

# **DMV Registration Withhold**

## **Program Definition and Pertinent Laws**

The tax-delinquent vessel program is administered by county tax collectors in cooperation with the Department of Motor Vehicles (DMV). The program is primarily aimed at reducing the high rate of unpaid property taxes attributable to unsecured boat assessments. The county tax collector may, within 30 days after the delinquency date, begin standard county delinquent property tax procedures; and the renewal of the certificate of number of, and the transfer of any title to or interest in, that vessel will be withheld by DMV, as provided in VC §9880, until the delinquent taxes have been paid on the vessel (§3205).

Upon receiving a possessory lien sale application file with respect to a vessel, pursuant to subdivision (a) of H&NC §503, DMV shall, in accordance with paragraph (4) of subdivision (b) of that section, notify the applicant of any outstanding property tax lien on the vessel of which the department has been notified.

If the county tax collector has given notice, the county tax collector shall also provide written notice (Certificate of Clearance) to DMV when the delinquency has been satisfied.

## **Vehicle Code 9880**

(a) The department shall not renew the certificate of number of, or allow a transfer of any title to or interest in, a vessel if the county tax collector has notified the department pursuant to §3205 of the Revenue and Taxation Code, that taxes are delinquent upon the vessel, and the department shall not subsequently issue a certificate of number for, or a new certificate of ownership reflecting a transfer of title to or interest in, that vessel until the department receives a certificate of clearance from the county tax collector that the delinquent taxes have been paid on that vessel or until the county tax collector has provided notice to the department that the delinquency has been satisfied.

(b) The department shall record the notice of delinquent taxes on the vessel. If the department is notified by the county tax collector that the delinquency has been satisfied, the department shall, if all other requirements are satisfied, issue a certificate of number for, or a new certificate of ownership reflecting a transfer of title to or interest in, the vessel. The department shall assess a fee upon each county tax collector in an amount that is sufficient to reimburse the department for its actual costs of administering this section.

(c) Whenever a vessel subject to this section is transferred, or not renewed for 26 months, the department shall notify the county tax collector of that fact.

## **Revenue and Taxation Code 3205**

(a) The county tax collector may, within 30 days after the delinquency date, give written notice to the owners of all property tax delinquent vessels that, in addition to standard county delinquent property tax procedures, the renewal of the certificate of number of, and the transfer of any title to or interest in, that vessel will be withheld by the Department of Motor Vehicles as

provided in §9880 of the Vehicle Code, until the delinquent taxes have been paid on that vessel.

(b) If the county tax collector has given notice pursuant to subdivision (a), he or she shall give written notice of the delinquency, by electronic transmission or otherwise, to the Department of Motor Vehicles for its recordation pursuant to §9880 of the Vehicle Code. Upon receiving a possessory lien sale application filed with respect to a vessel pursuant to subdivision (a) of §503 of the Harbors and Navigation Code, the Department of Motor Vehicles shall, in accordance with paragraph (4) of subdivision (b) of that section, notify the applicant of any outstanding property tax lien on that vessel of which the department has been notified pursuant to this subdivision.

(c) If the county tax collector has given notice pursuant to subdivisions (a) and (b), the county tax collector shall also provide written notice to the Department of Motor Vehicles when the delinquency has been satisfied. (Amended by Stats. 1994, Chapter 940, §3. Effective January 1, 1995. Operative July 1, 1995, by §6 of Chapter 940.)