

1 HB753
2 141479-1
3 By Representative Beckman
4 RFD: Public Safety and Homeland Security
5 First Read: 26-APR-12

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8 SYNOPSIS: This bill would adopt the Uniform
9 Certificate of Title for Vessels Act. This bill
10 would provide a procedure for the owner of a vessel
11 or a vessel trailer to make application with the
12 Department of Conservation and Natural Resources
13 for a certificate of title on a vessel and vessel
14 trailer.

15 This bill would require all vessels and
16 vessel trailers to have a certificate of title.
17 This bill would require a completed application for
18 a certificate of title and supporting documentation
19 be filed with the probate judge or other designated
20 agent for the department and forwarded to the
21 department. This bill would require the payment of
22 a fee with the application and would authorize the
23 designated agent to retain a portion of the fee as
24 an administrative expense. This bill would specify
25 the information to be included in an application
26 for a certificate of title. This bill would provide
27 circumstances in which the department could reject

1 a certificate of title or cancel a certificate of
2 title. This bill would provide the opportunity for
3 a vessel or vessel trailer owner whose application
4 is rejected or certificate cancelled to have a
5 hearing.

6 This bill would provide for perfecting a
7 security interest on a vessel or vessel trailer.
8 This bill would provide a procedure for
9 transferring ownership of a vessel or vessel
10 trailer.

11 This bill would require the department to
12 follow certain requirements in maintaining the
13 files and records of security interests regarding
14 the certificate of title it issues. This bill would
15 also provide circumstances in which the department
16 is required to make such information available to
17 others.

18
19 A BILL

20 TO BE ENTITLED

21 AN ACT

22
23 To adopt the Uniform Certificate of Title for
24 Vessels Act, to provide for the issuance by the Department of
25 Conservation and Natural Resources of certificates of title on
26 vessels and vessel trailers; to require owners of vessels and
27 vessel trailers to obtain a certificate of title; to provide

1 that the application for a certificate of title may be filed
2 with the judge of probate or other designated agent; to
3 provide for the application process; to provide for the
4 issuance of certificates of title; to provide an issuance fee;
5 to provide an exemption; and to amend Section 33-5-9, Code of
6 Alabama 1975.

7 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

8 Section 1. SHORT TITLE. This act may be cited as the
9 Alabama Uniform Certificate of Title for Vessels Act.

10 Section 2. DEFINITIONS.

11 (a) In this act:

12 (1) "Barge" means a vessel that is not
13 self-propelled or fitted for propulsion by sail, paddle, oar,
14 or similar device.

15 (2) "Builder's certificate" means a certificate of
16 the facts of build of a vessel described in 46 C.F.R. Section
17 67.99, as amended

18 (3) "Buyer" means a person that buys or contracts to
19 buy a vessel.

20 (4) "Cancel", with respect to a certificate of
21 title, means to make the certificate ineffective.

22 (5) "Certificate of origin" means a record created
23 by a manufacturer or importer as the manufacturer's or
24 importer's proof of identity of a vessel. The term includes a
25 manufacturer's certificate or statement of origin and an
26 importer's certificate or statement of origin. The term does
27 not include a builder's certificate.

1 (6) "Certificate of title" means a record, created
2 by the department under this act or by a governmental agency
3 of another jurisdiction under the law of that jurisdiction,
4 that is designated as a certificate of title by the department
5 or agency and is evidence of ownership of a vessel or vessel
6 trailer.

7 (7) "Dealer" means a person, including a
8 manufacturer, in the business of selling vessels or vessel
9 trailers.

10 (8) "Department" means the Department of
11 Conservation and Natural Resources.

12 (9) "Documented vessel" means a vessel covered by a
13 certificate of documentation issued pursuant to 46 U.S.C.
14 Section 12105, as amended. The term does not include a
15 foreign-documented vessel.

16 (10) "Electronic" means relating to technology
17 having electrical, digital, magnetic, wireless, optical,
18 electromagnetic, or similar capabilities.

19 (11) "Electronic certificate of title" means a
20 certificate of title consisting of information that is stored
21 solely in an electronic medium and is retrievable in
22 perceivable form.

23 (12) "Foreign-documented vessel" means a vessel the
24 ownership of which is recorded in a registry maintained by a
25 country other than the United States which identifies each
26 person that has an ownership interest in a vessel and includes
27 a unique alphanumeric designation for the vessel.

1 (13) "Good faith" means honesty in fact and the
2 observance of reasonable commercial standards of fair dealing.

3 (14) "Hull damaged" means compromised with respect
4 to the integrity of a vessel's hull by a collision, allision,
5 lightning strike, fire, explosion, running aground, or similar
6 occurrence, or the sinking of a vessel in a manner that
7 creates a significant risk to the integrity of the vessel's
8 hull.

9 (15) "Hull identification number" means the
10 alphanumeric designation assigned to a vessel pursuant to 33
11 C.F.R. Part 181, as amended.

12 (16) "Lien creditor", with respect to a vessel,
13 means:

14 (A) a creditor that has acquired a lien on the
15 vessel by attachment, levy, or the like;

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

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

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

22 (17) "Owner of record" means the owner indicated in
23 the files of the department or, if the files indicate more
24 than one owner, the one first indicated.

25 (18) "Person" means an individual, corporation,
26 business trust, estate, trust, statutory trust, partnership,
27 limited liability company, association, joint venture, public

1 corporation, government or governmental subdivision, agency,
2 or instrumentality, or any other legal or commercial entity.

3 (19) "Purchase" means to take by sale, lease,
4 mortgage, pledge, consensual lien, security interest, gift, or
5 any other voluntary transaction that creates an interest in a
6 vessel or vessel trailer.

7 (20) "Purchaser" means a person that takes by
8 purchase.

9 (21) "Record" means information that is inscribed on
10 a tangible medium or that is stored in an electronic or other
11 medium and is retrievable in perceivable form.

12 (22) "Secured party", with respect to a vessel or a
13 vessel trailer, means a person:

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

17 (B) that is a consignor under Chapter 9A of Title 7,
18 Code of Alabama 1975; or

19 (C) that holds a security interest arising under
20 Section 7-2-401, 7-2-505, 7-2-711(3), or 7-2A-508(5), Code of
21 Alabama 1975.

22 (23) "Secured party of record" means the secured
23 party whose name is indicated as the name of the secured party
24 in the files of the department or, if the files indicate more
25 than one secured party, the one first indicated.

