

1-1 By: Guillen, et al. (Senate Sponsor - Taylor) H.B. No. 4032
 1-2 (In the Senate - Received from the House May 13, 2019;
 1-3 May 14, 2019, read first time and referred to Committee on Finance;
 1-4 May 19, 2019, reported adversely, with favorable Committee
 1-5 Substitute by the following vote: Yeas 13, Nays 0; May 19, 2019,
 1-6 sent to printer.)

1-7 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-8				
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15			X	
1-16	X			
1-17	X			
1-18	X			
1-19	X			
1-20	X			
1-21	X			
1-22	X			
1-23			X	

1-24 COMMITTEE SUBSTITUTE FOR H.B. No. 4032 By: Taylor

1-25 A BILL TO BE ENTITLED
 1-26 AN ACT

1-27 relating to the regulation, permitting, and taxation of certain
 1-28 boats and boat motors; imposing a fee.

1-29 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-30 SECTION 1. Section 31.003(16), Parks and Wildlife Code, is
 1-31 amended to read as follows:

1-32 (16) "Distributor" means a person who offers for sale,
 1-33 sells, or processes for distribution new vessels [~~boats~~] or
 1-34 outboard motors to dealers in this state.

1-35 SECTION 2. Section 31.006(a), Parks and Wildlife Code, is
 1-36 amended to read as follows:

1-37 (a) The department may authorize a dealer who holds a
 1-38 dealer's or manufacturer's number to act as the agent of the
 1-39 department under Subchapter B [~~of this chapter~~] and under Chapter
 1-40 160, Tax Code, for the issuance of certificates of number and the
 1-41 collection of fees and taxes for vessels and outboard motors
 1-42 [~~boats~~] sold by that dealer.

1-43 SECTION 3. The heading to Section 31.041, Parks and
 1-44 Wildlife Code, is amended to read as follows:

1-45 Sec. 31.041. DUTIES OF DEALERS, DISTRIBUTORS, AND
 1-46 MANUFACTURERS; LICENSE REQUIRED [~~DEALER'S, DISTRIBUTOR'S, AND~~
 1-47 ~~MANUFACTURER'S LICENSE~~].

1-48 SECTION 4. Section 31.041, Parks and Wildlife Code, is
 1-49 amended by amending Subsection (f) and adding Subsections (h) and
 1-50 (i) to read as follows:

1-51 (f) A dealer, distributor, or manufacturer holding a
 1-52 dealer's, distributor's, or manufacturer's license may issue a
 1-53 reasonable temporary facsimile of the number issued under
 1-54 Subsection (c), which may be used by any authorized person. [~~A~~
 1-55 ~~person purchasing a vessel may use the dealer's number for a period~~
 1-56 ~~not to exceed 15 days prior to filing an application for a~~
 1-57 ~~certificate of number.~~] The form of the facsimile and the manner of
 1-58 display of the number shall be prescribed by the department.

1-59 (h) Not later than the 45th day after a dealer, distributor,
 1-60 or manufacturer holding a dealer's, distributor's, or

2-1 manufacturer's license sells at the first or a subsequent sale a
 2-2 vessel or outboard motor, the dealer, distributor, or manufacturer
 2-3 shall apply, in the name of the purchaser of the vessel or outboard
 2-4 motor, for a certificate of number or a certificate of title for the
 2-5 vessel or outboard motor, as applicable, and file with the
 2-6 department each document necessary to transfer the certificate of
 2-7 number or certificate of title.

2-8 (i) A person purchasing a vessel may use the temporary
 2-9 facsimile number issued under Subsection (f) until the person
 2-10 receives the certificate of number from the department.

2-11 SECTION 5. Section 160.001(2), Tax Code, is amended to read
 2-12 as follows:

2-13 (2) "Boat" means a vessel not more than 115 feet in
 2-14 length, measured from the tip of the bow in a straight line to the
 2-15 stern [~~has the meaning assigned by Section 31.003, Parks and~~
 2-16 ~~Wildlife Code~~].

2-17 SECTION 6. Subchapter B, Chapter 160, Tax Code, is amended
 2-18 by adding Sections 160.0246, 160.0247, and 160.026 to read as
 2-19 follows:

2-20 Sec. 160.0246. EXEMPTION FOR CERTAIN BOATS AND MOTORS
 2-21 TEMPORARILY USED IN THIS STATE. (a) The taxes imposed by this
 2-22 chapter do not apply to the sale of a taxable boat or motor if:

2-23 (1) the boat or motor is sold in this state for use in
 2-24 another state or nation and is removed from this state not more than
 2-25 10 days after the date of purchase;

2-26 (2) the boat or motor:

2-27 (A) is sold in this state for use in another state
 2-28 or nation;

2-29 (B) not later than the 10th day after the date the
 2-30 boat or motor is purchased, is docked at or placed in a boat repair
 2-31 facility registered with the comptroller for repairs or
 2-32 modifications;

2-33 (C) is not used by a person while it is being
 2-34 repaired or modified, except as necessary to test the repairs or
 2-35 modifications; and

2-36 (D) is removed from this state not more than 20
 2-37 days after the date the repairs or modifications are finished; or

2-38 (3) the boat or motor:

2-39 (A) is sold in this state for use in another state
 2-40 or nation;

2-41 (B) displays a permit described by Section
 2-42 160.0247 at all times after the boat or motor is purchased until the
 2-43 boat or motor is removed from this state; and

2-44 (C) is removed from this state not more than 90
 2-45 days after the date of purchase.

2-46 (b) The tax imposed by Section 160.022 does not apply to a
 2-47 taxable boat or motor used in this state or brought into this state
 2-48 for use if the boat or motor:

2-49 (1) has a current certificate of number issued under
 2-50 any federal law or a federally approved numbering system of another
 2-51 state;

2-52 (2) displays a permit described by Section 160.0247 at
 2-53 all times while the boat or motor is located in this state; and

2-54 (3) is removed from this state not more than 90 days
 2-55 after the date the boat or motor is brought into this state.

2-56 (c) The comptroller shall adopt rules and procedures to
 2-57 implement this section and Section 160.0247.

2-58 Sec. 160.0247. TEMPORARY USE PERMIT. (a) The comptroller
 2-59 or an agent of the department may issue a temporary use permit to
 2-60 the owner of a taxable boat or motor that qualifies for an exemption
 2-61 from tax under Section 160.0246(a)(3) or (b).

2-62 (b) The fee for a permit is \$150.

2-63 (c) A permit is valid for 90 days and may not be renewed.

2-64 (d) The owner of a taxable boat or motor may obtain not more
 2-65 than two permits in a calendar year for the boat or motor. The
 2-66 second permit in a calendar year may not be issued before the 30th
 2-67 day after the date the first permit expires.

2-68 Sec. 160.026. LIMITATION ON AMOUNT OF TAX. Notwithstanding
 2-69 any other law, the tax imposed under Section 160.021 on the sale of

3-1 a taxable boat or motor may not exceed \$18,750.

3-2 SECTION 7. The change in law made by this Act does not
3-3 affect tax liability accruing before the effective date of this
3-4 Act. That liability continues in effect as if this Act had not been
3-5 enacted, and the former law is continued in effect for the
3-6 collection of taxes due and for civil and criminal enforcement of
3-7 the liability for those taxes.

3-8 SECTION 8. This Act takes effect September 1, 2019.

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