

House Bill 314

By: Representatives Stephens of the 164th, Hawkins of the 27th, Morris of the 26th, Barr of the 103rd, Tanner of the 9th, and others

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 for definitions; to provide for related matters;
8 to 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 subsection (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. With the application for a title for each vessel brought into this
44 state which is required to be titled in this state, the owner shall submit a copy of the bill of
45 sale or other instrument that demonstrates that the sales tax, if any, has been paid on such
46 vessel.

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

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

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

57 (d) Not later than 20 days after delivery to the department of the application under
58 paragraph (1) of subsection (c) of this Code section or the delivery to the transferee of the
59 certificate of title or bill of sale under paragraph (2) of subsection (c) of this Code section,

60 the department shall create a new record that indicates that the vessel is branded 'Hull
 61 Damaged.'
 62 (e) Before an insurer transfers an ownership interest in a hull damaged vessel that is
 63 covered by a certificate of number created by the department, the insurer shall deliver to
 64 the department an application for a new certificate that includes the title brand designation
 65 'Hull Damaged.' Not later than 20 days after delivery of the application to the department,
 66 the department shall create a new record which indicates that the vessel is branded 'Hull
 67 Damaged.'
 68 (f) An owner of record that fails to comply with subsection (c) of this Code section, a
 69 person that solicits or colludes in a failure by an owner of record to comply with
 70 subsection (c) of this Code section, or an insurer that fails to comply with subsection (e)
 71 of this Code section is subject to a civil penalty of \$1,000.00.
 72 (g) For the purposes of this Code section, the term 'Hull Damaged' means compromised
 73 with respect to the integrity of a vessel's hull by a collision, allision, lightning strike, fire,
 74 explosion, running aground, or similar occurrence that creates a significant risk to the
 75 integrity of the vessel's hull."

76 **SECTION 4.**

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

79 "52-7-5.

80 (a) The owner of each vessel required to be numbered by this article shall file an
 81 application for a certificate of number with the department on forms containing such
 82 information required by the department within 90 days of the purchase or other acquisition
 83 of such vessel. Upon receipt of the completed application and any other required
 84 information and documents, the department shall enter the application upon its records and
 85 issue to the applicant a certificate of number stating the number assigned to the vessel, the
 86 name and address of the owner, and such additional information as may be prescribed by
 87 the department. The department shall maintain electronic records of title and furnish a
 88 physical certificate of title to the owner or lienholder upon request.

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

95 numerals and between the numerals and the suffix letters. The hyphen or space shall be
96 equal to the width of any letter except I.

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

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

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

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

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

114	(1) Vessels up to 16 feet in length	\$25.00
115	(2) Vessels 16 to 26 feet in length	60.00
116	(3) Vessels 26 to 40 feet in length	130.00
117	(4) Vessels 40 feet in length or longer	200.00

118 After July 1, 2017, the General Assembly shall not increase the cost of any fee provided
119 for in this subsection by more than 20 percent.

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

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

130 (3) Any application which, due to failure of the applicant to provide additional
131 information required by the department, remains incomplete 60 days after initial receipt
132 of such application shall expire, and a new application and registration or title fee shall
133 be required.

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

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

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

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

157 (j) The owner shall furnish the department notice of the transfer of all or of any part of his
158 or her interest, other than the creation of a security interest, in a vessel numbered in this
159 state pursuant to this Code section, the theft or recovery of the vessel, or the destruction or
160 abandonment of the vessel within 15 days thereof, in a manner specified by the department.

161 (k) Any holder of a certificate of number or title shall notify the department in writing
162 within ~~15~~ 30 days if his or her address no longer conforms to the address appearing on the
163 certificate or title and shall, as a part of such notification, furnish the department with his
164 or her new address.

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

- 167 (m)(1) A certificate of number or title once issued pursuant to this Code section shall be
 168 considered void upon the happening of any one of the following events:
- 169 (A) The owner transfers all his or her interest in said vessel to another person or
 170 involuntarily loses his or her interest through legal process;
- 171 (B) The vessel is destroyed or abandoned;
- 172 (C) It is discovered by the department that the application submitted by the owner
 173 contains false or fraudulent information;
- 174 (D) The fees for issuance are not paid by the applicant; or
- 175 (E) The state of principal use is changed.
- 176 (2) A void certificate or title shall be surrendered to the department within 15 days from
 177 the date that it becomes or is declared to be void.
- 178 (n) The number placed on the forward half of the vessel by the owner shall be removed by
 179 the owner if:
- 180 (1) The vessel is documented under the laws of the United States;
- 181 (2) The certificate ~~or~~ of number or title becomes invalid because it is determined that a
 182 false or fraudulent statement was made in the application or the fees have not been paid;
 183 or
- 184 (3) The vessel is no longer used in this state.
- 185 (o) The board shall be authorized to establish, by rule or regulation, a procedure to refund
 186 fees collected pursuant to this chapter which were collected in error or overpayment or to
 187 which the department or state is otherwise not entitled."

188 **SECTION 5.**

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

192 "48-8-3.6.

- 193 (a) The maximum tax imposed by this chapter shall be \$1,000.00 for each sale of a vessel
 194 made after July 1, 2020, or lease executed after July 1, 2020.
- 195 (b) As used in this Code section, the term 'vessel' means every description of watercraft
 196 other than a seaplane on the water or a sailboard, used or capable of being used as a means
 197 of transportation on water, and specifically includes, but is not limited to, inflatable rafts
 198 and homemade vessels. The term shall also include every outboard motor greater than 25
 199 horsepower used to propel a vessel."

200 **SECTION 6.**

201 This Act shall become effective on July 1, 2020.

202

SECTION 7.

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