26 (24) "Security interest" means an interest in a
27 vessel or a vessel trailer which secures payment or

1 performance of an obligation if the interest is created by
2 contract or arises under Section 7-2-401, 7-2-505, 7-2-711(3),
3 or 7-2A-508(5), Code of Alabama 1975. The term includes any
4 interest of a consignor in a vessel or a vessel trailer in a
5 transaction that is subject to a security interest. The term
6 does not include the special property interest of a buyer of a
7 vessel or vessel trailer on identification of that vessel or
8 vessel trailer to a contract for sale under Section 7-2-401,
9 Code of Alabama 1975, but a buyer also may acquire a security
10 interest by complying with Chapter 9A of Title 7, Code of
11 Alabama 1975. Except as otherwise provided in Section 7-2-505,
12 Code of Alabama 1975, the right of a seller or lessor of a
13 vessel or vessel trailer under Chapter 2 or 2A of Title 7,
14 Code of Alabama 1975, to retain or acquire possession of the
15 vessel or vessel trailer is not a security interest, but a
16 seller or lessor also may acquire a security interest by
17 complying with Chapter 9A of Title 7, Code of Alabama 1975.
18 The retention or reservation of title by a seller of a vessel
19 or vessel trailer notwithstanding shipment or delivery to the
20 buyer under Section 7-2-401 is limited in effect to a
21 reservation of a security interest. Whether a transaction in
22 the form of a lease creates a security interest is determined
23 by Section 7-1-203, Code of Alabama 1975.

24 (25) "Sign" means, with present intent to
25 authenticate or adopt a record, to:

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

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

3 (26) "State" means a state of the United States, the
4 District of Columbia, Puerto Rico, the United States Virgin
5 Islands, or any territory or insular possession subject to the
6 jurisdiction of the United States.

7 (27) "State of principal use" means the state on
8 whose waters a vessel is or will be used, operated, navigated,
9 or employed more than on the waters of any other state during
10 a calendar year.

11 (28) "Title brand" means a designation of previous
12 damage, use, or condition that must be indicated on a
13 certificate of title of a vessel.

14 (29) "Transfer of ownership" means a voluntary or
15 involuntary conveyance of an interest in a vessel or vessel
16 trailer.

17 (30) "Vessel" means any watercraft used or capable
18 of being used as a means of transportation on water. The term
19 does not include:

20 (A) a seaplane;

21 (B) an amphibious vehicle for which a certificate of
22 title is issued pursuant to the Alabama Uniform Certificate of
23 Title and Antitheft Act or a similar statute of another state;

24 (C) watercraft less than 12 feet in length and
25 propelled solely by sail, paddle, oar, or an engine of less
26 than 10 horsepower;

1 (D) watercraft that operate only on a permanently
2 fixed, manufactured course and the movement of which is
3 restricted to or guided by means of a mechanical device to
4 which the watercraft is attached or by which the watercraft is
5 controlled;

6 (E) a stationary floating structure that:

7 (i) does not have and is not designed to have a mode
8 of propulsion of its own;

9 (ii) is dependent for utilities upon a continuous
10 utility hookup to a source originating on shore; and

11 (iii) has a permanent, continuous hookup to a
12 shoreside sewage system;

13 (F) watercraft owned by the United States, a state,
14 or a foreign government or a political subdivision of any of
15 them;

16 (G) watercraft used solely as a lifeboat on another
17 watercraft; and

18 (H) a watercraft that would otherwise be a vessel
19 but is more than 10 years old.

20 (31) "Vessel number" means the alphanumeric
21 designation for a vessel issued pursuant to 46 U.S.C. Section
22 12301, as amended.

23 (32) "Vessel Trailer" means a trailer with nonmotive
24 power designated primarily for pulling a vessel.

25 (33) "Written certificate of title" means a
26 certificate of title consisting of information inscribed on a
27 tangible medium.

1 (b) The following definitions and terms also apply
2 to this act:

3 (1) "Agreement", as defined in subsection (b) of
4 Section 7-1-201, Code of Alabama 1975.

5 (2) "Buyer" in ordinary course of business, as
6 defined in subsection (b) of Section 7-1-201, Code of Alabama
7 1975.

8 (3) "Conspicuous", as defined in subsection (b) of
9 Section 7-1-201, Code of Alabama 1975.

10 (4) "Consumer goods", as defined in subsection (a)
11 of Section 7-9-102, Code of Alabama 1975.

12 (5) "Debtor", as defined in subsection (a) of
13 Section 7-9-102, Code of Alabama 1975.

14 (6) "Knowledge", as defined in Section 7-1-202, Code
15 of Alabama 1975.

16 (7) "Lease", as defined in subsection (a) of Section
17 7-2A-103(1)(j), Code of Alabama 1975.

18 (8) "Lessor", as defined in Section 7-2A-103(1)(p),
19 Code of Alabama 1975.

20 (9) "Notice", as defined in Section 7-1-202, Code of
21 Alabama 1975.

22 (10) "Representative", as defined in subsection (b)
23 of Section 7-1-201, Code of Alabama 1975.

24 (11) "Sale", as defined in Section 7-2-106, Code of
25 Alabama 1975.

26 (12) "Security agreement", as defined in subsection
27 (a) Section 7-9-102, Code of Alabama 1975.

1 (13) "Seller" as defined in subsection (b) of
2 Section 7-1-103(1)(o), Code of Alabama 1975.

3 (14) "Send", as defined in subsection (b) of Section
4 7-1-201, Code of Alabama 1975.

5 (15) "Value", as defined in Section 7-1-204, Code of
6 Alabama 1975.

7 (c) The definitions in subsections (a) and (b) do
8 not apply to any state or federal law governing licensing,
9 numbering, or registration if the same term is used in that
10 law.

11 Section 3. APPLICABILITY. Subject to Section 28,
12 this act applies to any transaction, certificate of title, or
13 record relating to a vessel or a vessel trailer, even if the
14 transaction, certificate of title, or record was entered into
15 or created before the effective date of this act.

16 Section 4. SUPPLEMENTAL PRINCIPLES OF LAW AND
17 EQUITY. Unless displaced by a provision of this act, the
18 principles of law and equity supplement its provisions.

19 Section 5. LAW GOVERNING VESSEL OR VESSEL TRAILER
20 COVERED BY CERTIFICATE OF TITLE.

21 (a) The local law of the jurisdiction under whose
22 certificate of title a vessel or a vessel trailer is covered
23 governs all issues relating to the certificate from the time
24 the vessel or vessel trailer becomes covered by the
25 certificate until the vessel becomes covered by another
26 certificate or becomes a documented vessel, even if no other

1 relationship exists between the jurisdiction and the vessel or
2 its owner.

