CHAPTER 23

Watercraft and Outboard Motors

ARTICLE 1

Titling of Watercraft and Outboard Motors

**SECTION 50‑23‑10.** Marine dealer's permits.

 Each entity desiring to be a marine dealer shall apply for a permit each year. A permit is valid from January first to December thirty‑first. The permit cost is ten dollars. Applications for renewals must be received by December fifteenth each year. A marine dealer shall have an established place of business with a street address separate from a residence. A marine dealer shall have a valid business license and permit for each separate facility. A facility is separate if it is not within the same compound or has a separate street address. Marine dealers who sell new or used watercraft shall sell a minimum of ten watercraft or outboard motors a year in order to renew the permit. A dealer who fails to meet minimum requirements each year may request in writing a review of the permit and sales. After review of the dealer's records and after good cause has been shown by the dealer for not meeting the minimum requirements, the department may renew the permit for the calendar year. Permitted marine dealers may apply for demonstration numbers. Marine dealers permitted under this article consent to inspections of the business and its records during regular business hours by department personnel and other law enforcement officers. A dealer who fails to cooperate with department inspections forfeits his permit. A marine dealer permit is invalid when a change is made to one or more of the following:

 (1) location address;

 (2) federal employer identification number;

 (3) South Carolina tax number;

 (4) ownership; or

 (5) business name.

HISTORY: 2008 Act No. 344, Section 4, eff six months after approval (approved June 11, 2008).

**SECTION 50‑23‑11.** Dealer demonstration numbers; unauthorized use; penalties.

 (A) Dealer demonstration numbers are limited to watercraft that are:

 (1) held for sale by the dealership or assigned to the dealership, including customer watercraft in for service and watercraft 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 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 but must be on board at all times. Marine dealers who sell watercraft are allowed nine demonstration numbers. Marine dealers who only service watercraft or outboard motors are allowed one demonstration number.

 If a dealer allows the operation of a watercraft with demonstration numbers, the dealer shall execute a form identifying the date and time, the specific watercraft, the dealer's permit number, the demonstration number, the purpose for which the watercraft is being operated and if for a prospective sale, the form must include the name of the prospective buyer, the date, the specific watercraft, 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.

 (C) All owners, employees, or corporate officers authorized to demonstrate dealer watercraft 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.

 (E) The fee for a dealer demonstration number is thirty dollars and the fee must accompany the application for each demonstration number. Demonstration numbers expire on December thirty‑first of each year or on the same date the marine dealer permit under which they were issued is voided, surrendered, or revoked. All revenue from each demonstration number must be used to support the Marine Investigations section of the department.

HISTORY: 2008 Act No. 344, Section 5, eff six months after approval (approved June 11, 2008); 2018 Act No. 223 (H.4715), Section 1, eff January 1, 2020.

Effect of Amendment

2018 Act No. 223, Section 1, added (E), providing the fee for a dealer demonstration number.

**SECTION 50‑23‑12.** Change in status forms required for trade‑ins.

 A permitted marine dealer that accepts any watercraft or outboard motor as a trade‑in must obtain from the owner a completed change in status form indicating the trade‑in. The dealer must submit the form to the department within thirty days in the manner prescribed.

HISTORY: 2018 Act No. 223 (H.4715), Section 6, eff January 1, 2020.

**SECTION 50‑23‑15.** Repealed by 2008 Act No. 344, Section 30, eff 6 months after approval (approved June 11, 2008).

Editor's Note

Former Section 50‑23‑15 was entitled "Review when dealer fails to meet minimum requirements for permit; renewal for good cause" and was derived from 1993 Act No. 128, Section 19.

**SECTION 50‑23‑20.** Watercraft titles; notification of transfer.

 Any watercraft or outboard motor, or both, held or principally used in this State must be titled by the department. An owner of a watercraft or outboard motor titled in this State must notify the department within thirty days if ownership is transferred to another person, entity, or transferred out of state or otherwise disposed.

HISTORY: 1962 Code Section 70‑295.102; 1971 (57) 915; 1993 Act No. 181, Section 1270; 2008 Act No. 344, Section 6, eff six months after approval (approved June 11, 2008).

Effect of Amendment

The 2008 amendment rewrote this section, adding the sentence relating to notification of transfer of ownership.

**SECTION 50‑23‑24.** Boat liveries prohibited from leaving premises unless properly registered, numbered, and titled.

 Neither the owner of a boat livery nor his agent or employees may permit any of his vessels to depart from his premises unless it is registered properly, numbered, and titled.

HISTORY: 1989 Act No. 190, Section 4; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑30.** Exemptions.

 Watercraft documented by the United States Coast Guard or its predecessor or successor agency and water skis, aquaplanes, surfboards, windsurfers, and similar devices, and those watercraft propelled exclusively by human power are not required to be titled.

HISTORY: 1962 Code Section 70‑295.103; 1971 (57) 915; 1989 Act No. 190, Section 5; 1993 Act No. 128, Section 17; 1993 Act No. 181, Section 1270; 2008 Act No. 344, Section 7, eff six months after approval (approved June 11, 2008).

Effect of Amendment

The 2008 amendment rewrote this section.

**SECTION 50‑23‑35.** Watercraft title issuance; tax payment proof required; exceptions.

 (A) No title for a watercraft or outboard motor may be issued by the department if currently titled in this State or titled or registered in another state unless it is accompanied by a receipt from the applicant's appropriate county official stating payment of ad valorem taxes due for the tax year in which the ownership was initiated has been paid. Applications submitted more than one year after ownership was initiated must be accompanied by paid tax receipts for all subsequent years up to the date the application was accepted by the department.

 (B) A title for a watercraft or outboard motor sold by a permitted marine dealer is exempt from the requirement for a paid tax receipt and may be titled by the department without the receipt indicating ad valorem taxes have been paid. The department must transmit daily a list of the titles and certificates of registration issued under this exemption to the respective county official for collection of ad valorem taxes.

 (C) No receipt is required for a watercraft or outboard motor designated as exempt from ad valorem taxes by the appropriate county official, provided that each county makes such a determination when a watercraft or outboard motor is titled in their respective county.

HISTORY: 2018 Act No. 223 (H.4715), Section 7, eff January 1, 2020.

**SECTIONS 50‑23‑40, 50‑23‑50.** Repealed by 2008 Act No. 344, Section 30, eff 6 months after approval (approved June 11, 2008).

Editor's Note

Former Section 50‑23‑40 was entitled "Sale or purchase without certificate of title prohibited" and was derived from 1962 Code Section 70‑295.104; 1971 (57) 915; 1993 Act No. 181, Section 1270.

Former Section 50‑23‑50 was entitled "Certificate as prerequisite to acquisition of right or title; recognition of right or title by courts" and was derived from 1962 Code Section 70‑295.105; 1971 (57) 915; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑55.** Certificate of title as evidence of ownership; watercraft from other states.

 (A) A certificate of title to a watercraft or outboard motor is prima facie evidence of ownership of a watercraft or outboard motor. All watercraft and outboard motors subject to the titling requirements of this chapter must be titled.

 (B) No person may acquire a watercraft or outboard motor, subject to the titling requirements of this chapter, without obtaining a certificate of title or in the case of a new watercraft or outboard motor a manufacturer's or importer's statement of origin reflecting the person acquiring the watercraft or outboard motor as the original purchaser as provided in this chapter. In the case of watercraft or outboard motors from other jurisdictions that do not require titling, a bill of sale and proof of registration may be substituted for the title.

 (C) No person may dispose of a watercraft or outboard motor subject to the titling provisions of this chapter without transferring to the person acquiring the watercraft or outboard motor a certificate of title reflecting the transfer of the watercraft or outboard motor. In the case of new watercraft, a manufacturer's statement of origin must be delivered to the purchaser. In the case of watercraft or outboard motors from other states or foreign jurisdictions, which do not title such watercraft or outboard motors, a bill of sale and proof of registration may be substituted.

HISTORY: 2008 Act No. 344, Section 8, eff six months after approval (approved June 11, 2008).

