

Kansas State Capitol
Senate Assessment and Taxation Committee
Topeka, Kansas
February, 2012

RE: HCR 5017

Mr. Chairman and distinguished members of this Committee.

My name is Kent Craft. I am a past president of the Kansas BASS Chapter Federation Nation, a 43-year boat owner in Kansas and a life long resident of Kansas. The president of the Kansas BASS Federation Nation is a Kansas Highway Patrolman in Liberal and due to his assignments is unable to be here today and has asked me to speak in his behalf. I appreciate the opportunity to be here today to speak in behalf of HCR 5017. I am hoping this resolution will open the doors to reducing the extremely high personal property tax on Kansas's watercraft.

I have enjoyed fishing and being on the water all my life. Our first boat was a 12-foot aluminum boat with a very old Johnson motor in 1968. Today that old motor would be worth a lot of money as an antique. We didn't have a trailer so; we transported the boat on the top of my car. Throughout 43 years of marriage, we have owned eleven boats and engines.

In the early years, boats and engines were relatively simple and inexpensive. Since we could not afford a new boat the personal property tax did not seem outrageously high. Since that time, the cost of new boats, engines, trailers and accessories have sky rocketed, but the method used in Kansas to tax them has remained the same. Thus placing a tremendous tax burden on boat owners and a selling dilemma on marine dealers.

Last Saturday, Shady Creek Marine on El Dorado Lake held its annual early Spring Open House. As always, Mike Morgan and staff did an excellent job displaying the 2012 models of watercraft and equipment. Mike had an excellent display of new and pre owned fishing boats on display. I very quickly noticed that the price of a new boat has gone up from the past year. The medium sized Ranger bass boat a Z119 with motor, tandem axle trailer and accessories had a list price of \$59,557.00, but was on sale for only \$47,695.00. An increase of about \$7,000.00 over last year.

Using our present system of taxing watercraft, the annual tax on this Ranger Z119 package would be \$1,786.00 without including the mill levy. That would be a payment of \$149.00 monthly. This amount added to the monthly loan payment on the watercraft and normal living expenses would be far more than many Kansans could pay.

I did some research on our neighboring states regarding personal property tax on watercraft, I found that Nebraska does not charge a personal property tax on watercraft

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unless it is used for commercial purposes and I received the same response from the Department of Revenue in Colorado.

In Missouri I was told that the personal property tax on watercraft varied from county to county, township to township and the county's mill levy. However, to take advantage of Missouri's tax benefits, I had to either be a resident or own property there and my family's cemetery plots do not count. In a previous inquiry regarding the tax on a 2003 Triton with a 225 Mercury EFI engine, the personal property tax on Truman Lake in Benton County would be \$360.00. The tax levy there is 5.1.

In visiting with the County Appraiser in Newkirk, Oklahoma, I found that boats are taxed on a rate of \$1.00 per every \$100.00 of the boat's manufacture's retail selling price up to \$150.00 with a maximum of \$151.00. Boat engines are taxed exactly the same way. Boat trailers are not taxed in Oklahoma, but if the tax payer wants a trailer tag, it can be purchased for \$7.00. Therefore, my annual personal property tax on the \$59,557.00 Ranger rig would cost only \$352.00 and would be reduced by 10% per year up to 11 years. That would be a tax savings of \$1,434.00 by registering in Oklahoma.

Without a doubt, I believe it is time for Kansas to make a change in the method used to tax watercraft. As you know, Kansas boat owners are registering out of state so they can afford to upgrade or purchase a new boat and marine dealers are helping in the process just so they can continue to do business. With the excessively high price of gas and the out of date personal property tax on watercraft, it presents a tremendous burden for the average wage earner to go fishing, pleasure boating and/or skiing with his family.

For the past 20 years or so, I have fished many bass tournaments in Kansas and in neighboring states. Of course, most anglers do not share fishing secrets, but will talk about the cost of boats and related items. During one conversation, the statement was made by one of Kansas's BASS Federation Officers, that he pays more in Kansas personal property tax on his boat and engine than he does for both his relatively new family car and truck.

I retired a couple years ago. During my retirement, I had hoped to do some volunteer work, hunt and fish. Taking my grandchildren fishing is a thrill. I have an 8 year old grand daughter and a four year old grandson who enjoy fishing and being outdoors. Being on a fixed income and paying high taxes will greatly limit our outings. I want my grand children to learn to enjoy fishing, boating, skiing and, in the process, learn the proper use of watercraft as I taught my sons. The taxes are becoming very prohibitive. Personal property tax on watercraft is only one. I think it is embarrassing that Kansas is so far behind that the average Kansan has to go out of state for a tax savings. All boaters know that we will be required to pay a tax on our watercraft and we all would much rather see our tax money used in Kansas rather than neighboring states, but the difference in tax savings is too great and we are welcomed with open arms not only not only at the registration offices, but on their lakes as well.

I believe, along with several thousand other Kansas boat owners; the passage of HCR 5017 is a step in the right direction. I believe a significant reduction in personal property tax on watercraft will not only keep boater registration in Kansas;

- It will help marine dealers in selling new/used watercraft,
- Promote and encourage boat owners to upgrade their watercraft,
- Increase family outings and usage of Kansas waters,
- Increase State moneys through increased boat registrations,
- Decrease problems for KDWPT officials and county appraisers,
- Help many of us spend more time enjoying what Kansas has to offer and
- Help out of work Kansans retain ownership to their watercraft.

I realize that a few years ago, a similar opportunity was presented to the Kansas voters, but failed. I believe there were several reasons for its failure, the inclusion of aircraft, the complex wording of the amendment posted at the voting places and lack of understanding the purpose of the amendment.

Thank you for your consideration.

Kent Craft
Kansas Bass Chapter Federation Nation and The Bass Federation of Kansas Legislative
Liaison