

NASBLA MODEL ACT FOR VESSEL DEALER/MANUFACTURER LICENSING AND NUMBERING

[Background] The NASBLA Model Act for Vessel Dealer/Manufacturer Licensing and the NASBLA Model Act for Vessel Dealer/Manufacturer Numbering Act were originally adopted by the membership of the National Association of State Boating Law Administrators on Sept. 13, 2000 and were then revised on Sept. 21, 2005. In 2024, the NASBLA Vessel Identification, Registration and Titling Committee, upon review of the two model acts, determined that the two acts could be combined into one: the NASBLA Model Act for Vessel Dealer/Manufacturer Licensing And Numbering.

This model act is intended to establish requirements for vessel dealers, manufacturers, and brokers to obtain a dealer's license for each established place of business along with a dealer number for the vessels they use for demonstration or test purposes. The act's provisions describe the contents of the license application and the license itself, requirements for its display and insurance requirements for those licensed under the act. In addition, it describes the form, display and use of the dealer number.

[Note] Federal definitions from 33 CFR 173 were used where applicable.

Section 1. *[Short Title.]* This act may be cited as the Vessel Dealer/Manufacturer Licensing and Numbering Act.

Section 2. *[Applicability.]* The provisions of this act apply to any person engaged in the business of buying, selling, testing, dealing in, displaying, or demonstrating for sale, new or used vessels, as a dealer, manufacturer, or broker.

Section 3. *[Definitions.]* As used in this act:

(1) "Broker" means a person who for compensation or in expectation of compensation, sells or offers to sell, buys, or offers to buy, solicits, or obtains listings of or negotiates the purchase, sale, or exchange of vessels they do not own.

(2) "Dealer" means any person who engages wholly or in part in the business of buying, selling, or exchanging for value new or used vessels or both, either outright or on conditional sale, bailment, lease, chattel mortgage or otherwise. A dealer must have an established place of business for the sale, trade, and display of such vessels, selling [five or more] within any [twelve (12)] consecutive months.

(3) "Dealer number" means a unique number that is assigned only to dealers, manufacturers or brokers and is identifiable as such to law enforcement officers.

(4) "Demonstrated" or "Demonstration" means to operate a vessel on the waters of this state for the purpose of selling, transferring, bartering, trading, negotiating, or attempting to negotiate the sale or exchange of any interest in a new or used vessel, including the operation of the vessel by a dealer, manufacturer, or broker for purposes of testing the vessel. The term does not include the operation of a vessel for personal purposes by a dealer, manufacturer or broker or an employee of a dealer, manufacturer, or broker, or by the friends or the members

of the families of those persons.

(5) “Established place of business” means a salesroom in a permanent building or structure, either owned in fee or leased, at which a permanent business of bartering, trading, and/or selling of vessels will be carried on in good faith and at which place of business shall be kept and maintained the books, records, and files necessary to conduct the business.

(6) “Issuing authority” means a state having a numbering system approved by the Coast Guard or the Coast Guard itself when a state numbering system has not been approved.

(7) “Manufacturer” means any person engaged in the manufacture, construction, or assembly of boats or associated equipment; or the importation of boats, associated equipment, or the components thereof, into the United States for sale.

(8) “New vessel” means any vessel which has not been previously registered or titled and the possession of which has been transferred by a certificate of origin from the manufacturer or dealer to an end consumer for the first time.

(9) “Operate,” “Operated” or “Operation” means use, navigate, or employ.

(10) “Person” means an individual, firm, partnership, corporation, company, association, joint-stock association, or governmental entity and includes a trustee, receiver, assignee, or similar representative of any of them.

(11) “State” means a state of the United States, the District of Columbia, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, Puerto Rico, the U.S. Virgin Islands, and any other territory or possession of the United States.

(12) “State of principal operation” means the state in whose waters a vessel is or will be operated most during a calendar year.

(13) “Used vessel” means any vessel previously registered or titled, used as a demonstration vessel exceeding [six] months, used as a commercial vessel or used in racing and the possession of which has been transferred from the end consumer who first acquired it from the manufacturer or dealer.

(14) “Vessel” means every description of watercraft or other artificial contrivance used, or capable of being used, as a means of transportation on water.

(15) “Waters of this state” means any waters within the jurisdiction of the state.

Section 4. [*License and Number Required.*] No person shall engage in the business of buying, selling, testing, dealing in, displaying, or demonstrating for sale new or used vessels as a dealer, manufacturer or broker without first obtaining a dealer license for each established place of business as provided in this act. Each license will be assigned a dealer number and must temporarily display (Section 8(3)) the number on the vessel being demonstrated or tested.

Section 5. [*Adoption of Rules and Regulations.*] The issuing authority shall adopt rules and regulations for purposes of this act. Such rules and regulations may include but are not limited to the following:

(1) Prescribing forms.

