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# WARRANTY BILL OF SALE (BOAT) & GUIDE

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Sample Warranty Bill of Sale (Boat)

## 1. Overview

You've listed your boat and you've found your buyer - it's time to finish your deal. In the modern marketplace, your transaction can't be completed with a simple handshake and a wave goodbye. Your vessel transfer also requires filings with your state's motor vehicle department and other local agencies—filings that call for a complete, well-drafted bill of sale. With the enclosed documents and instructions, you can firm up the terms of your arrangement and prepare for your boat's new titling and registration.

A bill of sale is like a receipt. It proves that ownership of a particular piece of property has changed hands. It also details the terms of the sale, including information about price, delivery, and condition. Bills of sale can help to prove the identity of a vessel's true legal owner. Moreover, many states and counties use these documents to determine the amount of sales tax owed on the transaction, if any.

If you follow the enclosed sample and guidelines, you will have a written acknowledgment of the rights and responsibilities being transferred as part of your sale. This will provide essential documentation of your ownership and liability obligations and you will be well on your way to establishing a clear record of title for your property.

## 2. Dos & Don'ts Checklist

- Getting the correct name and physical address of the other party to your deal is essential. If questions emerge, you'll need to contact that person or company directly.
- If you are the seller, give the buyer the completed bill of sale only after you have received your money and the transaction is complete. The bill of sale states specifically that you have already been paid. It may be difficult to collect any outstanding amounts if you give written evidence that the buyer's payment obligations are complete.
- The enclosed document covers the transfer of the vessel, its engine, and any listed equipment. It does not contemplate the sale of a trailer. If you want to sell or buy a trailer as part of your transaction, you should complete a separate bill of sale.
- When you sell your boat is as important as the terms of your agreement. Wait until the warmer months to list it – most people aren't interested in making a boat purchase in the winter. If you can hold off until this time, you will have an easier time selling and may sell at a higher price.
- If you are the buyer, request a sea trial or demo ride of the boat. This is the equivalent of a car's test drive, and should allow you a hands-on understanding of the vessel's capacity.
- The enclosed bill of sale assumes that the boat's purchase price will be paid in full on the sale date. If the buyer intends to make a down payment at the time of purchase and pay the remainder over time, do not use the enclosed document. Draft and sign a promissory note, and use a bill of sale that provides for deferred payment.
- Sign two copies of the bill of sale, one for you and one for the other party.

- Many states require that signatures on a boat bill of sale be witnessed by at least two people or notarized. Do not sign the document until you are in front of those witnesses or a notary.
- Once your bill of sale is complete and signed, visit the local county clerk or tax office to record the document. The bill of sale will be registered and used to estimate applicable sales (or use) taxes.
- To complete the title transfer, both the seller and the buyer should send a copy of the bill of sale to their state's agency governing boat titling. In many states, this is the Department of Motor Vehicles, but in others it may be the Department of Wildlife. Review your state's rules to determine where titling is required. Some states require that the seller report the title transfer within five (5) days of the sale, and the buyer within ten (10) days.
- The seller should contact its state Department of Motor Vehicles (or Department of Wildlife) immediately after completion of the sale and let them know the boat has been sold and to whom. This will protect the seller if an accident occurs in the period between the sale and the re-titling of the boat.
- Many states have specific rules about the placement of registration numbers and the decals associated with them. Review your state's regulations about form and location of registration number, and follow those to the letter.
- Additional steps may be required to wrap up your vessel transfer. For example, the boat's "pink slip" must be signed over to the purchasing party. Check with your local Department of Motor Vehicles (or Department of Wildlife) and tax authority to see what documents may be needed in your area. You may also need to send an additional form (included with the pink slip) to the registration agency indicating.
- If you are the seller, cancel your insurance as soon as the boat has been transferred. In some cases, you may be entitled to a refund on amounts that were prepaid.

### 3. Warranty Bill of Sale (Boat) Instructions

The following provision-by-provision instructions will help you understand the terms of your warranty bill of sale.

The numbers below (e.g., Section 1, Section 2, etc.) correspond to the provisions in the enclosed form. Please review the entire document before starting your step-by-step process.

- **Location of Sale.** Write in the name of the state and county where the sale will take place. If the parties are from different counties, use the state and county in which the boat is located.
- **Purchase Price.** Enter the purchase price in the first blank provided. Be sure to include the full price paid, including any previous down payments that were made to secure the boat.

