

House Bill 357

By: Representative Stephens of the 164<sup>th</sup>

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 7 of Title 52 of the Official Code of Georgia Annotated, relating to  
2 registration, operation, and sale of watercraft, so as to provide for the titling of certain  
3 vessels; to provide for procedures with regard to titling such vessels; to provide for  
4 legislative intent and findings; to provide a short title; to amend Part 1 of Article 1 of  
5 Chapter 8 of Title 48 of the Official Code of Georgia Annotated, relating to general  
6 provisions regarding sales and use taxes, so as to provide for a cap on the sales and use tax  
7 on the purchase or lease of a vessel; to provide definitions; to provide for related matters; to  
8 provide an effective date; to repeal conflicting laws; and for other purposes.

9 **BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:**

10 **SECTION 1.**

11 This Act shall be known and may be cited as the "Georgia Uniform Certificate of Title for  
12 Vessels Act."

13 **SECTION 2.**

14 The General Assembly finds that:

- 15 (1) Titles for vessels in this state would deter and impede theft;  
16 (2) Titles for vessels in this state would facilitate the ownership, transfer, and financing  
17 of such vessels; and  
18 (3) Titling of vessels would create equity and fairness for the selling of vessels by dealers,  
19 brokers, agents, private parties, and manufacturers.

20 **SECTION 3.**

21 Chapter 7 of Title 52 of the Official Code of Georgia Annotated, relating to registration,  
22 operation, and sale of watercraft, is amended by revising Code Section 52-7-4, relating to  
23 requirement as to numbering of vessels, as follows:

24 "52-7-4.

25 (a) Every vessel using the waters of this state shall be numbered, except those vessels  
26 exempted by Code Section 52-7-6 and those vessels documented by the United States  
27 Coast Guard and licensed pursuant to Code Section 27-2-8. No person shall operate or  
28 give permission for the operation of any such vessel on the waters of this state unless the  
29 vessel is numbered in accordance with this article or in accordance with applicable federal  
30 law or in accordance with a federally approved numbering system of another state and  
31 unless:

32 (1) The certificate of number issued to the vessel is on board and in full force and effect;  
33 and

34 (2) The identifying number set forth in the certificate of number is properly displayed  
35 on each side of the forward half of the vessel; provided, however, that this requirement  
36 shall not apply to numbered vessels which are documented by the United States Coast  
37 Guard.

38 (b) Every vessel using the waters of this state shall be titled unless it is exempt from the  
39 numbering requirements of paragraph (a) of this Code section or exempt under Code  
40 Section 52-7-7. No person shall operate or give permission for the operation of any such  
41 vessel on the waters of this state unless the vessel is titled in accordance with this article.  
42 Every outboard motor greater than 25 horsepower used to propel a titled vessel shall be  
43 included on the vessel title.

44 (c) Except as provided in subsection (e) of this Code section, at or before the time the  
45 owner of record transfers an ownership interest in a hull damaged vessel that is covered by  
46 a certificate of number created by the department, if the damage occurred while such  
47 person was an owner of the vessel and the person has notice of the damage at the time of  
48 the transfer, the owner shall:

49 (1) Deliver to the department an application for a new certificate of number and includes  
50 the title brand designation 'Hull Damaged'; or

51 (2) Indicate on the certificate of title or on the bill of sale or other transfer document in  
52 the place designated for such purpose that the vessel is hull damaged and deliver the  
53 certificate or other transfer document to the transferee.

54 (d) Not later than 20 days after delivery to the department of the application under  
55 paragraph (1) of subsection (c) of this Code section or the delivery to the transferee of the  
56 certificate of title or bill of sale under paragraph (2) of subsection (c) of this Code section,  
57 the department shall create a new record that indicates that the vessel is branded 'Hull  
58 Damaged.'

59 (e) Before an insurer transfers an ownership interest in a hull damaged vessel that is  
60 covered by a certificate of number created by the department, the insurer shall deliver to

61 the department an application for a new certificate and includes the title brand designation  
 62 'Hull Damaged.' Not later than 20 days after delivery of the application to the department,  
 63 the department shall create a new record that indicates that the vessel is branded 'Hull  
 64 Damaged.'

65 (f) An owner of record that fails to comply with subsection (c) of this Code section, a  
 66 person that solicits or colludes in a failure by an owner of record to comply with  
 67 subsection (c) of this Code section, or an insurer that fails to comply with subsection (e)  
 68 of this Code section is subject to a civil penalty of \$1,000.00.

