

1 SB211  
2 217494-4  
3 By Senator Elliott  
4 RFD: Governmental Affairs  
5 First Read: 10-FEB-22

1 SB211

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3  
4 ENROLLED, An Act,

5 Relating to vessels; to adopt the Uniform  
6 Certificate of Title for Vessels Act, to provide for the  
7 issuance by the Alabama State Law Enforcement Agency of  
8 certificates of title on vessels; to require owners of vessels  
9 to obtain a certificate of title; to provide for the  
10 application process; to provide for the issuance of  
11 certificates of title; to provide an issuance fee; to provide  
12 for the perfecting of a security interest on a vessel; and to  
13 provide for the maintenance of records and files regarding  
14 security interests.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. SHORT TITLE. This act may be cited as the  
17 Uniform Certificate of Title for Vessels Act.

18 Section 2. DEFINITIONS.

19 (a) In this act, the following terms shall have the  
20 following meanings:

21 (1) BARGE. A vessel that is not self-propelled or  
22 fitted for propulsion by sail, paddle, oar, or similar device.

23 (2) BUILDER'S CERTIFICATE. A certificate of the  
24 facts of build of a vessel described in 46 C.F.R. § 67.99, as  
25 amended.

1           (3) BUYER. A person that buys or contracts to buy a  
2 vessel.

3           (4) CANCEL. With respect to a certificate of title,  
4 means to make the certificate ineffective.

5           (5) CERTIFICATE OF ORIGIN. A record created by a  
6 manufacturer or importer as the manufacturer's or importer's  
7 proof of identity of a vessel. The term includes a  
8 manufacturer's certificate or statement of origin and an  
9 importer's certificate or statement of origin. The term does  
10 not include a builder's certificate.

11           (6) CERTIFICATE OF TITLE. A record, created by the  
12 office under this act or by a governmental agency of another  
13 jurisdiction under the law of that jurisdiction, that is  
14 designated as a certificate of title by the office or agency  
15 and is evidence of ownership of a vessel.

16           (7) DEALER. A person, including a manufacturer, in  
17 the business of selling vessels.

18           (8) DOCUMENTED VESSEL. A vessel covered by a  
19 certificate of documentation issued pursuant to 46 U.S.C.  
20 §12105, as amended. The term does not include a  
21 foreign-documented vessel.

22           (9) ELECTRONIC. Relating to technology having  
23 electrical, digital, magnetic, wireless, optical,  
24 electromagnetic, or similar capabilities.

1           (10) ELECTRONIC CERTIFICATE OF TITLE. A certificate  
2 of title consisting of information that is stored solely in an  
3 electronic medium and is retrievable in perceivable form.

4           (11) FOREIGN-DOCUMENTED VESSEL. A vessel the  
5 ownership of which is recorded in a registry maintained by a  
6 country other than the United States which identifies each  
7 person that has an ownership interest in a vessel and includes  
8 a unique alphanumeric designation for the vessel.

9           (12) GOOD FAITH. Honesty in fact and the observance  
10 of reasonable commercial standards of fair dealing.

11           (13) HULL DAMAGE. Compromised with respect to the  
12 integrity of a vessel's hull by a collision, allision,  
13 lightning strike, fire, explosion, running aground, or similar  
14 occurrence, or the sinking of a vessel in a manner that  
15 creates a significant risk to the integrity of the vessel's  
16 hull.

17           (14) HULL IDENTIFICATION NUMBER. The alphanumeric  
18 designation assigned to a vessel pursuant to 33 C.F.R. Chapter  
19 1, Part 181, as amended.

20           (15) LIEN CREDITOR. With respect to a vessel, means:

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

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

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

3           (D) a receiver in equity from the time of  
4 appointment; or

5           (E) a person with a lien arising under Section  
6 35-11-60, Code of Alabama 1975.

7           (16) OFFICE. The Alabama Department of Revenue.

8           (17) OWNER. A person that has legal title to a  
9 vessel.

10           (18) OWNER OF RECORD. The owner indicated in the  
11 files of the office or, if the files indicate more than one  
12 owner, the one first indicated.

13           (19) PERSON. An individual, corporation, business  
14 trust, estate, trust, statutory trust, partnership, limited  
15 liability company, association, joint venture, public  
16 corporation, government or governmental subdivision, agency,  
17 or instrumentality, or any other legal or commercial entity.

18           (20) PURCHASE. To take by sale, lease, mortgage,  
19 pledge, consensual lien, security interest, gift, or any other  
20 voluntary transaction that creates an interest in a vessel

21           (21) PURCHASER. A person that takes by purchase.

22           (22) RECORD. Information that is inscribed on a  
23 tangible medium or that is stored in an electronic or other  
24 medium and is retrievable in perceivable form.

1           (23) SECURED PARTY. With respect to a vessel, means  
2 a person:

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

6           (B) that is a consignor under Article 9A of Title 7  
7 of the Code of Alabama 1975; or

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

11           (24) SECURED PARTY OF RECORD. The secured party  
12 whose name is indicated as the name of the secured party in  
13 the files of the office or, if the files indicate more than  
14 one secured party, the one first indicated.

