

UNIFORM CERTIFICATE OF TITLE ACT FOR VESSELS ACT

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1 CERTIFICATE OF TITLE ~~ACT~~ FOR VESSELS ACT

2 SECTION 1. SHORT TITLE. This [act] may be cited as the Certificate of Title ~~Act~~
3 for Vessels Act.

4
5 SECTION 2. DEFINITIONS.

6 (a) In this [act]:

7 (1) “Buyer” means a person that buys or contracts to buy goods.

8 (2) “Buyer in ordinary course of business” means a person that buys ~~goods~~ =
9 vessel in good faith, without knowledge that the sale violates the rights of another person in the
10 ~~goods~~ vessel, and in ordinary course from a person, other than a pawnbroker, in the business of
11 selling [~~goods~~] [vessels] of that kind. A person buys goods in ordinary course if the sale
12 comports with the usual or customary practices in the kind of business in which the seller is
13 engaged or with the seller’s own usual or customary practices. A buyer in ordinary course of
14 business may buy for cash, by exchange of other property, or on secured or unsecured credit, and
15 may acquire ~~goods~~ a vessel under a pre-existing contract for sale. Only a buyer that takes
16 possession of the ~~goods~~ vessel or has a right to recover the ~~goods~~ vessel from the seller under
17 [Uniform Commercial Code Article 2] may be a buyer in ordinary course of business. The term
18 does not include a person that acquires ~~goods~~ a vessel in a transfer in bulk or as security for or in
19 total or partial satisfaction of a money debt. A buyer in ordinary course of business does not lose
20 that status solely because a no existing certificate of title was ~~not executed to the buyer~~ signed
21 and delivered to the buyer or no new certificate of title listing the buyer as owner of record was
22 created.

1 (3) “Cancel”, with respect to a certificate of title, means to make the certificate
2 ineffective.

3 (4) “Certificate of documentation”; means a certificate issued by the United
4 States Coast Guard under 46 U.S.C. § section 12103.

5 (5) “Certificate of origin”; means a record created by a manufacturer or importer
6 as the manufacturer’s or importer’s proof of identity of a vessel. The term includes a
7 manufacturer’s certificate of origin[, a manufacturer’s] [or] statement of origin[,] [or] an
8 importer’s certificate of origin[,] or [an importer’s] statement of origin.

9 (6) “Certificate of title”, ~~except in the phrases “certificate of title created by a~~
10 ~~governmental agency of any state” and “certificate of title created by a governmental agency of~~
11 ~~any jurisdiction”~~; means a record, created by the office and under this [act] or by a governmental
12 agency of another jurisdiction under the law of that jurisdiction, that is designated as a certificate
13 of title by ~~it~~; the office or governmental agency, and that is evidence of ownership of a vessel.

14 (7) “Dealer”; means any person, including a manufacturer, in the business of
15 selling vessels ~~[who has an established place of business for the sale and display of vessels]~~.

16 (8) “Electronic certificate of title” means a certificate of title consisting of
17 information that is stored solely in an electronic or other medium and is retrievable in perceivable
18 form.

19 (9) “Hull identification number”, means the number assigned by the office to a
20 vessel pursuant to [33 C.F.R. Part 187].

21 (10) “Lien creditor” means:

22 (A) a creditor that has acquired a lien on the property involved by
23 attachment, levy, or the like;

1 (B) an assignee for benefit of creditors from the time of assignment;

2 (C) a trustee in bankruptcy from the date of the filing of the petition; or

3 (D) a receiver in equity from the time of appointment.

4 (911) “Office” means [insert name of relevant department or agency that creates
5 certificates of title in enacting state].

6 (102) “Owner” means a person that has legal title to a vessel.

7 (113) “Owner of record” means the owner of a vessel as indicated in the files of
8 the office.

9 (124) “Person” means an individual, corporation, business trust, estate, trust,
10 partnership, limited liability company, association, joint venture, federally recognized Indian
11 Tribe, public corporation, government, or governmental subdivision, agency, or instrumentality,
12 or any other legal or commercial entity.

13 (135) “Principally ~~used~~” ~~means used or to operate, navigate, or employ most~~
14 ~~during a calendar year.~~

15 ~~_____ (14~~used on the waters of this state” means used [or intended to be used] on the
16 waters within the territorial limits of this state more than on the waters within the territorial limits
17 of another state. For the purposes of this paragraph, “use” includes operation, navigation, and
18 employment but does not include [storage on land or] mooring.

19 (16) “Purchase” means to take by sale, lease, mortgage, pledge, consensual lien,
20 security interest, gift, or any other voluntary transaction that creates an interest in a vessel.

21 (157) “Purchaser” means a person that takes by purchase.

22 (168) “Record” means information that is inscribed on a tangible medium or that
23 is stored in an electronic or other medium and is retrievable in perceivable form.

1 (179) “Secured party” means:

2 (A) a person in whose favor a security interest is created or provided for
3 under a security agreement, whether or not any obligation to be secured is outstanding;

4 (B) a person that is a consignor under [Uniform Commercial Code Article
5 9];

6 ~~(C) a person to which accounts, chattel paper, payment intangibles, or
7 promissory notes have been sold;~~

8 (~~D~~) a trustee, indenture trustee, agent, collateral agent, or other
9 representative in whose favor a security interest is created or provided for; or

10 (~~E~~) a person that holds a security interest arising under [Uniform
11 Commercial Code Section 2-401, 2-505, 2-711(3), or 2A-508(5)].

12 (~~18~~20) “Secured party of record” means the secured party whose name is
13 provided as the name of the secured party or a representative of the secured party in an
14 application for a certificate of title received by the office or, if more than one ~~are~~secured party is
15 indicated, the one first indicated in the files of the office.

16 (~~19~~21) ~~“Security~~“Security interest” means an interest in a ~~vehicle which~~vessel
17 that secures payment or performance of an obligation. The term includes any interest of a
18 consignor in a ~~vehicle~~vessel in a transaction that is subject to [Uniform Commercial Code Article
19 9]. The term does not include the special property interest of a buyer of a vessel on identification
20 of that vessel to a contract for sale under [Uniform Commercial Code Section 2-401], but a buyer
21 may ~~also~~ acquire a security interest by complying with [Uniform Commercial Code Article 9].
22 Except as otherwise provided in [Uniform Commercial Code Section 2-505], the right of a seller
23 or lessor of a vessel under [Uniform Commercial Code Article 2 or 2A] to retain or acquire

1 possession of the vessel is not a security interest, but a seller or lessor may also acquire a security
2 interest by complying with [Uniform Commercial Code Article 9]. The retention or reservation
3 of title by a seller of a vessel notwithstanding shipment or delivery to the buyer under [Uniform
4 Commercial Code Section 2-401] is limited in effect to a reservation of a security interest.

5 Whether a transaction in the form of a lease creates a security interest is determined by ~~law other~~
6 ~~than this [act]~~ [UCC § 1-203].

