

# MAINE STATE LEGISLATURE

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(EMERGENCY)  
(New Draft of H.P. 582, L.D. 730)

FIRST REGULAR SESSION

ONE HUNDRED AND ELEVENTH LEGISLATURE

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Legislative Document No. 1343

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H.P. 1041 House of Representatives, March 29, 1983  
Reported by Representative Higgins from the Committee on Taxation and  
printed under Joint Rule 2.

EDWIN H. PERT, Clerk

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STATE OF MAINE

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

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**AN ACT to Provide a Uniform Excise Tax  
on Watercraft.**

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**Emergency preamble.** Whereas, Acts of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, the tax assessment date for personal property tax is April 1st of each calendar year; and

Whereas, legislative action is necessary before that date in order to address this year the imbalances in the property tax which are causing difficulty for the commercial fishing fleet with the danger that some vessels may leave the State if action is not taken before April 1st; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of

1 the Constitution of Maine and require the following  
2 legislation as immediately necessary for the preser-  
3 vation of the public peace, health and safety; now,  
4 therefore,

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

7 PART A

8 Sec. 1. 36 MRSA §655, sub-§1, ¶Q is enacted to  
9 read:

10 Q. All commercial fishing vessels subject to the  
11 excise tax imposed under chapter 109-A.

12 Sec. 2. 36 MRSA c. 109-A is enacted to read:

13 CHAPTER 109-A

14 COMMERCIAL FISHING VESSELS

15 §1441. Definitions

16 As used in this chapter, unless the context indi-  
17 cates otherwise, the following terms have the follow-  
18 ing meanings.

19 1. Commercial fishing vessel. "Commercial fish-  
20 ing vessel" means any type of motorboat, as defined  
21 in Title 12, section 7792, over 10 net tons, exclu-  
22 sively engaged in commercial fishing, which is  
23 documented under the laws of the United States and  
24 which maintains an established base of operations  
25 within this State. It includes all motors, electronic  
26 and mechanical equipment and other machinery, whether  
27 permanently or temporarily attached, which are cus-  
28 tomarily used in the operations of the vessel. It  
29 does not include a vessel exclusively engaged in the  
30 transportation of fish.

31 2. Established base of operations. An "estab-  
32 lished base of operations" means the location where a  
33 commercial fishing vessel has its primary relation-  
34 ship with a municipality. Among the factors identify-  
35 ing a primary relationship are the locations at which

1 a vessel is customarily moored or docked when not at  
2 sea, and at which it customarily prepares for  
3 expeditions and hires a crew, and to which it custom-  
4 arily returns for repairs, supplies and the disposi-  
5 tion of its catch. The fact that a vessel carries on  
6 one or more of the activities, mentioned in this sub-  
7 section, at more than one location within this State  
8 shall not prevent it from being deemed to have an  
9 established base of operations within this State. The  
10 fact that a vessel carries on one or more of the ac-  
11 tivities, mentioned in this section, at a location or  
12 locations outside this State shall not prevent it  
13 from being deemed to have an established base of  
14 operations within the State, if a substantial portion  
15 of these activities are carried on at a location or  
16 locations within this State such that, in the judg-  
17 ment of the State Tax Assessor, the vessel's owner  
18 has availed himself of the opportunities and benefits  
19 of conducting business in this State.

20 §1442. Annual excise tax

21 1. Assessment. An annual excise tax shall be  
22 assessed by the State Tax Assessor on July 1st of  
23 each year on every owner of a commercial fishing  
24 vessel for the privilege of maintaining within this  
25 State an established base of operations for that  
26 vessel.

27 2. Amount. The amount of the tax is \$10 per  
28 foot for vessels which are less than 15 net tons and  
29 \$20 for vessels which are 15 or more net tons, based  
30 on the registered length of the vessel as set forth  
31 in the document issued to its owner by the United  
32 States Coast Guard.

33 3. Partial year. If the owner of a commercial  
34 fishing vessel establishes in this State a base of  
35 operations for the vessel after July 1st of any year,  
36 but prior to June 30th of the succeeding year, the  
37 owner shall be subject to assessment of the tax  
38 imposed by this chapter immediately upon establishing  
39 a base of operations within this State, subject to  
40 the partial abatement permitted under section 1445.

41 4. Due date. The tax is due on or before the  
42 90th day following assessment.

