



February 26, 2023

SUMMARY OF BILL: Requires any owner of a non-exempt boating vessel, who is not a resident of Tennessee, to make application for a certificate of number for the vessel to a county clerk in this state. Requires such owner to follow all applicable state laws, including payment of the required fee. Requires that fees imposed on owners of nonresident vessel owners be expended solely for the enforcement of boating regulations and ensuring state waterways are clean. Effective January 1, 2024.

FISCAL IMPACT:

Increase State Revenue –

\$95,500/FY23-24/Wildlife Resources Fund
\$191,000/FY24-25 and Subsequent Years/Wildlife Resources Fund

Increase Local Revenue - \$59,700/FY23-24/Permissive

\$309,700/FY24-25 and Subsequent Years/Permissive

Other Fiscal Impact – This legislation may not comply with current federal reciprocity law 33 CFR § 173.17, which allows registered boats to be used in other states up to 60 days and could jeopardize federal funding.

Assumptions:

- Based on information provided by the Tennessee Wildlife Resources Agency (TWRA), the agency currently requires all nonresident boats to have a valid registration from their home state or to register in Tennessee if they use their boat in this state more than 51 percent of the time.
- It is assumed that the number of additional nonresident certificates that will be issued is based on the number of nonresident fishing licenses that are annually purchased as it is assumed most have their own boating vessels.
- Based on information provided by the TWRA, the average total number of nonresident fishing license in past three fiscal years was 182,553.
- It is assumed that this number represents a lower number of nonresident fishers, as some would hold multiple license.
- For purposes of estimation, it is assumed that the total number of nonresident fishers is 91,277 (182,553 x 50%).

- Not all of such fishers use fishing vessels to fish and many will utilize the same vessel in an outing.
- For purposes of estimation, it is assumed that 25 percent of these nonresident licensed fishers own their own vessels, representing approximately 22,819 vessels (91,277 x 25%).
- Pursuant to Tenn. Code Ann. § 69-9-207(e), all such fees shall be deposited into the Wildlife Resources Fund and shall be expended solely for the administration and operation of the commission’s programs and statutory responsibilities regarding boating safety. This legislation specifies that fees imposed on owners of nonresident vessel owners be expended solely for the enforcement of boating regulations and ensuring state waterways are clean.
- The number of nonresident licensed vessels totals 5,762 (554 + 417 + 803 + 1,175 + 992 + 1,821).
- The below table shows the number of licenses and the respective cost of licenses for vessels less than 16 feet and those 16 feet to 25 feet and the weighted average cost of each license:

Table 2

	Registered Vessels less than 16 feet	Fee	Registered Vessels 16 Feet to 25 Feet	Fee
1-Year	554	\$4.00	1,175	\$8.00
2-Years	417	\$7.00	992	\$14.00
3-Years	803	\$10.00	1,821	\$20.00
Weighted Average Cost		\$7.42		\$14.97

- It is assumed that, due to this legislation, approximately 17,057 (22,819 – 5,762) nonresident fishers will need to purchase a certificate with the TWRA.
- Based on the weighted averages above, an average license cost of \$11.20 [(\$7.42 + \$14.97) / 2].
- An increase in nonresident vessels certificates will result in a recurring state revenue to the Wildlife Resources Fund of \$191,038 (17,057 x \$11.20).
- This legislation takes effect January 1, 2024; therefore, the increase in state revenue in FY23-24 will only be one-half of a full-year’s impact
- There will be an increase in state revenue to the Wildlife Resources Fund in FY23-24 of \$95,519 (\$191,038 x 50%).
- There will be a recurring increase in state revenue in FY24-25 and subsequent years of FY24-25 and subsequent years of \$191,038.
- Boats will need to be registered at a county clerk’s office.
- It is assumed that the processing fee charged by county clerks for registration is \$7.
- There will be a permissive increase in local revenue in FY23-24 of \$59,700 (17,057 x 50% x \$7).
- There will be a recurring permissive increase in local revenue in FY24-25 and subsequent years of \$119,399 (17,057 x \$7).

- Based on information provided by the TWRA, this legislation may not comply with current federal reciprocity law 33 CFR § 173.17, which allows registered boats to be used in other states up to 60 days.
- Based on information provided by the TWRA, this legislation could jeopardize approximately \$3,200,000 million in federal funding.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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