7 (202) “Sign” means, with present intent to authenticate or adopt a record, to:

8 (A) make or adopt a tangible symbol; or

9 (B) attach to or logically associate with the record an electronic sound,
10 symbol, or process.

11 (213) “State” means a state of the United States, the District of Columbia, Puerto
12 Rico, the United States Virgin Islands, a federally recognized Indian tribe, or any territory or
13 insular possession subject to the jurisdiction of the United States.

14 (224) “Title brand” means a designation of previous damage, use, or condition
15 that [this [act] or] law other than this [act] requires to be indicated on a certificate of title created
16 by a
17 governmental agency of any jurisdiction.

18 (235) “Transfer of ownership”; means ~~any~~ voluntary or involuntary conveyance
19 of an ownership interest in a vessel~~[, including the creation of a security interest]~~.

20 (246) “Vessel” includes any watercraft used or capable of being used as a means
21 of transportation on water, except the following:

22 (A) A seaplane ~~[on the water]~~ ~~[or other vehicle capable of sustained~~
23 ~~flight]~~.

1 (B) An amphibious vehicle for which a certificate of title is issued
2 pursuant to [state motor vehicle certificate of title act] for a similar statute of another state].

3 ~~[(C) Watercraft less than [xx] feet in length.]~~

4 ~~[(D) Watercraft powered solely by [sail], paddle[,], or oars.]~~

5 ~~[(E) Watercraft less than [xx] 16 feet in length and powered solely by
6 [sail], paddle[,], or oars.]~~

7 ~~(F) Inflatable watercraft.~~

8 ~~(G) A surfboard.~~

9 ~~(H) Watercraft designed to operate
10 paddles, oars or an engine of less than 10 horsepower.~~

11 (D) Watercraft that operates only on a permanently fixed course and the
12 movement of which is restricted to or guided on by means of a mechanical device to-
13 which the watercraft is attached or by which the watercraft is controlled, or by means of a-
14 mechanical device attached to the watercraft itself.

15 ~~(E) A stationary floating structure which ~~is designed and built to be used~~
16 ~~as a stationary waterborne residential dwelling, which (A)~~ =~~

17 (i) does not have and is not designed to have a mode of power of
18 its own, ~~(B)~~ =

19 (ii) is dependent for utilities upon a continuous utility linkage to a
20 source originating on shore, ~~and (C)~~

21 (iii) has a permanent, continuous hookup to a shoreside sewage
22 system.

1 (~~JF~~) Watercraft ~~whose owner is a State or subdivision thereof, which is~~
2 ~~used principally for governmental purposes, and which is clearly identifiable as such.~~

3 (~~K~~owned by United States, a state, or a foreign government, or a political
4 subdivision of any of them.)

5 (G) Watercraft used solely as a lifeboat on another watercraft.

6 (25) ~~“Vessel identification number”, means the number assigned by the office to~~
7 ~~a vessel pursuant to [33 C.F.R. § 187].~~

8 (26) ~~“Waters of this state” means any waters within the territorial limits of this~~
9 ~~state).~~

10 (27) “Written certificate of title” means a certificate of title consisting of
11 information inscribed on a tangible medium.

12 (b) The following definitions and terms also apply to this [act]:

13 (1) “Agreement”, [UCC Section 1-201(b)(3)].

14 (2) “Collateral”, [UCC Section 9-102(a)(12)].

15 (3) “Consumer goods”, [UCC § 9-102(a)(23)].

16 (~~3~~ 4) “Debtor”, [UCC Section 9-102(a)(28)].

17 (5) “Good faith”, UCC Section 1-201(b)(20)].

18 (~~4~~ 6) “Lease”, [UCC Section 2A-103(a)(j)].

19 (~~5~~ 7) “Lessee”, [UCC Section 2A-103(1)(n)].

20 (~~6~~ 8) “Lessee in ordinary course of business”, [UCC Section 2A-103(1)(o)]

21 (~~7~~ 9) “Lessor”, [UCC Section 2A-103(a)(p)].

22 (~~8~~ 10) “Merchant”, [UCC Section 2-104(1)].

23 (~~9~~ 11) “Notice; Knowledge”, [UCC Section 1-202].

1 (10 12) “Representative”, [UCC Section 1-201(b)(33)].

2 (11 13) “Sale”, [UCC Section 2-106(1)].

3 (12 14) “Security agreement”, [UCC Section 9-102(a)(73)].

4 (13 15) “Seller”, [UCC Section 2-103(1)(o)].

5 (14 16) “Send”, [UCC Section 1-201(b)(36)].

6 (15 17) “Value”, [UCC Section 1-204].

7
8 **SECTION 3. SUPPLEMENTAL PRINCIPLES OF LAW AND EQUITY. Unless**
9 **displaced by this act, the principles of law and equity supplement its provisions.**

10
11 **SECTION 4. LAW GOVERNING VESSEL COVERED BY CERTIFICATE OF**
12 **TITLE.**

13 (a) ~~In this section, “certificate of title” means a certificate of title created by a~~
14 ~~governmental agency of any state.~~

15 (b a) The local law of the state jurisdiction under whose certificate of title a vessel is
16 covered governs all issues relating to the certificate of title; from the time the vessel becomes
17 covered by the certificate of title until the time the vessel ceases to be covered by the certificate
18 of title, even if no other relationship exists between the state jurisdiction and the vessel or its
19 owner.

20 (c b) A vessel becomes covered by a certificate of title ~~created in this State~~ when an
21 application for a certificate of title and the applicable fee are ~~received by~~ delivered to the office in
22 accordance with this act. ~~A vessel becomes covered by a~~ or to the governmental agency that
23 creates certificates of title in another ~~state when an application for a certificate of title and the fee~~

1 ~~are received in that state pursuant to~~ jurisdiction in accordance with the law of that ~~state~~
2 jurisdiction.

3 (d c) A vessel ceases to be covered by a certificate of title at the earlier of the time the
4 certificate of title ceases to be effective under the law of the ~~state pursuant to~~ jurisdiction under
5 which it was created or the time the vessel subsequently becomes covered by another certificate
6 of title.

7
8 **SECTION 4 5. CERTIFICATE OF TITLE REQUIRED.**

9 (a) Except as provided in subsections (b) and (c), the owner of a vessel principally used
10 on the waters of this state shall ~~submit~~ deliver to the office an application ~~to the office~~ for a
11 certificate of title for the vessel, together with the applicable fee, within [20 days] of the latter of:

12 (1) the date of any transfer of ownership; or

13 (2) the date the vessel first became principally used on the waters of this state].

14 (b) No application for a certificate of title need be submitted for a vessel that is covered
15 by a [valid] certificate of documentation.

16 (c) No application for a certificate of title need be submitted for a vessel ~~acquired~~ held by
17 a dealer for resale.

18 (d) The office shall not issue, transfer, or renew a certificate of number for a vessel
19 unless the office has ~~issued~~ created a certificate of title for the vessel or an application for a
20 certificate of title for the vessel and the applicable fee has been ~~submitted~~ delivered to the office.