1           5. Lien. If any tax imposed by this chapter is  
2 not paid when due, the State Tax Assessor may file in  
3 the office of the registry of deeds of the county  
4 where the vessel has its established base of opera-  
5 tions or in the office in which a security or finan-  
6 cial statement or notice with respect to personal  
7 property would be filed, a certificate of lien speci-  
8 fyng the amount of the tax, addition to tax, penalty  
9 and interest due, the name and last known address of  
10 the taxpayer liable for the amount and the fact that  
11 the State Tax Assessor has complied with this chapter  
12 in the assessment of the tax. From the time of the  
13 filing, the amount set forth in the notice consti-  
14 tutes a lien upon all property of the taxpayer in the  
15 county then owned by him or thereafter acquired by  
16 him in the period before the expiration of the lien.  
17 In the case of any prior mortgage on any real or per-  
18 sonal property so written as to secure a present debt  
19 and also future advances by the mortgagee to the  
20 mortgagor, the lien, as provided in this subsection,  
21 when notice has been filed in the proper office,  
22 shall be subject to the prior mortgage, unless the  
23 assessor also notifies the mortgagee of the recording  
24 of the lien in writing, in which case any indebted-  
25 ness thereafter created from the mortgagor to the  
26 mortgagee shall be junior to the lien provided in  
27 this subsection. The lien, as provided in this sub-  
28 section, has the same force, effect and priority as a  
29 judgment lien and shall continue for 5 years from the  
30 date of recording, unless sooner released or other-  
31 wise discharged. The lien may, within the 5-year  
32 period or within 5 years from the date of the last  
33 extension of the lien in the manner provided in this  
34 section, be extended by filing for record in the  
35 appropriate office a copy of the notice and from the  
36 time of the filing, the lien shall be extended for 5  
37 years, unless sooner released or otherwise dis-  
38 charged.

39           §1443. Annual statement by owner

40           1. When due. The owner of a commercial fishing  
41 vessel shall by June 15th, annually, file a sworn  
42 statement with the State Tax Assessor. If the vessel  
43 has not maintained an established base of operations  
44 within this State on or before June 15th, the state-  
45 ment shall be filed within 30 days of the date that a  
46 base of operations is established in this State.

1           2. Contents. The statement shall contain at  
2 least the following information:

3           A. The name of the vessel's owner and a designa-  
4 tion of the owner's status as either an indi-  
5 vidual, corporation, partnership or other busi-  
6 ness entity;

7           B. The owner's mailing address;

8           C. The municipality where the vessel has an  
9 established base of operations;

10          D. The registered length of the vessel as set  
11 forth in its document;

12          E. The owner's statement of the fair market  
13 value of the vessel as of the date the statement  
14 is made; and

15          F. The official number of the vessel as set  
16 forth in its document.

17          3. Forms mailed. On or before May 15th of each  
18 year, the State Tax Assessor shall make available  
19 forms which may be used by persons filing the state-  
20 ment required by this section.

21          §1444. Proceedings for abatement

22           Assessment by the State Tax Assessor of the  
23 excise tax imposed by this chapter is a determination  
24 of the State Tax Assessor for purposes of section  
25 151. Except as provided in section 1445, proceedings  
26 for abatement shall be governed by section 151 and by  
27 other applicable provisions of this Title.

28          §1445. Partial abatement for vessels changing base  
29 of operations during calendar year

30           If a commercial fishing vessel maintains an  
31 established base of operations in another taxing  
32 jurisdiction during a portion of the excise tax year,  
33 the owner shall, upon presentation of evidence satis-  
34 factory to the State Tax Assessor within 30 days from  
35 the end of the tax year, be entitled to a partial  
36 abatement of the tax imposed by this chapter in pro-

1 portion to the period of time during which the vessel  
2 has maintained an established base of operations in  
3 such other jurisdiction and not in this State.

4 §1446. Enforcement

5 The provisions of chapters 7 and 835 shall apply  
6 with like effect to collecting the tax and enforcing  
7 this chapter.

8 §1447. Reimbursement to municipalities

9 Reimbursement to municipalities as required by  
10 the Constitution of Maine, Article IV, Part 3,  
11 Section 23, shall be made according to procedures  
12 specified in section 661, except that claims for  
13 reimbursement shall be made by the municipality, no  
14 later than January 1st of the following year.