(2) Investigating and evaluating the qualifications of applicants for a dealer’s license.

(3) Issuing, denying, suspending, and revoking licenses.

(4) Investigating and conducting hearings on violations of this act.

Section 6. [*Content of Application.*] The application for a dealer’s license shall be on a form prescribed by the issuing authority, be accompanied by the fee established under Section 12 of this act and contain.

- (1) Application type (new, renewal, or transfer of ownership).
- (2) The business name, address, including zip code, and telephone number.
- (3) The specific location to be occupied by the licensee in conducting such business.
- (4) The signature and title of any officer of the business.
- (5) Certification, under penalty of perjury, that the applicant is a vessel dealer, manufacturer or broker as defined in Section 3 of this act and that the number will be used for demonstration or test purposes only.
- (6) A federal tax identification number.
- (7) Any additional information that the issuing authority reasonably needs to determine the qualifications and eligibility of the applicant to receive a license, and the ability of the applicant to conduct the business for which the application is submitted.

Section 7. [*Content of Licenses.*] A dealer license shall contain:

- (1) The Dealer Number assigned (as specified in Section 8).
- (2) Expiration date of the license.
- (3) Name and business address of the licensee.
- (4) Specific location for which the license was issued.
- (5) Statement requiring display of license.
- (6) State of principal operation .
- (7) The term “dealer demonstration” or “manufacturer demonstration” plainly marked on the license.
- (8) Issuing authority information.

Section 8. [*Form and display of Dealer Number.*]

- (1) Each dealer number must consist of two capital letters denoting the state of the issuing authority, as specified in Appendix A of 33 CFR Part 173, followed by:
 - (a) Not more than four numerals, followed by not more than two capital letters (example NH 1234 BD); or
 - (b) Not more than three numerals, followed by not more than three capital letters (example: WN 567 EFG).
- (2) A number suffix must not include the letters “I”, “O”, or “Q” which may be mistaken for numerals. The dealer number must be painted on or attached to removable plates that are temporarily but firmly attached to each side of the forward half of the vessel at the time the vessel is being operated for demonstration or test purposes. If more than one vessel is being operated for demonstration or test purposes at the same time, separate dealer numbers must be obtained for and displayed on each vessel being demonstrated or tested.
- (3) The dealer number must be painted on or attached to removable plates that are temporarily but firmly attached to each side of the forward half of the vessel at the time the vessel is being operated for demonstration or test purposes. If more than one vessel is being

operated for demonstration or test purposes at the same time, separate dealer numbers must be obtained for and displayed on each vessel being demonstrated or tested.

Section 9. [*Supplemental and Temporary Licenses.*]

(1) A supplemental dealer license shall be issued for each established place of business operated by a dealer that is not contiguous to other premises for which a license has been issued or for which the issuing authority has established the distance required from a principal established place of business.

(2) A temporary supplemental license shall be issued to display for sale or sell vessels at a show and shall be issued for a period as determined by the issuing authority.

Section 10. [*Location to be Specified; Change of Location.*] The dealer license shall specify the location of each established place of business. If the ownership, location, or name of a business is changed, the holder of the license shall notify the issuing authority within [15] days. The issuing authority may establish procedures and fees regarding changing the name or location associated with a dealer license.

Section 11. [*Display of Licenses.*] A dealer license, supplemental dealer license or temporary supplemental license shall be conspicuously displayed on the premises for which it is issued.

Section 12. [*Fees.*] The issuing authority may establish fees for issuance of initial, subsequent and replacement licenses to dealers.

Section 13. [*Expiration of License.*] A license issued under this act shall be valid for a period not to exceed [insert number of years, no longer than three] from the date of issuance.

Section 14. [*Grounds for Denying, Suspending or Revoking Licenses.*] A dealer license may be denied, suspended, or revoked for:

(1) A material misrepresentation in the application for a license or other information filed with the issuing authority.

(2) A lack of fitness under the standards set forth in this act or any rule or regulation adopted by the issuing authority under this act.

(3) A willful violation of any federal or state law relating to the sale, distribution, financing, registration, taxing or insuring of vessels.

Section 15. [*Bond of Dealer; Insurance Required.*] Any person to be licensed under this act shall file with the issuing authority a bond in the amount of [insert dollar amount] issued by a corporate surety licensed to do business within the state. The bond shall be issued under the condition that the applicant shall not practice fraud or violate any provisions of this act in conducting business for which the applicant is licensed. Any person licensed under this act shall furnish evidence of current liability insurance covering the person's established place of business.

Section 16. [*Penalty for Violation.*] Any person violating any provisions of this act shall be guilty of a [insert offense and penalty(ies)].

Section 17. [*Effective Date.*] [Insert effective date.]