21

1 **SECTION 56. APPLICATION FOR CERTIFICATE OF TITLE.**

2 (a) Except as otherwise provided in Sections ~~17~~ 13, 18 and ~~18~~ 19, only the owner of a
3 vessel may apply for a certificate of title covering the vessel.

4 (b) An application for a certificate of title must be signed by the applicant and contain:

5 (1) the applicant's name, street address, and, if different, address for receiving
6 first class mail delivered by the United States Postal Service;

7 (2) the names of all other owners of the vessel;

8 (3) the principal residence of at least one owner;

9 (4) the social security number or taxpayer identification number of each owner;

10 (5) the hull identification number for the vessel;

11 (6) a description of the vessel as required by the office, including which must

12 include:

13 (A) the name of the manufacturer, builder, or maker;

14 (B) the model year, ~~manufacture year,~~ or the year in which the vessel was

15 manufactured or ~~year~~-built;

16 (C) the overall length of the vessel;

17 (D) the vessel type;

18 (E) the hull material;

19 (F) the propulsion type; and

20 (G) the engine drive type ~~[, if any].~~

21 (7) an indication of all security interests in the vessel known to the applicant,

22 including for each security interest the name and mailing address of the secured party or a

23 representative of the secured party;

1 (8) any title brand known to the applicant and, if known, the jurisdiction under
2 whose governmental agency created law the title brand was created;

3 (9) if the application is made in connection with a transfer of ownership, the
4 transferor's name, physical street address and, if different, address for receiving first class mail
5 delivered by the United States Postal Service, the sales price if any, and the date of the transfer.

6 (c) In addition to the information required in subsection (b), an application for a
7 certificate of title may contain electronic communication addresses of the owner or the transferor.

8 (d) Except as otherwise provided in Section 17, 18, 19, or 20, the application must be
9 accompanied by [either]:

10 (1) a certificate of title created by a governmental agency of any jurisdiction
11 covering the vessel; which has been executed signed by the owner shown on the certificate and
12 [delivered] to the applicant or] which identifies the applicant as owner of the vessel;

13 (2) a certificate of documentation covering the vessel; which has been executed
14 signed by the owner shown on the certificate and [delivered] to the applicant or] which identifies
15 the applicant as owner of the vessel; or

16 (3) if there is neither a certificate of title created by a governmental agency of any
17 jurisdiction covering the vessel nor a certificate of documentation covering the vessel, all
18 existing certificates of origin covering the vessel which are known to the applicant and which
19 identify the applicant as owner of the vessel.

20 (e) Any certificate of title, certificate of documentation, or certificate of origin submitted
21 in connection with an application is part of the application and must be indicated maintained in
22 the files of the office.

23 (f) The office may require that an application for a certificate of title be accompanied by:

1 (1) payment of all taxes and fees payable by the applicant under the law of this
2 state in connection with the acquisition or use of a vessel; or

3 (2) evidence of payment of ~~the~~all tax ~~ores and~~ fees.

4
5 **SECTION 6 7. CREATION AND CANCELLATION OF CERTIFICATE OF**
6 **TITLE.**

7 (a) Unless an application for a certificate of title is rejected under subsection (c), the
8 office shall create ~~a certificate of title upon receipt~~ within a reasonable time, not to exceed [15]
9 business days, after delivery to it of an application that complies with Section ~~5 and payment of~~
10 ~~all taxes and fees~~ 6, a certificate of title for a vessel in accordance with subsection (b).

11 ~~_____~~(b) Upon request of If the office is authorized to create electronic certificates of title, the
12 office shall create an electronic certificate of title if so requested in the application by the secured
13 party of record, or if there is no secured party of record, by the owner of record. In the absence of
14 a request for a written certificate of title or an electronic certificate of title, the office shall decide
15 whether to create a written certificate of title or, if the office is authorized to do so, an electronic
16 certificate of title. ~~If no security interest is indicated in the files of the office, the owner of record~~
17 ~~may have the office create a written certificate of title or, if the office is authorized to do so, an~~
18 ~~electronic certificate of title. If no request is made by an owner of record or secured party, the~~
19 ~~office may create a written certificate of title or, if authorized to do so, an electronic certificate of~~
20 ~~title.~~

21 (c) The office may reject an application for a certificate of title only if:

22 (1) the application does not comply with Section 56;

1 (2) the application does not contain documentation sufficient for the office to
2 determine whether the applicant is entitled to a certificate of title for the vessel;

3 (3) there is a reasonable basis for concluding that the application is fraudulent or
4 would facilitate a fraudulent or illegal act; or

5 (4) the application does not comply with law of this state other than this act.

6 (d) ~~If~~The office has created may cancel a certificate of title; created by it ~~may cancel the~~
7 ~~certificate of title~~ only if it

8 (1) the office could have rejected the application for the certificate of title under
9 subsection (c);

10 (2) it is required to cancel the certificate of title under another provision of this
11 act; or

12 (3) the [U.S. Coast Guard has informed the office that] the vessel has become
13 covered by a certificate of documentation. -

14 [The office shall provide an opportunity for a hearing at which the applicant and any other
15 interested party may present evidence in support of or opposition to the cancellation. The office
16 shall serve the notice of the opportunity in person or send it by first class mail delivered by the
17 United States Postal Service, to the applicant, the owner of record, and all secured parties
18 indicated in the files of the office. If the applicant or any other interested party requests a
19 hearing not later than [10] days after receiving the notice, the office shall hold the hearing not
20 later than [20] days after receiving the request].

21
22 **SECTION 78. CONTENTS OF CERTIFICATE OF TITLE.**

23 (a) A certificate of title must contain:

1 (1) the date the certificate of title was created;

2 (2) the name of ~~all owners of the vessel;~~

3 ~~(3) the vessel~~ at least the first owner of the vessel listed in the application and, if
4 not all owners are listed, an indication that there are additional owners;

5 (3) the address of the owner of record or the first owner listed on the certificate;

6 (4) the hull identification number;

7 ~~(4 5) all of~~ the information listed in Section ~~56~~(b)(6);

8 ~~(5 6)~~ except as otherwise provided in Section ~~2113~~(b), the name and address of
9 ~~any the~~ secured party of record, if any, and an indication of whether ~~there are additional other~~
10 security interests are indicated in the files of the office or on a record created by a governmental
11 agency of ~~anyanother~~ jurisdiction and submitted to the office; and

12 ~~(6 7)~~ all title brands covering the vessel, including brands ~~previously~~ indicated on
13 a certificate of title created by a governmental agency of ~~any another~~ jurisdiction, ~~which are~~
14 ~~known and delivered~~ to the office; and

15 (b) Nothing in this act precludes an office from noting on a certificate of title the name
16 and address of a secured party that is not a secured party of record.

