**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 27 TO CHAPTER 37, TITLE 12 SO AS TO CONFORM, BEGINNING IN 2015, THE IMPOSITION OF ANNUAL PROPERTY TAX ON WATERCRAFT AND OUTBOARD MOTORS TO THE PAYMENT IN THE ADVANCE SYSTEM CURRENTLY USED FOR IMPOSING PROPERTY TAX ON MOTOR VEHICLES; BY ADDING ARTICLE 4 TO CHAPTER 23, TITLE 50 SO AS TO PROVIDE FOR THE ANNUAL REGISTRATION OF OUTBOARD MOTORS FOR A FEE OF TEN DOLLARS, THEREBY PROVIDING A TAX YEAR FOR AN OUTBOARD MOTOR FOR THE ADMINISTRATION OF THE ADVANCE PAYMENT OF PROPERTY TAX ON OUTBOARD MOTORS; TO AMEND SECTION 50-23-11, AS AMENDED, RELATING TO DEALER DEMONSTRATION NUMBERS FOR WATERCRAFT, SO AS TO PROVIDE SUCH DEMONSTRATION NUMBERS FOR OUTBOARD MOTORS; AND TO AMEND ARTICLE 3, CHAPTER 23, TITLE 50, RELATING TO THE NUMBERING OF WATERCRAFT, SO AS TO REDUCE THE DURATION OF THE CERTIFICATE OF NUMBER FROM THREE YEARS TO ONE YEAR, THEREBY PROVIDING A TAX YEAR FOR A WATERCRAFT FOR THE ADMINISTRATION OF THE ADVANCE PAYMENT OF PROPERTY TAX ON WATERCRAFT AND TO PRORATE THE EXISTING THREE‑YEAR THIRTY‑DOLLAR FEE TO TEN DOLLARS A YEAR, TO PROVIDE PENALTIES FOR VIOLATIONS, AND TO PROVIDE TRANSITION PROVISIONS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 37, Title 12 of the 1976 Code is amended by adding:

“Article 27

Watercraft and Outboard Motors

Section 12‑37‑3410. As used in this article:

(1) ‘Certificate’ means the certificate of number required for a watercraft pursuant to Article 3, Chapter 23, Title 50. It does not include the temporary certificate of number issued for use while the application for a certificate is being processed by DNR.

(2) ‘Department’ or ‘DNR’ means the South Carolina Department of Natural Resources.

(3) ‘Outboard motor’ or ‘motor’ means a motor required to be registered pursuant to Article 5, Chapter 23, Title 50.

(4) ‘Outboard motor property tax year’ or ‘tax year’ means the twelve‑month period for which the outboard motor registration is issued by DNR pursuant to Section 50‑23‑760.

(5) ‘Registration’ means the document issued by DNR pursuant to Article 5, Chapter 23, Title 50, required for the operation of an outboard motor to propel a watercraft.

(6) ‘Watercraft’ means a vessel required to be numbered pursuant to Article 3, Chapter 23, Title 50.

(7) ‘Watercraft dealer’ means a marine business holding a dealer’s permit issued by DNR as defined pursuant to Section 50‑21‑10(6).

(8) ‘Watercraft property tax year’ or ‘tax year’ means the twelve‑month period for which a certificate of number is issued pursuant to Section 50‑23‑270.

Section 12‑37‑3420. (A) After 2014, a certificate may not be issued for a watercraft and a registration may not be issued for an outboard motor unless property tax on the watercraft and outboard motor has been paid in full.

(B) This section does not apply to sales of a watercraft and outboard motor sold by a licensed watercraft dealer. Notice of the sales must be furnished to DNR along with other documents necessary for the issue of a certificate of number for a watercraft and the registration of an outboard motor. The notice must be received by DNR as a prerequisite to DNR issuing a certificate or registration. The notice must be an original and one copy and DNR shall provide the copy to the auditor of the county in which the watercraft and outboard motor is subject to property tax. Property tax on a watercraft and an outboard motor sold by a licensed dealer pursuant to this subsection are due and payable one hundred twenty days from the date of purchase. The notice and time in which to pay the tax applies to a watercraft and motor serviced and delivered by a licensed dealer for the benefit of an out‑of‑state dealer.

