboat, not-  
26 withstanding any other requirements of display of  
27 boat number. The temporary decal shall be  
28 affixed in a manner prescribed by the commis-  
29 sioner.

30 B. The operator of a motorboat shall have the  
31 temporary registration aboard at all times while  
32 the motorboat is in operation.

33 C. After expiration of the 10-day period, the  
34 owner shall remove and discard the temporary  
35 10-day boat number or decal and display the per-  
36 manent boat number and validation stickers  
37 assigned by the commissioner in accordance with  
38 section 7794, subsection 5, paragraph B. Display  
39 of the certificate of decal validation stickers  
40 shall be as prescribed by the commissioner.

1           Sec. 4. 12 MRSA §7801, sub-§1, as amended by PL  
2 1979, c. 543, §72, is further amended to read:

3           1. Operating a motorboat without a certificate  
4 of number or certificate of decal. A person is  
5 guilty, except as provided in subsection 27, para-  
6 graph A, of operating a motorboat without a certifi-  
7 cate of number or certificate of decal if he operates  
8 or gives permission to operate a motorboat without a  
9 current certificate of number or certificate of decal  
10 or a current temporary certificate of number or cer-  
11 tificate of decal. Only the certificate of number or  
12 certificate of decal or temporary certificate of  
13 number or temporary certificate of decal as issued by  
14 the commissioner is valid. A facsimile or copy of  
15 the certificate is not valid.

16           Sec. 5. 36 MRSA §610-A, as enacted by PL 1981,  
17 c. 357, is repealed.

18           Sec. 6. 36 MRSA c. 719 is enacted to read:

19                                   CHAPTER 719

20                                   WATERCRAFT EXCISE TAX

21           §4831. Purpose

22           The purpose of this chapter is to levy an excise  
23 tax upon the owner of any watercraft required to  
24 secure a certificate of number or decal from the Com-  
25 missioner of Inland Fisheries and Wildlife for the  
26 privilege of operating watercraft upon the waters of  
27 this State.

28           §4832. Excise tax in lieu of property taxes

29           The excise tax imposed by this chapter is in lieu  
30 of all property taxes on watercraft.

31           §4833. Definitions

32           As used in this chapter, unless the context indi-  
33 cates otherwise, the following terms have the follow-  
34 ing meanings.

1           1. Commissioner. "Commissioner" means the Com-  
2 missioner of Inland Fisheries and Wildlife or any  
3 other state official charged from time-to-time with  
4 the responsibility of issuing certificates of number  
5 or decal pursuant to Title 12, section 7794.

6           2. Overall length. "Overall length" means the  
7 horizontal distance stated in feet, rounded to the  
8 nearest foot, and defined as the straight line mea-  
9 surement over the deck, excluding sheer, from the  
10 foremost part of the watercraft to the aftermost  
11 part, measured parallel to the centerline, excluding  
12 outboard motors, brackets, bowsprits, rudders and  
13 similar attachments.

14           3. Registration period. "Registration period"  
15 means that period commencing upon the issuance of a  
16 certificate of number or decal and continuing until  
17 December 31st of the 2nd calendar year after the year  
18 of issuance.

19           4. Watercraft. "Watercraft" means any motorboat  
20 the owner of which is required to hold a certificate  
21 of number or decal pursuant to Title 12, section  
22 7794.

23           §4834. Excise tax

24           1. Payment schedule. An excise tax, covering  
25 the registration period for the watercraft, shall be  
26 levied by the commissioner on the owner of each  
27 watercraft according to the overall length of the  
28 watercraft in accordance with the following schedule.

	<u>Overall length of watercraft:</u>	<u>Amount of</u> <u>excise tax</u>
29		
30		
31	<u>Class A (under 16 feet)</u>	<u>\$ 14</u>
32	<u>Class I (16 feet or over - but less</u>	
33	<u>than 26 feet)</u>	<u>60</u>
34	<u>Class II (26 feet or over - but less</u>	
35	<u>than 41 feet)</u>	<u>300</u>

1	<u>Class III (41 feet or over - but</u>	
2	<u>less than 65 feet)</u>	<u>700</u>
3	<u>Other (65 feet and over)</u>	<u>1000</u>

4        2. Payment of tax. The excise tax shall be paid  
5 at the time of application to the commissioner for a  
6 certificate of number or decal pursuant to Title 12,  
7 section 7794. If the registration period is for 23  
8 months or less, the excise tax shall be prorated.