17 (c) An indication of a title brand on a certificate of title may consist of an abbreviation,
18 but not a symbol, and must identify the jurisdiction that ~~created~~ under whose law the title brand
19 was created or the jurisdiction that created a certificate of title ~~created by a governmental agency~~
20 ~~of any jurisdiction that indicated the title brand~~ on which the title brand was indicated. If the
21 meaning of a title brand is not easily ascertainable or cannot be accommodated on the certificate
22 of title, the certificate of title may state: “Previously branded in [insert the particular jurisdiction

1 ~~that created~~ under whose law the title brand was created or whose certificate of title previously
2 indicated the title brand].”

3 (d) If a vessel was previously registered in a jurisdiction other than a state, the office
4 shall indicate on the certificate of title that the vessel was registered in that jurisdiction.

5 (e) A certificate of title must contain a form that the owner [of record] [shown on the
6 certificate] may sign in order to ~~execute the certificate~~ evidence its consent to a transfer of
7 ownership to another person.

9 ~~SECTION 8. OTHER INFORMATION.~~

10 ~~(a) The office may accept a submission of information relating to a vessel for indication~~
11 ~~in the files of the office, even if the requirements for a certificate of title, an application for a~~
12 ~~certificate of title, or a termination statement have not been met.~~

13 ~~(b) A submission of information under this section, to the extent practicable, must~~
14 ~~include the information required by Section 5(b) for an application for a certificate of title.~~

15 ~~(c) The office may require the submission of information relating to a vessel required for~~
16 ~~payment of taxes and fees for issuance or renewal of registration.~~

17 ~~(d) The office may require a person submitting information under this section to provide~~
18 ~~a bond in a form and amount determined by the office. A bond must provide for indemnification~~
19 ~~of any secured party or other interested party against any expense, loss, or damage resulting from~~
20 ~~indication of the information in the files of the office.~~

21 ~~(e) A submission of information under this section and its indication in the files of the~~
22 ~~office is not a certificate of title, an application for a certificate of title, or a termination statement~~
23 ~~and does not provide a basis for transferring or determining ownership of a vessel~~

1 **SECTION 9. MAINTENANCE OF AND ACCESS TO FILES.**

2 (a) For each record relating to a certificate of title submitted to the office, the office shall:

3 (1) ascertain or assign the ~~vessel hull~~ hull identification number for the vessel;

4 (2) ~~indicate~~ maintain in ~~the its~~ files ~~of the office the vessel hull~~ identification
5 number and all the information submitted with the application pursuant to Section ~~5(b)~~ 6(b) to
6 which the record relates, including the date [and time] the record was delivered to the office;

7 (3) maintain the file for public inspection subject to subsection (d); and

8 (4) index the files of the office so as to be accessible as required by subsection

9 (b).

10 (b) The office shall ~~indicate in the~~ maintain in its files ~~of the office~~ the information
11 contained in all certificates of title created under this act. The files of the office must be
12 accessible by the ~~vessel hull~~ hull identification number for the vessel covered by the certificate and
13 any by other indexing method used by the office.

14 (c) ~~To the extent~~ The office shall maintain in its files, for each vessel for which it has
15 created a certificate of title, all title brands known to the office, ~~the files of the office maintained~~
16 ~~under this section relating to a vessel must indicate all title brands and~~ the name ~~or names~~ of any
17 each secured party ~~and~~ known to the office, the name of each claimant to ownership of the vessel
18 known to the office, and ~~include~~ all stolen-property reports the office has received relating to the
19 vessel.

20 [(d) Except as otherwise provided by law of this state other than this act, the information
21 required under Section ~~7~~ 8 is a public record. Whether other information in the files of the office
22 is made available to the public is governed by law of this state other than this act.]

23

1 SECTION 10. ~~DELIVERY~~ SENDING OF CERTIFICATE OF TITLE.

2 *[First Alternative Subsection (a)]*

3 (a) Upon creation of a written certificate of title, the office shall promptly ~~deliver a~~
4 ~~written certificate of title, or a record evidencing~~ send the certificate to either the owner of record
5 or the secured party of record, as designated in the application, at the address indicated for that
6 person in the files of the office. Upon creation of an electronic certificate of title, ~~to any secured~~
7 ~~party of record at the address shown on the application. Unless previously provided to the owner~~
8 ~~of record~~, the office shall promptly ~~deliver~~ send a record evidencing the certificate of title to the
9 owner of record and, if there is one, to the secured party of record, at the address indicated for
10 that person in the files of the office. ~~If no secured party is indicated in the files of the office, the~~
11 ~~written certificate of title or record evidencing the electronic certificate of title must be delivered~~
12 ~~to the owner of record.~~ A record evidencing an electronic certificate of title may be ~~delivered~~
13 sent to a mailing address or, if indicated in the files of the office, an electronic ~~communication~~
14 address.

15
16 *[Second Alternative Subsection (a)]*

17 (a) Upon creation of a written certificate of title, the office shall promptly ~~deliver a~~
18 ~~written certificate of title, or a record evidencing~~ send the certificate to the owner of record at the
19 address indicated for the owner in the files of the office. Upon creation of an electronic
20 certificate of title, ~~to any secured party of record at the address shown on the application. Unless~~
21 ~~previously provided to the owner of record~~, the office shall promptly ~~deliver~~ send a record
22 evidencing the certificate of title to the owner of record [and, if there is one, to the secured party
23 of record,] at the address indicated ~~in the files of~~ for ~~the office. If no secured party is indicated~~

1 owner] [that person] in the files of the office, ~~the written certificate of title or record evidencing~~
2 ~~the electronic certificate of title must be delivered to the owner of record.~~ A record evidencing
3 an electronic certificate of title may be ~~delivered~~ sent to a mailing address or, if indicated in the
4 files of the office, an electronic ~~communication~~ address.

5 ~~(b) Within a reasonable time not to exceed [15] business days after receipt of a request~~
6 ~~that a written certificate of title be created and delivered pursuant to subsection (a), the office~~
7 ~~shall create the certificate and deliver it to the person making the request.~~

8 ~~(c)~~ (b) If the office creates a written certificate of title ~~is created~~ for a vessel, any electronic
9 certificate of title for the vessel is thereby cancelled and replaced by the written certificate of
10 title. The ~~cancellation must be indicated~~ office shall maintain in the files of the office ~~with~~ an
11 indication of the date [and time] of cancellation.

12 (d) ~~(c)~~ Before the office creates an electronic certificate of title ~~is created~~ for a vessel, any
13 written certificate of title for the vessel must be surrendered to the office. If the office creates an
14 electronic certificate of title ~~is created~~, for a vessel, the office shall destroy or otherwise cancel
15 any existing written certificate of title for the vessel that has been surrendered to the office ~~must~~
16 ~~be destroyed or otherwise canceled, with an indication~~ and shall maintain in the files of the
17 office an indication of the date [and time] of destruction or other cancellation. If ~~the~~ a written
18 certificate of title being cancelled is not destroyed, the ~~cancellation must be~~ office shall indicated
19 on the face of the written certificate of title that the written certificate of title has been cancelled.

20
21 **SECTION 11. EFFECT OF CERTIFICATE.** A certificate of title is prima facie
22 evidence of the ~~facts appearing on it~~ [truth of the] information in the record that constitutes the
23 certificate of title.