**SECTION 50‑23‑60.** Application for certificate; late penalty.

 (A) Every person who acquires a watercraft or outboard motor required to be titled under this chapter shall apply to the department within thirty days of the date of acquisition for a certificate of title for the watercraft or outboard motor accompanied by the required fee and on forms required by the department. The application must be signed by the person who acquires the watercraft or outboard motor and shall contain:

 (1) the applicant's name, domiciled address including the county, date of birth, and the county where the watercraft is principally located, state issued identification number, and state of issue;

 (2) for watercraft, a description of the watercraft, including its make, model, model year, length, the principal material used in construction, hull number, and the manufacturer's engine serial number if an inboard; for an outboard motor, its make, model, model year, or year of manufacture, and horsepower, and manufacturer's serial number;

 (3) the date of acquisition by the applicant, the name and address of the person from whom the watercraft or outboard motor was acquired, and the names and addresses of persons having a security interest in the order of their priority;

 (4) a bill of sale; and

 (5) further information reasonably required by the department to enable it to determine whether the owner is entitled to a certificate of title and the existence or nonexistence of security interests in the watercraft or outboard motor.

 (B) Every dealer selling or exchanging a watercraft or outboard motor subject to titling under this chapter shall complete the application for a new title in the name of the purchaser before delivering the watercraft or outboard motor to the purchaser. The application shall contain the name and address of a lienholder and the date of the security agreement. It must be signed by the dealer showing the assigned dealer permit number, as well as by the owner, and the dealer shall submit the application to the department within thirty days of the sale. However, permitted marine dealers are not required to obtain titles for new vessels and outboard motors held in their inventory for sale until they are sold or exchanged as long as a proper manufacturer's or importer's statement of origin is held by the dealer. The fees for title and registration may not exceed those required by this article and if requested must be itemized on the bill of sale to the new owner. This does not prohibit a dealer from charging an administrative fee for processing title and registration.

 (C) If a dealer buys or acquires a used watercraft or outboard motor for resale and the watercraft or outboard motor is already covered by a certificate of title which is surrendered to him by the owner or lienholder at the time of delivery of the watercraft or outboard motor, the dealer need not send the certificate to the department at that time. Upon transferring the watercraft or outboard motor to another person, other than by creation of a security interest, within thirty days of sale he shall execute the assignment and warranty of title by a dealer, showing the name and address of the transferee and a lienholder and the date of his security agreement, in the spaces provided, on the certificate to the department with the transferee's application for a new certificate.

 (D) If application for certificate of title is made for a watercraft or outboard motor last owned in another state or foreign country, the application shall contain or be accompanied by:

 (1) the certificate of title issued by the other state or foreign country if any;

 (2) other information or documents the department reasonably requires to establish the ownership of the watercraft or outboard motor and the existence or nonexistence of security interests in it; or

 (3) if the state or foreign country in which the watercraft or outboard motor was last owned does not issue certificates of title, a bill of sale or sworn statement of ownership or evidence of ownership required by the law of the state or foreign country from which the watercraft or outboard motor was brought into this State, and proof of registration plus other information or documents the department reasonably requires to establish the ownership of the watercraft or outboard motor and the existence or nonexistence of security interests in it.

 (E) An application except those from permitted marine dealers presented after thirty days is subject to a late penalty of fifteen dollars.

 (F) An application presented after sixty days is subject to a late penalty of thirty dollars.

HISTORY: 1962 Code Section 70‑295.106; 1971 (57) 915; 1974 (58) 2279; 1979 Act No. 66, Section 2; 1989 Act No. 190, Sections 6, 7; 1993 Act No. 128, Section 10; 1993 Act No. 181, Section 1270; 1996 Act No. 258, Section 1; 2007 Act No. 91, Section 6, eff June 14, 2007; 2008 Act No. 344, Section 9, eff six months after approval (approved June 11, 2008).

Effect of Amendment

The 2007 amendment, in paragraph (A)(1), substituted "date of birth, and state‑issued identification number and state of issue" for "and social security number".

the 2008 amendment rewrote this section and added subsection (F) imposing a late penalty.

**SECTION 50‑23‑65.** Repealed by 2008 Act No. 344, Section 30, eff 6 months after approval (approved June 11, 2008).

Editor's Note

Former Section 50‑23‑65 was entitled "Marine dealer permit invalidated by certain alterations" and was derived from 1993 Act No. 128, Section 2.

**SECTION 50‑23‑70.** Fee for certificate of title; issuance of duplicates; volunteer rescue squad watercraft exception.

 (A) The fee for a certificate of title for a watercraft is ten dollars, and the fee for a certificate of title for an outboard motor is ten dollars.

 (B) If a certificate of number or decals are lost, destroyed, or become illegible, the department may issue a duplicate.

 (C) The fee for providing a duplicate document or decal is five dollars.

 (D) The provisions of this section requiring a fee do not apply to the watercraft owned by volunteer rescue squads used exclusively for the purpose of the squads.

 (E) The department must not issue a duplicate document for a certificate of number decal, certificate of number card, outboard motor decal, or watercraft title decal if the department has notice that ad valorem taxes are due.

HISTORY: 1962 Code Section 70‑295.107; 1971 (57) 915; 1977 Act No. 216, Section 2; 1984 Act No. 512, Part II, Section 54B; 1993 Act No. 181, Section 1270; 1999 Act No. 100, Part II, Section 64.E; 1999 Act No. 124, Section 2.R; 2008 Act No. 344, Section 10, eff six months after approval (approved June 11, 2008); 2018 Act No. 223 (H.4715), Section 2, eff January 1, 2020.

Code Commissioner's Note

At the direction of the Code Commissioner, the amendments to Section 50‑23‑70(A) by 1999 Act 100, Section 64.E, and Act 124, Section 2.R, were read together.

Effect of Amendment

The 2008 amendment rewrote subsection (A), raising the fee from five to ten dollars; added subsections (B) and (C) relating to duplicate certificates; and redesignated subsection (B) as subsection (D).

2018 Act No. 223, Section 2, added (E), prohibiting the department from issuing duplicate decals when ad valorem taxes are outstanding.

**SECTION 50‑23‑80.** Processing of applications and issuance of certificates; records to be kept by department; withholding issuance of certificate.

 (A) The department shall file each application for certificate of title which is received by it, provided it is accompanied by the required fee and complies in all other respects with this chapter. When satisfied that the application is in proper form, that the applicant is the owner of the watercraft or outboard motor, and that there is no security interest in the watercraft or outboard motor not disclosed in the application, the department shall issue a certificate of title to the watercraft or outboard motor.

 (B) The department shall maintain a record of all certificates of title issued by it:

 (1) Under a distinctive title number assigned to a watercraft or outboard motor;

 (2) Under the identification number awarded to a watercraft in accordance with the registration and numbering act of the state in which it is registered. If the State requires outboard motors to be registered separately, the department shall keep the motor registration numbers in its titling records;

 (3) Alphabetically, under the name of the owner; and

 (4) In the discretion of the department, in any other method it determines.

 (C) All records of the department relating to the titling of watercraft or outboard motors shall be public records.

 (D) If the department is not satisfied that the applicant for a certificate of title to a watercraft or outboard motor is the bona fide owner of such watercraft or outboard motor and that there is no security interest in it not disclosed in the application, the department shall withhold the issuance of a certificate of title until the applicant reasonably satisfies the department that the applicant is the owner of the watercraft or outboard motor and that there are no undisclosed security interests in it.

HISTORY: 1962 Code Section 70‑295.108; 1971 (57) 915; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑90.** Contents of certificate; effect as evidence.

 (a) Each certificate of title issued by the department shall contain:

 (1) The date issued;

 (2) The name and address of the owner;

 (3) The names and addresses of any lienholders, in the order of priority as shown on the application or, if the application is based on a certificate of title, as shown on the certificate;

 (4) The title number assigned to the watercraft or outboard motor;

 (5) A description of the watercraft or outboard motor including its make, model, model year, or year of manufacture, horsepower, registration number, and manufacturer's serial number or, hull number assigned to the watercraft by the department, length, and the principal material used in construction;

 (6) On the reverse side of the certificate, spaces for assignment of title by the owner or by the dealer and for a warranty that the signer is the owner and that there are no mortgages, liens or encumbrances on the watercraft or outboard motor except as are noted on the face of the certificate of title; and

 (7) Any other data the department prescribes.