9        3. Credits. Any owner who has paid the excise  
10 tax for a watercraft the ownership of which is trans-  
11 ferred, or which is subsequently totally lost by  
12 fire, theft or accident or which is subsequently  
13 junked or abandoned, in the same registration period,  
14 shall be entitled to a pro rata credit of the tax  
15 previously paid in that period for any one watercraft  
16 toward the tax for any number of watercraft, regard-  
17 less of the number of transfers which may be required  
18 of the owner in the same certification period.

19        A. For each transfer of registration resulting  
20 from a change of ownership or total loss by fire,  
21 theft, junking or abandonment in the same regis-  
22 tration period, the owner shall pay \$10 to the  
23 commissioner.

24        B. No portion of any excise tax once paid may be  
25 repaid to any person by reason of the transfer,  
26 loss or discontinuance of a watercraft or  
27 watercrafts.

28        C. For purposes of this subsection, the term  
29 "owner" includes the surviving spouse.

30        §4835. Disposition of watercraft excise tax revenues

31        Excise tax revenues collected under this chapter  
32 during each calendar year shall be distributed to  
33 municipalities on or before December 31st of each  
34 year as follows.

35        1. Excise tax revenues paid by residents. Each  
36 municipality shall receive all excise tax revenues  
37 paid by its residents during each calendar year and  
38 which are allocable to the first year of certifica-

1 tion.

2 2. Excise tax revenues paid by nonresi-  
3 idents. Each municipality shall receive all excise  
4 tax revenues paid by nonresidents during each calen-  
5 dar year, whose watercraft are principally moored or  
6 docked, as defined in Title 12, section 7791, subsec-  
7 tion 11-A, in that municipality and which are alloca-  
8 ble to the first year of certification.

9 3. Distribution of remaining revenues. Excise  
10 tax revenues remaining after subsections 1 and 2 dis-  
11 tributions and allocable to the 2nd year of certifi-  
12 cation shall be placed in an interest-bearing ac-  
13 count. Excise tax revenues allocable to the 2nd year  
14 of certification shall be distributed as set forth in  
15 subsections 1 and 2 on or before December 31st of the  
16 year following receipt.

17 §4836. Unorganized territory

18 For the purposes of this chapter, the unorganized  
19 territory shall be treated as a municipality with all  
20 payments due the unorganized territory being paid to  
21 the Unorganized Territory Education and Services  
22 Fund.

23 Sec. 7. Effective date. If the proposed  
24 consitutional amendment relating to property tax ex-  
25 emptions for watercraft is passed by the voters of  
26 this State, this chapter shall take effect on January  
27 1, 1986.

28 STATEMENT OF FACT

29 While efforts have been made to insure more uni-  
30 formity in the personal property taxation of water-  
31 craft, there continues to be wide disparity between  
32 towns in watercraft assessment. The Bureau of Taxa-  
33 tion has issued watercraft assessment guidelines to  
34 value watercraft, but with over 115,000 boats regis-  
35 tered in Maine, it is impossible in most towns for  
36 assessors to view and value each boat.

37 Total revenue to municipalities from watercraft  
38 taxation in 1981 was approximately \$1,400,000. The  
39 revenue collected as a percentage of each town's col-

1       lections for municipal purposes is generally quite  
2 low, although in some coastal communities the taxes  
3 collected are a larger share of local revenues.  
4 Watercraft owners use various methods to avoid paying  
5 private property taxes in Maine. These methods range  
6 from registering them out-of-state to never declaring  
7 them on the tax rolls. This has resulted in the loss  
8 of millions of tax dollars to municipalities over the  
9 past years. While efforts recently have been under-  
10 taken to make it more difficult for boat owners to  
11 avoid paying municipal personal property taxes, sub-  
12 stantial problems still exist with assessment and  
13 taxation of watercraft.

14       This bill repeals the personal property tax on  
15 boats and replaces it with an excise tax determined  
16 by the length of the watercraft. For uniformity,  
17 simplification and ease of administration, this  
18 excise tax is applicable to those boats the owners of  
19 which are required to secure a certificate of number  
20 or decal and is payable for the entire registration  
21 period at the time of registration. Tying the excise  
22 tax to registration and applying the tax to the  
23 owners of watercraft not resident in Maine but whose  
24 boats are used on Maine waters for 90 days in a cal-  
25 endar year will result in more boat owners paying a  
26 tax for the privilege of using Maine's waters and the  
27 services and facilities municipalities provide.

28 All excise tax revenues are returned to municipali-  
29 ties.

30

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