3 (b) A vessel or vessel trailer becomes covered by a
4 certificate of title when an application for the certificate
5 and the applicable fee are delivered to the designated agent
6 of the department in accordance with this act or to the
7 governmental agency that creates a certificate in another
8 jurisdiction in accordance with the law of that jurisdiction.

9 (c) (1) Each judge of probate, commissioner of
10 licenses, director of revenue, or other county official in
11 this state authorized and required by law to issue motor
12 vehicle license tags shall by virtue of his or her department
13 be a designated agent of the department for purposes of this
14 act. Judges of probate, commissioners of licenses, directors
15 of revenue, or other county officials may perform their duties
16 under this chapter either personally or through any of their
17 deputies.

18 (2) Every dealer shall be a designated agent of the
19 department. The dealers may perform their duties under this
20 act either personally or through any of their officers or
21 employees; provided that the dealer or persons shall enter
22 into a bond with a corporate surety authorized to do business
23 in this state as surety thereon, payable to the State of
24 Alabama in a sum to be determined by the department, but in no
25 event less than ten thousand dollars (\$10,000), conditioned on
26 the faithful performance of their duties under this act.

1 (d) The designated agent shall collect the following
2 fees for each application for a certificate of title or
3 transfer of title for each vessel and each vessel trailer.

4 (1) Ten dollars (\$10) for each application to be
5 remitted to the department. The fee collected for each
6 application for a vessel shall be forwarded to the State
7 General Fund. The fee collected for each application for a
8 vessel trailer shall be forwarded to the State Highway Fund.

9 (2) If the designated agent is a dealer, the
10 designated agent shall collect a fee of one dollar and fifty
11 cents (\$1.50) in addition to the fee provided in subdivision
12 (1). The fee may be retained by the designated agent as an
13 administrative fee.

14 (3) If the designated agent is the judge of probate,
15 the designated agent shall collect an administrative fee of
16 three dollars (\$3) in addition to the fee provided in
17 subdivision (1). The fee may be retained by the department of
18 the judge of probate as an administrative fee.

19 Section 6. CERTIFICATE OF TITLE REQUIRED.

20 (a) Except as otherwise provided in subsections (b)
21 and (c), the owner of a vessel or a vessel trailer designed
22 for pulling a vessel for which this state is the state of
23 principal use shall deliver to a designated agent of the
24 department an application for a certificate of title for the
25 vessel or vessel trailer, with the applicable fee, not later
26 than 20 days after the later of:

27 (1) the date of a transfer of ownership; or

1 (2) the date this state becomes the state of
2 principal use for the vessel.

3 (b) An application for a certificate of title is not
4 required for:

5 (1) a documented vessel;

6 (2) a foreign-documented vessel;

7 (3) a barge;

8 (4) a vessel before delivery if the vessel is under
9 construction or completed pursuant to contract; or

10 (5) a vessel held by a dealer for sale or lease.

11 (c) The department may not issue, transfer, or renew
12 a certificate or number for a vessel issued pursuant to the
13 requirements of 46 U.S.C. Section 12301, as amended, unless
14 the department has created a certificate of title for the
15 vessel or an application for a certificate for the vessel and
16 the applicable fee have been delivered to the department.

17 Section 7. APPLICATION FOR CERTIFICATE OF TITLE.

18 (a) Except as otherwise provided in Sections 10, 15,
19 19, 20, 21, and 22, only an owner may apply for a certificate
20 of title.

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

23 (1) the applicant's name, the street address of the
24 applicant's principal residence, and, if different, the
25 applicant's mailing address;

26 (2) the name and mailing address of each other owner
27 of the vessel or vessel trailer;

1 (3) the Social Security number or taxpayer
2 identification number of each owner;

3 (4) the hull identification number for the vessel
4 or, if none, an application for the issuance of a hull
5 identification number for the vessel;

6 (5) the vessel number for the vessel or, if none
7 issued by the department, an application for a vessel number;

8 (6) a description of the vessel or vessel trailer as
9 required by the department, which must include:

10 (A) the official number for the vessel, if any,
11 assigned by the United States Coast Guard;

12 (B) the name of the manufacturer, builder, or maker;

13 (C) the model year or the year in which the
14 manufacture or build of the vessel or vessel trailer was
15 completed;

16 (D) the overall length of the vessel or vessel
17 trailer;

18 (E) the vessel type;

19 (F) the hull material;

20 (G) the propulsion type;

21 (H) the engine drive type, if any; and

22 (I) the fuel type, if any;

23 (7) an indication of all security interests in the
24 vessel or vessel trailer known to the applicant and the name
25 and mailing address of each secured party;

26 (8) a statement that the vessel is not a documented
27 vessel or a foreign-documented vessel;

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

4 (10) if the applicant knows that the vessel is hull
5 damaged, a statement that the vessel is hull damaged;

6 (11) if the application is made in connection with a
7 transfer of ownership, the transferor's name, street address,
8 and, if different, mailing address, the sales price, if any,
9 and the date of the transfer; and

10 (12) if the vessel or vessel trailer previously was
11 registered or titled in another jurisdiction, a statement
12 identifying each jurisdiction known to the applicant in which
13 the vessel or vessel trailer was registered or titled.

14 (c) In addition to the information required by
15 subsection (b), an application for a certificate of title may
16 contain an electronic communication address of the owner,
17 transferor, or secured party.

18 (d) Except as otherwise provided in Section 19, 20,
19 21, or 22, an application for a certificate of title must be
20 accompanied by:

21 (1) a certificate of title signed by the owner shown
22 on the certificate and which:

23 (A) identifies the applicant as the owner of the
24 vessel or vessel trailer; or

25 (B) is accompanied by a record that identifies the
26 applicant as the owner; or

27 (2) if there is no certificate of title:

1 (A) if the vessel was a documented vessel, a record
2 issued by the United States Coast Guard which shows the vessel
3 is no longer a documented vessel and identifies the applicant
4 as the owner;

5 (B) if the vessel was a foreign-documented vessel, a
6 record issued by the foreign country which shows the vessel is
7 no longer a foreign-documented vessel and identifies the
8 applicant as the owner; or

9 (C) in all other cases, a certificate of origin,
10 bill of sale, or other record that to the satisfaction of the
11 department identifies the applicant as the owner.

