

Changes coming for SC boat owners

SPECIAL TO THE JOURNAL

COLUMBIA — As a result of legislation changing the way counties collect property taxes on boats, in January boat owners and buyers in South Carolina will begin to see changes in the way vessel registrations are issued by the S.C. Department of Natural Resources.

The changes to the registration process will be phased in over the next three years as current registrations expire and will result in an annual registration process for boats that more closely mirrors the system used for cars.

The most visible and immediate change for boat owners will be that boat registration renewals will be done on an annual basis, rather than every three years. The fee for the new annual registration will be \$10 — one-third the cost of the current three-year fee of \$30. Once fully implemented, the annual registration fee will be included on and paid via the boat owner's county property tax bill, just like SCDMV vehicle registration fees are paid, which should be more convenient for boat owners than getting a separate bill.

Under the new law, counties will collect the property taxes for boats in advance for the coming year. Under the old system, property taxes for boats were collected "in arrears," or for the previous year. Once the owner has paid the property taxes and registration renewal fee for the coming year, the county will notify SCDNR to issue a new set of annual registration numbers for that vessel.

These changes to state law were requested by counties to aid in accurately collecting the property taxes due on boats. SCDNR is working with tax collection officials in all 46 counties to help implement the new requirements and ensure boat registrations are integrated into the new annual system.

Current registrations and the decal and numbers issued by SCDNR for hulls will continue to be valid until they expire. The new system should also benefit the prospective buyers of used boats by making it easier to



Rather than a \$30 fee every three years, South Carolina boat owners will pay an annual fee of \$10, among other changes as a result of legislation changing the way counties collect property taxes on boats.

determine if the property taxes on a potential used purchase are current.

Buying a boat on which back property taxes are due can cause major headaches when the new owner attempts to title and register the vessel.

Key things for current/prospective boat owners to keep in mind

Currently registered boats: Current numbers and decals will remain valid until they expire. Counties won't begin billing current owners for the annual registration until January 2021, and only then once their current registration is due to expire.

So, for a registration renewed in 2019, that owner's tax bill should not reflect a charge for annual registration until 2022.

Tax questions: The change to annual registrations may change the look of yearly tax notices from your county of residence. Counties will begin issuing the new, prospective tax notices for boats registered within the county beginning in 2020. Individual counties will determine and implement changes to their tax collection processes as directed by the new law.

Questions about the tax bills should be directed to the Oconee County Treasurer's Office, as the SCDNR Boating Office assistants will not be able to assist owners with questions about their individual tax bills/notices.

Month of expiration for new registrations: New registrations will be based on the date of sale. For example: Upon registration, a boat bought in January will receive a title and

registration decal valid through the following January, regardless of when the owner applies for the registration.

Late fees will apply to registrations initiated more than 30 days after the date of purchase. A tax bill for the year covered by the registration will then be mailed by the county, and in subsequent years the county will mail a bill that includes the annual registration renewal.

In-state changes of ownership: After purchase, the new owner will need to visit their county tax office first to pay the taxes due for the coming year. The new owner can then apply for title and registration in their name using the paid tax receipt and other required documents. They will need to apply within 30 days of purchase to avoid late fees.

Current owners: The expiration month on the vessel's current decal will continue to be the month that property taxes are due on that boat. If the boat registration expires in June, then both property taxes and annual registration fees for the coming year will be due in June.

Non-taxable boats titled and registered in S.C.: SCDNR will continue to mail renewal notices for boats that are non-taxable. Their expiration month will not change, and the renewal notices will become annual.

Purchasing a used boat: SCDNR strongly recommends that prospective buyers research the registration and tax status and any potential recorded liens of any South Carolina-registered boat before buying it, using the free online lookup service at dnr.sc.gov/boating.