15 **PART B**

16 **Sec. 1. 12 MRSA §7794, sub-§1, as amended by PL**  
17 **1979, c. 543, §69, is further amended to read:**

18 **1. Motorboats requiring.** The owner of every  
19 motorboat, including airmobiles, used on the waters  
20 of the State as the state of principal use shall  
21 obtain a certificate of number for the motorboat from  
22 the commissioner. No certificate of number may be  
23 issued unless the owner submits proof that the water-  
24 craft excise tax, assessed under Title 36, chapter  
25 112, has been paid. The following motorboats are ex-  
26 empt from this section:

27 **A.** A watercraft which has or is required to have  
28 a valid marine document as a watercraft of the  
29 United States;

30 **B.** A motorboat already covered by a current cer-  
31 tificate of number issued under a federally  
32 approved numbering system of another state or a  
33 federal law, provided that the number so issued  
34 is displayed on the motorboat and provided that  
35 the motorboat has not been within this State for  
36 a period in excess of 60 consecutive days after  
37 the state of principal use has been changed;

- 1 C. Military or public watercraft, except recrea-
- 2 tional type watercraft of the United States;
- 3 D. A motorboat whose owner is the United States,
- 4 a state or subdivision thereof which is used for
- 5 governmental purposes and which is clearly iden-
- 6 tifiable as such;
- 7 E. A ship's lifeboat;
- 8 F. Motorboats from a country other than the
- 9 United States, provided the motorboat has not
- 10 been within this State for a period in excess of
- 11 60 consecutive days; and
- 12 G. Motorboats used exclusively for racing pur-
- 13 poses which display on their hulls in a prominent
- 14 manner a valid boat number issued by a recognized
- 15 racing association.

16 Sec. 2. 12 MRSA §7794, sub-§4, ¶A, as amended by  
 17 PL 1979, c. 720, §1, is further amended to read:

18 A. All watercraft requiring or requesting cer-  
 19 tificate of number ..... § 9 § 6

20 Sec. 3. 12 MRSA §7794, sub-§9, as enacted by PL  
 21 1979, c. 420, §1, is amended to read:

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

26 Sec. 4. 36 MRSA §609 is repealed.

27 Sec. 5. 36 MRSA §610 is repealed.

28 Sec. 6. 36 MRSA §610-A, as enacted by PL 1981,  
 29 c. 357, is repealed.

30 Sec. 7. 36 MRSA §655, sub-§1, ¶P, as amended by  
 31 PL 1977, c. 456, is repealed.

32 Sec. 8. 36 MRSA §655, sub-§1, ¶R, is enacted to  
 33 read:



1 R. All watercraft, including motors, electronic  
2 and mechanical equipment and other machinery,  
3 whether or not the motors, electronic and mechan-  
4 ical equipment and other machinery are perman-  
5 ently or temporarily attached, and customarily  
6 used in the operation of the watercraft. "Water-  
7 craft" does not include a vessel, boat or craft  
8 located and intended to be permanently docked in  
9 one location and not used as a means of trans-  
10 portation on water.

11 Sec. 9. 36 MRSA c. 112 is enacted to read:

12 CHAPTER 112

13 WATERCRAFT EXCISE TAX

14 §1501. Purpose

15 The purpose of this chapter is to levy an excise  
16 tax upon the owner of any watercraft, not otherwise  
17 exempt, for the privilege of operating a watercraft  
18 upon the waters of this State.

19 §1502. Excise tax in lieu of property taxes

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

22 §1503. Definitions

23 As used in this chapter, unless the context indi-  
24 cates otherwise, the following terms have the follow-  
25 ing meanings.

26 1. Commercial vessel. "Commercial vessel" means  
27 any type of watercraft used exclusively in a business  
28 or trade:

29 A. Is required to be registered under Title 12,  
30 section 7794; or

31 B. Is documented under the laws of the United  
32 States.

33 2. Commissioner. "Commissioner" means the Com-  
34 missioner of Marine Resources.

1           3. Director. "Director" means the Director of  
2 the Division of Recreational Safety and Registration,  
3 Department of Inland Fisheries and Wildlife.

4           4. Established base of operations. An "estab-  
5 lished base of operations" means the location where a  
6 commercial vessel has its primary relationship with a  
7 municipality. Among the factors identifying a primary  
8 relationship are the locations at which the vessel is  
9 primarily moored or docked, where it prepares for  
10 expeditions and hires a crew and to which it regu-  
11 larly returns for repairs, supplies and activities  
12 relating to its business or trade. The fact that a  
13 commercial vessel carries on one or more of the ac-  
14 tivities, as mentioned in this subsection, at more  
15 than one location within this State or carries on one  
16 or more of the activities, enumerated in this subsec-  
17 tion, at a location or locations outside this State  
18 shall not prevent it from being deemed to have an  
19 established base of operations within the State, if a  
20 substantial portion of these activities are carried  
21 on at a location or locations within this State.