12 (e) A record submitted in connection with an
13 application is part of the application. The department shall
14 maintain the record in its files.

15 (f) The department may require that an application
16 for a certificate of title be accompanied by payment or
17 evidence of payment of all fees and taxes payable by the
18 applicant under law of this state other than this act in
19 connection with the application or the acquisition or use of
20 the vessel or vessel trailer.

21 Section 8. CREATION AND CANCELLATION OF CERTIFICATE
22 OF TITLE.

23 (a) Unless an application for a certificate of title
24 is rejected under subsection (c) or (d), the department shall
25 create a certificate for the vessel or vessel trailer in
26 accordance with subsection (b) not later than 20 days after
27 delivery to it of an application that complies with Section 7.

1 (b) If the department creates electronic
2 certificates of title, the department shall create an
3 electronic certificate unless in the application the secured
4 party of record or, if none, the owner of record, requests
5 that the department create a written certificate.

6 (c) Except as otherwise provided in subsection (d),
7 the department may reject an application for a certificate of
8 title only if:

9 (1) the application does not comply with Section 7;

10 (2) the application does not contain documentation
11 sufficient for the department to determine whether the
12 applicant is entitled to a certificate;

13 (3) there is a reasonable basis for concluding that
14 the application is fraudulent or issuance of a certificate
15 would facilitate a fraudulent or illegal act; or

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

18 (d) The department shall reject an application for a
19 certificate of title for a vessel that is a documented vessel
20 or a foreign-documented vessel.

21 (e) The department may cancel a certificate of title
22 created by it only if the department:

23 (1) could have rejected the application for the
24 certificate under subsection (c);

25 (2) is required to cancel the certificate under
26 another provision of this act; or

1 (3) receives satisfactory evidence that the vessel
2 is a documented vessel or a foreign-documented vessel.

3 (f) The department shall provide an opportunity for
4 a hearing at which the owner and any other interested party
5 may present evidence in support of or opposition to
6 cancellation of a certificate of title. The department shall
7 serve all owners and secured parties indicated in the files of
8 the department with notice of the opportunity for a hearing.
9 Service must be made personally or by mail through the United
10 States Postal Service, properly addressed, postage paid,
11 return receipt requested. Service by mail is complete on
12 deposit with the United States Postal Service. The department,
13 by rule, may authorize service by electronic transmission if a
14 copy is sent on the same day by first-class mail or by a
15 commercial delivery company. If not later than 30 days after
16 the notice was served, the department receives a request for a
17 hearing from an interested party, the department shall hold
18 the hearing not later than 20 days after receiving the
19 request.

20 Section 9. CONTENT OF CERTIFICATE OF TITLE.

21 (a) A certificate of title must contain:

22 (1) the date the certificate was created;

23 (2) the name of the owner of record and, if not all
24 owners are listed, an indication that there are additional
25 owners indicated in the files of the department;

26 (3) the mailing address of the owner of record;

27 (4) the hull identification number of the vessel;

1 (5) the information listed in Section 7(b)(6);

2 (6) except as otherwise provided in Section 15(b),
3 the name and mailing address of the secured party of record,
4 if any, and if not all secured parties are listed, an
5 indication that there are other security interests indicated
6 in the files of the department; and

7 (7) all title brands indicated in the files of the
8 department covering the vessel, including brands indicated on
9 a certificate created by a governmental agency of another
10 jurisdiction and delivered to the department.

11 (b) This act does not preclude the department from
12 noting on a certificate of title the name and mailing address
13 of a secured party that is not a secured party of record.

14 (c) For each title brand indicated on a certificate
15 of title, the certificate must identify the jurisdiction under
16 whose law the title brand was created or the jurisdiction that
17 created the certificate on which the title brand was
18 indicated. If the meaning of a title brand is not easily
19 ascertainable or cannot be accommodated on the certificate,
20 the certificate may state: "Previously branded in (insert the
21 jurisdiction under whose law the title brand was created or
22 whose certificate of title previously indicated the title
23 brand)."

24 (d) If the files of the department indicate that a
25 vessel or vessel trailer previously was registered or titled
26 in a foreign country, the department shall indicate on the

1 certificate of title that the vessel or vessel trailer was
2 registered or titled in that country.

3 (e) A written certificate of title must contain a
4 form that all owners indicated on the certificate may sign to
5 evidence consent to a transfer of an ownership interest to
6 another person. The form must include a certification, signed
7 under penalty of perjury, that the statements made are true
8 and correct to the best of each owner's knowledge,
9 information, and belief.

10 (f) A written certificate of title must contain a
11 form for the owner of record to indicate, in connection with a
12 transfer of an ownership interest, that the vessel is hull
13 damaged.

14 Section 10. TITLE BRAND.

15 (a) Unless subsection (c) applies, at or before the
16 time the owner of record transfers an ownership interest in a
17 hull-damaged vessel that is covered by a certificate of title
18 created by the department, if the damage occurred while that
19 person was an owner of the vessel and the person has notice of
20 the damage at the time of the transfer, the owner shall:

21 (1) deliver to the department an application for a
22 new certificate that complies with Section 7 and includes the
23 title brand designation "hull damaged"; or

24 (2) indicate on the certificate in the place
25 designated for that purpose that the vessel is hull damaged
26 and deliver the certificate to the transferee.

1 (b) Not later than 20 days after delivery to the
2 department of the application under subsection (a)(1) or the
3 certificate of title under subsection (a)(2), the department
4 shall create a new certificate that indicates that the vessel
5 is branded "hull damaged".

6 (c) Before an insurer transfers an ownership
7 interest in a hull-damaged vessel that is covered by a
8 certificate of title created by the department, the insurer
9 shall deliver to the department an application for a new
10 certificate that complies with Section 6 and includes the
11 title brand designation "hull damaged". Not later than 20 days
12 after delivery of the application to the department, the
13 department shall create a new certificate that indicates that
14 the vessel is branded "hull damaged."

15 (d) An owner of record that fails to comply with
16 subsection (a), a person that solicits or colludes in a
17 failure by an owner of record to comply with subsection (a),
18 or an insurer that fails to comply with subsection (c) is
19 subject to a civil penalty of one thousand dollars (\$1,000).