15           (25) SECURITY INTEREST. An interest in a vessel  
16 which secures payment or performance of an obligation if the  
17 interest is created by contract or arises under Section  
18 7-2-401, 7-2-505, 7-2-711(3), or 7-2A-508(5) of the Code of  
19 Alabama 1975. The term includes any interest of a consignor in  
20 a vessel in a transaction that is subject to Article 9A of  
21 Title 7 of the Code of Alabama 1975. The term does not include  
22 the special property interest of a buyer of a vessel on  
23 identification of that vessel to a contract for sale under  
24 Section 7-2-501 of the Code of Alabama 1975, but a buyer also  
25 may acquire a security interest by complying with Article 9A

1 of Title 7 of the Code of Alabama 1975. Except as otherwise  
2 provided in Section 7-2-505, Code of Alabama 1975, the right  
3 of a seller or lessor of a vessel under Article 2 of 2A Title  
4 7, of the Code of Alabama 1975, to retain or acquire  
5 possession of the vessel is not a security interest, but a  
6 seller or lessor also may acquire a security interest by  
7 complying with Article 9A, Title 7 of the Code of Alabama  
8 1975. The retention or reservation of title by a seller of a  
9 vessel notwithstanding shipment or delivery to the buyer under  
10 Section 7-2-401 of the Code of Alabama 1975, is limited in  
11 effect to a reservation of a security interest. Whether a  
12 transaction in the form of a lease creates a security interest  
13 is determined by Section 7-1-203 of the Code of Alabama 1975.

14 (26) SIGN. With present intent to authenticate or  
15 adopt a record, to:

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

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

19 (27) STATE. A state of the United States, the  
20 District of Columbia, Puerto Rico, the United States Virgin  
21 Islands, or any territory or insular possession subject to the  
22 jurisdiction of the United States.

23 (28) STATE OF PRINCIPAL USE. The state on whose  
24 waters a vessel is or will be used, operated, navigated, or

1 employed more than on the waters of any other state during a  
2 calendar year.

3 (29) TITLE BRAND. A designation of previous damage,  
4 use, or condition that must be indicated on a certificate of  
5 title.

6 (30) TRANSFER OF OWNERSHIP. A voluntary or  
7 involuntary conveyance of an interest in a vessel.

8 (31) VESSEL. Any watercraft used or capable of being  
9 used as a means of transportation on water, except:

10 (A) a seaplane;

11 (B) an amphibious vehicle for which a certificate of  
12 title is issued pursuant to Chapter 8 of Title 32 of the Code  
13 of Alabama 1975, or a similar statute of another state;

14 (C) watercraft less than 18 feet in length that is  
15 propelled solely by:

16 (i) sail;

17 (ii) paddle;

18 (iii) oar; or

19 (iv) an engine of less than 75 horsepower;

20 (D) watercraft that operate only on a permanently  
21 fixed, manufactured course and the movement of which is  
22 restricted to or guided by means of a mechanical device to  
23 which the watercraft is attached or by which the watercraft is  
24 controlled;

25 (E) a stationary floating structure that:



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

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

5 (iii) has a permanent, continuous hookup to a  
6 shoreside sewage system;

7 (F) watercraft owned by the United States, a state,  
8 or a foreign government or a political subdivision of any of  
9 them; and

10 (G) watercraft used solely as a lifeboat on another  
11 watercraft.

12 (32) VESSEL NUMBER. The alphanumeric designation for  
13 a vessel issued pursuant to 46 U.S.C. §12301, as amended.

14 (33) WRITTEN CERTIFICATE OF TITLE. A certificate of  
15 title consisting of information inscribed on a tangible  
16 medium.

17 (b) The following definitions and terms also apply  
18 to this act:

19 (1) AGREEMENT. The term, as defined in Section  
20 7-1-201, Code of Alabama 1975.

21 (2) BUYER IN ORDINARY COURSE OF BUSINESS. The term,  
22 as defined in Section 7-1-201, Code of Alabama 1975.

23 (3) CONSPICUOUS. The term, as defined in Section  
24 7-1-201, Code of Alabama 1975.

1           (4) CONSUMER GOODS. The term, as defined in Section  
2 7-9A-102, Code of Alabama 1975.

3           (5) DEBTOR. The term, as defined in Section  
4 7-9A-102, Code of Alabama 1975.

5           (6) KNOWLEDGE. The term, as defined in Section  
6 7-1-202, Code of Alabama 1975.

7           (7) LEASE. The term, as defined in Section 7-2A-103,  
8 Code of Alabama 1975.

9           (8) LESSOR. The term, as defined in Section  
10 7-2A-103, Code of Alabama 1975.

11           (9) NOTICE. The term, as defined in Section 7-1-202,  
12 Code of Alabama 1975.

13           (10) REPRESENTATIVE. The term, as defined in Section  
14 7-1-201, Code of Alabama 1975.

15           (11) SALE. The term, as defined in Section 7-2-106,  
16 Code of Alabama 1975.