 (b) A certificate of title issued by the department is prima facie evidence of the facts appearing on it.

HISTORY: 1962 Code Section 70‑295.109; 1971 (57) 915; 1981 Act No. 94, Section 17; 1985 Act No. 47, Section 1; 1993 Act No. 181, Section 1270; 2008 Act No. 344, Section 11, eff six months after approval (approved June 11, 2008).

Effect of Amendment

The 2008 amendment, in paragraph (a)(5), added "or outboard motor" and "horsepower,", substituted "model year, or" for "or year model," and moved it to precede "year of manufacture,", and deleted "if none, the builder's" preceding "hull number".

**SECTION 50‑23‑100.** Repealed by 2008 Act No. 344, Section 30, eff 6 months after approval (approved June 11, 2008).

Editor's Note

Former Section 50‑23‑100 was entitled "Certificates issued in duplicate" and was derived from 1962 Code Section 70‑295.110; 1971 (57) 915; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑110.** Statement of origin.

 (a) No dealer shall acquire a new watercraft or outboard motor without obtaining from the seller a manufacturer's or importer's statement of origin.

 (b) No manufacturer, importer, dealer, or other person shall sell or otherwise dispose of a new watercraft or outboard motor to a dealer without delivering to the dealer a manufacturer's or importer's statement of origin.

 (c) The manufacturer's or importer's statement of origin must be a uniform or standardized form prescribed by the department and must contain:

 (1) for a watercraft, the description of watercraft including its make, year of manufacture, or model year, and manufacturer's hull identification number, length, and construction, for an outboard motor the description including its make, model, year of manufacture, or model year, manufacturer's serial number, and horsepower;

 (2) certification of date of transfer of watercraft or outboard motor, and name and address of transferee;

 (3) certification that this was a transfer of watercraft or outboard motor in ordinary trade and commerce;

 (4) the signature and address of a representative of the transferor; and

 (5) on the reverse side of each manufacturer's or importer's statement of origin an assignment form, including the name and address of the transferee, a certification that the watercraft or outboard motor is new, and a warranty that the title at the time of delivery is subject only to liens and encumbrances set forth and described in full in the assignment.

HISTORY: 1962 Code Section 70‑295.111; 1971 (57) 915; 1989 Act No. 190, Section 8; 1993 Act No. 181, Section 1270; 2008 Act No. 344, Section 12, eff six months after approval (approved June 11, 2008).

Effect of Amendment

The 2008 amendment substituted "statement of origin" for "certificate" throughout; in subsection (a), deleted "purchase or" preceding "acquire"; in subsection (b), deleted "for purposes of display and resale" preceding "without delivering"; and rewrote paragraph (c)(1).

**SECTION 50‑23‑120.** Assignment and warranty of title; transferee or purchaser to obtain new certificate of title.

 (a) The owner at the time of delivery of the watercraft or outboard motor shall execute the assignment and warranty of title to the transferee in the space provided on the back of the certificate of title. If the title is voided, due to a change, cancellation of an assignment on a title due to error, or failure of a purchase to materialize the owner, shall make application for a duplicate title within thirty days.

 (b) The transferee or purchaser shall obtain a new certificate of title by application to the department accompanied by the required fee and upon the form or forms prescribed and furnished by the department. This application for certificate of title must be filed within thirty days after the delivery to him of the watercraft or outboard motor.

HISTORY: 1962 Code Section 70‑295.112; 1971 (57) 915; 1979 Act No. 66, Section 3; 1989 Act No. 190, Section 9; 1993 Act No. 181, Section 1270; 2008 Act No. 344, Section 13, eff six months after approval (approved June 11, 2008).

Effect of Amendment

The 2008 amendment, in subsection (a), in the second sentence substituted "If" for "In the event" and "thirty days" for "five days"; in subsection (b), in the second sentence substituted "thirty days" for "twenty days"; and deleted subsections (c) and (d) relating to liens and lienholders.

**SECTION 50‑23‑125.** Electronic transmission of information for watercraft title.

Section effective July 1, 2022.

 (A) In lieu of paper documents, the department is authorized to transmit and receive the following information through secure electronic means for a certificate of title:

 (1) the title for a watercraft or outboard motor with any liens or security interests;

 (2) to the first lienholder on the title, the addition of subsequent liens; and

 (3) the discharge of a security interest or lien from a lienholder on the title.

The certificate of title record must contain the same information noted on a paper certificate of title. Upon receipt of the discharge of the final lien, a clear title must be printed and conveyed to the owner at the address on file with the department. The provisions of this section do not alter the priority of lienholders and encumbrances against a certificate of title. A duly certified copy of the department's electronic record of the lien is admissible in a civil, criminal, or administrative proceeding as evidence of existence of the lien.

 (B) The department is authorized to collect an electronic transaction fee not to exceed five dollars for each transaction from commercial parties who transmit or retrieve data from the department pursuant to this section. The fee collected by the department is an official fee and must be used to defray the expenses of the electronic lien program.

 (C) Notwithstanding Sections 37‑2‑202 and 37‑3‑202, commercial entities and lenders who transmit or receive data from the department pursuant to the provisions of this section may collect an electronic transfer fee not to exceed five dollars for each transaction from the owners of watercraft or outboard motors. A fee charged by the department related to a titled watercraft or outboard motor for the purposes of transmittal or retrieval of this data is deemed an official fee as referenced in Sections 37‑2‑202 and 37‑3‑202.

 (D) All businesses and commercial lenders who are regularly engaged in the business or practice of selling watercraft or outboard motors as a licensed dealer pursuant to this chapter or in the business or practice of financing watercraft or outboard motors shall utilize the electronic lien system to transmit and retrieve electronic lien information. The department shall maintain contact information on its website for service providers utilizing an electronic interface between the department, lienholders, and sellers of watercraft or outboard motors. The department must establish procedures to ensure compliance with the use of the electronic lien system and provide for valid exceptions as determined by the department.

HISTORY: 2021 Act No. 78 (H.3884), Section 1, eff July 1, 2022.

**SECTION 50‑23‑130.** Transfer of ownership by operation of law; termination of ownership in accordance with security agreement.

 (a) If the ownership of a watercraft or outboard motor is transferred by operation of law, such as by inheritance, devise or bequest, order in bankruptcy, insolvency, replevin, or execution sale, or satisfaction of mechanic's lien, or repossession upon default in performance of the terms of a security agreement, the transferee shall, except as provided in subsection (b), promptly mail or deliver to the department the last certificate of title, if available, or the manufacturer's or importer's statement of origin, or, if that is not possible, satisfactory proof of the transfer of ownership, and his application for a new certificate of title accompanied by the required fee, and upon the appropriate form or forms prescribed and furnished by the department.

 (b) If the ownership of a watercraft or outboard motor is terminated in accordance with the terms of a security agreement by a lienholder named in the certificate of title, the transferee shall promptly mail or deliver to the department the last certificate of title, his application for a new title accompanied by the required fee and upon the form or forms prescribed and furnished by the department, and an affidavit by the lienholder or his authorized representative, setting forth the facts entitling him to possession and ownership of the watercraft or outboard motor, together with a copy of the journal entry, court order or instrument upon which such claim of possession and ownership is founded. If the lienholder cannot produce such proof of ownership, he may submit such evidence as he has with his application to the department, and the department may, if it finds the evidence to be satisfactory proof of ownership, issue a new certificate of title.

 (c) If a lienholder succeeds to the interest of an owner in a watercraft or outboard motor by operation of law and holds such watercraft or outboard motor for resale, he need not secure a new certificate of title thereto but, upon transfer to another person, shall promptly mail or deliver to the transferee or to the department the certificate, affidavit and such other documents as the department may require.

HISTORY: 1962 Code Section 70‑295.113; 1971 (57) 915; 1993 Act No. 181, Section 1270; 2008 Act No. 344, Section 14, eff six months after approval (approved June 11, 2008).