22           5. Overall length. "Overall length" means the  
23 horizontal distance stated in feet and defined as the  
24 straight line measurement over the deck, excluding  
25 sheer, from the foremost part of the watercraft to  
26 the aftermost part, measured parallel to the center-  
27 line, excluding outboard motors, brackets, bowsprits,  
28 rudders and similar attachments. For any watercraft  
29 documented under the laws of the United States, over-  
30 all length means the registered length of the vessel  
31 as set forth in the document issued to its owner by  
32 the United States Coast Guard.

33           6. Owner. "Owner" means a person or persons  
34 claiming lawful possession of a watercraft by virtue  
35 of legal title, equitable interest or a leasehold  
36 interest in the watercraft.

37           7. Principally moored, docked or located. "Prin-  
38 cipally moored, docked or located" means the place  
39 where a watercraft, other than a commercial vessel,  
40 is usually moored, docked, anchored or located during  
41 the period from June 1st to August 31st.

1           8. Registration period. "Registration period"  
2 means that period commencing upon the issuance of a  
3 certificate of number pursuant to Title 12, section  
4 7794 and continuing until December 31st of the 2nd  
5 calendar year after the year of issuance.

6           9. Taxable year. "Taxable year" for purposes of  
7 section 1504, subsection 5, means from January 1st to  
8 December 31st.

9           10. Watercraft. "Watercraft" means any type of  
10 vessel, boat or craft capable of being used as a  
11 means of transportation on water, other than a sea-  
12 plane, including motors, electronic and mechanical  
13 equipment and other machinery, whether permanently or  
14 temporarily attached, and which are customarily used  
15 in the operations of the watercraft. Watercraft does  
16 not include a vessel, boat or craft located and  
17 intended to be permanently docked in one location and  
18 not used as a means of transportation on water.

19 §1504. Excise tax

20           1. Payment schedule. An excise tax shall be  
21 payable annually by the owner of each watercraft  
22 located in this State, except those exempt under sub-  
23 section 4, with 10 days of operation upon the waters  
24 of this State, or prior to obtaining a certificate of  
25 number pursuant to Title 12, section 7794, or prior  
26 to July 1st, whichever event first occurs, based on  
27 the overall length of the watercraft in accordance  
28 with the following schedule.

	<u>Overall Length of Watercraft</u>	<u>Amount of Excise Tax</u>
31	<u>A. For any watercraft less</u>	
32	<u>than 12 feet</u>	<u>\$8.</u>
33	<u>B. For any watercraft 12 feet</u>	
34	<u>or over, but less than 16 feet</u>	<u>\$8 plus \$1 for</u>
35		<u>each foot over</u>
36		<u>12 feet.</u>
37	<u>C. For any watercraft 16 feet</u>	
38	<u>or over, but less than 18 feet</u>	<u>\$15 plus \$1</u>
39		<u>for each foot</u>

1		<u>over 16 feet.</u>
2	<u>D. For any watercraft 18 feet</u>	
3	<u>or over, but less than 22 feet</u>	<u>\$25 plus \$2</u>
4		<u>for each foot</u>
5		<u>over 18 feet.</u>
6	<u>E. For any watercraft 22 feet</u>	
7	<u>or over, but less than 26 feet</u>	<u>\$40 plus \$2</u>
8		<u>for each foot</u>
9		<u>over 22 feet.</u>
10	<u>F. For any watercraft 26 feet</u>	
11	<u>or over, but less than 30 feet</u>	<u>\$60 plus \$4</u>
12		<u>for each foot</u>
13		<u>over 26 feet.</u>
14	<u>G. For any watercraft 30 feet</u>	
15	<u>or over, but less than 34 feet</u>	<u>\$100 plus \$4</u>
16		<u>for each foot</u>
17		<u>over 30 feet.</u>
18	<u>H. For any watercraft 34 feet</u>	
19	<u>or over, but less than 38 feet</u>	<u>\$125 plus \$6</u>
20		<u>for each foot</u>
21		<u>over 34 feet.</u>
22	<u>I. For any watercraft 38 feet</u>	
23	<u>or over, but less than 41 feet</u>	<u>\$150 plus \$6</u>
24		<u>for each foot</u>
25		<u>over 38 feet.</u>
26	<u>J. For any watercraft 41 feet</u>	
27	<u>or over, but less than 45 feet</u>	<u>\$190 plus \$8</u>
28		<u>for each foot</u>
29		<u>over 41 feet.</u>
30	<u>K. For any watercraft 45 feet</u>	
31	<u>or over, but less than 50 feet</u>	<u>\$215 plus \$8</u>
32		<u>for each foot</u>
33		<u>over 45 feet.</u>
34	<u>L. For any watercraft 50 feet</u>	
35	<u>or over, but less than 55 feet</u>	<u>\$275 plus \$10</u>
36		<u>for each foot</u>
37		<u>over 50 feet.</u>