Section 12‑37‑3450. The property tax payable on a watercraft and an outboard motor must be determined for a tax year equal to the certification and registration period except as provided pursuant to Section 50‑23‑760(B) for an abbreviated initial registration period for an outboard motor. The tax due for an outboard motor registration period of less than one year must be prorated.

Section 12‑37‑3460. When a watercraft and outboard motor is first taxable in a county, the owner or person having control of the watercraft and motor shall make a property tax return before applying for a certificate or registration. The return must be made to the auditor of the county in which the owner or person having control of the watercraft and outboard motor resides. If the watercraft and motor are used in a business, the return must be made to the auditor of the county in which the watercraft and motor are situated, that being the county and municipality of principal use of the watercraft and outboard motor. The return must be signed under oath and must set forth the county, school district, special purpose district, special tax district, and the municipality in which the watercraft and motor are principally used.

Section 12‑37‑3470. The auditor shall determine the assessed value of the watercraft and outboard motor and shall calculate the amount of taxes due. The millage to be applied to a watercraft and outboard motor for which a certificate or registration is obtained or renewed during January through December of each year must be that applied to other taxable property within the county, school district, special purpose district, special tax district and, if applicable, the municipality for the preceding regular property tax year.

Section 12‑37‑3480. The auditor shall prepare a tax notice of all watercraft and motors owned by the same person and licensed at the same time for each tax year. A notice must describe the watercraft and motor by name, model, and identification number. The notice must provide the assessed value of the watercraft and motor, the millage, the taxes due on each, and the certification or registration period and property tax year. The notice must be delivered to the county treasurer who must collect or receive payment of the taxes. One copy of the notice must be in the form of a bill or statement for the taxes due on the watercraft and motor and, when practical, the treasurer shall mail that copy to the owner or person having control of the watercraft or motor. When the tax and all other charges included on the tax bill have been paid, the treasurer shall issue the taxpayer a paid receipt. The receipt or a copy may be delivered by the taxpayer to DNR with the application for the certificate of number and registration. A record of the payment of the tax must be retained by the treasurer. The auditor shall maintain a separate duplicate for watercraft and motors. A certificate or registration may not be issued by DNR unless the application is accompanied by the receipt, a copy of the notification required by Section 12‑37‑3420 or notice from the county treasurer, by other means satisfactory to DNR.

Tax bills or notices for property taxes on watercraft and outboard motors taxed pursuant to this article must include notification of the taxpayer’s appeal rights, to include a minimum amount of information of how the taxpayer should file his appeal, to whom, and within what time period.

Section 12‑37‑3490. DNR shall furnish to the auditor of each county a listing of certificates and registrations to be mailed to the owners of watercraft and outboard motors in the respective counties. The listings must be furnished to the auditor as soon as possible but not later than ninety days before the expiration of the certificate and registration. Listings must be in the form of computer tapes or printouts.

Section 12‑37‑3500. If ownership of a watercraft and motor with the certificate or registration, as applicable, is transferred, the transferor’s tax year for the watercraft and motor ends, and DNR shall provide the transferor written documentation of the changes in ownership. The transferor, upon presenting this documentation to the county auditor, must receive a prorated refund of the property taxes on the watercraft and motor.

Section 12‑37‑3510. A municipality may by contract authorize the county to assess and collect the municipal tax on watercraft and outboard motors. When so contracted, the provisions of this article apply to the municipal tax on watercraft and outboard motors. In this case the duplicate and receipt above provided for also must reflect the amount of municipal tax. A municipality that does not contract by ordinance shall provide for the date that taxes due on motor vehicles for each tax year are to be paid. All statutes providing for the collection of taxes are applicable to the municipal tax.

Section 12‑37‑3520. (A) DNR shall suspend the watercraft certificate and outboard motor registration of a person who fails to pay personal property tax due when a certificate or registration is issued or renewed. The request to suspend must be an electronic notification from the county treasurer of the county in which the tax is delinquent. Before the electronic notification is sent to DNR, the county treasurer shall notify the delinquent taxpayer of the pending suspension by letter. The letter must be developed by the county treasurers in conjunction with DNR and used uniformly throughout the State. The letter must advise the person of the pending suspension and the steps necessary to prevent the suspension from being entered on the person’s certification and registration records. A county must allow thirty days for the payment of taxes before the county notifies DNR to suspend the person’s certificate and registration.