Effect of Amendment

The 2008 amendment, in subsection (a), substituted "certificate of origin" for "certificate".

**SECTION 50‑23‑135.** Repealed by 2008 Act No. 344, Section 30, eff 6 months after approval (approved June 11, 2008).

Editor's Note

Former Section 50‑23‑135 was entitled "Notice of possession of abandoned, junked, or similar watercraft" and was derived from 1989 Act No. 190, Section 10; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑140.** Priority and validity of liens and other encumbrances; discharge of liens.

Text of (a) effective until July 1, 2022.

 (a) If a lien or encumbrance is first created at the time of transfer, the certificate of title must be retained by or delivered to the lienholder. All liens, mortgages, and encumbrances noted upon a certificate of title take priority according to the order of time in which they are noted on it by the department. All such liens, mortgages, and encumbrances must be valid as against the creditors of the owner of a watercraft or outboard motor, whether armed with process or not, and against subsequent purchasers of any such watercraft or outboard motor, or against holders of subsequent liens, mortgages, or encumbrances upon the watercraft or outboard motor.

Text of (a) effective July 1, 2022.

 (a) If a lien or encumbrance is first created at the time of transfer, the certificate of title must be retained by or delivered to the lienholder or retained electronically or delivered to the lienholder electronically. All liens, mortgages, and encumbrances noted upon a certificate of title take priority according to the order of time in which they are noted on it by the department. All such liens, mortgages, and encumbrances must be valid as against the creditors of the owner of a watercraft or outboard motor, whether armed with process or not, and against subsequent purchasers of any such watercraft or outboard motor, or against holders of subsequent liens, mortgages, or encumbrances upon the watercraft or outboard motor.

Text of (b) effective until July 1, 2022.

 (b) When a lien is discharged, the holder shall note that fact on the face of the certificate of title. Within thirty days of discharging the lien, the holder shall present it to the department.

Text of (b) effective July 1, 2022.

 (b) When a lien is discharged, the holder shall note that fact on the face of the certificate of title or discharge the lien electronically through the system prescribed by the department. If the lienholder holds a paper certificate of title, within thirty days of discharging the lien, the holder shall present it to the department.

 (c) A security interest is perfected by the delivery to the department of the existing certificate of title, if any, an application for a certificate of title containing the name and address of the lienholder and the date of the security agreement, and the required fee. It is perfected as of the time of its creation if the delivery is completed within thirty days of its creation, otherwise, as of the time of the delivery.

 (d) If the person acquires a watercraft or outboard motor and the title shows an outstanding lien and neither the department nor the transferee can verify the existence of the lien, the transferee may provide proof of an attempt to notify the lienholder of record of the transfer and the attempt to verify the existence of the lien by certified mail and if the lienholder of record does not respond within thirty days of the attempted notice, the lien is unenforceable and the department shall issue a title clear of the lien.

 (e) If an owner of a watercraft or outboard motor attempts to verify the existence of a lien and neither the owner nor the department can verify the existence, the owner may provide proof of an attempt to notify the lienholder of record to verify the existence of the lien by certified mail and if the lienholder of record does not respond within thirty days of the attempted notice, the lien is unenforceable and the department shall issue a title clear of the lien.

HISTORY: 1962 Code Section 70‑295.114; 1971 (57) 915; 1984 Act No. 341, Section 1; 1985 Act No. 47, Section 2; 1993 Act No. 181, Section 1270; 2008 Act No. 344, Section 15, eff six months after approval (approved June 11, 2008); 2021 Act No. 78 (H.3884), Section 2, eff July 1, 2022.

Effect of Amendment

The 2008 amendment, in subsection (a), added the first sentence relating to retention of title by the lienholder; rewrote subsection (b); in subsection (c), in the second sentence substituted "thirty days" for "twenty days"; and added subsections (d) and (e) relating to verifying the existence of a lien.

2021 Act No. 78, Section 2, in (a), in the first sentence, inserted "or retained electronically or delivered to the lienholder electronically" following "to the lienholder"; and in (b), in the first sentence, inserted "or discharge the lien electronically through the system prescribed by the department" following "of title", and in the second sentence, inserted "If the lienholder holds a paper certificate of title," at the beginning.

**SECTION 50‑23‑150.** Lost, stolen, or mutilated certificate; issuance of duplicate certificate.

 (a) If a certificate of title is lost, stolen, mutilated or destroyed or becomes illegible, the first lienholder or, if none, the owner or legal representative of the owner named in the certificate, as shown by the records of the department, may obtain a duplicate by application to the department, furnishing such information concerning the original certificate and the circumstances of its loss, mutilation or destruction as may be required by the department.

 (b) The duplicate certificate of title shall be a certified copy plainly marked "duplicate" across its face. It shall be mailed to the first lienholder named in it or, if none, to the owner.

 (c) In case an original certificate of title is mutilated or rendered illegible, such mutilated or illegible certificate shall be returned to the department with the application for a duplicate.

 (d) In the event a lost or stolen original certificate of title for which a duplicate has been issued is recovered, it shall be surrendered promptly to the department for cancellation.

HISTORY: 1962 Code Section 70‑295.115; 1971 (57) 915; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑160.** Repealed by 2008 Act No. 344, Section 30, eff 6 months after approval (approved June 11, 2008).

Editor's Note

Former Section 50‑23‑160 was entitled "Cancellation of certificate when watercraft or outboard motor is destroyed" and was derived from 1962 Code Section 70‑295.116; 1971 (57) 915; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑170.** Serial number or hull identification number.

 (A) If a watercraft contains a permanent identification number placed on it by the manufacturer, the manufacturer's serial number must be used as the builder's hull number. If there is no manufacturer's serial number, if the manufacturer's serial number has been removed or obliterated, or if the watercraft is homemade, the department, upon application, shall assign a permanent identification number which must be used as the builder's hull number for the watercraft. This assigned number must be affixed permanently to or imprinted by the applicant at the place and in the manner designated by the department upon the watercraft for which the builder's hull number is assigned. "Homemade watercraft or outboard motor" means a watercraft or outboard motor which is built by an individual for personal use from raw materials which does not require the assignment of a federal hull identification number or serial number by a manufacturer pursuant to federal law. An individual may build or furnish raw materials to a builder under a contract to build a homemade watercraft or outboard motor to desired specifications. A copy of the contract, specifications, and bill of sale for raw materials must accompany registration and title application. The person furnishing materials under a contract may be considered the builder. A rebuilt or reconstituted watercraft or outboard motor must not be construed to be homemade. Every homemade watercraft must be certified as meeting safety standards of the United States Coast Guard before it can be sold by the builder. Certification must be furnished to the purchaser and a copy accompany applications for transfer to the department.

 (B) Every outboard motor must have a permanent identification number placed on it in at least two locations by the manufacturer. This number must be used as the serial number. If there is no manufacturer's serial number or if the manufacturer's serial number has been removed for a valid reason or obliterated, the department, upon a prescribed application, may assign a serial number for the outboard motor. This assigned serial number must be affixed permanently to or imprinted by the applicant at the place and in the manner designated by the department upon the outboard motor for which the serial number is assigned.

 (C) No newly‑manufactured watercraft or outboard motor may be sold or offered for sale by a person in this State unless the watercraft or outboard motor has a hull identification number or serial number permanently affixed, and the number also must be affixed permanently in a hidden place.

 (D) Manufacturer's serial numbers or hull identification numbers for watercraft must be imprinted clearly in the stern transom knee or other essential hull member near the stern by stamping, impressing, or marking with pressure or for an inboard watercraft on the main inside beam. In lieu of imprinting, the manufacturer's serial number or hull identification number may be displayed on a plate in a permanent manner. In addition to being permanent the number must be accessible. Hull identification or serial numbers must be installed according to United States Coast Guard regulations. If the serial number or hull identification number is displayed in a location other than on or near the stern transom, the department must be notified by the manufacturer as to the location.

 (E) No person may destroy, remove, alter, cover, or deface the manufacturer's serial number or hull identification number or part of it, or plate bearing the number, or a serial number or hull identification number or part of it assigned by the department or be in possession of an affected watercraft or outboard motor unless authorized in writing by the department and the Commandant of the United States Coast Guard.

