**South Carolina General Assembly**

126th Session, 2025-2026

**S. 26**

**STATUS INFORMATION**

General Bill

Sponsors: Senator Hutto

Companion/Similar bill(s): 3729, 3846

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Introduced in the Senate on January 14, 2025

Currently residing in the Senate

Summary: Watercraft Liability Insurance

**HISTORY OF LEGISLATIVE ACTIONS**

Date Body Action Description with journal page number

12/11/2024 Senate Prefiled

12/11/2024 Senate Referred to Committee on **Fish, Game and Forestry**

1/14/2025 Senate Introduced and read first time

1/14/2025 Senate Referred to Committee on **Fish, Game and Forestry**

1/29/2025 Senate Committee report: Favorable **Fish, Game and Forestry** ([Senate Journal‑page 9](h:\sj\20250129.docx))

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**VERSIONS OF THIS BILL**

[12/11/2024](https://www.scstatehouse.gov/sess126_2025-2026/prever/26_20241211.docx)

[01/29/2025](https://www.scstatehouse.gov/sess126_2025-2026/prever/26_20250129.docx)

Committee Report

January 29, 2025

S. 26

Introduced by Senator Hutto

S. Printed 1/29/25--S.

Read the first time January 14, 2025

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The committee on Senate Fish, Game and Forestry

To whom was referred a Bill (S. 26) to amend the South Carolina Code of Laws by adding Section 50‑21‑107 so as to provide that owners of watercraft of more than seventy horsepower must carry liability, etc., respectfully

Report:

That they have duly and carefully considered the same, and recommend that the same do pass:

GEORGE CAMPSEN for Committee.

statement of estimated fiscal impact

Explanation of Fiscal Impact

State Expenditure

This bill specifies it is unlawful for an owner of a watercraft of more than seventy horsepower, a personal watercraft, or a specialty propcraft titled in South Carolina or documented by the USCG with a hailing port in South Carolina to allow the operation of the watercraft without a liability insurance policy with a minimum of $50,000 combined liability coverage for bodily injury or property damage for any one occurrence.

**Department of Natural Resources.** DNR enforces state and federal laws related to boating and South Carolina’s waterways. Currently, owners of boats are not required to have insurance. Owners of boats in South Carolina are required to title and register their boats if they have an inboard motor and not already documented by the USCG. An owner must also title all outboard motors with five horsepower or more. DNR is currently reviewing this bill. The fiscal impact of this bill for DNR is pending, contingent upon further response from the agency.

**Department of Insurance.** DOI anticipates that the additional responsibilities as a result of this bill will be managed by existing appropriations and staff. Therefore, there will be no expenditure impact to the agency.

**Judicial.** This bill creates a misdemeanor related to boat insurance and establishes fines. The fine for the first and second offenses range from $50 to $500. The penalty for the third and subsequent offenses includes a fine and imprisonment up to one year. Judicial reports that implementation of this bill may increase caseloads in circuit court. While the increase in the number of course cases due to this bill is unknown, Judicial anticipates that any increase in caseload can be managed using existing staff and appropriations. Therefore, this bill will result in no expenditure impact for Judicial.

State Revenue

This bill provides that a person in violation of the specified liability for watercraft is guilty of a misdemeanor and subject to fines.

DOI currently collects taxes on insurance premiums written on the liability policies of watercraft that are currently voluntary. The cost of insurance varies on policy limit, type of boat, location of boat, driver history, and other factors. In addition to these risk characteristics determining policy costs, DOI has also expressed that the impact of this bill on the price of insurance is undetermined. While this bill will likely increase the total value of premiums of watercraft liability policies collected and therefore increase revenue, DOI has expressed that $50,000 in liability insurance without any other required coverages, such as uninsured boater or permissive use, is relatively low coverage and should be obtained with relatively low premiums. Therefore, DOI anticipates the amount of insurance premium tax revenue that may be generated beginning in FY 2025-26 as a result of this bill will be positive, but not significant.