(B) It is unlawful for a person to operate on the waters of this State a watercraft or outboard motor if the certificate or registration is suspended pursuant to this section. A person is not subject to a custodial arrest solely for being under suspension pursuant to provisions contained in this section. Upon conviction, for a:

(1) first offense under this section, the penalty is a fine not to exceed fifty dollars;

(2) second offense under this section, the penalty is a fine not to exceed two hundred fifty dollars; and

(3) third or subsequent offense under this section, the penalty is a fine not to exceed five hundred dollars, or imprisonment not to exceed thirty days, or both.

(C) Notwithstanding the provisions of subsections (A) and (B) of this section, a charge of operating a watercraft and outboard motor issued solely as a result of this section must be dismissed if the person provides proof on the person’s court date that the personal property taxes on the property which resulted in the charge being issued have been paid.

(D) Before the reinstatement of a certificate or registration suspended pursuant to this section, a fee of fifty dollars must be paid to DNR. DNR may retain revenues generated by payment of the reinstatement fees pursuant to this section for use in defraying costs associated with suspension and reinstatement actions pursuant to this section. Fees collected in excess of actual departmental direct costs related to suspension and reinstatement actions pursuant to this section must be deposited to the credit of the general fund of the State at the end of each fiscal year.

Section 12‑37‑3530. Property tax payable on watercraft and motors not subject to the provisions of this article must be paid in the manner provided by law.”

SECTION 2. Chapter 23, Title 50 of the 1976 Code is amended by adding:

“Article 4

Outboard Motor Registration

Section 50‑23‑710. As used in this article, ‘outboard motor’ or ‘motor’ means an outboard motor required to be titled pursuant to Article 1 of this chapter which propels a watercraft required to be titled pursuant to Article 1 of this chapter and which is numbered pursuant to Article 3 of this chapter.

Section 50‑23‑720. Every outboard motor must be registered in order to propel a watercraft which is required to be numbered pursuant to Article 3 of this chapter. A person may not operate or give permission for the operation of an outboard motor to propel such a watercraft unless the outboard motor is registered in accordance with this article. A decal issued by the department evidencing a valid registration must be attached to the outboard motor.

Section 50‑23‑730. The owner of each outboard motor required to be registered by this chapter shall file a registration application with the department on forms approved by it. The application must be signed by the owner of the outboard motor and must be accompanied by a fee of five dollars. Upon receipt of the application in approved form, the department shall register the outboard motor and issue the applicant a decal evidencing such registration which must be attached to the outboard in the manner in which the department prescribes.

Section 50‑23‑740. (A) A transferee may use as a temporary registration the department’s application form to permit the use of the outboard motor while applications for registrations are processed. Temporary registrations apply to new and previously owned outboard motors. A temporary registration is valid for not more than sixty days from the date of purchase.

(B) When using a recently purchased outboard motor under authority of a temporary registration, the operator shall carry a copy of the bill of sale on board along with the temporary registration.

(C) Duplicate or updated temporary registrations or updated bills of sale are prohibited.

Section 50‑23‑750. The department may issue a registration directly or may authorize a person to act as agent for the issuing of a registration. If a person accepts such authorization, he may be allotted a block of registration applications therefor which upon assignment and issue in conformity with this chapter and with any rules and regulations of the department adopted or promulgated pursuant to this chapter and are valid as if registered directly by the department.

Section 50‑23‑760. (A) Except as otherwise provided, an outboard motor registration issued pursuant to this article continues in effect for one year unless sooner terminated or discontinued in accordance with this chapter. Registration may be renewed by the owner in the same manner provided for in the initial securing of the registration. The department shall establish the one‑year period, beginning on the first day of a month, and the day and month after which the registration expires unless renewed pursuant to this article. However, if the transfer of ownership of an outboard motor results in the outboard motor having a registration period different from the watercraft it propels, at the request of the applicant, DNR may adjust the initial registration period of the outboard motor so that it ends on the date the watercraft certificate expires.