HISTORY: 1962 Code Section 70‑295.117; 1971 (57) 915; 1989 Act No. 190, Section 11; 1993 Act No. 128, Section 11; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑180.** Stolen or converted watercraft or outboard motor; records of reports of theft or conversion; notification of recovery.

 (a) Every law enforcement agency, peace officer, owner, or insurer in the State, having knowledge of a stolen or converted watercraft or outboard motor, immediately shall furnish the department with full information concerning the theft or conversion.

 (b) The department, whenever it receives a report of the theft or conversion of a watercraft or outboard motor, shall make a record of it, including the make of the stolen or converted watercraft or outboard motor and its hull number or serial number, and shall file the same in the numerical order of the hull number or serial number with the index records of the watercraft or outboard motors of such make. The department shall prepare a report listing watercraft and outboard motors stolen and recovered as disclosed by the reports submitted to it, to be distributed as it deems advisable.

 (c) In the event of the recovery of a stolen or converted watercraft or outboard motor, the owner or insurer immediately shall notify the department in writing.

 (d) Law enforcement agencies shall notify the department of recovery of any stolen watercraft or outboard motor immediately.

HISTORY: 1962 Code Section 70‑295.118; 1971 (57) 915; 1993 Act No. 181, Section 1270; 2008 Act No. 344, Section 16, eff six months after approval (approved June 11, 2008).

Effect of Amendment

The 2008 amendment, in subsection (a), added "law enforcement agency," and ", owner, or insured"; in subsection (b), in the first sentence substituted "hull number or" for "manufacturer's or assigned" in two places preceding "serial number"; in subsection (c), added "or insurer" and at the end substituted "in writing" for ", who shall remove the record of the theft or conversion from its file" added subsection (d) relating to notification of recovery by law enforcement agencies; and made nonsubstantive language changes throughout.

**SECTION 50‑23‑185.** Inspection of watercraft related facilities.

 Any law enforcement officer may inspect a junkyard, scrap metal processing facility, salvage yard, marina, repair shop, boat yard, dry dock, licensed business buying, selling, displaying, trading watercraft or outboard motors, new and used or parts of watercraft and outboard motors, or both, parking lots, and public garages or any other person dealing with salvaged watercraft or outboard motors or parts of them.

 The physical inspection must be conducted while an employee or owner is present and must be for the purpose of locating stolen watercraft or outboard motors, investigating the titling or registration of watercraft or outboard motors wrecked or dismantled.

HISTORY: 1989 Act No. 190, Section 12; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑190.** Unlawful acts; possession, operation, or transfer without certificate; failure to surrender certificate; improper disposal of rejected or defective hull or motor.

 No person may:

 (1) be in possession of or operate on the waters of this State a watercraft or an outboard motor for which a certificate of title is required unless a certificate of title has been issued to the owner;

 (2) be in possession of or operate on the waters of this State a watercraft or an outboard motor for which a certificate of title is required upon which the certificate of title has been canceled;

 (3) be in possession of or operate on the waters of this State a sailboat or outboard motor required to be titled without properly displaying the title decal;

 (4) sell, transfer, or otherwise dispose of a watercraft or an outboard motor without delivering to the purchaser or transferee a certificate of title or a manufacturer's or importer's statement of origin assigned to the purchaser or transferee as required by this chapter;

 (5) fail to surrender to the department a certificate of title upon cancellation of the title by the department for a valid reason set forth in this chapter or regulations adopted pursuant to it; or

 (6) dispose of a rejected or defective watercraft hull or outboard motor in the manufacturing process except by upgrading the hull to meet United States Coast Guard requirements or destroying the hull or outboard motor.

HISTORY: 1962 Code Section 70‑295.119; 1971 (57) 915; 1989 Act No. 190, Section 13; 1993 Act No. 128, Section 12; 1993 Act No. 181, Section 1270; 2008 Act No. 344, Section 17, eff six months after approval (approved June 11, 2008).

Effect of Amendment

The 2008 amendment added item (3) relating to sailboats and outboard motors required to be titled; redesignated items (3) to (5) as items (4) to (6); and, in item (4), substituted "statement of origin" for "certificate".

**SECTION 50‑23‑200.** Unlawful acts; forging or altering statement of origin, assignment, or certificate of title; stolen property; altered, removed number.

 No person may:

 (1) alter, forge, or counterfeit a certificate of title or manufacturer's or importer's statement of origin for a watercraft or for an outboard motor;

 (2) alter or falsify an assignment of a certificate of title, or an assignment or cancellation of a security interest on a certificate of title to a watercraft or to an outboard motor;

 (3) hold or use a certificate of title to a watercraft or to an outboard motor nor hold or use an assignment or cancellation of a security interest on a certificate of title to a watercraft or to an outboard motor knowing it to have been altered, forged, counterfeited, or falsified;

 (4) have possession of, buy, receive, sell or offer for sale, or otherwise dispose of a watercraft or an outboard motor knowing or having reason to believe the watercraft or outboard motor has been stolen. No person may procure or attempt to procure a certificate of title to a watercraft or an outboard motor or pass or attempt to pass a certificate of title or an assignment to a watercraft or an outboard motor knowing or having reason to believe the watercraft or the outboard motor has been stolen;

 (5) have possession of, buy, receive, sell or offer for sale, or otherwise dispose of in this State a watercraft or an outboard motor on which a manufacturer's hull identification number or part of it or assigned serial number has been destroyed, removed, covered, altered, or defaced, knowing or having reason to believe of the destruction, removal, covering, alteration, or defacement of the manufacturer's hull identification number or part of it or assigned serial number; or

 (6) destroy, remove, cover, alter, or deface the manufacturer's hull identification number or part of it or assigned serial number on a watercraft or an outboard or inboard motor.

HISTORY: 1962 Code Section 70‑295.120; 1971 (57) 915; 1989 Act No. 190, Section 14; 1993 Act No. 128, Section 13; 1993 Act No. 181, Section 1270; 2008 Act No. 344, Section 18, eff six months after approval (approved June 11, 2008).

Effect of Amendment

The 2008 amendment, in item (1), substituted "statement of origin for" for "certificate to" and "for" for "to" preceding "an outboard motor".

**SECTION 50‑23‑201.** Obtaining or attempting to obtain certificate of title or number or decals by fraud or misrepresentation; penalty.

 (A) Any person or entity that attempts to obtain a certificate of title, certificate of number or decals by fraud or misrepresentation or who obtains a certificate of title or certificate of number or decals by fraud or misrepresentation is guilty of a misdemeanor and, upon conviction, must be fined five hundred dollars or imprisoned not more than thirty days, or both.

 (B) Any certificate or decal obtained by fraud or misrepresentation is void.

HISTORY: 2008 Act No. 344, Section 19, eff six months after approval (approved June 11, 2008).

**SECTION 50‑23‑205.** Seizure of certain watercraft; notice of seizure and of time for removal; forfeiture and disposal.

 (A) A stolen or abandoned, junked, adrift, destroyed, or salvaged watercraft or outboard motor, a watercraft or outboard motor for which the true owner is not determined, or a watercraft or outboard motor on which the manufacturer's or assigned serial number has been destroyed, removed, covered, altered, or defaced may be seized.

 (B) Upon seizure of the watercraft or outboard motor, the department shall notify a person claiming an interest in it, and the person has the right to prove his interest before the circuit court in the county where the property was seized. If no action is filed within sixty days of notification, the department may retain the property for official use or transfer the property to another public entity for official use, sell the property at public auction, or, if the watercraft or outboard motor is determined to be unsafe, destroy it. The proceeds derived from the sale must be deposited in the Boating Operating Fund of the department for administration of the program.

 (C) When the department determines the owner of a seized watercraft or outboard motor and related marine equipment, it shall notify the owner by certified mail of the procedure, the location, and the fact that he has not less than thirty days from the date of the certified letter to remove the equipment from the department's storage facility. If a security interest has been perfected, the department must notify the lienholder by certified mail allowing thirty days to respond. Failure to respond within thirty days or remove the watercraft or outboard motor by the date designated forfeits the equipment to the department to be used or disposed of according to law.