17           (12) SECURITY AGREEMENT. The term, as defined in  
18 Section 7-9A-102, Code of Alabama 1975.

19           (13) SELLER. The term, as defined in Section  
20 7-2-103, Code of Alabama 1975.

21           (14) SEND. The term, as defined in Section 7-1-201,  
22 Code of Alabama 1975.

23           (15) VALUE. The term, as defined in Section 7-1-204,  
24 Code of Alabama 1975.

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

5           Section 3. APPLICABILITY. Subject to Section 28,  
6 this act applies to any transaction, certificate of title, or  
7 record relating to a vessel, even if the transaction,  
8 certificate of title, or record was entered into or created  
9 before January 1, 2024.

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

13          Section 5. LAW GOVERNING VESSEL COVERED BY  
14 CERTIFICATE OF TITLE.

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

22          (b) A vessel becomes covered by a certificate of  
23 title when an application for the certificate and the  
24 applicable fee are delivered to the office in accordance with  
25 this act or to the governmental agency that creates a

1 certificate in another jurisdiction in accordance with the law  
2 of that jurisdiction.

3 Section 6. CERTIFICATE OF TITLE REQUIRED.

4 (a) Except as otherwise provided in subsections (b)  
5 and (c), the owner of a vessel for which this state is the  
6 state of principal use shall deliver to the office an  
7 application for a certificate of title for the vessel, with  
8 the applicable fee, not later than 20 days after the later of:

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

10 (2) the date this state becomes the state of  
11 principal use.

12 (b) An application for a certificate of title is not  
13 required for:

14 (1) a documented vessel;

15 (2) a foreign-documented vessel;

16 (3) a barge;

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

19 (5) a vessel held by a dealer for sale or lease,  
20 even if the vessel is used for demonstration purposes or  
21 loaned out for use by the dealer.

22 (c) The office may not issue, transfer, or renew a  
23 certificate of number for a vessel issued pursuant to the  
24 requirements of 46 U.S.C. §12301, as amended, unless the  
25 office has created a certificate of title for the vessel or an

1 application for a certificate of title for the vessel and the  
2 applicable fee has been delivered to the office.

3 Section 7. APPLICATION FOR CERTIFICATE OF TITLE.

4 (a) Except as otherwise provided in Sections 10, 15,  
5 19, 20, 21, and 22, only an owner may apply for a certificate  
6 of title.

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

9 (1) the applicant's name, the street address of the  
10 applicant's principal residence, and, if different, the  
11 applicant's mailing address;

12 (2) the name and mailing address of each other owner  
13 of the vessel;

14 (3) a copy of the applicant's driver's license or  
15 non-driver identification card;

16 (4) the hull identification number for the vessel  
17 or, if none, an application for the issuance of a hull  
18 identification number for the vessel;

19 (5) the vessel number for the vessel or, if none  
20 issued by the office, an application for a vessel number;

21 (6) a description of the vessel as required by the  
22 office, which must include:

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

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

1 (C) the model year or, if none, the year in which  
2 the manufacture or build of the vessel was completed;

3 (D) the overall length of the vessel;

4 (E) the vessel type;

5 (F) the hull material;

6 (G) the propulsion type;

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

8 (I) the fuel type, if any;

9 (7) an indication of all security interests in the  
10 vessel known to the applicant and the name and mailing address  
11 of each secured party;

12 (8) a statement that the vessel is not a documented  
13 vessel or a foreign-documented vessel;

14 (9) any title brand known to the applicant and, if  
15 known, the jurisdiction under whose law the title brand was  
16 created;

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

19 (11) if the application is made in connection with a  
20 transfer of ownership, the transferor's name, street address,  
21 and, if different, mailing address, the sales price, if any,  
22 and the date of the transfer; and

23 (12) if the vessel previously was registered or  
24 titled in another jurisdiction, a statement identifying each

1 jurisdiction known to the applicant in which the vessel was  
2 registered or titled.

3 (c) In addition to the information required by  
4 subsection (b), an application for a certificate of title may  
5 contain an electronic communication address of the owner,  
6 transferor, or secured party.

7 (d) Except as otherwise provided in Section 19, 20,  
8 21, or 22, an application for a certificate of title must be  
9 accompanied by:

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

12 (A) identifies the applicant as the owner of the  
13 vessel; or

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

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

17 (A) if the vessel was a documented vessel, a record  
18 issued by the United States Coast Guard which shows the vessel  
19 is no longer a documented vessel and identifies the applicant  
20 as the owner;

21 (B) if the vessel was a foreign-documented vessel, a  
22 record issued by the foreign country which shows the vessel is  
23 no longer a foreign-documented vessel and identifies the  
24 applicant as the owner; or

1           (C) in all other cases, a certificate of origin,  
2 bill of sale, or other record that to the satisfaction of the  
3 office identifies the applicant as the owner.

4           (e) A record submitted in connection with an  
5 application is part of the application. The office shall  
6 maintain the record in its files.

