



House Bill No. 5459

Public Act No. 14-63

**AN ACT CONCERNING THE ADOPTION OF THE UNIFORM
CERTIFICATE OF TITLE FOR VESSELS ACT.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective January 1, 2016*) Sections 1 to 32, inclusive, of this act may be cited as the Uniform Certificate of Title for Vessels Act.

Sec. 2. (NEW) (*Effective January 1, 2016*) As used in sections 1 to 32, inclusive, of this act:

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

(2) "Builder's certificate" means a certificate of the facts of build of a vessel described in 46 CFR 67.99;

(3) "Buyer" means a person that buys or contracts to buy a vessel;

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

(5) "Certificate of origin" means a record created by a manufacturer or importer as the manufacturer's or importer's proof of identity of a vessel. "Certificate of origin" includes a manufacturer's certificate or

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statement of origin and an importer's certificate or statement of origin.
"Certificate of origin" does not include a builder's certificate;

(6) "Certificate of title" means a record, created by the Department of Motor Vehicles pursuant to section 8 of this act or by a governmental agency of another jurisdiction under the law of that jurisdiction, that is designated as a certificate of title by the department or such agency and is evidence of ownership of a vessel;

(7) "Commissioner" means the Commissioner of Motor Vehicles;

(8) "Dealer" means a person, including a manufacturer, in the business of selling vessels;

(9) "Department" means the Department of Motor Vehicles;

(10) "Documented vessel" means a vessel covered by a certificate of documentation issued pursuant to 46 USC 12105. "Documented vessel" does not include a foreign-documented vessel;

(11) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities;

(12) "Electronic certificate of title" means a certificate of title consisting of information that is stored solely in an electronic medium and is retrievable in perceivable form;

(13) "Foreign-documented vessel" means a vessel the ownership of which is recorded in a registry maintained by a country other than the United States that identifies each person that has an ownership interest in such vessel and includes a unique alphanumeric designation for the vessel;

(14) "Good faith" means honesty in fact and the observance of reasonable commercial standards of fair dealing;

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(15) "Hull identification number" means the alphanumeric designation assigned to a vessel pursuant to 33 CFR 181, as amended;

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

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

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

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

(D) A receiver in equity from the time of appointment;

(17) "Owner" means a person with legal title to a vessel;

(18) "Owner of record" means the owner indicated in the files of the department or, if the files indicate more than one owner, the owner first indicated;

(19) "Person" means an individual; corporation; business trust; estate; trust; statutory trust; partnership; limited liability company; association; joint venture; public corporation; government or governmental subdivision, agency or instrumentality; or any other legal or commercial entity;

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

(21) "Purchaser" means a person that takes by purchase;

(22) "Record" means information inscribed on a tangible medium or stored in an electronic or other medium that is retrievable in perceivable form;

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(23) "Secured party", with respect to a vessel, means a person:

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

(B) Who is a consignor under article 9 of title 42a of the general statutes; or

(C) Who holds a security interest arising under section 42a-2-401, section 42a-2-505, subdivision (3) of section 42a-2-711 or subsection (d) of section 42a-2A-724 of the general statutes;

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

(25) "Security interest" means an interest in a vessel that secures payment or performance of an obligation if the interest is created by contract or arises pursuant to section 42a-2-401, section 42a-2-505, subdivision (3) of section 42a-2-711 or subsection (d) of section 42a-2A-724 of the general statutes, including, but not limited to, any interest of a consignor in a vessel in a transaction that is subject to article 9 of title 42a of the general statutes. "Security interest" does not include the special property interest of a buyer of a vessel on identification of that vessel to a contract for sale pursuant to section 42a-2-401 of the general statutes, but a buyer may also acquire a security interest by complying with article 9 of title 42a of the general statutes. Except as otherwise provided in section 42a-2-505 of the general statutes, the right of a seller or lessor of a vessel under article 2 of title 42a of the general statutes or article 2A of title 42a of the general statutes to retain or acquire possession of the vessel is not a security interest, but a seller or lessor also may acquire a security interest by complying with article 9