HISTORY: 1980 Act No. 470, Section 2; 1989 Act No. 190, Section 15; 1993 Act No. 128, Section 14; 1993 Act No. 181, Section 1270; 2008 Act No. 344, Section 20, eff six months after approval (approved June 11, 2008).

Effect of Amendment

The 2008 amendment, in subsection (C), substituted the second and third sentences for a sentence which read "Failure to remove the watercraft or outboard motor by the date designated forfeits the equipment to the department to be used or disposed of according to this section."

**SECTION 50‑23‑210.** Suspension or revocation of certificate.

 (a) The department shall have the authority to suspend or revoke a certificate of title to a watercraft, or to an outboard motor, upon reasonable notice and hearing, when authorized by any other provision of law or if he finds:

 (1) The certificate of title was fraudulently procured or erroneously issued, or

 (2) The watercraft, or outboard motor, has been scrapped, dismantled, or destroyed, or transferred and registered in another state.

 (b) Suspension or revocation of a certificate of title does not, in itself, affect the validity of a security interest noted on it;

 (c) When the department suspends or revokes a certificate of title, the owner or person in possession of it shall, immediately upon receiving notice of the suspension or revocation, mail or deliver the certificate to the department; or

 (d) The department may seize and impound any certificate of title which has been suspended and revoked.

HISTORY: 1962 Code Section 70‑295.121; 1971 (57) 915; 1985 Act No. 47, Section 3; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑220.** Deposit and use of funds.

 (A) Except as provided in subsection (B), all fees received and money collected under the provisions of this chapter must be deposited in the State Treasury and set apart in a special fund. Appropriations from this fund must be used for the expenses of the department in administering the provisions of this chapter or for any purpose related to the mission of the department.

 (B) To the extent fees collected pursuant to Section 50‑23‑70, in connection with titling a boat, are attributable to fee increases beginning July 1, 1999, revenues from those increases must be used by the department for its law enforcement responsibilities. Any surplus may be carried forward for that use.

HISTORY: 1962 Code Section 70‑295.122; 1971 (57) 915; 1992 Act No. 501, Part II, Section 44.B; 1993 Act No. 181, Section 1270; 1999 Act No. 100, Part II, Section 64.F; 1999 Act No. 124, Section 2.S.

Code Commissioner's Note

At the direction of the Code Commissioner, the amendments to subsection (A) by 1999 Acts 100 and 124 were read together.

**SECTION 50‑23‑230.** Wildlife and Marine Resources Commission authorized to promulgate rules and regulations.

 The department is authorized and empowered to make, adopt, promulgate, amend, and repeal all rules and regulations necessary, or convenient for the carrying out of the duties and obligations and powers conferred on the department by this chapter.

HISTORY: 1962 Code Section 70‑295.123; 1971 (57) 915; 1972 (57) 2431; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑240.** Filing and publication of rules and regulations.

 A copy of the regulations adopted pursuant to this chapter, and of any amendments thereto, shall be filed in the office of the board and in the office of the official State record‑keeping agency. Rules and regulations shall be published by the department in a convenient form.

HISTORY: 1962 Code Section 70‑295.124; 1971 (57) 915; 1972 (57) 2791; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑250.** Employment and duties of investigators.

 The director, for the purpose of more effectively carrying out the provisions of this chapter, shall have the power to employ and appoint the necessary enforcement officers for enforcement of this chapter. The duties of such enforcement officers shall include but not be limited to investigating applications for certificate of title, inspecting watercraft, or outboard motors, in or at public facilities for purposes of locating stolen property, and investigating and reporting thefts of watercraft, or outboard motors. With respect to the enforcement of the provisions of this chapter, such enforcement officers shall have and may exercise throughout this State all of the powers of peace officers.

HISTORY: 1962 Code Section 70‑295.125; 1971 (57) 915; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑260.** List of owners furnished to county auditors.

 The department shall annually, between January first and January thirty‑first, furnish to each county auditor a list of motors and watercraft registered and titled pursuant to this chapter in the previous year to residents of such auditor's county, which list shall include the names and addresses of the owners of such watercraft and motors and sufficient additional information as will permit the auditors to identify the chattels titled for tax purposes.

HISTORY: 1962 Code Section 70‑295.126; 1971 (57) 915; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑270.** False statement in document or other submission to department; penalty.

 A transfer of a watercraft or outboard motor is subject to this chapter. A person making a false statement in a document or other submission to the department is guilty of a misdemeanor and, upon conviction, must be fined not less than fifty nor more than five hundred dollars or imprisoned not more than thirty days.

HISTORY: 1962 Code Section 70‑295.126:1; 1974 (58) 2279; 1989 Act No. 190, Section 16; 1993 Act No. 128, Section 15; 1993 Act No. 181, Section 1270; 2008 Act No. 344, Section 21, eff six months after approval (approved June 11, 2008).

Effect of Amendment

The 2008 amendment rewrote this section.

**SECTION 50‑23‑275.** Watercraft not previously titled.

 A watercraft not previously required to be titled for which a title is required by this chapter must be titled at the time of renewal of the registration of the watercraft or transfer of the watercraft whichever occurs first. An owner of such a watercraft must secure a title for the watercraft within three years from the effective date of this section.

HISTORY: 1989 Act No. 190, Section 17; 1993 Act No. 181, Section 1270.

**SECTION 50‑23‑280.** Penalties.

 (A) Unless otherwise specified, a person violating this chapter is guilty of a misdemeanor and, upon conviction, must be fined not less than twenty‑five nor more than five hundred dollars or imprisoned not more than thirty days, or both.

 (B) A dealer violating this chapter is guilty of a misdemeanor and, upon conviction, must be fined not less than twenty‑five dollars for the first offense, and not less than one hundred dollars for a second offense within two years. For the second and subsequent offenses, the dealer's permit must be suspended for ninety days. Any demonstration numbers must be surrendered to the department. A dealer who submits a fraudulent document or payment to the department must be suspended for ninety days.

HISTORY: 1962 Code Section 70‑295.127; 1971 (57) 915; 1989 Act No. 190, Section 18; 1993 Act No. 128, Section 16; 1993 Act No. 181, Section 1270; 2008 Act No. 344, Section 22, eff six months after approval (approved June 11, 2008).

Effect of amendment

The 2008 amendment rewrote this section.

**SECTION 50‑23‑290.** Obtaining clear title to watercraft or outboard motor without proper proof of ownership.

 Any person coming into possession of a watercraft or outboard motor without proper proof of ownership must apply to the department for a title using the form prescribed by the department. The application must be supported by an affidavit setting forth the circumstances under which the watercraft or outboard motor was acquired. The applicant must attempt to notify the last known titled or registered owner and any lienholder of record by certified mail of the application. The applicant must provide the department with proof of mailing.

 The applicant must publish an advertisement in a newspaper of general circulation in the county of residence of the last known owner of record for three successive issues. If there is no prior owner of record, the advertisement must be published in the county where acquired. The advertisement must be as prescribed by the department in the application. Proof of advertising must be submitted to the department.

 Thirty days after the date of the last advertisement if no claim of interest or ownership is made and the item has not been reported stolen, the department shall issue a clear title. If the item is reported stolen, the department shall dispose of the item according to law.

 If there is a claim of interest adverse to the applicant, the department shall not issue a title until the issue is resolved. The parties may apply to a court of competent jurisdiction for resolution.

HISTORY: 1989 Act No. 190, Section 19; 1993 Act No. 181, Section 1270; 2008 Act No. 344, Section 23, eff six months after approval (approved June 11, 2008).

Effect of Amendment

The 2008 amendment rewrote this section which previously provided for issuance of a conditional title.

**SECTION 50‑23‑295.** Transfer of title to watercraft or outboard motor on which property taxes owed; penalty.

 (A) A certificate of title to watercraft or an outboard motor may not be transferred if the department has notice that property taxes for property tax years beginning after 1999, are owed on the watercraft or outboard motor. If transfer of title has been denied pursuant to this section, a tax receipt on the watercraft or outboard motor from the person officially charged with the collection of ad valorem taxes in the county where the taxes are due must be accepted as proof that the taxes have been paid. The bill of sale or title to watercraft or an outboard motor must require certification that property taxes that are due and payable for property tax years beginning after 1999, have been paid and are current as of the date of sale.

