

AN ACT

relating to the regulation, permitting, and taxation of certain boats and boat motors; imposing a fee.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 31.003(16), Parks and Wildlife Code, is amended to read as follows:

(16) "Distributor" means a person who offers for sale, sells, or processes for distribution new vessels [~~boats~~] or outboard motors to dealers in this state.

SECTION 2. Section 31.006(a), Parks and Wildlife Code, is amended to read as follows:

(a) The department may authorize a dealer who holds a dealer's or manufacturer's number to act as the agent of the department under Subchapter B [~~of this chapter~~] and under Chapter 160, Tax Code, for the issuance of certificates of number and the collection of fees and taxes for vessels and outboard motors [~~boats~~] sold by that dealer.

SECTION 3. Section 31.037(c), Parks and Wildlife Code, is amended to read as follows:

(c) The new owner of a vessel shall, not later than the 45th [~~20th~~] day after the date ownership was transferred, submit an application to the department with:

- (1) evidence of ownership;
- (2) the new owner's name and address;

1 (3) the number of the vessel; and

2 (4) a fee of \$2 or an amount set by the commission,
3 whichever amount is more.

4 SECTION 4. The heading to Section 31.041, Parks and
5 Wildlife Code, is amended to read as follows:

6 Sec. 31.041. DUTIES OF DEALERS, DISTRIBUTORS, AND
7 MANUFACTURERS; LICENSE REQUIRED [~~DEALER'S, DISTRIBUTOR'S, AND~~
8 ~~MANUFACTURER'S LICENSE~~].

9 SECTION 5. Section 31.041, Parks and Wildlife Code, is
10 amended by amending Subsection (f) and adding Subsections (h) and
11 (i) to read as follows:

12 (f) A dealer, distributor, or manufacturer holding a
13 dealer's, distributor's, or manufacturer's license may issue a
14 reasonable temporary facsimile of the number issued under
15 Subsection (c), which may be used by any authorized person. [~~A~~
16 ~~person purchasing a vessel may use the dealer's number for a period~~
17 ~~not to exceed 15 days prior to filing an application for a~~
18 ~~certificate of number.~~] The form of the facsimile and the manner of
19 display of the number shall be prescribed by the department.

20 (h) Not later than the 45th day after a dealer, distributor,
21 or manufacturer holding a dealer's, distributor's, or
22 manufacturer's license sells at the first or a subsequent sale a
23 vessel or outboard motor, the dealer, distributor, or manufacturer
24 shall apply, in the name of the purchaser of the vessel or outboard
25 motor, for a certificate of number or a certificate of title for the
26 vessel or outboard motor, as applicable, and file with the
27 department each document necessary to transfer the certificate of

1 number or certificate of title.

2 (i) A person purchasing a vessel may use the temporary
3 facsimile number issued under Subsection (f) for a period not to
4 exceed 45 days from the date the dealer, distributor, or
5 manufacturer applies for a certificate of number or a certificate
6 of title under Subsection (h). The person shall retain the
7 facsimile number on the vessel for the period described by this
8 subsection.

9 SECTION 6. Sections 31.046(a) and (b), Parks and Wildlife
10 Code, are amended to read as follows:

11 (a) Except as provided in Subsections (b) and (c) of this
12 section, the purchaser of a vessel or an outboard motor shall apply
13 to the department or to a county tax assessor-collector for a
14 certificate of title not later than the 45th day [~~20 days~~] after the
15 date of the sale of the vessel or outboard motor.

16 (b) A manufacturer or a dealer who sells a vessel or an
17 outboard motor to a person other than a manufacturer or a dealer
18 shall apply to the department or to a county tax assessor-collector
19 for a certificate of title for the vessel or outboard motor in the
20 name of the purchaser not later than the 45th day [~~20 days~~] after
21 the date of the sale.

22 SECTION 7. Section 31.053(c), Parks and Wildlife Code, is
23 amended to read as follows:

24 (c) The transferor shall provide the documents or evidence
25 required by Subsection (a) of this section to the department or the
26 transferee, as appropriate, in sufficient time to allow the
27 transferee to register and obtain a certificate of title for the

1 vessel or outboard motor not later than the 45th day [~~20 days~~] after
2 the date of the sale.