1	<u>M. For any watercraft 55 feet</u>	
2	<u>or over, but less than 60 feet</u>	<u>\$325 plus \$10</u>
3		<u>for each foot</u>
4		<u>over 55 feet.</u>
5	<u>N. For any watercraft 60 feet</u>	
6	<u>or over, but less than 65 feet</u>	<u>\$375 plus \$15</u>
7		<u>for each foot</u>
8		<u>over 60 feet.</u>
9	<u>O. For any water craft 65</u>	
10	<u>feet or over</u>	<u>\$450 plus \$15</u>
11		<u>for each foot</u>
12		<u>over 65 feet.</u>

13        2. Reduction in tax. The amount of excise tax  
14 payable shall be reduced as follows.

15        A. For any commercial vessel, the tax payable  
16 shall be 50% of the value due under subsection 1.

17        B. For all other watercraft, the tax payable  
18 shall be reduced 20% when the watercraft is over  
19 10 years of age and shall be reduced 40% when the  
20 watercraft is over 20 years of age.

21        3. Payment of tax. The excise tax shall be paid  
22 as follows.

23        A. If the watercraft is owned by an individual  
24 resident of this State, the excise tax shall be  
25 paid to the municipality where the owner resides.  
26 The excise tax for watercraft owned by residents  
27 of Indian reservations shall be paid to the  
28 tribal clerks.

29        B. If the watercraft is owned by an individual  
30 who is a nonresident of this State or by a part-  
31 nership or corporation, domestic or foreign, the  
32 excise tax shall be paid to the municipality  
33 where the watercraft is principally moored,  
34 docked or located or has its established base of  
35 operations.

36        C. The commissioner shall determine a vessel's  
37 established base of operation if 2 or more munic-  
38 ipalities disagree over which taxing jurisdiction

1 has the right to tax a particular vessel. The  
2 commissioner's decision shall be final.

3 4. Exemptions. The following shall be exempt  
4 from the tax imposed by this section:

5 A. Lifeboats or life rafts customarily carried  
6 or required to be carried by a watercraft for  
7 purposes of rescuing the occupants of the water-  
8 craft in case of danger;

9 B. Watercraft held by registered retailers as  
10 demonstrators of stock-in-trade;

11 C. Watercraft which were exempt from taxation  
12 under Title 36, chapter 105 on April 1, 1983;

13 D. Commercial vessels without an established  
14 base of operations in this State and all other  
15 watercraft which are not within this State more  
16 than 75 days during the year; and

17 E. Watercraft 20 feet or less in length which  
18 are not required to be registered under Title 12,  
19 section 7794.

20 5. Credits. Any owner who has paid the excise  
21 tax for a watercraft which is subsequently totally  
22 lost by fire, theft or accident in the same year,  
23 shall be entitled to a pro rata credit for the tax  
24 previously paid in that period for any one watercraft  
25 toward the tax for any number of watercraft.

26 A. The credit shall be allowed in any place in  
27 which the excise tax is payable.

28 B. No portion of any excise tax once paid may be  
29 repaid to any person by reason of the loss of a  
30 watercraft.

31 C. For purposes of this subsection, the term  
32 "owner" includes the surviving spouse.

33 6. Watercraft not required to register. An  
34 annual statement shall be required as follows.

35 A. The owner of any watercraft not required to

1 register under Title 12, section 7794, and sub-  
2 ject to the excise tax established by this chap-  
3 ter, shall annually file a sworn statement with  
4 the director to be made on forms provided by the  
5 director.