 (B) A person who knowingly sells a watercraft for which he owes unpaid and outstanding property taxes, or on which he knows there is a property tax lien, is guilty of a misdemeanor and, upon conviction, must be fined not more than one thousand dollars or imprisoned not more than thirty days. In addition to all applicable criminal penalties, a seller who falsely signs the certification required by subsection (A), that property taxes are current and paid on a watercraft transferred to the buyer, is liable to the buyer for three times the amount of damages directly associated with the false certification, as well as applicable costs and reasonable attorney's fees.

 (C) The county treasurer or other appropriate official annually, or more frequently as the county considers appropriate, shall transmit a list of delinquent taxes due on watercraft and outboard motors to the department. The list may be transmitted in any electronic format considered acceptable by the department.

HISTORY: 2000 Act No. 403, Section 1; 2007 Act No. 91, Section 2.A, subsections (A) and (C) eff upon approval by the Governor and subsection (B) eff 3 years after approval by the Governor (approved June 14, 2007); 2010 Act No. 279, Section 4, eff June 16, 2010.

Editor's Note

2007 Act No. 91, Sections 1, 2.B, 3 and 4 provide as follows:

"SECTION 1. The General Assembly finds that the application of the provisions of Section 50‑23‑295 of the 1976 Code enacted by Act 403 of 2000, to property tax years before the year of the enactment of the statute has caused great inconvenience to both the sellers and owners of used watercraft and outboard motors. The General Assembly further finds that it is appropriate to provide clearly that Section 50‑23‑295 applies only to property taxes on watercraft and outboard motors that become due and payable after the enactment of the section and that this property is purchased free and clear of the liens for property tax years before the 2000 property tax year."

"SECTION 2.B. Section 50‑23‑295(B) takes effect three years after the date of approval of this act by the Governor."

"SECTION 3. Used watercraft and outboard motors obtained from a licensed dealer on or after October 3, 2000, are free and clear of the lien for property taxes for property tax years before the 2000 property tax year."

"SECTION 4. Property taxes paid on watercraft and outboard motors for property tax years before the 2000 property tax year are not refundable pursuant to any provision of this act."

Effect of Amendment

The 2007 amendment designated the first undesignated paragraph as subsection (A), in the first sentence substituting "for property tax years beginning after 1999" for "payable by the current owner within the past three years", in the second sentence substituting "where the taxes are due" for "of residence", and in the third sentence substituting "that are due and payable for property tax years beginning after 1999, have been paid and are current as of the date of sale" for "have been paid by the current owner as of the date of sale"; added subsection (B) relating to false signing; designated the second undesignated paragraph as subsection (C), making nonsubstantive changes; and deleted the third undesignated paragraph relating to minimum tax.

The 2010 amendment rewrote subsection (B).

ARTICLE 3

Numbering

Editor's Note

The sections in former Title 50, Chapter 21, Article 3 were renumbered pursuant to 1999 Act No. 124, Section 2.T, eff July 2, 1999, as follows:

|  |  |
| --- | --- |
|  |  |
| PriorCode Section  | NewCode Section  |
| 50‑21‑310 | 50‑23‑310 |
| 50‑21‑320 | 50‑23‑320 |
| 50‑21‑330 | 50‑23‑330 |
| 50‑21‑340 | 50‑23‑340 |
| 50‑21‑345 | 50‑23‑345 |
| 50‑21‑350 | 50‑23‑350 |
| 50‑21‑360 | 50‑23‑360 |
| 50‑21‑370 | 50‑23‑370 |
| 50‑21‑380 | 50‑23‑380 |
| 50‑21‑385 | 50‑23‑385 |
| 50‑21‑390 | Repealed |
| 50‑21‑400 | 50‑23‑400 |
| 50‑21‑410 | Repealed |
| 50‑21‑420 | 50‑23‑420 |
| 50‑21‑425 | 50‑23‑425 |

**SECTION 50‑23‑310.** Numbering of vessels.

 Every vessel using the waters of this State shall be numbered except those exempt by Section 50‑23‑320. No person shall 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 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.

 (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 decals, when a certificate of number is issued or renewed, shall be deemed a part of the registration number.

HISTORY: 1962 Code Section 70‑295.21; 1955 (49) 299; 1959 (51) 409; 1961 (52) 588; 1972 (57) 2431, 2791; 1979 Act No. 104, Section 1; 1993 Act No. 181, Section 1269.

Editor's Note

1999 Act No. 124, Section 2.T, provided for the transfer of the sections from Article 3, Chapter 21 where this section was numbered Section 50‑21‑310.

**SECTION 50‑23‑320.** Exceptions.

 (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.

HISTORY: 1962 Code Section 70‑295.22; 1955 (49) 299; 1959 (51) 409; 1961 (52) 588; 1972 (57) 2791; 1993 Act No. 128, Section 5; 1993 Act No. 181, Section 1269; 1999 Act No. 124, Section 2.N, T; 2008 Act No. 344, Section 24, eff six months after approval (approved June 11, 2008).

Editor's Note

1999 Act No. 124, Section 2.T, provided for the transfer of the sections from Article 3, Chapter 21 where this section was numbered Section 50‑21‑320.

Effect of Amendment

The 2008 amendment created item (2) from the last part of item (1); redesignated items (2) to (5) as items (3) to (6); added items (7) and (8); and redesignated items (7) to (9) as items (10) to (12).

**SECTION 50‑23‑330.** Conformity to United States Government numbering system.

 In the event that an agency of the United States Government shall have 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 be in conformity therewith.

HISTORY: 1962 Code Section 70‑295.23; 1955 (49) 299; 1959 (51) 409; 1972 (57) 2791; 1993 Act No. 181, Section 1269.

Editor's Note

1999 Act No. 124, Section 2.T, provided for the transfer of the sections from Article 3, Chapter 21 where this section was numbered Section 50‑21‑330.

**SECTION 50‑23‑340.** Application for and issuance of number and certificate; fee.

 The owner of each motorboat requiring numbering by this chapter shall file an application for a number with the department on forms approved by it. The application shall be signed by the owner of the motorboat and shall be accompanied by a fee of 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 be pocket size.

HISTORY: 1962 Code Section 70‑295.24; 1955 (49) 299; 1960 (51) 1705; 1981 Act No. 94, Section 14; 1993 Act No. 181, Section 1269; 1999 Act No. 100, Part II, Section 64.B; 2018 Act No. 223 (H.4715), Section 3, eff January 1, 2020.

Editor's Note

1999 Act No. 124, Section 2.T, provided for the transfer of the sections from Article 3, Chapter 21, where this section was numbered Section 5021340.

Effect of Amendment

2018 Act No. 223, Section 3, in the second sentence, substituted "ten dollars" for "thirty dollars".

**SECTION 50‑23‑345.** Temporary certificate of number.

 (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. No temporary certificate of number may be issued for a boat, boat motor, or watercraft until the ad valorem tax is paid for the year for which the registration is to be issued.

 (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.

HISTORY: 1993 Act No. 128, Section 1; 2008 Act No. 344, Section 25, eff six months after approval (approved June 11, 2008); 2018 Act No. 223 (H.4715), Section 4, eff January 1, 2020.

Editor's Note

1999 Act No. 124, Section 2T, provided for the transfer of this section from Chapter 21 where it was numbered Section 50‑21‑340.

Effect of Amendment

The 2008 amendment rewrote subsection (A); in subsection (B), substituted "along with the temporary certificate of number" for "as temporary proof of ownership"; in subsection (C), added "or manufacturer's"; and added subsection (F) pertaining to operation while title application is pending.

2018 Act No. 223, Section 4, in (A), added the fourth sentence, providing a certificate of number may not be issued until ad valorem taxes are paid for the year in which the certificate is issued.

**SECTION 50‑23‑350.** Issuance of certificates of number by agents.

 The department may issue any certificate of number directly or may authorize any person to act as agent for the issuing thereof. In the event that a person accepts such authorization, he 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 valid as if assigned and issued directly by the department.