3 SECTION 8. Section 160.001(2), Tax Code, is amended to read
4 as follows:

5 (2) "Boat" means a vessel not more than 115 feet in
6 length, measured from the tip of the bow in a straight line to the
7 stern [~~has the meaning assigned by Section 31.003, Parks and~~
8 ~~Wildlife Code~~].

9 SECTION 9. Subchapter B, Chapter 160, Tax Code, is amended
10 by adding Sections 160.0246, 160.0247, and 160.026 to read as
11 follows:

12 Sec. 160.0246. EXEMPTION FOR CERTAIN BOATS AND MOTORS
13 TEMPORARILY USED IN THIS STATE. (a) The taxes imposed by this
14 chapter do not apply to the sale of a taxable boat or motor if:

15 (1) the boat or motor is sold in this state for use in
16 another state or nation and is removed from this state not more than
17 10 days after the date of purchase;

18 (2) the boat or motor:

19 (A) is sold in this state for use in another state
20 or nation;

21 (B) not later than the 10th day after the date the
22 boat or motor is purchased, is docked at or placed in a boat repair
23 facility registered with the comptroller for repairs or
24 modifications;

25 (C) is not used by a person while it is being
26 repaired or modified, except as necessary to test the repairs or
27 modifications; and

1 (D) is removed from this state not more than 20
2 days after the date the repairs or modifications are finished; or

3 (3) the boat or motor:

4 (A) is sold in this state for use in another state
5 or nation;

6 (B) displays a permit described by Section
7 160.0247 at all times after the boat or motor is purchased until the
8 boat or motor is removed from this state; and

9 (C) is removed from this state not more than 90
10 days after the date of purchase.

11 (b) The tax imposed by Section 160.022 does not apply to a
12 taxable boat or motor used in this state or brought into this state
13 for use if the boat or motor:

14 (1) has a current certificate of number issued under
15 any federal law or a federally approved numbering system of another
16 state;

17 (2) displays a permit described by Section 160.0247 at
18 all times while the boat or motor is located in this state; and

19 (3) is removed from this state not more than 90 days
20 after the date the boat or motor is brought into this state.

21 (c) The comptroller shall adopt rules and procedures to
22 implement this section and Section 160.0247.

23 Sec. 160.0247. TEMPORARY USE PERMIT. (a) The comptroller
24 or an agent of the department may issue a temporary use permit to
25 the owner of a taxable boat or motor that qualifies for an exemption
26 from tax under Section 160.0246(a)(3) or (b).

27 (b) The fee for a permit is \$150.

1 (c) A permit is valid for 90 days and may not be renewed.

2 (d) The owner of a taxable boat or motor may obtain not more
3 than two permits in a calendar year for the boat or motor. The
4 second permit in a calendar year may not be issued before the 30th
5 day after the date the first permit expires.

6 Sec. 160.026. LIMITATION ON AMOUNT OF TAX. Notwithstanding
7 any other law, the tax imposed under Section 160.021 on the sale of
8 a taxable boat or motor may not exceed \$18,750.

9 SECTION 10. Sections 160.041(c) and (e), Tax Code, are
10 amended to read as follows:

11 (c) The tax imposed by Section 160.021 is due on the 45th
12 [~~20th~~] working day after the date that the taxable boat or motor is
13 delivered to the purchaser. The purchaser or the seller, if the
14 purchaser paid the tax to the seller, shall pay the tax to the
15 department, to an agent of the department, or to a tax
16 assessor-collector on or before the due date.

17 (e) The tax imposed by Section 160.022 or 160.023 is due on
18 the 45th [~~20th~~] working day after the date that the taxable boat or
19 motor is brought into this state. The person liable for the tax
20 shall pay the tax to the department or to a tax assessor-collector
21 on or before the due date.

22 SECTION 11. The change in law made by this Act does not
23 affect tax liability accruing before the effective date of this
24 Act. That liability continues in effect as if this Act had not been
25 enacted, and the former law is continued in effect for the
26 collection of taxes due and for civil and criminal enforcement of
27 the liability for those taxes.

1 SECTION 12. This Act takes effect September 1, 2019.

President of the Senate

Speaker of the House

I certify that H.B. No. 4032 was passed by the House on May 10, 2019, by the following vote: Yeas 113, Nays 19, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 4032 on May 24, 2019, by the following vote: Yeas 82, Nays 55, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 4032 was passed by the Senate, with amendments, on May 22, 2019, by the following vote: Yeas 25, Nays 6.

Secretary of the Senate

APPROVED: _____

Date

Governor