(B) A renewal application for a registration, except those from marine dealers, presented after thirty days from its expiration date is subject to a late penalty of fifteen dollars.

A renewal application for a registration presented after sixty days from its expiration date is subject to a late penalty of thirty dollars.

Section 50‑23‑770. It is unlawful to display a registration decal on an outboard motor except on the outboard motor for which it was issued.

Section 50‑23‑780. Upon the transfer of ownership of an outboard motor, the existing registration expires and the purchaser shall register the outboard motor as provided in this article.

Section 50‑23‑790. A holder of an outboard motor registration shall notify the department in writing within thirty days if his address no longer conforms to the address appearing on the registration and, as part of the notification, shall furnish the department with his new address.

Section 50‑23‑800. A registration of an outboard motor may not be renewed pursuant to this chapter if the department has notice that property taxes are owed on the outboard motor. If renewal of registration has been denied pursuant to this section, a tax receipt from the person officially charged with the collection of ad valorem taxes in the county of residence must be accepted as proof that the taxes have been paid.”

SECTION 3. Section 50‑23‑11 of the 1976 Code, as added by Act 344 of 2008, is amended to read:

“Section 50‑23‑11. (A) Dealer demonstration numbers are limited to watercraft and outboard motors that are:

(1) held for sale by the dealership or assigned to the dealership, including customer watercraft and outboard motors in for service and watercraft and outboard motors being ferried by the dealership;

(2) being operated for limited demonstration rides by prospective buyers;

(3) being operated for purposes of buyer demonstration by owners, employees, or corporate officers of the dealership;

(4) being tested for service by the dealership;

(5) being temporarily operated by an established customer whose boat or outboard motor is being repaired; and

(6) valid from the date of issue until December thirty‑first inclusive of each year.

(B) The demonstration numbers must not be permanently attached to the ~~vessel~~ watercraft and outboard motor but must be on board at all times. Marine dealers who sell watercraft and outboard motors are allowed nine demonstration numbers for each. Marine dealers who only service watercraft or outboard motors are allowed one demonstration number.

If a dealer allows the operation of a watercraft and outboard motor with demonstration numbers, the dealer shall execute a form identifying the date and time, the specific watercraft and outboard motor, the dealer’s permit number, the demonstration number, the purpose for which the watercraft and outboard motor is being operated and if for a prospective sale, the form must include the name of the prospective buyer, the date, the specific watercraft and outboard motor, the dealer’s permit number, and the demonstration number. The form and the dealer demonstration number must be on board during operation but need not be attached. Operations with dealer demonstration numbers are limited to seventy‑two consecutive hours. This form is not required of owners, employees, or corporate officers who carry dealer identification and who are authorized to use demonstration numbers as provided ~~herein~~ in this section.

(C) All owners, employees, or corporate officers authorized to demonstrate dealer watercraft and outboard motors using demonstration numbers must be listed on the dealer permit application form. The list must be updated as employees are added or deleted within thirty days of a change. Owners, employees, or officers not listed may not use demonstration numbers.

(D) It is unlawful to misuse dealer demonstration numbers or allow dealer demonstration numbers to be misused. A person convicted of misusing or allowing the misuse of dealer demonstration numbers is guilty of a misdemeanor and, upon conviction, for a first offense must be fined not more than five hundred dollars. For a second offense within three years of the first conviction, the offender must be fined at least two hundred dollars but not more than five hundred dollars. The dealer demonstration numbers are suspended for one year and must be surrendered to the department.”

SECTION 4. Article 3, Chapter 12, Title 50 of the 1976 Code is amended to read:

“Article 3

Numbering

Section 50‑23‑310. Every vessel using the waters of this State ~~shall~~ must be numbered except those exempt by Section 50‑23‑320. ~~No~~ A person ~~shall~~ may not operate or give permission for the operation of any such vessel on such waters unless the vessel is numbered in accordance with this chapter or in accordance with applicable Federal law or in accordance with a ~~Federally‑approved~~ Federally approved numbering system of another state and unless:

(1) the certificate of number issued to such a vessel is on board and in full force and effect~~.~~;

(2) the identifying number set forth in the certificate of number is displayed on each side of the forward half of the vessel~~.~~; or

(3) the decals issued by the department are attached to each side of the bow of the boat within six inches following the identifying number. ~~Such~~ These decals, when a certificate of number is issued or renewed, ~~shall be deemed~~ are considered a part of the registration number.