7           (f) The office may require that an application for a  
8 certificate of title be accompanied by payment or evidence of  
9 payment of fees and taxes payable by the applicant under law  
10 of this state other than this act in connection with the  
11 application or the acquisition or use of the vessel. If a  
12 provision of this act places a duty on the office on delivery  
13 to it of an application for a certificate of title and the  
14 applicable fee and the office requires that the application be  
15 accompanied by payment or evidence of payment of fees and  
16 taxes payable by the applicant under the law of this state  
17 other than this act, the office is not required to carry out  
18 its duty in the absence of such payment or evidence of  
19 payment.

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

22           (a) Unless an application for a certificate of title  
23 is rejected under subsection (c) or (d), the office shall  
24 create a certificate for the vessel in accordance with



1 subsection (b) after delivery to it of an application that  
2 complies with Section 7 and the applicable fee.

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

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

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

12 (2) the application does not contain documentation  
13 sufficient for the office to determine whether the applicant  
14 is entitled to a certificate;

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

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

20 (d) The office shall reject an application for a  
21 certificate of title for a vessel that is a documented vessel  
22 or a foreign-documented vessel.

23 (e) The office may cancel a certificate of title  
24 created by it only if the office:

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

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

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

7           Section 9. CONTENT OF CERTIFICATE OF TITLE.

8           (a) A certificate of title must contain:

9           (1) the date the certificate was created;

10           (2) the name of the owner of record and, if not all  
11 owners are listed, an indication that there are additional  
12 owners indicated in the files of the office;

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

14           (4) the hull identification number;

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

16           (6) except as otherwise provided in Section 15(b),  
17 the name and mailing address of the secured party of record,  
18 if any, and if not all secured parties are listed, an  
19 indication that there are other security interests indicated  
20 in the files of the office; and

21           (7) all title brands indicated in the files of the  
22 office covering the vessel, including brands indicated on a  
23 certificate created by a governmental agency of another  
24 jurisdiction and delivered to the office.

1           (b) This act does not preclude the office from  
2 noting on a certificate of title the name and mailing address  
3 of a secured party that is not a secured party of record.

4           (c) For each title brand indicated on a certificate  
5 of title, the certificate must identify the jurisdiction under  
6 whose law the title brand was created or the jurisdiction that  
7 created the certificate on which the title brand was  
8 indicated. If the meaning of a title brand is not easily  
9 ascertainable or cannot be accommodated on the certificate,  
10 the certificate may state: "Previously branded in (insert the  
11 jurisdiction under whose law the title brand was created or  
12 whose certificate of title previously indicated the title  
13 brand)."

14           (d) If the files of the office indicate that a  
15 vessel previously was registered or titled in a foreign  
16 country, the office shall indicate on the certificate of title  
17 that the vessel was registered or titled in that country.

18           (e) A written certificate of title must contain a  
19 form that all owners indicated on the certificate may sign to  
20 evidence consent to a transfer of an ownership interest to  
21 another person. The form must include a certification, signed  
22 under penalty for making an unsworn falsification to  
23 authorities pursuant to Section 13A-10-109 of the Code of  
24 Alabama 1975, as amended, that the statements made are true

1 and correct to the best of each owner's knowledge,  
2 information, and belief.

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

7 (g) A written certificate of title must contain a  
8 form for a secured party to indicate release of its security  
9 interest.

10 Section 10. TITLE BRAND.

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

17 (1) deliver to the office an application for a new  
18 certificate that complies with Section 7 and includes the  
19 title brand designation "Hull Damaged"; or

20 (2) indicate on the certificate in the place  
21 designated for that purpose that the vessel is hull damaged  
22 and deliver the certificate to the transferee.

23 (b) After delivery to the office of the application  
24 under subsection (a)(1) or the certificate of title under

1 subsection (a) (2), the office shall create a new certificate  
2 that indicates that the vessel is branded "Hull Damaged."

3 (c) Before an insurer transfers an ownership  
4 interest in a hull-damaged vessel that is covered by a  
5 certificate of title created by the office, the insurer shall  
6 deliver to the office an application for a new certificate  
7 that complies with Section 6 and includes the title brand  
8 designation "Hull Damaged." After delivery of the application  
9 to the office, the office shall create a new certificate that  
10 indicates that the vessel is branded "Hull Damaged."

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

17 Section 11. MAINTENANCE OF AND ACCESS TO FILES.

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

20 (1) ascertain or assign the hull identification  
21 number for the vessel;

22 (2) maintain the hull identification number and all  
23 the information submitted with the application pursuant to  
24 Section 7(b) to which the record relates, including the date  
25 and time the record was delivered to the office;

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

3           (4) index the files of the office as required by  
4 subsection (b).

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

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

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

22           (e) Except as otherwise provided by the law of this  
23 state other than this act, the information required under  
24 Section 9 is a public record. The information provided under  
25 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 office promptly shall send the certificate to the secured  
5                   party of record or, if none, to the owner of record, at the  
6                   address indicated for that person in the files of the office.  
7                   On creation of an electronic certificate of title, the office  
8                   promptly shall send a record evidencing the certificate to the  
9                   owner of record and, if there is one, to the secured party of  
10                  record, at the address indicated for that person in the files  
11                  of the office. The office may send the record to the person's  
12                  mailing address or, if indicated in the files of the office,  
13                  an electronic address.

