RULEMAKING ACTION:  
Notice of proposed PERMANENT rulemaking.

PROPOSED RULES:  
Chapter 22. Boats and Motors [AMENDED]

SUMMARY:  
Section 710:22-1-3 has been amended consistent with the provisions of SB 899 [2021] which exempts kiteboards from the titling and registration requirements of the Oklahoma Vessel and Motor Registration Act. [63:4005]

Other sections may be amended to clarify policy, improve readability, correct scrivener’s errors, remove obsolete language, update or correct citations, update contact information, and ensure accurate internal cross-references.

AUTHORITY:  
68 O.S. § 203; Oklahoma Tax Commission

COMMENT PERIOD:  
Persons wishing to present their views in writing may do so by 4:30 p.m., February 22, 2022, at the following address: Oklahoma Tax Commission, Tax Policy and Research Division, Oklahoma City, Oklahoma 73194, Attention: Lisa Haws, or by email to lhaws@tax.ok.gov.

PUBLIC HEARING:  
A public hearing is scheduled for 1:30 p.m. on Wednesday, February 23, 2022, at the Oklahoma Tax Commission, 123 Robert S. Kerr Ave, Oklahoma City, Oklahoma. Those wishing to make oral comments at the public hearing should request placement on the docket well in advance of the hearing date by calling Lakesha Mackie at (405) 521-3133. Time limitations may be imposed on oral presentations to ensure that all persons who have filed written requests for placement on the docket will have an opportunity to speak.

In order to facilitate entry into the building, those wishing to appear should contact Lakesha Mackie at (405) 521-3133 at least 24 hours prior to the hearing date to complete their visitor pre-registration. In order to gain access to the hearing, attendees must register at the information desk in the lobby by presenting a driver license or other photo identification.

REQUEST FOR COMMENTS FROM BUSINESS ENTITIES:  
Although nothing in this rulemaking action has been determined to adversely impact small business, the Oklahoma Tax Commission (OTC) requests that, pursuant to 75 O.S. § 303(B)(6), business entities affected by these rules provide the OTC, within the comment period, in dollar amounts, if possible, information on any increase in direct costs, such as fees, and indirect costs, such as those associated with reporting, recordkeeping, equipment, construction, labor, professional services, revenue loss, or other costs expected to be incurred by a particular entity due to compliance with the proposed Rules.

COPIES OF PROPOSED RULES:  
Copies of the proposed rules may be obtained from the below listed contact
person. The proposed rules may also be viewed on the agency's website at http://www.tax.ok.gov.

RULE IMPACT STATEMENT:

Pursuant to 75 O.S. § 303(D), a Rule Impact Statement will be prepared and available from the below listed contact person. The Rule Impact Statement may also be viewed on the agency's website at http://www.tax.ok.gov.

CONTACT PERSON:

Lisa R. Haws, Agency Liaison, Tax Policy Division, Oklahoma Tax Commission, Oklahoma City, Oklahoma 73194. Telephone number: 405-521-3133; Email: lhaws@tax.ok.gov
CHAPTER 22. BOATS AND MOTORS

710:22-1-3. Registration generally required
(a) **General application.** With the exception of subsections (b) and (c) of this section, boats used for transportation on the waters of this State and motors in excess of 10 horsepower are required to be annually registered in the State of Oklahoma.

(b) **Exclusions.** Certain craft as outlined below are not subject to the registration requirements for boats set forth in (a) of this Section:

1. Light narrow vessels with both ends typically tapered to a sharp point which are propelled solely by its occupants using a single-bladed paddle as a lever without the aid of a fulcrum provided by oarlocks, thole pins, crutches or similar arrangements.
2. Paddleboats less than eight (8) feet in length designed to be propelled solely by human power through a belt, chain or gears.
3. Seaplanes on the water.

(c) **Exemptions.** The following boats and/or motors are specifically exempted from the registration requirements of the Oklahoma Vessel and Motor Registration Act.

1. Boats or motors owned by the United States, a state other than the State of Oklahoma, any agency thereof, or any subdivision of the state unless the boat is used for recreational or rental purposes on Oklahoma waters.
2. Boats or motors owned by visiting nonresidents which are currently registered in another state and remain in Oklahoma sixty calendar days or less.
3. Boats or motors from a country other than the United States which remains in Oklahoma sixty calendar days or less.
4. Boats used exclusively and solely as lifeboats.
5. Boats used exclusively and solely for racing purposes.
6. Boats that constitute commercial floatation devices when issued a license by the Grand River Dam Authority pursuant to the provision of the Scenic Rivers Act.
7. Canoes, kayaks, kiteboards or paddleboats as defined in 63 O.S. Section 4002, provided such vessels are powered only by human power.

(d) Any vessel exempt from the title and registration provisions shall be titled and registered for the purposes of proof of ownership or vessel identification, upon request of the owner. All title and registration fees shall be paid by the owner of the vessel.
Pursuant to 75 O.S. §303(D), the Oklahoma Tax Commission provides the following rule impact statement with regard to proposed rule changes to Chapter 22 of Title 710 of the Oklahoma Administrative Code.

DESCRIPTION: Section 710:22-1-3 has been amended consistent with the provisions of SB 899 [2021] which exempts kiteboards from the titling and registration requirements of the Oklahoma Vessel and Motor Registration Act.

CLASSES AFFECTED: Motor license agents and owners of kiteboards may be affected by this rulemaking action.

PERSONS BENEFITED: All classes affected by this rulemaking action will benefit from increased clarity of Oklahoma tax laws and Tax Commission procedures.

PROBABLE ECONOMIC IMPACT OF THE PROPOSED RULE UPON AFFECTED CLASSES OF PERSONS OR POLITICAL SUBDIVISIONS: There are no anticipated increase to costs associated with the proposed rule change.

LISTING OF ALL FEE CHANGES, INCLUDING A SEPARATE JUSTIFICATION FOR EACH FEE CHANGE: The rulemaking action does not levy, implement, or increase an existing fee.

PROBABLE COSTS TO THE AGENCY: Costs to promulgate and enforce the proposed rule will be funded through normal agency budget. No measurable impact on State revenues is anticipated.

ECONOMIC IMPACT ON POLITICAL SUBDIVISIONS: The agency does not anticipate any economic impact on any political subdivision to implement the proposed rule change at this time.

SMALL BUSINESS IMPACT: After consideration with reference to Section 303(A)(4) and 303(B)(6) of Title 75, it is believed that the proposed rule will have no adverse impact upon Small Business.

ALTERNATIVE METHODS AND COSTS OF COMPLIANCE: There are no less costly or non-regulatory methods or less intrusive methods for achieving the purpose of this proposed rule. No formalized compliance cost minimization measures have been pursued.
DETERMINATION OF THE EFFECT ON PUBLIC HEALTH, SAFETY AND ENVIRONMENT: The agency does not anticipate any impact on public health, safety, or environment as a result of implementation of the proposed rule at this time.

DETERMINATION OF THE DETRIMENTAL EFFECT WILL THERE BE ON THE PUBLIC HEALTH, SAFETY, AND ENVIRONMENT IF THE RULE CHANGE IS NOT IMPLEMENTED: The agency does not anticipate any detrimental effect on public health, safety, or environment as a result of failure to implement the proposed rule at this time.

DATE PREPARED: December 15, 2021