Section 50‑23‑320. (A) A vessel is not required to be numbered under this chapter if it is:

(1) covered by a certificate of number in effect which has been issued to it pursuant to federal law;

(2) a federally approved numbering system of another state. However, this vessel must not be held or used in this State for more than sixty consecutive days;

(3) from a country other than the United States and temporarily using the waters of this State;

(4) a vessel whose owner is the United States except recreational‑type vessels;

(5) a vessel whose owner is the United States, a state, or political subdivision to a state used for governmental purposes and which is clearly identifiable as such;

(6) a vessel’s lifeboat if the boat is used solely for lifesaving purposes;

(7) a vessel’s tender;

(8) boats designed, constructed, and used for racing;

(9) a vessel belonging to a class of boats which has been exempted from numbering by the department after the department has found that the federal government has exempted the vessel or class of vessels from their numbering provisions or as otherwise permitted by the federal government;

(10) documented by the United States Coast Guard or a federal agency successor to it;

(11) used under authority of a valid temporary certificate of number issued by the department or its agent; or

(12) a sailboat or paddle boat when no propulsion machinery of any description is installed in or attached to the boat.

(B) Nothing in this chapter prohibits the numbering of an undocumented vessel upon request by the owner even though the vessel is exempt from the numbering requirements of this chapter.

Section 50‑23‑330. ~~In the event that~~ If an agency of the United States Government ~~shall have~~ has in force an overall system of identification (numbering) for vessels within the United States, the numbering system employed pursuant to this chapter by the department ~~shall~~ must be in conformity ~~therewith~~ with that system.

Section 50‑23‑340. The owner of each ~~motorboat~~ watercraft requiring numbering by this chapter shall file an application for a number with the department on forms approved by it. The application ~~shall~~ must be signed by the owner of the motorboat and ~~shall~~ must be accompanied by a fee of ~~thirty~~ ten dollars. Upon receipt of the application in approved form, the department shall enter the same upon the records of its office and issue to the applicant a certificate of number stating the number awarded to the motorboat and the name and address of the owner. The certificate of number ~~shall~~ must be pocket size.

Section 50‑23‑345. (A) A transferee shall utilize the temporary certificate of number on the department’s application form as a temporary certificate of number to permit the use of watercraft while applications for certificates of number are processed. Temporary certificates of number apply to new and previously owned watercraft. A temporary certificate is valid for not more than sixty days from the date of purchase.

(B) When using a recently purchased watercraft under authority of a temporary certificate of number, the operator shall carry a copy of the bill of sale on board along with the temporary certificate of number.

(C) A temporary certificate of number must not be issued for a watercraft not having a hull or manufacturer’s identification number.

(D) Duplicate or updated temporary certificates of number or updated bills of sale are prohibited.

(E) The number assigned to a temporary certificate of number must not be displayed on the watercraft.

(F) A transferee may operate a newly acquired outboard motor for sixty days while application for title is pending provided the bill of sale is in possession while operating the motor.

Section 50‑23‑350. The department may issue ~~any~~ a certificate of number directly or may authorize ~~any~~ a person to act as agent for the issuing ~~thereof~~ the certificate. ~~In the event that~~ If a person accepts ~~such~~ this authorization, ~~he~~ the person may be allotted a block of numbers and certificates, ~~therefor~~ which upon assignment and issue in conformity with this chapter and with any rules and regulations of the department adopted pursuant to this chapter ~~shall be~~ are valid as if assigned and issued directly by the department.

Section 50‑23‑360. The owner shall paint on or attach to each side of the forward half of the vessel the identification number in ~~such~~ a manner as may be prescribed by rules and regulations of the department~~;~~. In order that ~~it~~ the number may be clearly visible, the number ~~shall~~ must be maintained in legible condition. No number other than the number validly assigned to a vessel ~~shall~~ may be painted, attached or otherwise displayed on each side of the forward half of ~~such~~ the vessel. Only one valid number may be displayed at any time.