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

19                  (c) Before the office creates an electronic  
20                  certificate of title, any written certificate for the vessel  
21                  must be surrendered to the office. If the office creates an  
22                  electronic certificate, the office shall destroy or otherwise  
23                  cancel the written certificate for the vessel which has been  
24                  surrendered to the office and maintain in the files of the  
25                  office the date and time of destruction or other cancellation.

1 If a written certificate being canceled is not destroyed, the  
2 office shall indicate on the face of the certificate that it  
3 has been canceled.

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

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

20 Section 15. PERFECTION OF SECURITY INTEREST.

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



1       perfected on the later of delivery to the office of the  
2       application and the applicable fee or attachment of the  
3       security interest under Section 7-9A-203 of the Code of  
4       Alabama 1975.

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

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

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

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

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

22      and

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

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

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

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

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

1           (1) created in a vessel by a person during any  
2 period in which the vessel is inventory held for sale or lease  
3 by the person or is leased by the person as lessor if the  
4 person is a dealer;

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

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

11           (h) This subsection applies if a certificate of  
12 documentation for a documented vessel is deleted or canceled.  
13 If a security interest in the vessel was valid immediately  
14 before deletion or cancellation against a third party as a  
15 result of compliance with 46 U.S.C. §31321, the security  
16 interest is and remains perfected until the earlier of four  
17 months after cancellation of the certificate or the time the  
18 security interest becomes perfected under this act.

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

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

4           (k) A security interest in a vessel perfected under  
5 the law of another jurisdiction is perfected to the extent  
6 provided in Section 7-9A-316(d) of the Code of Alabama 1975.

7           Section 16. TERMINATION STATEMENT.

8           (a) Except as provided in subsection (b), a secured  
9 party indicated in the files of the office as having a  
10 security interest in a vessel shall deliver a termination  
11 statement to the office and, on request of the owner of record  
12 in a signed record, shall deliver a copy of the termination  
13 statement to the owner of record, by the earlier of:

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

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

23           (b) If a written certificate of title has been  
24 created and delivered to a secured party, the secured party  
25 may comply with the requirements of subsection (a) by signing

1 the release form on the certificate and delivering the  
2 certificate to the office or to the owner of record no later  
3 than the date required by subsection (a). On request of the  
4 owner of record, a secured party that delivers a written  
5 certificate with a signed release form to the office shall,  
6 not later than the date required by subsection (a), deliver a  
7 copy of the certificate showing the signed release form to the  
8 owner of record. If the certificate is lost, stolen,  
9 mutilated, destroyed, or is otherwise unavailable or  
10 illegible, the secured party shall deliver a termination  
11 statement to the office as required by subsection (a) and  
12 shall deliver to the office with the statement an application  
13 for a replacement certificate meeting the requirements of  
14 Section 22 and the applicable fee.

15 (c) On delivery to the office of a termination  
16 statement under subsection (a) or (b), or on delivery of a  
17 written certificate of title with a signed release form to the  
18 office or the owner of record under subsection (b), any  
19 security interest to which the statement or certificate  
20 relates ceases to be perfected. If the security interest to  
21 which the statement relates was indicated on the certificate,  
22 the office shall create a new certificate and deliver the new  
23 certificate or a record evidencing an electronic certificate  
24 pursuant to Section 12(a). The office shall maintain in its  
25 files the date and time of delivery to the office of a

1 termination statement or written certificate with a signed  
2 release form.

3 (d) A secured party that fails to comply with this  
4 section is liable to the owner of record for a penalty in the  
5 amount of five hundred dollars (\$500). Nothing in this  
6 subsection precludes the owner of record or another owner from  
7 recovering damages under the law of this state other than this  
8 act.

9 Section 17. TRANSFER OF OWNERSHIP.

10 (a) On voluntary transfer of an ownership interest  
11 in a vessel covered by a certificate of title, the following  
12 rules apply:

13 (1) If the certificate is a written certificate of  
14 title and the transferor's interest is noted on the  
15 certificate, the transferor shall sign the certificate and  
16 deliver it to the transferee. If the transferor does not have  
17 possession of the certificate, the person in possession of the  
18 certificate has a duty to facilitate the transferor's  
19 compliance with this subdivision. A secured party does not  
20 have a duty to facilitate the transferor's compliance with  
21 this subdivision if the proposed transfer is prohibited by the  
22 security agreement.

23 (2) If the certificate of title is an electronic  
24 certificate of title, the transferor shall sign and deliver to

1 the transferee a record evidencing the transfer of ownership  
2 to the transferee.

3 (3) The transferee has a right enforceable by  
4 specific performance to require the transferor to comply with  
5 subdivision (1) or (2).

6 (b) The creation of a certificate of title  
7 identifying the transferee as owner of record satisfies  
8 subsection (a).