1 **SECTION 12. EFFECT OF POSSESSION OF CERTIFICATE OF TITLE;**

2 **JUDICIAL PROCESS.** A certificate of title ~~created by a governmental agency of any~~

3 ~~jurisdiction~~ does not by itself provide a ~~means~~ right to obtain possession of a vessel.

4 Garnishment, attachment, levy, replevin, or other judicial process against the certificate of title is

5 not effective to determine possessory rights with respect to the vessel. However, this act does

6 not prohibit enforcement of a security interest in, levy on, or foreclosure of a statutory or

7 common-law lien on a vessel under law of this state other than this act. The absence of an

8 indication of a statutory

9 or common-law lien on a certificate of title does not invalidate the lien.

10
11 **SECTION ~~21~~ 13. PERFECTION OF SECURITY INTEREST.**

12 (a) Except as otherwise provided in ~~subsection (b), (d), or (e)~~ this Section, a security
13 interest in a vessel may be perfected only by ~~submitting an~~ delivery to the office of an application
14 for a certificate of title that identifies the secured party or a representative of the secured party
15 and that otherwise complies with Section ~~5~~ 6. The security interest is perfected upon the later of
16 ~~[receipt] [acceptance]~~ delivery to the office of the application ~~by the office~~ and any applicable fee
17 or attachment of the security interest under [Uniform Commercial Code Section 9-203].

18 (b) ~~For the purposes of subsection (a), i~~ If the interest of the person named as owner[,
19 lessor, consignee, or bailor,] in an application for a certificate of title delivered to the office is a
20 security interest, the application sufficiently identifies the person as secured party. The
21 identification of a person as owner[, lessor, consignee, or bailor] on the application for a
22 certificate of title is not of itself a factor in determining whether the person's interest is a security
23 interest.

1 (c) If the office has created a certificate of title for a vessel, a security interest in the
2 vessel may be perfected by delivery to the office an application[, on such form as the office may
3 require] to have the security interest added to the certificate of title. The application must be
4 authenticated by an owner of the vessel or by the secured party and contain:

5 (1) the name of the owner of record;

6 (2) the name and mailing address of the secured party or a representative of the
7 secured party;

8 (3) the hull identification number for the vessel; and

9 (4) if the office has created a written certificate of title for the vessel, the written
10 certificate of title.

11 (d) Upon delivery of an application that complies with subsection (c) and payment of all
12 fees, the office shall create a new certificate of title pursuant to Section 7(b), and deliver the new
13 certificate pursuant to Section 10(a). The office shall maintain in the files of the office the date
14 [and time] of delivery of the application to the office.

15 (ce) If a secured party assigns a perfected security interest in a vessel, the receipt by the
16 office of a statement providing the name of the assignee or its representative as secured party is
17 not required in order to continue the perfected status of the security interest against creditors of
18 and transferees from the original debtor. However, a purchaser of a vessel subject to a security
19 interest ~~which~~who obtains a release from the secured party indicated in the files of the office or
20 on the certificate of title takes free of the security interest and of the rights of a transferee if the
21 transfer is not indicated either in the files of the office or on the certificate of title.

1 (f) This section does not ~~invalidate~~ apply to a security interest in a vessel created by a
2 person during any period in which the vessel is inventory held for sale or lease by the person or is
3 leased by the person as lessor if the person is in the business of selling goods of that kind.

4 (g) A security interest in a vessel is perfected to the extent provided in [Uniform
5 Commercial Code Section 9-316(d)]. [A secured party may also perfect a security interest in a
6 vessel pursuant to [Uniform Commercial Code Sections 9-313(b) and 9-316(d)].

7 (h) A security interest perfected under this section shall be entitled to priority over the
8 rights of a lien creditor to extent provided in [Uniform Commercial Code Article 9]. For the
9 purposes of [Uniform Commercial Code Article 9, Part 3], delivering an application pursuant to
10 subsection (a) or (c) is equivalent to filing a financing statement.

11
12 **SECTION ~~22~~ 14. TERMINATION STATEMENT.**

13 (a) A secured party indicated in the files of the office as having a security interest in a
14 vessel shall deliver to the office and, upon the debtor's request, to the debtor, a signed
15 termination statement ~~if there is no obligation secured by the vessel subject to the security~~
16 ~~interest and no commitment to make an advance, incur an obligation, or otherwise give value~~
17 ~~secured by the vessel.~~

18 ~~(b) A secured party indicated in the files of the office as having a security interest in a~~
19 ~~vessel shall deliver a signed termination statement to the debtor or the office upon the earlier of:~~

20 (1) if the vessel is consumer goods, [30] days after there is no obligation secured
21 by the vessel and no commitment to make an advance, incur an obligation, or otherwise give
22 value secured by the vessel; or

1 (2) [14] days after the secured party receives a signed demand from an owner and
2 there is no obligation secured by the vessel subject to the security interest and no commitment to
3 make an advance, incur an obligation, or otherwise give value secured by the vessel.

4 (c b) If a written certificate of title has been created and delivered to a secured party and
5 a termination statement is required under subsection (a), the secured party, within the time
6 provided in subsection (b a), shall deliver the written certificate of title to the debtor or the office
7 with the termination statement. If the written certificate is lost, stolen, mutilated, or destroyed or
8 is otherwise unavailable or illegible, the secured party shall deliver with the termination
9 statement, within the time provided in subsection (b a), an application for a replacement
10 certificate of title meeting the requirements of Section 20.

11 (d c) Upon delivery of a termination statement [authenticated by the secured party] to the
12 office [pursuant to this section], any indication of the security interest on the certificate of title to
13 which the termination statement relates ceases to be effective. If the security interest to which
14 the termination statement applies was indicated on the certificate of title, the office shall create a
15 new certificate of title pursuant to Section 7(b), and deliver the new certificate pursuant to
16 Section 10(a). ~~The files of the office must indicate~~ The office shall maintain in the files of the
17 office the date [and time] of delivery of the termination statement to the office.

18 (e d) A secured party is liable for damages in the amount of any loss caused by its failure
19 to comply with this section and for the reasonable cost of an application for a certificate of title
20 under Section ~~5~~ 6 or 20.

21

1 **SECTION ~~13~~ 15. TRANSFER.**

2 (a) Upon ~~sale~~ a voluntary transfer of ownership of a vessel covered by a written
3 certificate of title, ~~a person authorized to execute the certificate of title~~ transferor, as promptly as
4 practicable ~~and in compliance with this act and law of this state other than this act~~, shall sign and
5 deliver the certificate to the ~~buyer or deliver to the office a signed certificate of title or [a] [an~~
6 authenticated] record evidencing transfer to the buyer transferee. Upon a voluntary transfer of
7 ownership of a vessel covered by an electronic certificate of title, the transferor, as promptly as
8 practicable, shall authenticate and deliver to the transferee a record evidencing the transfer of
9 ownership to the transferee. The A buyer of a vessel covered by a certificate of title has a
10 specifically enforceable right to require the seller to ~~execute~~ sign and deliver the certificate of
11 title to the ~~buyer purchaser~~ or authenticate and deliver to the ~~office purchaser~~ a signed certificate
12 of title or other record evidencing the transfer of ownership.