69 (g) For the purposes of this Code section, 'Hull Damaged' means compromised with  
 70 respect to the integrity of a vessel's hull by a collision, allision, lightning strike, fire,  
 71 explosion, running aground, or similar occurrence or the sinking of a vessel in a manner  
 72 that creates a significant risk to the integrity of the vessel's hull."

#### 73 SECTION 4.

74 Said chapter is further amended by revising Code Section 52-7-5, relating to numbering of  
 75 vessels, requirements, and fees, as follows:

76 "52-7-5.

77 (a) The owner of each vessel required to be numbered or titled by this article shall file an  
 78 application for number or title with the department on forms containing such information  
 79 required by the department. Upon receipt of the completed application and any other  
 80 required information and documents, the department shall enter the application upon its  
 81 records and issue to the applicant a certificate of number stating the number assigned to the  
 82 vessel, the name and address of the owner, and such additional information as may be  
 83 prescribed by the department. The department shall maintain electronic records of title and  
 84 furnish a physical certificate of title to the owner or lienholder upon request.

85 (b)(1) The identification number assigned to all registered vessels, except those  
 86 documented by the United States Coast Guard, shall be permanently painted or attached  
 87 to each side of the forward half of the vessel, and no other number may be displayed  
 88 thereon. Numbers shall read from left to right, be in block characters, be of a color  
 89 contrasting with the background, and be not less than three inches in height nor more than  
 90 one inch apart. There shall be a hyphen or space between the prefix letters and numerals  
 91 and between the numerals and the suffix letters. The hyphen or space shall be equal to  
 92 the width of any letter except I.

93 (2) On vessels so configured that a number on the hull or superstructure would not be  
 94 easily visible, the number shall be painted on or attached to a backing plate that is  
 95 attached to the forward half of the vessel so that the number will be clearly visible under  
 96 normal operating conditions.

97 (3) The numbers shall be maintained in a legible condition.

98 (4) Vessels owned by manufacturers or dealers and being used as demonstrators or for  
99 testing on state waters may use the dealer's tag supplied with his or her registration in lieu  
100 of a permanently attached number. Such vessels owned by manufacturers and dealers  
101 and only used as demonstrators or for testing using a dealer's tag shall not be required to  
102 be titled.

103 (c) Expiration decals shall be assigned by the department to all registered vessels. Such  
104 decals shall be displayed one on each side of the bow preceding the prefix letters and  
105 maintained in legible condition. There shall be a hyphen or space separating each decal  
106 and the prefix letters which shall be equal to the width of any letter except I.

107 (d) Applications shall be signed by the owner or owners of the vessel and shall be  
108 accompanied by the proper fee. ~~Fees for numbering vessels for a registration period of~~  
109 ~~three years shall be as follows:~~

110	<del>(1) Vessels up to 16 feet in length . . . . .</del>	<del>\$15.00</del>
111	<del>(2) Vessels 16 to 26 feet in length . . . . .</del>	<del>36.00</del>
112	<del>(3) Vessels 26 to 40 feet in length . . . . .</del>	<del>90.00</del>
113	<del>(4) Vessels 40 feet in length or longer . . . . .</del>	<del>150.00</del>

114 (e)(1) Registration for vessels shall expire on the last day of the month of the owner's  
115 birth in the last year of the registration period and shall thereafter be of no force or effect  
116 unless renewed pursuant to this article; provided, however, that the registration for  
117 vessels not owned by individuals shall expire on December 31 of the last year of the  
118 registration period. Certificates of number may be renewed by the owner in the same  
119 manner provided for in the initial securing of such certificates.

120 (2) Registrations may be renewed any time after October 1 prior to the year of  
121 expiration. If the certificate of number is allowed to expire, a renewal application may  
122 still be filed with the department so long as the applicant pays the registration fee  
123 prescribed in subsection (d) of this Code section along with a \$10.00 late fee.

124 (3) Any application for ~~renewal~~ registration or title which, due to failure of the applicant  
125 to provide additional information required by the department, remains incomplete 60 days  
126 after initial receipt of such application shall expire and a new application and registration  
127 or title fee shall be required for renewal.