9 (c) A failure to comply with subsection (a) or to  
10 apply for a new certificate of title does not render a  
11 transfer of ownership of a vessel ineffective between the  
12 parties. Except as otherwise provided in Section 18, 19,  
13 23(a), or 24, a transfer of ownership without compliance with  
14 subsection (a) is not effective against another person  
15 claiming an interest in the vessel.

16 (d) A transferor that complies with subsection (a)  
17 is not liable solely in the capacity as owner of the vessel  
18 for an event occurring after the transfer, regardless of  
19 whether the transferee applies for a new certificate of title.

20 Section 18. EFFECT OF MISSING OR INCORRECT  
21 INFORMATION.

22 Except as otherwise provided in Section 7-9A-337 of  
23 the Code of Alabama 1975, a certificate of title or other  
24 record required or authorized by this act is effective even if

1 it contains incorrect information or does not contain required  
2 information.

3 Section 19. TRANSFER OF OWNERSHIP BY SECURED PARTY'S  
4 TRANSFER STATEMENT.

5 (a) In this section, "secured party's transfer  
6 statement" means a record signed by the secured party of  
7 record stating:

8 (1) that there has been a default on an obligation  
9 secured by the vessel;

10 (2) that the secured party of record has exercised  
11 post-default remedies with respect to the vessel;

12 (3) that, by reason of the exercise, a transferee  
13 has acquired the ownership interest of an owner;

14 (4) the name of the owner whose ownership interest  
15 has been acquired by the transferee;

16 (5) the name and last known mailing address of the  
17 owner of record and the secured party of record;

18 (5) the name of the transferee;

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

20 (7) one of the following:

21 (A) that the certificate of title is an electronic  
22 certificate;

23 (B) that the secured party does not have possession  
24 of the written certificate of title created in the name of the  
25 owner of record; or



1           (C) that the secured party of record is delivering  
2 the written certificate of title created in the name of the  
3 owner of record to the office, with the release form signed,  
4 with the transfer statement.

5           (b) Unless the office rejects a secured party's  
6 transfer statement for a reason stated in Section 8(c), after  
7 delivery to the office of the statement and the applicable fee  
8 the office shall:

9                 (1) accept the statement;

10                (2) amend its files to reflect the transfer; and

11                (3) if the name of the owner whose ownership  
12 interest has been transferred is indicated on the certificate  
13 of title:

14                   (A) cancel the certificate;

15                   (B) create a new certificate substituting the name  
16 of the transferee for the name of the owner; and

17                   (C) deliver the new certificate or a record  
18 evidencing an electronic certificate pursuant to Section  
19 12(a).

20           (c) An application under subsection (a) or the  
21 creation of a certificate of title under subsection (b) is not  
22 by itself a disposition of the vessel and does not by itself  
23 relieve the secured party of its duties under Article 9A,  
24 Title 7, Code of Alabama 1975.

25           Section 20. TRANSFER BY OPERATION OF LAW.

1 (a) In this section:

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

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

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

9 (C) through other legal process.

10 (2) "Transfer-by-law statement" means a record  
11 signed by a transferee stating that by operation of law the  
12 transferee has acquired or has the right to acquire an  
13 ownership interest in a vessel.

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

15 (1) the name and last known mailing address of the  
16 owner of record and the transferee and the other information  
17 required by Section 7(b);

18 (2) documentation sufficient to establish the  
19 transferee's ownership interest or right to acquire the  
20 ownership interest;

21 (3) a statement that:

22 (A) the certificate of title is an electronic  
23 certificate of title;

1           (B) the transferee does not have possession of the  
2 written certificate of title created in the name of the owner  
3 of record; or

4           (C) the transferee is delivering the written  
5 certificate to the office with the transfer-by-law statement;  
6 and

7           (4) except for a transfer described in subsection  
8 (a) (1) (A), evidence that notification of the transfer and the  
9 intent to file the transfer-by-law statement has been sent to  
10 all persons indicated in the files of the office as having an  
11 interest, including a security interest, in the vessel.

12           (c) Unless the office rejects a transfer-by-law  
13 statement for a reason stated in Section 8(c) or because the  
14 statement does not include documentation satisfactory to the  
15 office as to the transferee's ownership interest or right to  
16 acquire the ownership interest, after delivery to the office  
17 of the statement and payment of fees and taxes payable under  
18 the law of this state other than this act in connection with  
19 the statement or with the acquisition or use of the vessel,  
20 the office shall:

21           (1) accept the statement;

22           (2) amend the files of the office to reflect the  
23 transfer; and

1           (3) if the name of the owner whose ownership  
2 interest is being transferred is indicated on the certificate  
3 of title:

4           (A) cancel the certificate even if the certificate  
5 has not been delivered to the office;

6           (B) create a new certificate indicating the  
7 transferee as owner;

8           (C) indicate on the new certificate any security  
9 interest indicated on the canceled certificate, unless a court  
10 order provides otherwise; and

11           (D) deliver the new certificate or a record  
12 evidencing an electronic certificate.

13           (d) This section does not apply to a transfer of an  
14 interest in a vessel by a secured party under Part 6, Article  
15 9A, Title 7 of the Code of Alabama 1975.