13 (b) ~~Execution~~ The creation of a certificate of title ~~created by a governmental agency~~
14 identifying the transferee as owner of any jurisdiction record satisfies subsection (a).

15 (c) As between the parties to a transfer and their assignees and successors, a transfer of
16 ownership of vessel is not rendered ineffective by a failure to ~~execute a~~ comply with subsection
17 (a) or by a failure to apply for a new certificate of title ~~as provided in this section~~. However,
18 except as otherwise provided in Section ~~14~~ 16, 17, 21(b) and (c), ~~15, 16, or 17~~ 22, a transfer of
19 ownership without ~~execution of a certificate of title~~ compliance with subsection (a) is not
20 effective ~~as to~~ against other persons claiming an interest in the vessel.

21 (d) ~~Before an agreement to transfer ownership by an electronic certificate of title is made~~
22 ~~or any consideration for the transfer is paid, and before a record evidencing the transfer is~~
23 ~~executed to the transferee or delivered by the transferor to the office, the transferor shall deliver~~

1 to the transferee a signed record containing the information required by Section 5(b)(6), and the
2 transferee shall deliver to the transferor a signed record acknowledging receipt of the
3 information. The transferee has a specifically enforceable right to receive this information before
4 any consideration is paid. The record delivered to the office must indicate that these
5 requirements have been met.

6 ~~— (c) After execution of the certificate of title and delivery of possession of the vessel to~~
7 ~~the transferee~~ After compliance with subsection (a), the transferor is not liable as owner for any
8 damages resulting from operation of the vessel thereafter even if the transferee fails to apply for a
9 new certificate of title reflecting the transfer.

10
11 **SECTION 16. EFFECT OF ~~OMISSION~~ MISSING OR INCORRECT**
12 **INFORMATION.**

13 (a) Except as otherwise provided in this section, a certificate of title or other record
14 required or authorized by this act is effective even if it contains incorrect information or does not
15 contain required information.

16 (b) ~~In addition to any rights provided under Section 14 or 15, if~~ If a certificate of title [or
17 other record required or authorized by this act]] is seriously misleading because it] contains
18 incorrect information or omits required information, a purchaser of the vessel to which the record
19 relates takes free of any interest ~~that would have been indicated in the record if the correct or~~
20 ~~omitted information had been indicated,~~ [, other than a security interest,] to the extent that the
21 purchaser gives value in reasonable reliance on the incorrect information or on the absence of the
22 omitted information.

1 (c) ~~Except as otherwise provided in subsection (d), a description of a vessel, including~~
2 ~~the vessel identification number in a certificate of title or other record required or authorized by~~
3 ~~this act which otherwise satisfies this act is not seriously misleading, even if not specific and~~
4 ~~accurate, if the description reasonably identifies the vessel.~~

5 ~~(d) With respect to a~~ With respect to an interest in a vessel, other than a security interest
6 ~~or other interest indicated in the files of the office and,~~ not indicated on a written certificate of
7 title, a failure to indicate the information ~~specifically or accurately~~ is not seriously misleading if

8 (1) a search of the files of the office using the correct vessel hull identification
9 number ~~or other required information~~, using the office’s standard search logic, if any, would
10 disclose the ~~security interest or other interest~~ interest]; or

11 (2) a search of the files of the office using the correct name of the owner of record,
12 using the office’s standard search logic, if any, would disclose the interest.]

13 (d) Nothing in this section affects the application of [Uniform Commercial Code Section
14 9-337].

16 **SECTION 17. TRANSFER BY SECURED PARTY’S TRANSFER STATEMENT.**

17 (a) In this section, “secured party’s transfer statement” means a record signed by the
18 secured party of record stating:

19 (1) that the owner of record has defaulted on an obligation to the secured party of
20 record;

21 (2) that the secured party of record is exercising or has exercised post-default
22 remedies with respect to the vessel;

1 (3) that, by reason of the exercise, the secured party of record has the right to
2 transfer the rights of the owner of record;

3 (4) the name and last known mailing address of:

4 (A) the owner of record;

5 (B) the secured party of record; and

6 (C) ~~any other purchaser;~~ the person acquiring the rights of the owner of
7 record.

8 (5) any other information required by Section ~~5(b)~~ 6(b); and

9 (6) that the certificate of title is an electronic certificate of title, or that the secured
10 party does not have possession of the written certificate of title created in the name of the owner
11 of record, or that the secured party is delivering the written certificate of title to the office with
12 the secured party's transfer statement.

13 (b) Completion and delivery to the office of a secured party's transfer statement, and
14 payment of all applicable taxes and fees, entitles the secured party to the creation of a certificate
15 of title showing the ~~secured party of record or other purchaser~~ person designated in paragraph
16 (a)(4)(C) as the owner of record. Unless the secured party's transfer statement is rejected by the
17 office for a reason set forth in Section ~~6(e)~~ 7(c), the office shall:

18 (1) accept the secured party's transfer statement;

19 (2) amend the files of the office to reflect the transfer;

20 (3) cancel the certificate of title created in the name of the owner of record listed
21 in the secured party's transfer statement, whether or not the certificate of title has been delivered
22 to the office;

1 (4) create a new certificate of title indicating the secured party of record or other
2 purchaser as the vessel's owner of record; and

3 (5) deliver the new certificate of title pursuant to Section 10.

4 (c) The creation of a certificate of title under subsection (b) is not of itself a disposition
5 of the vessel and does not of itself relieve the secured party of its duties under [Uniform
6 Commercial Code Article 9].

7
8 **SECTION 18. TRANSFER BY OPERATION OF LAW.**

9 *[First Alternative Subsections (a) and (b)]*

10 (a) In this section:

11 (1) "By operation of law" means pursuant to a law or judicial order affecting
12 ownership of a vessel:

13 (A) on account of death, divorce or other family law proceeding, merger,
14 consolidation, dissolution, or bankruptcy;

15 (B) through the exercise of the rights of a lien creditor or a person having
16 a statutory lien created by statute or common rule of law ~~lien or other nonconsensual lien~~; or

17 (C) through other legal process.

18 (2) "Transfer-by-law statement" means a record signed by a transferee stating
19 that, by operation of law, the transferee has acquired or has the right to acquire the ownership
20 interest of the owner of record and containing:

21 (A) the name and mailing address of the owner of record and the
22 transferee and the other information required by Section 5(b);

1 (B) documentation sufficient to establish the transferee's interest or right
2 to acquire the ownership interest of the owner of record; and

3 (C) a statement that either:

4 (i) the certificate of title is an electronic certificate of title;

5 (ii) the transferee does not have possession of the written
6 certificate of title created in the name of the owner of record; or

7 (iii) the transferee is delivering the written certificate of title to the
8 office with the transfer-by-law statement.

