

**BILL SUMMARY**  
2<sup>nd</sup> Session of the 57<sup>th</sup> Legislature

<b>Bill No.:</b>	<b>HB 2875</b>
<b>Version:</b>	<b>INT</b>
<b>Request Number:</b>	<b>10267</b>
<b>Author:</b>	<b>Rep. Perryman</b>
<b>Date:</b>	<b>2/16/2020</b>
<b>Impact:</b>	<b>Tax Commission:</b>
	<b>Revenue Decrease</b>
	<b>FY-21: (\$1,854,000)</b>
	<b>FY-22: (\$2,781,000)</b>

**Research Analysis**

HB 2875 modifies the registration fees in the Oklahoma Vessel and Motor Registration Act by providing that the first nine years of registration is to be 90% of the previous year's registration fee. The registration fee for the eleventh year shall be the minimum annual registration fee for such vessel or motor for any subsequent year the vessel or motor is registered.

Prepared By: Brad Wolgamott

**Fiscal Analysis**

Analysis provided by the Tax Commission:

The measure proposes amendment to Section 4021 of Title 63 by modifying the calculation of boat and outboard motor registration fees. Under both the current statutory provision and the proposal, the initial boat and outboard motor registration is calculated, in instances where the manufacturer's factory delivered price exceeds \$150, at \$1 in addition to a \$1 for every \$100 of value not to exceed \$150. Presently, for registration years 2-9 the fee is computed and assessed at \$1 plus 90% of the previous years calculated fee not to exceed \$150. For all subsequent years, the fee shall equal the fee assessed in year 10. Under the proposal for years 2-10, while not specifically stated, it appears that the registration fee shall be 90% of the previous year's registration fee actually paid. The registration fee for the 11th year shall be the minimum annual registration fee for such boat or outboard motor for any subsequent year the vessel or motor is registered.

Oklahoma Tax Commission records indicate that \$7,450,642 in registrations fees were remitted for currently registered boats and motors. Corresponding fees for these registrations under the terms of the proposal equal are estimated at \$4,669,206 resulting in a \$2,781,436 decrease in boat and outboard motor collections. The measure provides for an effective date of November 1, 2020.<sup>1</sup> A decrease in boat and motor registration fees are estimated in the amount of \$1,854,291 for FY 21 and \$2,781,436 for FY 22.

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<sup>1</sup> Eight months of boat and outboard motor collections.

Prepared By: Mark Tygret

**Other Considerations**

None.