20 Section 11. MAINTENANCE OF AND ACCESS TO FILES.

21 (a) For each record relating to a certificate of
22 title submitted to the department, the department shall:

23 (1) ascertain or assign the hull identification
24 number for the vessel;

25 (2) maintain the hull identification number and all
26 the information submitted with the application pursuant to

1 Section 7(b) to which the record relates, including the date
2 and time the record was delivered to the department;

3 (3) maintain the files for public inspection subject
4 to subsection (e); and

5 (4) index the files of the department as required by
6 subsection (b).

7 (b) The department shall maintain in its files the
8 information contained in all certificates of title created
9 under this act. The information in the files of the department
10 must be searchable by the hull identification number of the
11 vessel, the vessel number, the name of the owner of record,
12 and any other method used by the department.

13 (c) The department shall maintain in its files, for
14 each vessel for which it has created a certificate of title,
15 all title brands known to the department, the name of each
16 secured party known to the department, the name of each person
17 known to the department to be claiming an ownership interest,
18 and all stolen property reports the department has received.

19 (d) Upon request, for safety, security, or law
20 enforcement purposes, the department shall provide to federal,
21 state, or local government the information in its files
22 relating to any vessel or vessel trailer for which the
23 department has issued a certificate of title.

24 (e) Except as otherwise provided by the law of this
25 state other than this act, the information required under
26 Section 9 is a public record. The information provided under
27 Section 7(b) (3) is not a public record.

1 Section 12. ACTION REQUIRED ON CREATION OF
2 CERTIFICATE OF TITLE.

3 (a) On creation of a written certificate of title,
4 the department promptly shall send the certificate to the
5 secured party of record or, if none, to the owner of record,
6 at the address indicated for that person in the files of the
7 department. On creation of an electronic certificate of title,
8 the department promptly shall send a record evidencing the
9 certificate to the owner of record and, if there is one, to
10 the secured party of record, at the address indicated for that
11 person in the files of the department. The department may send
12 the record to the person's mailing address or, if indicated in
13 the files of the department, an electronic address.

14 (b) If the department creates a written certificate
15 of title, any electronic certificate of title for the vessel
16 or vessel trailer is canceled and replaced by the written
17 certificate. The department shall maintain in the files of the
18 department the date and time of cancellation.

19 (c) Before the department creates an electronic
20 certificate of title, any written certificate for the vessel
21 or vessel trailer must be surrendered to the department. If
22 the department creates an electronic certificate, the
23 department shall destroy or otherwise cancel the written
24 certificate for the vessel or vessel trailer which has been
25 surrendered to the department and maintain in the files of the
26 department the date and time of destruction or other
27 cancellation. If a written certificate being canceled is not

1 destroyed, the department shall indicate on the face of the
2 certificate that it has been canceled.

3 Section 13. EFFECT OF CERTIFICATE OF TITLE. A
4 certificate of title is prima facie evidence of the accuracy
5 of the information in the record that constitutes the
6 certificate.

7 Section 14. EFFECT OF POSSESSION OF CERTIFICATE OF
8 TITLE; JUDICIAL PROCESS. Possession of a certificate of title
9 does not by itself provide a right to obtain possession of a
10 vessel or vessel trailer. Garnishment, attachment, levy,
11 replevin, or other judicial process against the certificate is
12 not effective to determine possessory rights to the vessel or
13 vessel trailer. This act does not prohibit enforcement under
14 law of this state other than this act of a security interest
15 in, levy on, or foreclosure of a statutory or common law lien
16 on a vessel or vessel trailer. Absence of an indication of a
17 statutory or common law lien on a certificate does not
18 invalidate the lien.

19 Section 15. PERFECTION OF SECURITY INTEREST.

20 (a) Except as otherwise provided in this section or
21 Section 28, a security interest in a vessel or vessel trailer
22 may be perfected only by delivery to the department of an
23 application for a certificate of title that identifies the
24 secured party and otherwise complies with Section 7. The
25 security interest is perfected on the later of delivery to the
26 department of the application and the applicable fee or

1 attachment of the security interest under Section 7-9-203,
2 Code of Alabama 1975.

3 (b) If the interest of a person named as owner,
4 lessor, consignor, or bailor in an application for a
5 certificate of title delivered to the department is a security
6 interest, the application sufficiently identifies the person
7 as a secured party. Identification on the application for a
8 certificate of a person as owner, lessor, consignor, or bailor
9 is not by itself a factor in determining whether the person's
10 interest is a security interest.

11 (c) If the department has created a certificate of
12 title for a vessel or vessel trailer, a security interest in
13 the vessel or vessel trailer may be perfected by delivery to
14 the department of an application, on a form the department may
15 require, to have the security interest added to the
16 certificate. The application must be signed by an owner of the
17 vessel or vessel trailer or by the secured party and must
18 include:

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

20 (2) the name and mailing address of the secured
21 party;

22 (3) the hull identification number for the vessel;

23 and

24 (4) if the department has created a written
25 certificate of title for the vessel or vessel trailer, the
26 certificate.

1 (d) A security interest perfected under subsection
2 (c) is perfected on the later of delivery to the department of
3 the application and all applicable fees or attachment of the
4 security interest under Section 7-9-203, Code of Alabama 1975.

5 (e) On delivery of an application that complies with
6 subsection (c) and payment of all applicable fees, the
7 department shall create a new certificate of title pursuant to
8 Section 8 and deliver the new certificate or a record
9 evidencing an electronic certificate pursuant to Section
10 12(a). The department shall maintain in the files of the
11 department the date and time of delivery of the application to
12 the department.

13 (f) If a secured party assigns a perfected security
14 interest in a vessel or vessel trailer, the receipt by the
15 department of a statement providing the name of the assignee
16 as secured party is not required to continue the perfected
17 status of the security interest against creditors of and
18 transferees from the original debtor. A purchaser of a vessel
19 or vessel trailer subject to a security interest which obtains
20 a release from the secured party indicated in the files of the
21 department or on the certificate takes free of the security
22 interest and of the rights of a transferee unless the transfer
23 is indicated in the files of the department or on the
24 certificate.

25 (g) This section does not apply to a security
26 interest:

1 (1) created in a vessel or vessel trailer by a
2 person during any period in which the vessel or vessel trailer
3 is inventory held for sale or lease by the person or is leased
4 by the person as lessor if the person is in the business of
5 selling vessels or vessel trailers;

6 (2) in a barge for which no application for a
7 certificate of title has been delivered to the department; or

8 (3) in a vessel or vessel trailer before delivery if
9 the vessel or vessel trailer is under construction, or
10 completed, pursuant to contract and for which no application
11 for a certificate has been delivered to the department.