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

18           (a) Except as otherwise provided in Section 19 or  
19 20, if the office receives, unaccompanied by a signed  
20 certificate of title, an application for a new certificate  
21 that includes an indication of a transfer of ownership or a  
22 termination statement, the office may create a new certificate  
23 under this section only if:

24           (1) all other requirements under Sections 7 and 8  
25 are met;

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

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

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

17           (b) The office may indicate in a certificate of  
18 title created under subsection (a) that the certificate was  
19 created without submission of a signed certificate or  
20 termination statement. Unless credible information indicating  
21 theft, fraud, or an undisclosed or unsatisfied security  
22 interest, lien, or other claim to an interest in the vessel is  
23 delivered to the office not later than one year after creation  
24 of the certificate, on request in a form and manner required

1 by the office, the office shall remove the indication from the  
2 certificate.

3 (c) Before the office creates a certificate of title  
4 under subsection (a), the office may require the applicant to  
5 post a bond. The bond may not exceed twice the value of the  
6 vessel as determined by the office. The bond must be in form,  
7 amount, and term required by the office and provide for  
8 indemnification of any owner, purchaser, or other claimant for  
9 any expense, loss, delay, or damage, including reasonable  
10 attorney's fees and costs, but not including incidental or  
11 consequential damages, resulting from creation or amendment of  
12 the certificate.

13 Section 22. REPLACEMENT CERTIFICATE OF TITLE.

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

21 (b) An applicant for a replacement certificate of  
22 title must sign the application, and, except as otherwise  
23 permitted by the office, the application must comply with  
24 Section 7. The application must include the existing

1 certificate unless the certificate is lost, stolen, mutilated,  
2 destroyed, or otherwise unavailable.

3 (c) A replacement certificate of title created by  
4 the office must comply with Section 9 and indicate on the face  
5 of the certificate that it is a replacement certificate.

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

10 Section 23. RIGHTS OF PURCHASER OTHER THAN SECURED  
11 PARTY.

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

18 (b) Except as otherwise provided in Sections 17 and  
19 24, the rights, with respect to a vessel, of a purchaser that  
20 is not a buyer in ordinary course of business are governed by  
21 Title 7 of the Code of Alabama 1975.

22 Section 24. RIGHTS OF SECURED PARTY.

23 (a) Subject to subsection (b), the effect of  
24 perfection and nonperfection of a security interest and the  
25 priority of a perfected or unperfected security interest with

1 respect to the rights of a purchaser or creditor, including a  
2 lien creditor, is governed by Title 7 of the Code of Alabama  
3 1975. For purposes of the application of the provisions of  
4 Title 7 of the Code of Alabama 1975, lien creditor has the  
5 meaning provided by this act.

6 (b) If, while a security interest in a vessel is  
7 perfected by any method under this act, the office creates a  
8 certificate of title that does not indicate that the vessel is  
9 subject to the security interest or contain a statement that  
10 it may be subject to security interests not indicated on the  
11 certificate:

12 (1) a buyer of the vessel, other than a person in  
13 the business of selling or leasing vessels of that kind, takes  
14 free of the security interest if the buyer, acting in good  
15 faith and without knowledge of the security interest, gives  
16 value and receives possession of the vessel; and

17 (2) the security interest is subordinate to a  
18 conflicting security interest in the vessel that is perfected  
19 under Section 15 after creation of the certificate and without  
20 the conflicting secured party's knowledge of the security  
21 interest.

22 Section 25. DUTIES AND OPERATION OF OFFICE.

23 (a) The office shall retain the evidence used to  
24 establish the accuracy of the information in its files



1 relating to the current ownership of a vessel and the  
2 information on the certificate of title.

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

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

19 (d) The office shall send or otherwise make  
20 available in a record the following information to any person  
21 that requests it and pays the applicable fee:

22 (1) whether the files of the office indicate, as of  
23 a date and time specified by the office, but not a date  
24 earlier than three days before the office received the  
25 request, any certificate of title, security interest,

1 termination statement, or title brand that relates to a  
2 vessel:

3 (A) identified by a hull identification number  
4 designated in the request;

5 (B) identified by a vessel number designated in the  
6 request; or

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

8 (2) with respect to the vessel:

9 (A) the name and address of any owner as indicated  
10 in the files of the office or on the certificate of title;

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

14 (C) a copy of any termination statement indicated in  
15 the files of the office and the effective date of the  
16 termination statement; and

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

21 (e) In responding to a request under this section,  
22 the office may provide the requested information in any medium  
23 as determined by the office. On request, the office shall send  
24 the requested information in a record that is  
25 self-authenticating under Alabama Rule of Evidence 902(1).

1           Section 26. FEES.

2           (a) There shall be a fee of twenty dollars (\$20) to  
3 be collected by the office for processing and issuing the  
4 required documents and performing the other duties required by  
5 this act in connection with each of the following  
6 transactions:

7                   (1) an application for a certificate of title;

8                   (2) an application for a replacement certificate of  
9 title;

10                   (3) an application for a transfer of ownership by  
11 operation of law using a transfer-by-law statement;

12                   (4) an application for a transfer of ownership using  
13 a transfer statement;

14                   (5) an application for a transfer of ownership  
15 without a certificate of title, transfer-by-law statement, or  
16 transfer statement; and

17                   (6) a search request, including upon request the  
18 certification required by Section 11(e).

