

South Carolina General Assembly
122nd Session, 2017-2018

AN ACT TO AMEND SECTION 50-23-11, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO WATERCRAFT DEALER DEMONSTRATION NUMBERS, SO AS TO PROVIDE FOR A THIRTY-DOLLAR APPLICATION FEE, TO PROVIDE FOR THE EXPIRATION OF DEMONSTRATION NUMBERS, AND TO PROVIDE FOR THE USE OF FEE REVENUE; TO AMEND SECTION 50-23-70, RELATING TO WATERCRAFT CERTIFICATE OF NUMBER FEES AND DECALS, SO AS TO PROHIBIT THE DEPARTMENT OF NATURAL RESOURCES FROM ISSUING DUPLICATE DECALS WHEN AD VALOREM TAXES ARE OUTSTANDING; TO AMEND SECTION 50-23-340, RELATING TO THE APPLICATION FEE FOR WATERCRAFT CERTIFICATES OF NUMBER, SO AS TO REDUCE THE FEE TO TEN DOLLARS; TO AMEND SECTION 50-23-345, RELATING TO TEMPORARY WATERCRAFT CERTIFICATES OF NUMBER, SO AS TO PROVIDE A CERTIFICATE OF NUMBER MAY NOT BE ISSUED UNTIL AD VALOREM TAXES ARE PAID FOR THE YEAR IN WHICH THE CERTIFICATE IS ISSUED; TO AMEND SECTION 50-23-370, RELATING TO THE EXPIRATION AND RENEWAL OF WATERCRAFT CERTIFICATES OF NUMBER, SO AS TO PROVIDE FOR THE ISSUANCE OF RENEWAL NOTICES AND PROCESSING OF RENEWALS BY COUNTY AUDITORS, AND TO MAKE RENEWALS ANNUAL INSTEAD OF EVERY THREE YEARS, AND TO PROVIDE FOR THE IMPLEMENTATION OF THESE PROVISIONS OVER A THREE-YEAR PERIOD; BY ADDING SECTION 50-23-12 SO AS TO REQUIRE THE COMPLETION OF CERTAIN CHANGE IN STATUS FORMS FOR WATERCRAFT AND OUTBOARD MOTOR TRADE-INS; BY ADDING SECTION 50-23-35 SO AS TO PROVIDE FOR THE ISSUANCE OF WATERCRAFT TITLES UPON PROVIDING EVIDENCE OF AD VALOREM TAX PAYMENT, AND TO PROVIDE EXCEPTIONS; AND BY ADDING ARTICLE 26 TO CHAPTER 37, TITLE 12 SO AS TO PROVIDE PROCEDURES CONCERNING ASSESSMENTS AND PAYMENTS FOR PROPERTY TAXATION OF BOATS AND WATERCRAFT AND THE ISSUANCE OF CERTIFICATES OF NUMBER FOR BOATS AND WATERCRAFT.

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

Dealer demonstration number, application fee created

SECTION 1. Section 50-23-11 of the 1976 Code is amended by adding a subsection at the end to read:

"(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."

Duplicate certificates of number, outstanding taxes

SECTION 2. Section 50-23-70 of the 1976 Code is amended by adding a subsection at the end to read:

"(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."

Certificates of Number, application fee reduced

SECTION 3. Section 50-23-340 of the 1976 Code is amended to read:

"Section 50-23-340. 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."

Temporary certificates of number, outstanding taxes

SECTION 4. Section 50-23-345(A) of the 1976 Code is amended to read:

"(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."

Certificates of number renewals, county auditors' role, renewal period reduced

SECTION 5.A. Section 50-23-370 of the 1976 Code is amended to read:

"Section 50-23-370. (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."

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.

Change in status forms required for trade-ins

SECTION 6. Article 1, Chapter 23, Title 50 of the 1976 Code is amended by adding:

"Section 50-23-12. 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."

Watercraft title issuance, tax payment proof required, exceptions

SECTION 7. Article 1, Chapter 23, Title 50 of the 1976 Code is amended by adding:

"Section 50-23-35. (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."

Boats and watercraft taxes, assessments and tax payments

SECTION 8. Chapter 37, Title 12 of the 1976 Code is amended by adding:

"Article 26
Boats and Watercraft

Section 12-37-3200. The tax year for boats, boat motors, and watercraft subject to property tax pursuant to Section 12-37-714 begins with the last day of the month in which a certificate of number required by Section 50-23-370 is issued and ends on the last day of the month in which the certificate of number expires or is due to expire. No 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. All ad valorem taxes on a boat, boat motor, or watercraft are due and payable one hundred twenty days from the date of purchase.

Section 12-37-3210. (A) The auditor shall prepare a tax notice for all boats, boat motors, and watercraft owned by the same person and titled at the same time for each tax year. A notice must describe the boats, boat motors, or watercraft by name, model, and identification number. The notice must set forth the assessed value of the boat, the millage, the taxes due on each boat, and the tax year. The notice must be delivered to the county treasurer or official charged with the collection of taxes, 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 boat and, when practical, the auditor shall mail that copy to the owner of the boat. When the tax and all other charges included on the tax bill have been paid, the county treasurer or official charged with the collections of taxes shall issue the taxpayer a paid receipt once all charges on the tax bill including the taxes have been paid. The receipt or a copy may be delivered by the taxpayer to the Department of Natural Resources with either the application for and issuance of number and certificate referenced in Section 50-23-340 or the renewal application for a certificate of number referenced in Section 50-23-370. A record of the payment of the tax must be retained by the treasurer. The auditor shall maintain a separate duplicate for boats, boat motors, and watercraft. No certificate of number may be issued by the Department of Natural Resources unless the application is accompanied by the receipt, or notice from the county treasurer, by other means satisfactory to the Department of Natural Resources, of payment of the tax.

(B) Tax bills (notices) for county-assessed personal property valued in accordance with applicable Department of Revenue regulations 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 12-37-3220. When a boat, boat motor, or watercraft is first taxable in a county, the owner shall make a property tax return prior to submitting the application for and issuance of number and certificate as referenced in Section 50-23-340. The return must be made to the auditor of the county in which the

owner resides. The return must be signed under oath and must set forth the county, school district, special or tax district, and municipality in which the boat, boat motor, or watercraft is principally located.

Section 12-37-3230. The county auditor shall determine the assessed value of boats, boat motors, and watercraft and shall calculate the amount of taxes due on the property.

Section 12-37-3240. The provisions of this article do not apply to a boat, boat motor, or watercraft exempt from ad valorem taxation pursuant to Section 12-37-220(B)(38)(a) or classified as a primary or secondary residence pursuant to Section 12-37-224(B)."

Time effective

SECTION 9. This act takes effect January 1, 2020.

Ratified the 14th day of May, 2018.

Approved the 18th day of May, 2018.