- **Names and Addresses of Parties.** Identifies the parties and their street addresses (not P.O. boxes). One party to this bill is called the “Seller” and the other is called the “Buyer.” The Seller is the party that will sell the boat and the Buyer is the party that will purchase it. Note that only the individual whose name is on the title of a boat is permitted to sell it. This means that if a married couple is selling the boat but that boat is titled in the wife’s name, only the wife should sign the bill of sale.
- **Boat Location and Description.** These spaces allow you to describe fully the boat you are buying or selling. Be as specific as possible, making sure that the boat being sold can be identified clearly from the description. You must include the make, model, length, registration or document number, boat type, year, and hull identification number (see below for examples and explanations).
  - **Location:** Include the county and state where the boat is currently situated.
  - **Make:** Custom, Prowler, Fountaine, etc.
  - **Model:** Regal Eclipse, Privilege, etc.
  - **Length:** The length listed by the manufacturer’s statement of origin is usually accepted as its official length.
  - **Year:** Enter the year the boat was manufactured.
  - **Registration or Document Number:** Enter the boat’s identifying numbers, as issued by the relevant state agency.
  - **Hull ID Number:** All boats manufactured or imported after 1972 have a Hull Identification Number, which is a boat’s 12-character unique identifier. This number can be found on each boat hull.
  - **General Boat Type:** Cruiser, pontoon, catamaran, motoryacht, etc.
- **Section 1: Description of Motor(s).** Describe the motor or motors being sold as part of the transaction. Provide as much information as possible, including type of engine (outboard, inboard, trolling, single, twin, etc.), title number, serial number, make, year, horse power, model, fuel type, etc.
- **Section 2: Description of Equipment.** Allows the parties to list every piece of equipment, accessory, or other item that is being transferred as part of the vessel sale (e.g., radios, safety equipment, etc.). Each party should make sure they understand what is and what is not being conveyed under the agreement.
- **Section 3: Seller’s Representations and Warranties.** The Seller’s promise that it owns the boat and that no other party holds an interest in that vessel.
- **Section 4: Buyer’s Representations and Warranties.** The Buyer’s promise that the person signing the bill of sale has the authority to do so.
- **Section 5: No Other Warranties.** Disclaims any warranty other than the warranty of title described in Section 1 and the manufacturer’s warranty (if any). This boat is being offered “as is.” The buyer should note this provision: if the boat has problems in the future, the seller is specifically disclaiming responsibility in this paragraph.

- **Section 6: Survey.** Anyone who owns a boat, or is considering buying or selling one should get a Condition and Value Survey of that craft. Many companies require that this be performed before they will insure or finance the sale of a boat. If the boat has been surveyed within the last year, delete the bracketed “not” and attach a report of that survey. If not, delete the second sentence.

If the seller knows of any defects in the boat, those problems must be disclosed in the space provided. Any known defects that are not reported could invalidate the sale, and may bring later charges of fraud. If there are no known defects, the blank space can be deleted.

- **Section 7: Delivery of Boat.** Explains that the vessel should be picked up at its current location by the Buyer at a designated time. Write in the date you want this pick-up to take place and the boat’s current address. If you want to arrange for transfer at a different location, enter that location in the space provided.
- **Section 8: Conveyance of Title.** Indicates that title to the boat will be given to the Buyer on the day on which it receives it. This section also includes the Seller’s promise that it will sign every document needed to effectuate the title transfer.
- **Section 9: Cancellation of Insurance and Tags.** The Seller’s agreement to cancel any remaining insurance or tags that it was maintaining on the boat.
- **Section 10: Additional Terms of Sale.** If there are additional terms you’d like to add to the form, enter those in the space provided. For example, the parties may wish to include a requirement that the vessel be cleaned thoroughly before the delivery date or the Buyer may want to condition its purchase on a satisfactory survey and sea trial.
- **Signatures.** Each party must sign and print their name. Several states require that each party provide a phone number and driver’s license number as well. Although this may not be a requirement in your state, it’s a good idea for both parties to provide as much contact information as possible. Be sure to date this document, as a number of important deadlines start to run on the sale date (e.g. transfer of title and registration).

If a third party witnessed the signing, have that person sign and date the space provided. If there was no witness to your transaction, you can delete this section.

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**WARRANTY BILL OF SALE  
(BOAT)**

STATE OF \_\_\_\_\_  
COUNTY OF \_\_\_\_\_

**BE IT KNOWN**, that for good and valuable consideration, and in payment of the sum of \_\_\_\_\_ (\$ \_\_\_\_\_) dollars (the "Purchase Price"), the receipt and sufficiency of which is hereby acknowledged, \_\_\_\_\_ [Name of Seller] (the "Seller"), of \_\_\_\_\_ [Seller's Street Address], county of \_\_\_\_\_, state of \_\_\_\_\_ hereby sells and transfers to \_\_\_\_\_ [Name of Buyer], (the "Buyer"), of \_\_\_\_\_ [Buyer's Street Address], county of \_\_\_\_\_, state of \_\_\_\_\_, and its heirs, executors, administrators, successors, and assigns forever, the following-described boat (the "Boat"):

**Location (county, state):**

**Make:**

**Model:**

**Length:**

**Year:**

**Registration, CF or**

**Document #:**

**Serial #:**