



SCDNR News

Changes to county property tax collections will impact SC boat owners beginning in 2020

November 25, 2019

Springtime is prime time for South Carolinians attending the Palmetto Sportsmen's Classic and other outdoor expos to shop for good deals on new boats. Both aspiring and current boat owners need to be aware of changes to how boat taxes and registration renewal fees are collected in the Palmetto State that will be implemented beginning in 2020. [SCDNR photo by Joey Frazier]



As a result of legislation changing the way that counties collect property taxes on boats, in January of 2020, boat owners and buyers in South Carolina will begin to see changes in the way that boat registrations are issued by the S.C. Department of Natural Resources (SCDNR). 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 automobiles.

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 as they are currently. The fee for the new annual registration will be \$10 (1/3 the cost of the old 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.

Another change is that under the new law, property taxes for boats will be collected by counties in advance (or "prospectively") for the coming year. Under the old system, property taxes for boats were collected "in arrears," or for the previous year. Once the property taxes and registration renewal fee for the coming year have been paid by the owner, the county will notify SCDNR to issue a new registration card and decal for that vessel.

These changes to state law were requested by counties to aid them in accurately collecting the property taxes due on boats. SCDNR is currently working with tax collection officials in all 46 counties to help implement the new requirements and ensure that boat registrations are integrated into the new, annual system. It's important to note that for boat owners with current registrations, those registrations 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 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 of 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 your yearly tax notice 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. **Please note that questions about a boat owners' individual tax bills MUST be directed to that county's Auditor or Treasurer's Office.** 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 boats or used boats coming from out-of-state): New registrations will be based on the DATE OF SALE. For example: Upon registration, a boat purchased 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 (transfer of an already-registered boat from one SC owner to another): 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. For example, if the boat registration expires in June, then both property taxes and annual registration fees for the coming year will be due in June. (Again, current three-year registrations will be valid until the year of their expiration).

Non-taxable Boats Titled and Registered in S.C.: SCDNR will continue to mail renewal notices for boats that are non-taxable (boats that a county has determined have reached the end of their taxable life or dollar threshold). 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 S.C.-registered boat **BEFORE** purchasing it, using our free online look-up service. Get the facts before you buy! at: <http://www.dnr.sc.gov/boating.html>. General information and commonly asked questions regarding S.C. boating laws, titling and registration can also be found at this location.