

Boats and Jet Skis Frequently Asked Questions

1. Why are boats and vessels assessed for property taxes?

The California Constitution (Section XIII, Article 1) provides that all tangible property is taxable unless it is otherwise exempted by the Constitution or by the legislature. Household personal property was exempted in the 1950's, but privately-owned boats are still subject to property tax.

2. My boat is registered with the DMV, and I pay a registration fee. Why must I also pay property taxes?

Property taxes for boats are not collected through the registration fee like vehicles. Where automobiles are concerned, DMV registration fees do include both a registration fee and also what is known as an in-lieu fee for property taxes that is returned to local government in-lieu of a property tax assessment by the assessor. Though it may seem like you are being double-taxed, that is not the case.

3. My vessel is a documented vessel. Must I still pay property taxes on it?

Yes. The law does not differentiate between vessels registered with the DMV and those documented with the U.S. Coast Guard, and both are subject to property taxation.

4. Why have I received a Vessel Owner's Report and must I complete and return the document?

The Assessor's Office receives information from the Department of Motor Vehicles, U.S. Coast Guard, referrals from jurisdictions in California, and the harbors/marina within Monterey County to create the assessments. Once an assessment is created for the boat, a Vessel Owner's Report (VOR) is mailed to obtain important information that can be taken into consideration during the valuation process if the document is returned.

5. I sold my boat months ago, so why am I getting a tax bill for it?

Liability for vessel property taxes attaches to its owner at 12:01 a.m. on January 1 each year (the lien date). The bill for the coming tax year is then issued to the lien date owner. That individual is liable for the taxes even if the boat was sold soon after that date. Where the boat was sold just before the lien date (December 30, for example), the new owner would be liable for the new bill. If you were not the owner on January 1, but the bill was issued in your name, then you need to contact the Marine Division within the Assessor's Office to resolve this issue at (831) 755-5035 (8am-5pm).

6. Should I notify the Assessor's Office if I sell my boat?

Yes. This information will help prevent you from receiving a tax bill on vessel property you no longer own during the next Roll year. However, you should provide the DMV a written notice of the transfer within 5 days. (California Vehicle Code §9911) We recommend that you complete a Notice of Transfer and Release of Liability through the DMV website (www.dmv.ca.gov) 48 hours prior to contacting us.

7. How did the Assessor determine the value of my boat?

The Assessor uses various approaches to arrive at the value. We consider the purchase price of the vessel, improvements or upgrades that have been made to it, and the recent sales of comparable vessels in the open market. A recent, arm's length purchase of a vessel is a good indicator of its true market value.

8. I received a tax bill from your county, however the vessel has been permanently moved out of Monterey County, do I still have to pay this bill?

Bills are issued based on the January 1st lien date of each year. If the boat was permanently moved after the lien date the tax bill issued is a valid tax bill.

If a boat was permanently moved outside of Monterey County before the lien date (January 1st), you must complete in writing the [Boat/Aircraft Information Form \(BAIF\)](#), remembering to attach paid tax bills in another jurisdiction or Out of State Registration with an issued date. If no documents are attached with the BAIF, action will be taken going forward, existing tax bills are due and payable in Monterey County

9. I keep my boat docked in another county, why did Monterey County assess it?

If the boat is registered to you in Monterey County and the registration does not specify that it is docked in another county, then Monterey County will assess it.

10. I haven't used my boat for a long time, do I still have to fill out the Vessel Owners' Report (VOR) the Assessor sent me?

Yes. The Assessor's Office uses all available information; with the completed VOR the Assessor's Office can make a better valuation judgement and consider the vessels physical condition to determine the vessels Fair Market Value.

11. What should I do if my Vessel has been abandoned or destroyed?

Notify the Department of Motor Vehicles within 15 days of the occurrence and surrender to the DMV the Certificate of Ownership and Certificate of Number. (California Vehicle Code §9864) Also notify the Monterey County Assessor's Office in writing on the [Boat/Aircraft Information Form \(BAIF\)](#).

12. The boat belonged to my relative when he or she died in March, so do we still have to pay the bill?

Liability for vessel property taxes attaches to its owner as of 12:01 a.m. on January 1 each year (the lien date). The bill for the coming tax year is then issued to the lien date owner. That individual, or their estate (if they are now deceased), is liable for the taxes. If the owner of record on the lien date is now deceased, you should contact the person or entity that is administering your relative's estate and bring the outstanding bill to their attention.

13. Are California registered vessels and Documented Vessels owned by California residents still assessable in Monterey County when located outside of California waters?

Yes. Until such time as a vessel's habitual place of mooring has been established elsewhere, a vessel documented in California continues to be taxable in California. That is, if the vessel is not in California, but is traveling from one place to another and has not become permanently situated in one place outside of California, the vessel is assessable in California.

14. I'm in the military, doesn't that exempt me from filling-out the Vessel Owners' Report (VOR)?

No, you must still fill out the report. Some, but not all, military personnel may be exempt from paying vessel property taxes under Federal Law (Soldiers and Sailors Relief Act), the Assessor still needs to collect the information requested on the VOR. Please contact the Marine Division within the Assessor's Office at (831) 755-5035 (8am-5pm) for more information on the Soldiers and Sailors Relief Act.