

MAINE STATE LEGISLATURE

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118th MAINE LEGISLATURE

FIRST REGULAR SESSION-1997

Legislative Document

No. 755

H.P. 564

House of Representatives, February 4, 1997

An Act to Amend the Watercraft Registration Laws.

(EMERGENCY)

Reference to the Committee on Inland Fisheries and Wildlife suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative PIEH of Bremen.

Cosponsored by Representatives: LANE of Enfield, PINKHAM of Lamoine, Senators: GOLDTHWAIT of Hancock, HALL of Piscataquis, MICHAUD of Penobscot and Senator KILKELLY of Lincoln and

Representatives: CHICK of Lebanon, DUNLAP of Old Town, KONTOS of Windham, POWERS of Rockport, RINES of Wiscasset, USHER of Westbrook, Senator PINGREE of Knox.

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

4 **Whereas,** Public Law 1995, chapter 695 changed the
6 registration period for watercraft from a 12-month period to a
calendar year registration period; and

8 **Whereas,** that law did not require municipalities to prorate
10 watercraft excise taxes paid during the transition period; and

12 **Whereas,** not prorating watercraft excise taxes during that
transition period created a substantial burden on some watercraft
14 owners and may have resulted in the over-collection of watercraft
excise taxes by some municipalities; and

16 **Whereas,** it is necessary to provide relief to those
18 watercraft owners through a one-time, prorated reduction in their
1997 watercraft excise taxes; and

20 **Whereas,** in the judgment of the Legislature, these facts
22 create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
24 necessary for the preservation of the public peace, health and
safety; now, therefore,

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

28 **Sec. 1. 12 MRSA §7794, sub-§9-A,** as enacted by PL 1995, c.
30 695, §2, is repealed.

32 **Sec. 2. 12 MRSA §7794, sub-§9-B** is enacted to read:

34 9-B. Certificate of number; term. A certificate of number
is issued to the owner of a watercraft or a dealer for a specific
36 calendar year and is valid through December 31st of the year for
which it was issued.

38 **Sec. 3. 36 MRSA §1503, sub-§8-A,** as enacted by PL 1995, c.
40 695, §4, is repealed.

42 **Sec. 4. 36 MRSA §1503, sub-§8-B** is enacted to read:

44 8-B. Registration period. "Registration period" means from
January 1st to December 31st of the year for which the
46 certificate of number is issued pursuant to Title 12, section
7794.

48 **Sec. 5. 36 MRSA §1503, sub-§9,** as amended by PL 1985, c. 726,
50 §3, is further amended to read:

2 **9. Taxable year.** "~~Taxable year~~" ~~for purposes of section~~
1504, ~~subsection 5,~~ means from January 1st to December 31st ~~for~~
4 ~~watercraft subject to the excise tax but not required to be~~
~~registered under Title 12, section 7794.~~ ~~For watercraft required~~
6 ~~to be registered under Title 12, section 7794,~~ "~~taxable year~~"
~~means the 12-month period of registration.~~

8
9 **Sec. 6. 36 MRSA §1504, sub-§2, ¶D** is enacted to read:

10 D. The tax payable for a watercraft registered to a new
12 owner after September 1st of any year is 50% of the value
14 due under subsection 1.

15 **Sec. 7. Prorated reduction of 1997 watercraft excise taxes.** The
16 owner of a watercraft who registered that watercraft in 1996 and
17 who paid the full 12-month excise tax at the time of that
18 registration is entitled to a prorated reduction on the excise
19 tax due on that watercraft for taxable year 1997. The amount of
20 the 1997 excise tax reduction is calculated by dividing the
21 excise tax otherwise payable under the Maine Revised Statutes,
22 Title 36, section 1504, subsections 1 and 2 by 12, then
23 multiplying that number by the number of the month in which the
24 watercraft was registered in 1996. Notwithstanding any other
25 provision of law, the 1997 excise tax due a municipality on
26 watercraft covered by this section is the amount otherwise
27 payable under Title 36, section 1504, subsections 1 and 2 minus
28 the reduction calculated under this section. A person who
29 registered a watercraft covered by this section between January
30 1, 1997 and the effective date of this Act is entitled to either
31 a refund from the municipality for any reduction in 1997
32 watercraft excise taxes due under this section or a credit for
33 that same amount to be applied to that person's 1998 watercraft
34 excise taxes.

35 **Sec. 8. Retroactivity.** This Act applies retroactively to
36 January 1, 1997.

37 **Emergency clause.** In view of the emergency cited in the
40 preamble, this Act takes effect when approved.

42 SUMMARY

43 This bill clarifies that watercraft are registered and taxed
46 on a calendar year basis, from January 1st to December 31st of
47 each year.

48 The bill also corrects an oversight in Public Law 1995,
50 chapter 695 that failed to require municipalities to prorate

2 watercraft excise taxes paid during the transition from a
12-month period to a calendar year registration period. This
4 bill corrects that oversight by reducing, on a monthly prorated
6 excise tax.

8 The bill also provides a 50% reduction in excise taxes due
10 for watercraft registered to a new owner after September 1st of
each year.

12 The bill is an emergency and is retroactive to January 1,
14 1997.