12 (h) This subsection applies if a certificate of
13 documentation for a documented vessel is deleted or canceled.
14 If a security interest in the vessel was valid immediately
15 before deletion or cancellation against a third party as a
16 result of compliance with 42 U.S.C. Section 31321, the
17 security interest is and remains perfected until the earlier
18 of four months after cancellation of the certificate or the
19 time the security interest becomes perfected under this act.

20 (i) A security interest in a vessel or vessel
21 trailer arising under Section 7-2-401, 7-2-505, 7-2-711(3), or
22 7-2A-508(5), Code of Alabama 1975, is perfected when it
23 attaches but becomes unperfected when the debtor obtains
24 possession of the vessel or vessel trailer, unless before the
25 debtor obtains possession the security interest is perfected
26 pursuant to subsection (a) or (c).

1 (j) A security interest in a vessel or vessel
2 trailer as proceeds of other collateral is perfected to the
3 extent provided in Section 7-9-315, Code of Alabama 1975.

4 (k) A security interest in a vessel or vessel
5 trailer perfected under the law of another jurisdiction is
6 perfected to the extent provided.

7 Section 16. TERMINATION STATEMENT.

8 (a) A secured party indicated in the files of the
9 department as having a security interest in a vessel or vessel
10 trailer shall deliver a termination statement to the
11 department and, on the debtor's request, to the debtor, by the
12 earlier of:

13 (1) 20 days after the secured party receives a
14 signed demand from an owner for a termination statement and
15 there is no obligation secured by the vessel or vessel trailer
16 subject to the security interest and no commitment to make an
17 advance, incur an obligation, or otherwise give value secured
18 by the vessel.

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

24 (b) If a written certificate of title has been
25 created and delivered to a secured party and a termination
26 statement is required under subsection (a), the secured party,
27 not later than the date required by subsection (a), shall

1 deliver the certificate to the debtor or to the department
2 with the statement. If the certificate is lost, stolen,
3 mutilated, destroyed, or is otherwise unavailable or
4 illegible, the secured party shall deliver with the statement,
5 not later than the date required by subsection (a), an
6 application for a replacement certificate meeting the
7 requirements of Section 22.

8 (c) On delivery to the department of a termination
9 statement authorized by the secured party, the security
10 interest to which the statement relates ceases to be
11 perfected. If the security interest to which the statement
12 relates was indicated on the certificate of title, the
13 department shall create a new certificate and deliver the new
14 certificate or a record evidencing an electronic certificate.
15 The department shall maintain in its files the date and time
16 of delivery to the department of the statement.

17 (d) A secured party that fails to comply with this
18 section is liable for any loss that the secured party had
19 reason to know might result from its failure to comply and
20 which could not reasonably have been prevented and for the
21 cost of an application for a certificate of title under
22 Section 7 or 22.

23 Section 17. TRANSFER OF OWNERSHIP.

24 (a) On voluntary transfer of an ownership interest
25 in a vessel or vessel trailer covered by a certificate of
26 title, the following rules apply:

1 (1) If the certificate is a written certificate of
2 title and the transferor's interest is noted on the
3 certificate, the transferor promptly shall sign the
4 certificate and deliver it to the transferee. If the
5 transferor does not have possession of the certificate, the
6 person in possession of the certificate has a duty to
7 facilitate the transferor's compliance with this paragraph. A
8 secured party does not have a duty to facilitate the
9 transferor's compliance with this paragraph if the proposed
10 transfer is prohibited by the security agreement.

11 (2) If the certificate of title is an electronic
12 certificate of title, the transferor promptly shall sign and
13 deliver to the transferee a record evidencing the transfer of
14 ownership to the transferee.

15 (3) The transferee has a right enforceable by
16 specific performance to require the transferor comply with
17 paragraph (1) or (2).

18 (b) The creation of a certificate of title
19 identifying the transferee as owner of record satisfies
20 subsection (a).

21 (c) A failure to comply with subsection (a) or to
22 apply for a new certificate of title does not render a
23 transfer of ownership of a vessel ineffective between the
24 parties. Except as otherwise provided in Section 18, 19,
25 23(a), or 24, a transfer of ownership without compliance with
26 subsection (a) is not effective against another person
27 claiming an interest in the vessel.

1 (d) A transferor that complies with subsection (a)
2 is not liable as owner of the vessel for an event occurring
3 after the transfer, regardless of whether the transferee
4 applies for a new certificate of title.

5 Section 18. EFFECT OF MISSING OR INCORRECT
6 INFORMATION.

7 Except as otherwise provided in Section 7-9-337,
8 Code of Alabama 1975, a certificate of title or other record
9 required or authorized by this act is effective even if it
10 contains incorrect information or does not contain required
11 information.

12 Section 19. TRANSFER OF OWNERSHIP BY SECURED PARTY'S
13 TRANSFER STATEMENT.

14 (a) In this section, "secured party's transfer
15 statement" means a record signed by the secured party of
16 record stating:

17 (1) that there has been a default on an obligation
18 secured by the vessel or vessel trailer;

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

22 (3) by reason of the exercise, the secured party of
23 record has the right to transfer the ownership interest of an
24 owner, and the name of the owner;

25 (4) the name and last known mailing address of the
26 owner of record and the secured party of record;

27 (5) the name of the transferee;

1 (6) other information required by Section 7(b); and

2 (7) one of the following:

3 (A) the certificate of title is an electronic
4 certificate;

5 (B) the secured party does not have possession of
6 the written certificate of title created in the name of the
7 owner of record; or

8 (C) the secured party is delivering the written
9 certificate of title to the department with the secured
10 party's transfer statement.

11 (b) Unless the department rejects a secured party's
12 transfer statement for a reason stated in Section 8(c), not
13 later than 20 days after delivery to the department of the
14 statement and payment of fees and taxes payable under the law
15 of this state other than this act in connection with the
16 statement or the acquisition or use of the vessel, the
17 department shall:

18 (1) accept the statement;

19 (2) amend the files of the department to reflect the
20 transfer; and

21 (3) if the name of the owner whose ownership
22 interest is being transferred is indicated on the certificate
23 of title:

24 (A) cancel the certificate even if the certificate
25 has not been delivered to the department;

26 (B) create a new certificate indicating the
27 transferee as owner; and

1 (C) deliver the new certificate or a record
2 evidencing an electronic certificate.