HISTORY: 1962 Code Section 70‑295.25; 1955 (49) 299; 1959 (51) 409; 1972 (57) 2791; 1993 Act No. 181, Section 1269.

Editor's Note

1999 Act No. 124, Section 2T, provided for the transfer of the sections from Article 3, Chapter 21 where this section was numbered Section 5‑21‑350.

**SECTION 50‑23‑360.** Display of number.

 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 may be clearly visible the number shall be maintained in legible condition. No number other than the number validly assigned to a vessel shall be painted, attached or otherwise displayed on each side of the forward half of such vessel. Only one valid number may be displayed at any time.

HISTORY: 1962 Code Section 70‑295.26; 1955 (49) 299; 1959 (51) 409; 1960 (51) 1705; 1972 (57) 2791; 1993 Act No. 181, Section 1269.

Editor's Note

1999 Act No. 124, Section 2T, provided for the transfer of the sections from Article 3, Chapter 21 where this section was numbered Section 5‑21‑360.

**SECTION 50‑23‑370.** Expiration and renewal.

 (A) Except as otherwise provided, a certificate of number awarded pursuant to this chapter continues in effect for one year unless sooner terminated or discontinued in accordance with this chapter. A certificate of number may be renewed by the owner as provided in subsection (B). The department shall fix a month of the year on which certificates of number expire unless renewed pursuant to this chapter.

 (B)(1) Beginning January 1, 2020, each county auditor annually shall mail watercraft certificate of number renewal notices to the owners of watercraft in the county as determined by the Department of Natural Resources no later than forty‑five days before expiration of the certificate. The renewal notices, including the fees upon completion, must be returned to that county which shall:

 (a) process the application and, if granting the renewal, notify the department to issue a renewed certificate and decal;

 (b) transmit the processed renewal notices to the department within seven days; and

 (c) transmit the fees, including any late fees, to the appropriate state fund.

 (2) Each county auditor must have access to the motorboat titling and registration records of the department as applicable to the county auditor in the manner the county auditor and department agree for the purpose of the county auditor performing the functions required in item (1).

 (3) The department may not charge counties for online access network fees for watercraft and owner information.

 (4) If a certificate of number is not approved immediately by the department, an owner may operate under a paid tax receipt for thirty days.

 (C)(1) 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.

 (2) 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.

HISTORY: 1962 Code Section 70‑295.27; 1955 (49) 299; 1959 (51) 409; 1993 Act No. 128, Section 6; 1993 Act No. 181, Section 1269; 1999 Act No. 100, Part II, Section 64.C; 2008 Act No. 344, Section 26, eff six months after approval (approved June 11, 2008); 2018 Act No. 223 (H.4715), Section 5.A, eff January 1, 2020.

Editor's Note

1999 Act No. 124, Section 2.T, provided for the transfer of the sections from Article 3, Chapter 21 where this section was numbered Section 50‑21‑370.

2018 Act No. 223, Section 5.B, provides as follows:

"B. (A) Beginning January 1, 2020, the provisions of SECTION 5.A. of this act will be phased in over a three‑year period as certificates of number expire. Any certificate of number awarded prior to January 1, 2020, will remain in effect for the full three‑year term unless terminated or discontinued by the Department of Natural Resources. Certificates of number awarded after January 1, 2020, will become effective on an annual basis. Full implementation of SECTION 5.A. of this act begins on December 31, 2022.

"(B) It is the intent of the General Assembly that the provisions of this act result in only one tax payment due per boat, boat motor, or watercraft in any twelve‑month period. All interpretation and implementation of this act should be consistent with this intent."

Effect of Amendment

The 2008 amendment, in subsection (A), in the third sentence deleted "due to" preceding "expire" and "during the calendar year lapse and are not in effect" preceding "unless renewed"; deleted subsection (B) relating to issuance of a certificate of number for demonstration and testing purposes; redesignated subsection (C) as subsection (B); and, in subsection (D), deleted the subsection designation and the first two sentences, and made the third sentence an undesignated paragraph under subsection (B).

2018 Act No. 223, Section 5.A, rewrote the section, providing for the issuance of renewal notices and processing of renewals by county auditors and making renewals annual instead of every three years.

**SECTION 50‑23‑375.** Display of number or decal on watercraft or outboard motor other than that for which it was issued.

 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.

HISTORY: 2008 Act No. 344, Section 27, eff six months after approval (approved June 11, 2008).

**SECTION 50‑23‑380.** Transfer of registration upon change of ownership; fee.

 (A) Upon the transfer of ownership of a watercraft, the purchaser shall file an application for transfer of a registration at a cost of six dollars. The application for transfer 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.

HISTORY: 1962 Code Section 70‑295.28; 1955 (49) 299; 1961 (52) 588; 1972 (57) 2791; 1979 Act No. 66, Section 1; 1981 Act No. 94, Section 15; 1984 Act No. 512, Part II, Section 54A; 1993 Act No. 128, Section 7; 1993 Act No. 181, Section 1269; 1999 Act No. 100, Part II, Section 64.D; 2008 Act No. 344, Section 28, eff six months after approval (approved June 11, 2008).

Editor's Note

1993 Act No. 181, Section 1614 provides as follows:

"Notwithstanding any permanent or temporary provision of law, any enactment, or portion thereof, of the General Assembly in 1993 in conflict with any provision of this act shall be suspended as to its force and effect until March 1, 1994. Where there is no conflict the provisions of any other enactments shall supersede the provisions of this act. For the purposes of this section, "conflict" shall not include:

"(1) where provisions of the Code of Laws of 1976, as amended, are repeated herein so as to incorporate only changes in the names of agencies, divisions or departments, except so far as such change in name conflicts with another enactment or a portion of another enactment, or.

"(2) where provisions of the Code of Laws of 1976, as amended, are repeated herein so as to incorporate only changes in the governance or structure of an agency, division or department except so far as such governance or structure is in conflict with another enactment or some portion of another enactment."

1999 Act No. 124, Section 2T, provided for the transfer of the sections from Article 3, Chapter 21 where this section was numbered Section 50‑21‑380.

Effect of Amendment

The 2008 amendment, is subsection (A), in the first sentence deleted "card" following "registration".

**SECTION 50‑23‑385.** Houseboats with waste‑holding tanks; indefinite mooring; waste pump‑out.

 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.

HISTORY: 1999 Act No. 114, Section 2.

Editor's Note

1999 Act No. 124, Section 2T, provided for the transfer of the sections from Article 3, Chapter 21 where this section was numbered Section 50‑21‑385.

**SECTION 50‑23‑400.** Notice of change of address.

 Any 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, as part of the notification, shall furnish the department with his new address.

HISTORY: 1962 Code Section 70‑295.30; 1955 (49) 299; 1959 (51) 409; 1972 (57) 2791; 1993 Act No. 181, Section 1269; 2008 Act No. 344, Section 29, eff six months after approval (approved June 11, 2008).

Editor's Note

1999 Act No. 124, Section 2T, provided for the transfer of the sections from Article 3, Chapter 21 where this section was numbered as Section 50‑21‑400.

Effect of Amendment

The 2008 amendment substituted "thirty days" for "fifteen days" and made nonsubstantive language changes.

**SECTION 50‑23‑420.** Display of hull identification number.

 No vessel constructed after November 1, 1972, shall 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.

HISTORY: 1962 Code Section 70‑295.9; 1955 (49) 299; 1961 (52) 588; 1972 (57) 2791; 1973 (58) 648; 1993 Act No. 181, Section 1269.

Editor's Note

1999 Act No. 124, Section 2T, provided for the transfer of the sections from Article 3, Chapter 21 where this section was numbered 50‑21‑420.

**SECTION 50‑23‑425.** Denial of renewal of registration; proof of payment of property taxes on watercraft.

 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.

HISTORY: 1998 Act No. 383, Section 1.

Editor's Note

1999 Act No. 124, Section 2T, provided for the transfer of the sections from Article 3, Chapter 21 where this section was numbered as Section 50‑21‑425.