19           (b) There shall be no fee for processing a  
20 termination statement or a statement merely providing the  
21 office with the name of a secured party's assignee.

22           (c) Each county licensing official shall serve as an  
23 agent of the office for the purpose of receiving a document  
24 specified in subsection (a) or (b), collecting a fee as  
25 provided for by subsection (a) and forwarding the document and

1 any fee to the office. A fee of five dollars (\$5) shall be  
2 paid to the appropriate licensing official for a transaction  
3 specified in subsection (a) to be deposited in a separate fund  
4 maintained by the licensing official to be used in his or her  
5 sole discretion for any legal purpose in the operation of his  
6 or her office. There shall be no fee for a transaction  
7 specified in subsection (b).

8 (d) The office may designate as its agent a dealer  
9 or financial institution located in this state for the purpose  
10 of preparing an application for a certificate of title and  
11 collecting the fee provided for by subsection (a) and  
12 forwarding the application and fee to the office. An agent  
13 acting under this subsection may charge a fee of no more than  
14 five dollars (\$5) for its services.

15 (e) The fees collected under this section shall be  
16 deposited in the State Treasury to the credit of the State  
17 General Fund after the appropriation provided to the office  
18 for the implementation and administration of this act.

19 Section 27. UNIFORMITY OF APPLICATION AND  
20 CONSTRUCTION. In applying and construing this uniform act,  
21 consideration must be given to the need to promote uniformity  
22 of the law with respect to its subject matter among states  
23 that enact it.

24 Section 28. RELATION TO ELECTRONIC SIGNATURES IN  
25 GLOBAL AND NATIONAL COMMERCE ACT.

1           This act modifies, limits, and supersedes the  
2 federal Electronic Signatures in Global and National Commerce  
3 Act, 15 U.S.C. §7001, et seq., but does not modify, limit, or  
4 supersede Section 101(c) of that act, 15 U.S.C. §7001(c), or  
5 authorize electronic delivery of any of the notices described  
6 in Section 103(b) of that act, 15 U.S.C. §7003(b).

7           Section 29. EFFECTIVE DATE; TRANSITION RULES;  
8 SAVINGS CLAUSE.

9           (a) This act takes effect on January 1, 2024.

10          (b) Except as provided in subsection (c), this act  
11 applies to any vessel for which this state is the state of  
12 principal use on or after January 1, 2024.

13          (c) Except as provided in subsection (d), the  
14 provisions of this act do not apply to a vessel as to which  
15 construction has been completed as of December 31, 2023.

16          (d) Notwithstanding subsection (c), the owner of a  
17 vessel that is 26 feet or more in length and to which  
18 subsection (b) applies may voluntarily apply for a certificate  
19 of title as provided in Section 6, in which case the  
20 provisions of this act apply to the vessel for all purposes  
21 when the application for a certificate of title is delivered  
22 to the office and thereafter.

23          (e) The rights, duties, and interests flowing from a  
24 transaction, certificate of title, or record relating to a  
25 vessel which was validly entered into or created before the

1 date the provisions of this act became applicable to the  
2 vessel and would be subject to this act if it had been entered  
3 into or created on or after the date the provisions of this  
4 act became applicable to the vessel, remain valid on and after  
5 the date the provisions of this act became applicable to the  
6 vessel.

7 (f) This act does not affect an action or proceeding  
8 commenced before the date the provisions of this act became  
9 applicable.

10 (g) Except as otherwise provided in subsection (i),  
11 a security interest in a vessel that is enforceable  
12 immediately before the date the provisions of this act became  
13 applicable to the vessel and would have priority over the  
14 rights of a person that becomes a lien creditor at that time  
15 is a perfected security interest under this act.

16 (h) A security interest in a vessel perfected  
17 immediately before the date the provisions of this act became  
18 applicable to the vessel remains perfected until the earlier  
19 of:

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

22 (2) three years after the date the provisions of  
23 this act became applicable to the vessel.

24 (i) This act does not affect the priority of a  
25 security interest in a vessel if immediately before the date

1 the provisions of this act became applicable to the vessel the  
2 security interest is enforceable and perfected, and that  
3 priority is established.

4 Section 30. The Department of Revenue may adopt  
5 rules for the implementation and administration of this act.

6 Section 31. This act shall become operative  
7 contingent upon full funding from the State General Fund for  
8 its implementation and administration, as certified by the  
9 Commissioner of Revenue.

10 Section 32. This act shall become effective on  
11 January 1, 2024, following its passage and approval by the  
12 Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

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Speaker of the House of Representatives

SB211

Senate 16-FEB-22

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris,  
Secretary.

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House of Representatives  
Amended and passed 01-MAR-22

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Senate concurred in House amendment 08-MAR-22

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By: Senator Elliott