This bill may result in an increase in court fines and fees due to the newly created misdemeanor. This bill requires all fines prescribed as a result of operating a watercraft that requires liability insurance without coverage must be used by DNR for the purpose of a boater training and safety program.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

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A bill

TO AMEND THE SOUTH CAROLINA CODE OF LAWS BY ADDING SECTION 50‑21‑107 SO AS TO PROVIDE THAT OWNERS OF WATERCRAFT OF MORE THAN SEVENTY HORSEPOWER MUST CARRY LIABILITY INSURANCE OF AT LEAST FIFTY THOUSAND DOLLARS OF COVERAGE PER OCCURRENCE, TO PROVIDE PENALTIES, AND TO PROVIDE FOR THE COLLECTION OF FINES.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Article 1, Chapter 21, Title 50 of the S.C. Code is amended by adding:

Section 50‑21‑107. (A) For the purposes of this section:

(1) “Acceptable electronic format” means an electronic image produced on a person’s cellular phone or other portable electronic device that displays all the information in a policy declaration or other documentation as clearly as a paper policy declaration or other documentation.

(2) “Proof of insurance” shall consist of a policy declaration page or other documentation, or a copy of a policy declaration page or other documentation, available in an acceptable electronic format that can be carried on a watercraft, personal watercraft, or specialty propcraft that reflects the watercraft, personal watercraft, or specialty propcraft coverage furnished to an insured by an insurance company. The presentment of proof of insurance in an acceptable electronic format does not:

(a) authorize a search of any other content of an electronic device without a search warrant or probable cause; or

(b) expand or restrict the authority of a law enforcement officer to conduct a search or investigation.

(B) It shall be unlawful for the owner of a watercraft of more than seventy horsepower, or a personal watercraft or specialty propcraft, that is titled in this State or is documented by the United States Coast Guard with a hailing port located in this State to allow the operation of the watercraft, personal watercraft, or specialty propcraft on the waters of this State unless it is covered by a liability insurance policy that has been issued by an insurance company. The insurance policy must provide at least fifty thousand dollars of combined liability coverage for bodily injury to others, or the destruction of the property of others, resulting from any one occurrence.

(C) Each applicant for a watercraft title and registration, and each applicant for a registration renewal, of a watercraft of more than seventy horsepower, or a personal watercraft or specialty propcraft, shall certify to the department that the watercraft, personal watercraft, or specialty propcraft is covered by an insurance policy that meets the requirements of this section.

(D) Insurance companies shall not be required to provide proof of insurance that may be conveniently carried if the insurance coverage is provided as part of a homeowner’s insurance policy. Insurance companies are not required to notify the department of any lapse or cancelation in insurance coverage.

(E)(1) If a watercraft of more than seventy horsepower, or a personal watercraft or specialty propcraft, is involved in an accident on the waters of this State, then failure to present proof of insurance coverage that meets the requirements of this section creates a rebuttable presumption that the watercraft, personal watercraft, or specialty propcraft is uninsured.

(2) Upon a showing that liability coverage required by this section was in effect at the time of an accident, a judge may dismiss a charge imposed under this section, and the penalties may not be imposed. However, if the operator of a watercraft of more than seventy horsepower, or a personal watercraft or specialty propcraft, is involved in an accident on the waters of this State and the watercraft, personal watercraft, or specialty propcraft is not insured as required by this section, then the owner of the watercraft, personal watercraft, or specialty propcraft shall be deemed guilty of a misdemeanor.

(F) A person who violates the provisions of this section:

(1) for a first offense, must be fined not less than fifty dollars and not more than two hundred fifty dollars;

(2) for a second offense, must be fined not less than two hundred fifty dollars and not more than five hundred dollars; and

(3) for a third or subsequent offense, must be fined not less than five hundred dollars and not more than one thousand dollars, imprisoned for up to one year, or both.

(G) All fines collected pursuant to this section shall be deposited into the general fund and credited to the department for the purpose of establishing, maintaining, and operating a program for boater training and boater safety throughout the State.

SECTION 2. This act takes effect upon approval by the Governor.

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