3 (c) An application under subsection (a) or the
4 creation of a certificate of title under subsection (b) is not
5 by itself a disposition of the vessel or vessel trailer and
6 does not by itself relieve the secured party of its duties
7 under Article 9A of Title 7, Code of Alabama 1975.

8 Section 20. TRANSFER BY OPERATION OF LAW.

9 (a) In this section:

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

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

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

18 (C) through other legal process.

19 (2) "Transfer-by-law statement" means a record
20 signed by a transferee stating that by operation of law the
21 transferee has acquired or has the right to acquire an
22 ownership interest in a vessel or vessel trailer.

23 (b) A transfer-by-law statement must contain:

24 (1) the name and last known mailing address of the
25 owner of record and the transferee and the other information
26 required by Section 7(b);

1 (2) documentation sufficient to establish the
2 transferee's ownership interest or right to acquire the
3 ownership interest;

4 (3) a statement that:

5 (A) the certificate of title is an electronic
6 certificate of title;

7 (B) the transferee does not have possession of the
8 written certificate of title created in the name of the owner
9 of record; or

10 (C) the transferee is delivering the written
11 certificate to the department with the transfer-by-law
12 statement; and

13 (4) except for a transfer described in subsection
14 (a) (1) (A), evidence that notification of the transfer and the
15 intent to file the transfer-by-law statement has been sent to
16 all persons indicated in the files of the department as having
17 an interest, including a security interest, in the vessel or
18 vessel trailer.

19 (c) Unless the department rejects a transfer-by-law
20 statement for a reason stated in Section 8(c) or because the
21 statement does not include documentation satisfactory to the
22 department as to the transferee's ownership interest or right
23 to acquire the ownership interest, not later than 20 days
24 after delivery to the department of the statement and payment
25 of fees and taxes payable under the law of this state other
26 than this act in connection with the statement or with the

1 acquisition or use of the vessel or vessel trailer, the
2 department shall:

3 (1) accept the statement;

4 (2) amend the files of the department to reflect the
5 transfer; and

6 (3) if the name of the owner whose ownership
7 interest is being transferred is indicated on the certificate
8 of title:

9 (A) cancel the certificate even if the certificate
10 has not been delivered to the department;

11 (B) create a new certificate indicating the
12 transferee as owner;

13 (C) indicate on the new certificate any security
14 interest indicated on the canceled certificate, unless a court
15 order provides otherwise; and

16 (D) deliver the new certificate or a record
17 evidencing an electronic certificate.

18 (d) This section does not apply to a transfer of an
19 interest in a vessel or vessel trailer by a secured party
20 under Article 9A, Part 6, Title 7, Code of Alabama 1975.

21 Section 21. APPLICATION FOR TRANSFER OF OWNERSHIP OR
22 TERMINATION OF SECURITY INTEREST WITHOUT CERTIFICATE OF TITLE.

23 (a) Except as otherwise provided in Section 19 or
24 20, if the department receives, unaccompanied by a signed
25 certificate of title, an application for a new certificate
26 that includes an indication of a transfer of ownership or a

1 termination statement, the department may create a new
2 certificate under this section only if:

3 (1) all other requirements under Sections 7 and 8
4 are met;

5 (2) the applicant provides an affidavit stating
6 facts showing the applicant is entitled to a transfer of
7 ownership or termination statement;

8 (3) the applicant provides the department with
9 satisfactory evidence that notification of the application has
10 been sent to the owner of record and all persons indicated in
11 the files of the department as having an interest, including a
12 security interest, in the vessel or vessel trailer, at least
13 45 days have passed since the notification was sent, and the
14 department has not received an objection from any of those
15 persons; and

16 (4) the applicant submits any other information
17 required by the department as evidence of the applicant's
18 ownership or right to terminate the security interest, and the
19 department has no credible information indicating theft,
20 fraud, or an undisclosed or unsatisfied security interest,
21 lien, or other claim to an interest in the vessel or vessel
22 trailer.

23 (b) The department may indicate in a certificate of
24 title created under subsection (a) that the certificate was
25 created without submission of a signed certificate or
26 termination statement. Unless credible information indicating
27 theft, fraud, or an undisclosed or unsatisfied security

1 interest, lien, or other claim to an interest in the vessel or
2 vessel trailer is delivered to the department not later than
3 one year after creation of the certificate, on request in a
4 form and manner required by the department, the department
5 shall remove the indication from the certificate.

6 (c) Unless the department determines that the value
7 of a vessel or vessel trailer is less than five thousand
8 dollars (\$5,000), before the department creates a certificate
9 of title under subsection (a), the department may require the
10 applicant to post a bond or provide an equivalent source of
11 indemnity or security. The bond, indemnity, or other security
12 may not exceed twice the value of the vessel or vessel trailer
13 as determined by the department. The bond, indemnity, or other
14 security must be in a form required by the department and
15 provide for indemnification of any owner, purchaser, or other
16 claimant for any expense, loss, delay, or damage, including
17 reasonable attorney's fees and costs, but not including
18 incidental or consequential damages, resulting from creation
19 or amendment of the certificate.

20 (d) Unless the department receives a claim for
21 indemnity not later than one year after creation of a
22 certificate of title under subsection (a), on request in a
23 form and manner required by the department, the department
24 shall release any bond, indemnity, or other security.

25 Section 22. REPLACEMENT CERTIFICATE OF TITLE.

26 (a) If a written certificate of title is lost,
27 stolen, mutilated, destroyed, or otherwise becomes unavailable

1 or illegible, the secured party of record or, if no secured
2 party is indicated in the files of the department, the owner
3 of record may apply for and, by furnishing information
4 satisfactory to the department, obtain a replacement
5 certificate in the name of the owner of record.

6 (b) An applicant for a replacement certificate of
7 title must sign the application, and, except as otherwise
8 permitted by the department, the application must comply with
9 Section 7. The application must include the existing
10 certificate unless the certificate is lost, stolen, mutilated,
11 destroyed, or otherwise unavailable.

12 (c) A replacement certificate of title created by
13 the department must comply with Section 9 and indicate on the
14 face of the certificate that it is a replacement certificate.

15 (d) If a person receiving a replacement certificate
16 of title subsequently obtains possession of the original
17 written certificate, the person promptly shall destroy the
18 original certificate of title.

19 Section 23. RIGHTS OF PURCHASER OTHER THAN SECURED
20 PARTY.

21 (a) A buyer in ordinary course of business has the
22 protections afforded by Sections 7-2-403(2) and 7-9-320(a),
23 Code of Alabama 1975, even if an existing certificate of title
24 was not signed and delivered to the buyer or a new certificate
25 listing the buyer as owner of record was not created.