Section 50‑23‑370. (A) Except as otherwise provided, a certificate of number awarded pursuant to this chapter continues in effect for ~~three years~~ one year unless sooner terminated or discontinued in accordance with this chapter. Certificates of number may be renewed by the owner in the same manner provided for in the initial securing of the certificates. The department shall ~~fix a~~ establish the one‑year period, beginning on the first day of a month, and the day and month ~~of the year on~~ after which the ~~certificates~~ certificate of number ~~expire~~ expires unless renewed pursuant to this chapter.

(B) A renewal application for a certificate of number, except those from marine dealers, presented after thirty days from its expiration date is subject to a late penalty of fifteen dollars.

A renewal application for a certificate of number presented after sixty days from its expiration date is subject to a late penalty of thirty dollars.

Section 50‑23‑375. It is unlawful to display a registration number or a validation decal or an outboard motor title decal or sailboat title decal on any watercraft or outboard motor except on the watercraft or outboard motor for which it was issued.

Section 50‑23‑380. (A) Upon the transfer of ownership of a watercraft numbered pursuant to this article, the purchaser shall file an application for ~~transfer of a registration at a cost of six dollars~~ a certificate of number issued in the purchaser’s name for validating the watercraft number in the purchaser’s name. The total fee for this initial certificate is sixteen dollars. The ten dollar fee required pursuant to Section 50‑23‑340 applies for subsequent renewals of that certificate. The application for the ~~transfer~~ certificate for the transferred number must be made by the purchaser within thirty days from date of purchase. The purchaser may operate the watercraft for not more than sixty days on a temporary certificate of number.

(B) The provisions of this section for the transfer charge do not apply to watercraft owned by volunteer rescue squads used exclusively for the purposes of the squads.

Section 50‑23‑385. Houseboats used for habitation may be indefinitely moored at a private dock as long as the houseboat has a waste‑holding tank. Waste pump‑out must be done at an approved pump‑out facility. A person violating the provisions of this section is guilty of a misdemeanor and, upon conviction, must be punished by a fine of not less than five hundred dollars or imprisonment for thirty days, or both.

Section 50‑23‑400. ~~Any~~ A holder of a certificate of number shall notify the department in writing within thirty days if his address no longer conforms to the address appearing on the certificate and registration and, as part of the notification, shall furnish the department with his new address.

Section 50‑23‑420. ~~No~~ A vessel constructed after November 1, 1972, ~~shall~~ may not be offered for sale in this State unless the hull identification number is permanently displayed and affixed in accordance with United States Coast Guard rules and regulations.

Section 50‑23‑425. A registration of watercraft may not be renewed pursuant to this chapter if the department has notice that property taxes are owed on the watercraft. If renewal of registration has been denied pursuant to this section, a tax receipt from the person officially charged with the collection of ad valorem taxes in the county of residence must be accepted as proof that the taxes have been paid.”

SECTION 5. (A) The annual certificate period for a watercraft subject to property tax for 2015 pursuant to Article 27, Chapter 37, Title 12 of the 1976 Code, as added by this act, begins on the first day of the month in 2015 following the month in which the current certificate of number on the watercraft expires or is due to expire in 2016 or 2017. Watercraft owners whose three‑year certificate period under former law is shortened pursuant to the provisions of this act must receive a credit against the registration fees for 2015 and 2016, as applicable, to reflect the shortened registration period. Notwithstanding the due date for property taxes on watercraft pursuant to Article 27, Chapter 37, Title 12 of the 1976 Code, as added by this act, property taxes for watercraft receiving the annual certificate of number for tax years beginning January through June, 2015, are due and payable July 15, 2015.

(B) An outboard motor titled before 2015 has an annual registration period equal to the certificate period for the watercraft propelled by the outboard motor. If an outboard motor required to be registered is not currently attached to or otherwise associated with a specific watercraft, DNR shall establish a registration period for it. Notwithstanding the due date for property taxes on outboard motors pursuant to Article 27, Chapter 37, Title 12 of the 1976 Code, as added by this act, property taxes on outboard motors receiving the annual registration for tax years beginning January through June, 2015, are due and payable July 15, 2015.

SECTION 6. This act takes effect upon approval by the Governor.

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