6 B. The statement shall be filed on or before  
7 January 31st of each year, unless the watercraft  
8 is not subject to the excise tax on January 1st  
9 of that year, in which case the statement shall  
10 be filed within 10 days of the date that that  
11 watercraft does become subject to the excise tax.

12 C. The sworn statement of the owner shall con-  
13 tain such information as the director may reason-  
14 ably require, which shall include at a minimum  
15 the following:

16 (1) The name of the watercraft's owner and  
17 a designation of the owner's status as  
18 either an individual, corporation, partner-  
19 ship or other business entity;

20 (2) The owner's mailing address;

21 (3) The municipality where the watercraft  
22 is principally moored, docked or located or  
23 has its established base of operations;

24 (4) The name of the jurisdiction in which  
25 the vessel is registered or documented and  
26 the watercraft's registration or documenta-  
27 tion number, if any;

28 (5) The watercraft's serial number, if any;  
29 and

30 (6) The registered length of the vessel as  
31 set forth in its document, if any, and the  
32 age of the vessel.

33 D. On or before January 1st of each year, the  
34 director shall mail a blank form to the owner of  
35 each watercraft who filed a statement the pre-  
36 ceding year, at the last known address of that  
37 owner. The director shall make blank forms  
38 available to all persons requesting them and

1 shall promptly mail the forms upon written  
2 request.

3 E. The director, at least annually, shall send a  
4 list of all watercraft not required to be regis-  
5 tered under Title 12, section 7794, and subject  
6 to the excise tax to that municipality in which  
7 the watercraft is principally moored, docked or  
8 located or has its established base of opera-  
9 tions. The list shall contain the information  
10 contained on the sworn statement.

11 7. Display of decal. Each watercraft, required  
12 to pay the excise tax established by this chapter,  
13 shall display a current excise tax decal as directed  
14 by the commissioner. A current excise tax decal  
15 shall be issued upon the payment of all excise taxes  
16 due under this chapter.

17 8. Lien. If the tax imposed by this chapter is  
18 not paid when due, the tax collector may file in the  
19 office of the registry of deeds of the county where  
20 the owner of the watercraft resides or in the case of  
21 a nonresident owner or partnership or corporation,  
22 either domestic or foreign, where the watercraft is  
23 principally moored, docked or located or has its  
24 established base of operations, or in the office in  
25 which a security or financial statement or notice  
26 with respect to personal property would be filed, a  
27 notice of lien specifying the amount of the tax, ad-  
28 dition to tax, penalty and interest due, the name and  
29 last known address of the taxpayer liable for the  
30 amount and the fact that the tax collector has com-  
31 plied with this chapter in the assessment of the tax.  
32 From the time of the filing, the amount set forth in  
33 the certificate constitutes a lien upon all property  
34 of the taxpayer, in the county then owned by him or  
35 thereafter acquired by him in the period before the  
36 expiration of the lien. In the case of any prior  
37 mortgage on any real or personal property so written  
38 as to secure a present debt and also future advances  
39 by the mortgagee to the mortgagor, the lien, as pro-  
40 vided in this subsection, when notice thereof has  
41 been filed in the proper office, shall be subject to  
42 the prior mortgage, unless the assessor also notifies  
43 the mortgagee of the recording of the lien in writ-  
44 ing, in which case any indebtedness thereafter cre-



1 ated from the mortgagor to the mortgagee shall be  
2 junior to the lien provided in this subsection. The  
3 lien, provided in this subsection, has the same  
4 force, effect and priority as a judgment lien and  
5 shall continue for 5 years from the date of record-  
6 ing, unless sooner released or otherwise discharged.  
7 The lien may, within the 5-year period or within 5  
8 years from the date of the last extension of the lien  
9 in the manner provided in this section, be extended  
10 by filing for record in the appropriate office, a  
11 copy of the notice and from the time of that filing  
12 the lien shall be extended for 5 years, unless sooner  
13 released or otherwise discharged.

14 9. Enforcement. General enforcement provisions  
15 are as follows.

16 A. Payment of the excise tax is a prerequisite  
17 for obtaining a certificate of number of a water-  
18 craft under Title 12, section 7794, and no regis-  
19 tration may be renewed until all excise taxes  
20 with respect to the watercraft have been paid in  
21 accordance with this chapter.

22 B. The provisions of chapters 7 and 835 shall  
23 apply with like effect to collecting the tax and  
24 enforcing this chapter.

