

NASBLA MODEL ACT FOR VESSEL DEALER/MANUFACTURER LICENSING

This act originally was adopted by the membership of the National Association of State Boating Law Administrators on Sept. 13, 2000. In 2005, the NASBLA Numbering & Titling Committee approved and recommended this version of the act to the NASBLA membership as part of the Association's Model Act Review and Standardization Project. The act was approved in revised form by the membership on Sept. 21, 2005.*

The act is intended to establish requirements for vessel dealers, manufacturers and brokers to obtain a dealer's license for each place of business. 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.

See also the NASBLA Model Vessel Titling Act, originally adopted by the membership in Sept. 1996, and the Model Act for Vessel Dealer/Manufacturer Numbers, originally adopted Sept. 13, 2000. Both of these acts were revised and subsequently approved by the membership on Sept. 21, 2005, as part of the aforementioned Review Project.

**As part of its review of all related numbering and titling acts, the Committee approved the use of common definitions for terms such as "Dealer," "Manufacturer," "Operate/Operation" and "Owner" across the acts and as applicable (Titling, Dealer/Manufacturer Licensing, Dealer/Manufacturer Numbering, and Numbering/Titling Non-Powered Vessels). Federal definitions from 33 CFR 173 were used as the basis for this standardization.*

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

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

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

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

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

10 (3) "Established place of business" means a salesroom in a permanent enclosed building or
11 structure, either owned in fee or leased, at which a permanent business of bartering, trading and
12 selling of vessels will be carried on in good faith and at which place of business shall be kept and
13 maintained the books, records and files necessary to conduct the business.

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14 (4) “Issuing authority” means the [state agency designated by the legislative body to administer
15 the act].

16 (5) “Manufacturer” means any person engaged in the business of manufacturing or importing
17 new vessels for the purpose of sale or trade.

18 (6) “New vessel” means any vessel which has not been previously registered or titled and the
19 possession of which has been transferred by a certificate of origin from the manufacturer or
20 dealer to the public.

21 (7) “Person” means any natural person or individual, partnership, firm, association, corporation
22 or other entity.

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

27 (9) “Vessel” means every description of watercraft, other than a seaplane on the water, used or
28 capable of being used as a means of transportation on the water.

1 Section 4. [*License Required.*] No person shall engage in the business of buying, selling,
2 testing, dealing in, displaying or demonstrating for sale new or used vessels as a dealer,
3 manufacturer or broker without first obtaining a dealer license for each established place of
4 business as provided in this act.

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

4 (1) Prescribing forms.

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

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

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

1 Section 6. [*Content of Application.*] The application for a dealer’s license shall be on a form
2 prescribed by the issuing authority, be accompanied by the fee established under Section 11 of
3 this act, and contain:

4 (1) The business name, address and telephone number;

5 (2) The specific location to be occupied by the licensee in conducting such business;

6 (3) The signature and title of any officer of the business;

7 (4) Certification that the applicant is a vessel dealer, manufacturer or broker as defined in
8 Section 3 of this act;

9 (5) A federal tax identification number;

10 (6) Any additional information that the issuing authority reasonably needs to determine the
11 qualifications and eligibility of the applicant to receive a license, and the ability of the applicant
12 to conduct the business for which the application is submitted.

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

2 (1) The license number issued;

3 (2) Expiration date of the license;

4 (3) Name and business address of the licensee;

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- 5 (4) Specific location for which the license was issued;
- 6 (5) Statement requiring display of licenses;
- 7 (6) Issuing authority information.

1 Section 8. [*Supplemental and Temporary Licenses.*]

- 2 (a) A supplemental dealer license shall be issued for each place of business operated by a
- 3 dealer that is not contiguous to other premises for which a license has been issued or for which
- 4 the issuing authority has established the distance required from a principal place of business.
- 5 (b) A temporary supplemental license shall be issued to display for sale or sell vessels at a
- 6 show and shall be issued for a period as determined by the issuing authority.

1 Section 9. [*Location to be Specified; Change of Location.*] The dealer license shall specify the
2 location of each place of business. If the ownership, location or name of a business is changed,
3 the holder of the license shall notify the issuing authority within [10] days. Upon payment of the
4 appropriate fee, the issuing authority shall issue an endorsement for that license if it is
5 determined that the change is not subject to other provisions of this act.

1 Section 10. [*Display of Licenses.*] A dealer license, supplemental dealer license or temporary
2 supplemental license shall be conspicuously displayed on the premises for which it is issued.

1 Section 11. [*Fees.*] The issuing authority may establish fees for issuance of initial, subsequent
2 and replacement licenses to dealers.

1 Section 12. [*Expiration of License.*] A license issued under this act shall be valid for a period
2 not to exceed [insert number of years] from the date of issuance.

1 Section 13. [*Grounds for Denying, Suspending or Revoking Licenses.*] A dealer license may be
2 denied, suspended or revoked for:

- 3 (1) A material misrepresentation in the application for a license or other information filed with
- 4 the issuing authority.
- 5 (2) A lack of fitness under the standards set forth in this act or any rule or regulation adopted
- 6 by the issuing authority under this act.
- 7 (3) A willful violation of any federal or state law relating to the sale, distribution, financing,
- 8 registration, taxing or insuring of vessels.

1 Section 14. [*Bond of Dealer; Insurance Required.*] Any person to be licensed under this act
2 shall file with the issuing authority a bond in the amount of [insert dollar amount] issued by a
3 corporate surety licensed to do business within the state. The bond shall be issued under the
4 condition that the applicant shall not practice fraud or violate any provisions of this act in
5 conducting business for which the applicant is licensed. Any person licensed under this act shall
6 furnish evidence of current liability insurance covering the person's place of business.

1 Section 15. [*Penalty for Violation.*] Any person violating any provisions of this act shall be
2 guilty of a [insert offense and penalty(ies)].

1 Section 16. [*Effective Date.*] [Insert effective date.]