26 (b) Except as otherwise provided in Sections 17 and
27 24, the rights of a purchaser of a vessel or vessel trailer

1 which is not a buyer in ordinary course of business or a lien
2 creditor are governed by Title 7 of the Code of Alabama 1975.

3 Section 24. RIGHTS OF SECURED PARTY.

4 (a) Subject to subsection (b), the effect of
5 perfection and nonperfection of a security interest and the
6 priority of a perfected or unperfected security interest with
7 respect to the rights of a purchaser or creditor, including a
8 lien creditor, is governed by Title 7 of the Code of Alabama
9 1975.

10 (b) If, while a security interest in a vessel or
11 vessel trailer is perfected by any method under this act, the
12 department creates a certificate of title that does not
13 indicate that the vessel or vessel trailer is subject to the
14 security interest or contain a statement that it may be
15 subject to security interests not indicated on the
16 certificate:

17 (1) a buyer of the vessel or vessel trailer, other
18 than a person in the business of selling or leasing vessels of
19 that kind, takes free of the security interest if the buyer,
20 acting in good faith and without knowledge of the security
21 interest, gives value and receives possession of the vessel or
22 vessel trailer; and

23 (2) the security interest is subordinate to a
24 conflicting security interest in the vessel or vessel trailer
25 that is perfected under Section 15 after creation of the
26 certificate and without the conflicting secured party's
27 knowledge of the security interest.

1 Section 25. DUTIES AND OPERATION OF DEPARTMENT.

2 (a) The department shall retain the evidence used to
3 establish the accuracy of the information in its files
4 relating to the current ownership of a vessel or vessel
5 trailer and the information on the certificate of title.

6 (b) The department shall retain in its files all
7 information regarding a security interest in a vessel or
8 vessel trailer for at least 10 years after the department
9 receives a termination statement regarding the security
10 interest. The information must be accessible by the hull
11 identification number for the vessel and any other methods
12 provided by the department.

13 (c) If a person submits a record to the department,
14 or submits information that is accepted by the department, and
15 requests an acknowledgment of the filing or submission, the
16 department shall send to the person an acknowledgment showing
17 the hull identification number of the vessel to which the
18 record or submission relates, the information in the filed
19 record or submission, and the date and time the record was
20 received or the submission accepted. A request under this
21 section must contain the hull identification number and be
22 delivered by means authorized by the department.

23 (d) The department shall send or otherwise make
24 available in a record the following information to any person
25 that requests it and pays the applicable fee:

26 (1) whether the files of the department indicate, as
27 of a date and time specified by the department, but not a date

1 earlier than three days before the department received the
2 request, any certificate of title, security interest,
3 termination statement, or title brand that relates to a vessel
4 or vessel trailer:

5 (A) identified by a hull identification number
6 designated in the request;

7 (B) identified by a vessel number designated in the
8 request; or

9 (C) owned by a person designated in the request;

10 (2) with respect to the vessel or vessel trailer:

11 (A) the name and address of any owner as indicated
12 in the files of the department or on the certificate of title;

13 (B) the name and address of any secured party as
14 indicated in the files of the department or on the
15 certificate, and the effective date of the information; and

16 (C) a copy of any termination statement indicated in
17 the files of the department and the effective date of the
18 termination statement; and

19 (3) with respect to the vessel or vessel trailer, a
20 copy of any certificate of origin, secured party transfer
21 statement, transfer by law statement under Section 20, and
22 other evidence of previous or current transfers of ownership.

23 (e) In responding to a request under this section,
24 the department may provide the requested information in any
25 medium. On request, the department shall send the requested
26 information in a record that is under Rule 902 of the Alabama
27 Rules of Evidence.

1 Section 26. UNIFORMITY OF APPLICATION AND
2 CONSTRUCTION.

3 In applying and construing this uniform act,
4 consideration must be given to the need to promote uniformity
5 of the law with respect to its subject matter among states
6 that enact it.

7 Section 27. RELATION TO ELECTRONIC SIGNATURES IN
8 GLOBAL AND NATIONAL COMMERCE ACT.

9 This act modifies, limits, and supersedes the
10 federal Electronic Signatures in Global and National Commerce
11 Act, 15 U.S.C. Section 7001, et seq., but does not modify,
12 limit, or supersede Section 101(c) of that act, 15 U.S.C.
13 Section 7001(c), or authorize electronic delivery of any of
14 the notices described in Section 103(b) of that act, 15 U.S.C.
15 Section 7003(b).

16 Section 28. SAVINGS CLAUSE.

17 (a) The rights, duties, and interests flowing from a
18 transaction, certificate of title, or record relating to a
19 vessel or vessel trailer which was validly entered into or
20 created before the effective date of this act and would be
21 subject to this act if it had been entered into or created on
22 or after the effective date of this act, remain valid on and
23 after the effective date of this act.

24 (b) This act does not affect an action or proceeding
25 commenced before the effective date of this act.

26 (c) Except as otherwise provided in subsection (d),
27 a security interest that is enforceable immediately before the

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

4 (d) A security interest perfected immediately before
5 the effective date of this act remains perfected until the
6 earlier of:

7 (1) the time perfection would have ceased under the
8 law under which the security interest was perfected; or

9 (2) three years after the effective date of this
10 act.

11 (e) This act does not affect the priority of a
12 security interest in a vessel or vessel trailer if,
13 immediately before the effective date of this act, the
14 security interest is enforceable and perfected, and that
15 priority is established.

16 Section 29. Section 33-5-9, Code of Alabama 1975, is
17 amended to read as follows:

18 "§33-5-9.

19 "(a) Every vessel on the waters of this state shall
20 be registered and numbered. No person shall operate or give
21 permission for the operation of any vessel on such waters
22 unless the vessel is registered and numbered with the
23 identifying number set forth in the certificate of
24 registration displayed on each side of the bow of such vessel,
25 or in accordance with applicable federal law or in accordance
26 with a federally approved numbering system of another state,

1 and unless the certificate of number awarded to such vessel is
2 in full force and effect.

3 "(b) No vessel may be registered and numbered under
4 subsection (a) until the owner of the vessel has complied with
5 Section 6 of the act adding this subsection."

6 Section 30. All laws or parts of laws which conflict
7 with this act are repealed.

8 Section 31. This act shall become effective on
9 January 1, 2013.