25 §1505. Unorganized territory

26 For the purposes of this chapter, the unorganized  
27 territory shall be treated as a municipality. All  
28 excise tax payments for watercraft owned by residents  
29 of the unorganized territory, nonresidents or a part-  
30 nership or corporation, domestic or foreign, and  
31 principally moored, docked or located or with an  
32 established base of operations in the unorganized  
33 territory shall be collected in the manner the motor  
34 vehicle excise tax is collected and paid to the  
35 Unorganized Territory Education and Services Fund  
36 established in chapter 115, or such similar fund as  
37 from time to time is in existence. Moneys paid to  
38 the Unorganized Territory Education and Services Fund  
39 shall be used to reduce the amount to be collected in  
40 the subsequent year through the Unorganized Territory  
41 Educational and Services Tax.

1     §1506. Rulemaking

2             The Commissioner of Marine Resources, after con-  
3 sultation with the Commissioner of Inland Fisheries  
4 and Wildlife and the Director of the Division of  
5 Recreational Safety and Registration may adopt rules  
6 and establish such forms and procedures as are neces-  
7 sary for the efficient administration and enforcement  
8 of the excise tax established by this chapter.

9             Emergency clause. In view of the emergency cited  
10 in the preamble, Part A shall take effect on April 1,  
11 1983, and shall expire and be repealed on March 1,  
12 1984. Part B shall take effect on March 1, 1984.

13                                     STATEMENT OF FACT

14             The purpose of this new draft is to provide a  
15 statewide uniform basis for taxation of watercraft,  
16 which are primarily kept or have an established base  
17 of operation in this State.

18             Boats, of all kinds, have always been subject to  
19 the tax on personal property. The nature of boats  
20 has made it difficult for several reasons to assess  
21 and collect a property tax. Boats are mobile; they  
22 move freely from one municipality to another, or even  
23 out of state. The larger boats are difficult to  
24 value, requiring expertise beyond that possessed by  
25 the typical local assessor. The smaller boats are  
26 difficult to locate and require more administrative  
27 time to assess the tax than is ever actually col-  
28 lected. The result has been that many municipalities  
29 have not taxed boats or have taxed them at much less  
30 than is required.

31             While efforts have been made to insure more uni-  
32 formity in the ad valorem taxation of watercraft,  
33 there continues to be great disparity between towns  
34 in watercraft assessment. The Bureau of Taxation has  
35 issued watercraft assessment guidelines to value  
36 watercraft, but with over 120,000 boats registered in  
37 this State and many more unregistered, but subject to  
38 personal property taxation, it is impossible in most  
39 towns for assessors to view and value each boat.

1           Because of the constitutional requirement of 50%  
2 state reimbursement to municipalities for property  
3 tax exemptions, this problem is being addressed in 2  
4 stages.

5           1. The interim solution. Because a constitu-  
6 tional amendment cannot be approved until November,  
7 any property tax exemption for 1983 will require  
8 state reimbursement. Therefore, the exemption for  
9 1983 will be limited to commercial fishing vessels  
10 which are larger than 10 net tons, documented under  
11 the laws of the United States and used exclusively in  
12 commercial fishing. These are the boats for which  
13 the prospect of full valuation under the property tax  
14 are the most serious. These boats will pay an excise  
15 tax of \$10 per foot if they are 10 to 15 net tons and  
16 \$20 per foot if they are 15 or more net tons. The  
17 tax will be paid to the State and should be suffi-  
18 cient to equal the state's obligation to reimburse  
19 municipalities.

20           2. The comprehensive solution. All watercraft  
21 would be exempted from property taxation beginning in  
22 1984. A constitutional amendment will be submitted  
23 to the people in November, 1983, to remove the con-  
24 stitutional requirement of 50% reimbursement for  
25 watercraft. A municipally collected excise tax on  
26 boats based on length would go into effect. Commer-  
27 cial boats would pay 1/2 of the established rates.  
28 Noncommercial boats would be entitled to a downward  
29 adjustment based on age. The excise tax would have  
30 to be paid prior to registration and a decal would be  
31 issued. Boats which are 20 feet or less and not re-  
32 quired to be registered would be exempt from the tax.  
33 The excise tax rates are estimated to be sufficient  
34 to equal the total amount collected by municipalities  
35 from the property tax on boats in 1982.

36           This new draft contains the provisions relating  
37 to the excise taxes and property tax exemptions. It  
38 must be an emergency in order to be effective for  
39 1983. The constitutional resolution must be consid-  
40 ered in a separate measure.

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