128 (f) Should the ownership of a numbered or titled vessel change while a valid registration  
129 or title is in effect, the new owner shall file with the department a new application and pay  
130 the prescribed fee for a new registration or title. The number assigned upon transfer of  
131 ownership shall be identical to the previous number unless such number has been  
132 reassigned by the department during any expired registration or title period.

133 (g) In the event that an agency of the United States government shall have in force an  
134 overall system of identification (numbering) for vessels within the United States, the  
135 numbering system employed pursuant to this article by the department shall be in  
136 conformity therewith. The provisions for titling employed pursuant to this article by the  
137 department shall be in conformity for approval by the United States Coast Guard under  
138 provisions of 46 U.S.C. Section 31322(d)(1).

139 (h) The department may issue any certificate of number, expiration decal, marine toilet  
140 certification, title, or other permit or accept applications for registration or titling provided  
141 for in this chapter directly or may authorize any person to act as agent for the issuing or  
142 collection and maintenance of information thereof. In the event that a person accepts such  
143 authorization to issue certificates of title or number, he or she may be allotted a block of  
144 numbers and certificates or provided direction and instruction therefor which, upon  
145 assignment and issue in conformity with this article and with any rules and regulations of  
146 the department, shall be valid as if assigned and issued directly by the department. Any  
147 person acting as agent for the department may charge a fee for his or her services in an  
148 amount approved by the department not to exceed \$10.00 per transaction.

149 (i) All records of the department made or kept pursuant to this Code section shall be public  
150 records.

151 (j) The owner shall furnish the department written notice of the transfer of all or of any  
152 part of his or her interest, other than the creation of a security interest, in a vessel numbered  
153 or titled in this state pursuant to this Code section, the theft or recovery of the vessel, or the  
154 destruction or abandonment of the vessel within 15 days thereof.

155 (k) Any holder of a certificate of number or title shall notify the department in writing  
156 within 15 days if his or her address no longer conforms to the address appearing on the  
157 certificate or title and shall, as a part of such notification, furnish the department with his  
158 or her new address.

159 (l) No number other than the number validly assigned to a vessel shall be painted,  
160 attached, or otherwise displayed on either side of the forward half of the vessel.

161 (m)(1) A certificate of number or title once issued pursuant to this Code section shall be  
162 considered void upon the happening of any one of the following events:

163 (A) The owner transfers all his or her interest in said vessel to another person or  
164 involuntarily loses his or her interest through legal process;

165 (B) The vessel is destroyed or abandoned;

166 (C) It is discovered by the department that the application submitted by the owner  
167 contains false or fraudulent information;

168 (D) The fees for issuance are not paid by the applicant; or

169 (E) The state of principal use is changed.

- 170 (2) A void certificate or title shall be surrendered to the department within 15 days from  
 171 the date that it becomes or is declared to be void.
- 172 (n) The number placed on the forward half of the vessel by the owner shall be removed by  
 173 the owner if:
- 174 (1) The vessel is documented under the laws of the United States;
- 175 (2) The certificate ~~or~~ of number or title becomes invalid because it is determined that a  
 176 false or fraudulent statement was made in the application or the fees have not been paid;  
 177 or
- 178 (3) The vessel is no longer used in this state.
- 179 (o) The board shall be authorized to establish, by rule or regulation, a procedure to refund  
 180 fees collected pursuant to this chapter which were collected in error or overpayment or to  
 181 which the department or state is otherwise not entitled."

182 **SECTION 5.**

183 Part 1 of Article 1 of Chapter 8 of Title 48 of the Official Code of Georgia Annotated,  
 184 relating to general provisions regarding sales and use taxes, is amended by adding a new  
 185 Code section to read as follows:

186 "48-8-3.4.

187 The maximum tax imposed by this chapter shall be \$600.00 for each sale of a vessel made  
 188 after July 1, 2017, or lease executed after July 1, 2017. As used in this Code section, the  
 189 term 'vessel' means every description of watercraft, other than a seaplane on the water or  
 190 a sailboard, used or capable of being used, as a means of transportation on water and  
 191 specifically includes, but is not limited to, inflatable rafts and homemade vessels. The term  
 192 shall also include every outboard motor greater than 25 horsepower used to propel a  
 193 vessel."

194 **SECTION 6.**

195 This Act shall become effective on July 1, 2017.

196 **SECTION 7.**

197 All laws and parts of laws in conflict with this Act are repealed.