9 (b) If a transfer-by-law statement is delivered to the office with all taxes and fees and
10 documentation satisfactory to the office as to the transferee's ownership interest or right to
11 acquire the ownership interest of the owner of record, unless it is rejected by the office for a
12 reason set forth in Section 6(c), the office shall:

13 (1) accept delivery of the transfer-by-law statement;

14 (2) except for a transfer pursuant to paragraph (a)(1)(A), promptly send notice to
15 the owner of record and to all persons indicated in the files of the office as having an interest,
16 including a security interest, in the vessel that a transfer-by-law statement has been delivered to
17 the office;

18 (3) amend the files of the office to reflect the transfer;

19 (4) cancel the certificate of title created in the name of the owner of record
20 indicated in the transfer-by-law statement, whether or not the certificate has been delivered to the
21 office;

22 (5) create a new certificate of title, indicating the transferee as owner of record;

23 and

1 (6) ~~deliver~~ send the new certificate of title: pursuant to Section 10(a).

2 *[Second Alternative Subsections (a) and (b)]*

3 (a) In this section:

4 (1) “By operation of law” means pursuant to a law or judicial order affecting
5 ownership of a vessel:

6 (A) on account of death, divorce or other family law proceeding, merger,
7 consolidation, dissolution, or bankruptcy;

8 (B) through the exercise of the rights of a lien creditor or a person having
9 a lien created by statute or rule of law; or

10 (C) through other legal process.

11 (2) “Transfer-by-law statement” means a record signed by a transferee stating
12 that, by operation of law, the transferee has acquired or has the right to acquire the ownership
13 interest of the owner of record and containing:

14 (A) the name and mailing address of the owner of record and the
15 transferee and the other information required by Section 6(b);

16 (B) documentation sufficient to establish the transferee’s interest or right
17 to acquire the ownership interest of the owner of record;

18 (C) a statement that [either]:

19 (i) the certificate of title is an electronic certificate of title;

20 (ii) the transferee does not have possession of the written
21 certificate of title created in the name of the owner of record; or

22 (iii) the transferee is delivering the written certificate of title to the
23 office with the transfer-by-law statement; and

1 (D) except for a transfer pursuant to paragraph (a)(1)(A), evidence that
2 notification of the transfer and the intent to file the transfer-by-law-statement has been sent to the
3 owner of record and to all persons indicated in the files of the office as having an interest,
4 including a security interest, in the vessel.

5 (b) If a transfer-by-law statement is delivered to the office with all taxes and fees and
6 documentation satisfactory to the office as to the transferee's ownership interest or right to
7 acquire the ownership interest of the owner of record, unless it is rejected by the office for a
8 reason set forth in Section 7(c), the office shall:

9 (1) accept delivery of the transfer-by-law statement;

10 (2) amend the files of the office to reflect the transfer;

11 (3) cancel the certificate of title created in the name of the owner of record
12 indicated in the transfer-by-law statement, whether or not the certificate has been delivered to the
13 office;

14 (4) create a new certificate of title, indicating the transferee as owner of record;

15 and

16 (5) send the new certificate of title pursuant to Section 10(a).

17 ***[End of Alternatives]***

18 (c) This section does not apply to a transfer of an interest in a vessel by a secured party
19 under [Uniform Commercial Code Article 9] ~~or Section 17.~~

20

1 **SECTION 19. APPLICATION FOR TRANSFER OF OWNERSHIP OR**
2 **TERMINATION OF SECURITY INTEREST WITHOUT CERTIFICATE OF TITLE.**

3 (a) Except as otherwise provided in Section 17 or 18, upon receiving either an
4 application that includes an indication of a transfer of ownership or a termination statement that
5 is not accompanied by submission of a signed certificate of title, the office may create or amend a
6 certificate of title under this section only if:

7 (1) all other requirements under Sections 5 6 and 6 7 are met;

8 (2) the applicant has provided an affidavit stating facts that indicate the applicant
9 is entitled to a transfer of ownership or termination statement;

10 (3) at least 45 days before the office creates or amends the certificate of title, the
11 office has sent notice of the application to all persons having an interest in the vessel as indicated
12 in the files of the office and no objection from any of those persons has been received by the
13 office; and

14 (4) the applicant submits any other information required by the office to evidence
15 the applicant's ownership or right to ~~termination~~ terminate the security interest, and the office has
16 no
17 credible information indicating theft, fraud, or any undisclosed or unsatisfied security interest,
18 lien, or other claim to an interest in the vessel.

19 [(b) Unless the office determines, by any reasonable method, that the value of the vessel
20 is less than [\$x,000], before creating or amending the certificate of title, the office may require an
21 applicant under subsection (a) to post a bond or provide an equivalent source of indemnity or
22 security. The bond, indemnity, or other security must be in a form prescribed by the office and
23 provide for indemnification of any owner, purchaser, or other claimant for any expense, loss,-

1 delay, or damage, including reasonable attorney's fees and costs but not consequential damages,
2 resulting from creation or amendment of the certificate of title, but may not exceed twice the
3 value of the vessel as determined by the office.1

4 1(c) If the office has not received a claim for indemnity within one year after creation or
5 amendment of the certificate of title under subsection (a), upon request in a form and manner
6 specified by the office, the office shall release any bond, indemnity, or other security.1

7 (d) The office may indicate in a certificate of title created or amended under subsection
8 (a) that the certificate of title was created without submission of a signed certificate of title or
9 termination statement. If no credible information indicating theft, fraud, or any undisclosed or
10 unsatisfied security interest, lien, or other claim to an interest in the vessel has been delivered to
11 the office within one year after creation of the certificate of title, upon request in a form and
12 manner specified by the office, the office shall remove the indication from the certificate of title.

13 14 **SECTION 20. REPLACEMENT CERTIFICATE OF TITLE.**

15 (a) If a written certificate of title is lost, stolen, mutilated, destroyed, or otherwise
16 becomes unavailable or illegible, the secured party of record or, if there is no secured party
17 indicated in the files of the office, the owner of record may apply for and, by furnishing
18 information satisfactory to the office, obtain a replacement certificate of title in the name of the
19 owner of record.

20 (b) An application for a replacement certificate of title must be submitted in a record
21 signed by the applicant and, except as otherwise permitted by the office, must comply with
22 Section 5 6.

1 (c) Unless it has been lost, stolen, or destroyed or is otherwise unavailable, the existing
2 written certificate of title must be submitted to the office with an application for a replacement
3 certificate of title.

4 (d) A replacement certificate of title created by the office must comply with Section 78
5 and indicate on the face of the certificate of title that it is a replacement certificate of title.

6 (e) If a person receiving a replacement certificate of title subsequently obtains possession
7 of the original written certificate of title, the person shall promptly destroy the original written
8 certificate of title.

9
10 **SECTION ~~14~~ 21. RIGHTS OF PURCHASERS GENERALLY.**

11 (a) A purchaser of a vessel has the protections afforded by [Uniform Commercial Code
12 Sections 2-403(1), 2A-304(1), and 2A-305(1)].

13 (b) A buyer in ordinary course of business ~~or lessee in ordinary course of business of a~~
14 ~~vessel~~ has the protections afforded by [Uniform Commercial Code Sections 2-403(2), ~~2A-304(2),~~
15 ~~and 2A-305(2)~~], even if ~~the certificate of title is not executed to the buyer or lessee~~ the seller does
16 not comply with Section 15(a).

17 (c) A purchase of a leasehold interest is subject to [Uniform Commercial Code Section
18 2A-303].

19 (d) Except as otherwise provided in Section ~~13~~ 15, the rights of other purchasers of
20 vessels and of lien creditors are governed by [Uniform Commercial Code Articles 2, 2A, [6,] 7,
21 and 9].

22

1 **SECTION 15 22. RIGHTS OF PURCHASERS AGAINST SECURED PARTIES.**

2 (a) Except as otherwise provided in this section or Section 14(b) 21(b), a transferee of
3 ownership takes subject to:

4 (1) a security interest in the vessel indicated on a certificate of title; and

5 (2) if the certificate of title contains a statement that the vessel is or may be
6 subject to security interests not indicated on the certificate of title, a security interest not so
7 indicated.

8 (b) If, while a security interest in a vessel is perfected by any method under the law of
9 any jurisdiction, the office creates a certificate of title that does not indicate the vessel is subject
10 to the security interest or contain a statement that it may be subject to security interests not
11 indicated on the certificate, a buyer of the vessel, other than a person in the business of selling or
12 leasing goods of that kind, takes free of the security interest if the buyer:

13 (1) gives value in good faith, receives possession of the vessel, and obtains
14 execution of the certificate of title; and

15 (2) does not have knowledge of the security interest in the vessel.

16 (c) A buyer in ordinary course of business takes free of a security interest in the vessel,
17 including a security interest indicated on a certificate of title, created by the buyer's seller, even if
18 the security interest is perfected, the buyer knows of its existence, and the ~~certificate of title was~~
19 ~~not executed to the buyer~~ seller did not comply with Section 15(a). A lessee in ordinary course
20 of business takes its leasehold interest free of a security interest in the vessel, including a security
21 interest indicated on a certificate of title, created by the lessee's lessor, even if the security
22 interest is perfected, the lessee knows of its existence, and the ~~certificate of title was not executed~~
23 ~~to the lessee~~ lessor did not comply with Section 15(a). This subsection does not affect a security

1 interest in a vessel in the possession of the secured party under [Uniform Commercial Code
2 Article 9].

3 (d) If, while a security interest in a vessel is perfected by any method under the law of
4 any jurisdiction, the office creates a certificate of title that does not indicate that the vessel is
5 subject to the security interest or contain a statement that it may be subject to security interests
6 not indicated on the certificate of title, the security interest is subordinate to a conflicting security
7 interest in the vessel which is perfected after creation of the certificate of title and without the
8 conflicting secured party's knowledge of the security interest.

9 (e) A security interest is indicated on an electronic certificate of title if it is indicated in
10 the record of the certificate of title maintained by the office.

12 SECTION 23. DUTIES AND OPERATION OF FILING OFFICE.

13 (a) The shall retain the evidence used to establish the accuracy of the information in its
14 files.

15 (a b) The office shall maintain in its files all information regarding a security interest in a
16 vessel, including any termination statement received by the office under Section ~~22~~ 14, until least
17 [10] years after the office receives a termination statement regarding the security interest. The
18 information must be accessible by the ~~vessel~~ hull identification number for the vessel and any
19 other indexing methods provided by the office.

20 (b c) ~~The office shall send to~~ If a person ~~that~~ submits a record to the office, or submits
21 information that is accepted by the office, and requests an acknowledgment of the filing or
22 submission, the office shall send to the person an acknowledgment showing the ~~vessel~~ hull
23 identification number of the vessel to which the record or submission relates, the information in

1 the filed record or submission, and the date [and time] the record was received or the submission
2 accepted. A request under this section must contain the vessel hull identification number and be
3 delivered by means authorized by the office.

4 (c d) The office shall send or otherwise make available in a record the following
5 information to any person that requests it and pays the applicable fee, if any:

6 (1) whether the files of the office indicate, as of a date [and time] specified by the
7 office, but not a date earlier than [three] business days before the office received the request, any-
8 certificate of title, security interest, or termination statement that relates to a vessel identified by a
9 vesselhull identification number designated in the request; and

10 (2) the name of the owner of record;

11 (3) the name and address of any secured party indicated in the files of the office
12 or on the certificate of title, and the effective date of any such information; and-

13 (4) any termination statement indicated in the files of the office and the effective
14 date of the termination statement.

15 (d e) In responding to a request under this section, the office may communicate the
16 requested information in any medium. However, if requested, the office shall send the requested-
17 information in a record that is self-authenticating under [cite applicable rule of evidence].

18 ~~(e) The office shall comply with this section at the time and in the manner prescribed by~~
19 ~~the rules of the office but shall respond to requests under this section not later than [two]~~
20 ~~business days after the office receives the request.~~

21

1 **SECTION 24. UNIFORMITY OF APPLICATION AND CONSTRUCTION.** In
2 applying and construing this uniform act, consideration must be given to the need to promote
3 uniformity of the law with respect to its subject matter among states that enact it.
4

5 **SECTION 25. ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL**
6 **COMMERCE ACT.** This act modifies, limits, and supersedes the federal Electronic Signatures
7 in Global and National Commerce Act (15 U.S.C. Section 7001, et seq.) but does not modify,
8 limit, or supersede Section 101(c) of that act (15 U.S.C. Section 7001(c)) or authorize electronic
9 delivery of any of the notices described in Section 103(b) of that act (15 U.S.C. Section 7003(b)).
10

11 **SECTION 26. SAVINGS CLAUSE.**

12 (a) Except as otherwise provided in this section, this act applies to any transaction,
13 certificate of title, or record involving a vessel, even if the transaction, certificate of title,
14 or record was entered into or created before the effective date of this act.

15 (b) A transaction, certificate of title, or record that was validly entered into or created
16 before the effective date of this act and would be subject to this act if it had been entered into or
17 created on or after the effective date of this act, and the rights, duties, and interests flowing from
18 the transaction, certificate of title, or record remains valid after the effective date of this act.

19 (c) This act does not affect an action or proceeding commenced before the effective date
20 of this act.

21 (d) A security interest that is enforceable immediately before the effective date of this act
22

1 and would have priority over the rights of a person that becomes a lien creditor at that time is a
2 perfected security interest under this act.

3 (e) This act does not affect the priority of a security interest in a vessel if immediately
4 before the effective date of this act the security interest is enforceable and perfected, and that
5 priority is established.

6
7 **SECTION 27. REPEALS.** The following acts and parts of acts are repealed:

8 [add legislative note]

9

10 **SECTION 28. EFFECTIVE DATE.** This act takes effect

11