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of title 42a of the general statutes. The retention or reservation of title by a seller of a vessel notwithstanding shipment or delivery to the buyer under section 42a-2-401 of the general statutes is limited in effect to a reservation of a security interest. Whether a transaction in the form of a lease creates a security interest is determined by section 42a-1-203 of the general statutes;

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

(A) Make or adopt a tangible symbol; or

(B) Attach to or logically associate with the record an electronic symbol, sound or process;

(27) "State" means a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States;

(28) "State of principal use" means the state on whose waters a vessel is or will be used, operated, navigated or employed more than on the waters of any other state during a calendar year;

(29) "Title brand" means a designation of previous damage, use or condition that is set forth on a certificate of title issued by another state or other statement which shall be indicated on a certificate of title in accordance with the provisions of section 9 of this act and any regulations adopted by the Commissioner of Motor Vehicles under section 29 of this act;

(30) "Transfer of ownership" means a voluntary or involuntary conveyance of an interest in a vessel;

(31) "Vessel" means every description of watercraft, other than a

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seaplane on water, used or capable of being used as a means of transportation on water;

(32) "Vessel number" means the alphanumeric designation for a vessel issued pursuant to 46 USC 12301 and chapter 268 of the general statutes;

(33) "Written certificate of title" means a certificate of title consisting of information inscribed on a tangible medium;

(34) "Agreement" has the same meaning as provided in subdivision (3) of subsection (b) of section 42a-1-201 of the general statutes;

(35) "Buyer in ordinary course of business" has the same meaning as provided in subdivision (9) of subsection (b) of section 42a-1-201 of the general statutes;

(36) "Consumer goods" has the same meaning as provided in subdivision (23) of subsection (a) of section 42a-9-102 of the general statutes;

(37) "Debtor" has the same meaning as provided in subdivision (28) of subsection (a) of section 42a-9-102 of the general statutes;

(38) "Knowledge" has the same meaning as provided in section 42a-1-202 of the general statutes;

(39) "Lease" has the same meaning as provided in subdivision (17) of subsection (a) of section 42a-2A-102 of the general statutes;

(40) "Lessor" has the same meaning as provided in subdivision (23) of subsection (a) of section 42a-2A-102 of the general statutes;

(41) "Notice" has the same meaning as provided in section 42a-1-202 of the general statutes;

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(42) "Sale" has the same meaning as provided in subdivision (1) of section 42a-2-106 of the general statutes;

(43) "Security agreement" has the same meaning as provided in subdivision (74) of subsection (a) of section 42a-9-102 of the general statutes;

(44) "Seller" has the same meaning as provided in subdivision (1) of section 42a-2-103 of the general statutes;

(45) "Send" has the same meaning as provided in subdivision (36) of subsection (b) of section 42a-1-201 of the general statutes; and

(46) "Value" has the same meaning as provided in section 42a-1-204 of the general statutes.

Sec. 3. (NEW) (*Effective January 1, 2016*) Subject to section 27 of this act, the provisions of sections 1 to 32, inclusive, of this act shall apply to any transaction, certificate of title or record relating to a vessel, even if the transaction, certificate of title or record was entered into or created before January 1, 2016.

Sec. 4. (NEW) (*Effective January 1, 2016*) Unless displaced by a provision of sections 1 to 32, inclusive, of this act, the principles of law and equity supplement said sections.

Sec. 5. (NEW) (*Effective January 1, 2016*) (a) The local law of the jurisdiction under whose certificate of title a vessel is covered governs all issues relating to the certificate of title from the time the vessel becomes covered by the certificate of title until the vessel becomes covered by another certificate of title or becomes a documented vessel, even if no other relationship exists between the jurisdiction and the vessel or its owner.

(b) A vessel becomes covered by a certificate of title when an

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application for the certificate of title and the applicable fee are delivered to the Department of Motor Vehicles in accordance with sections 6 and 7 of this act or to the governmental agency that creates a certificate of title in another jurisdiction in accordance with the law of that jurisdiction.

Sec. 6. (NEW) (*Effective January 1, 2016*) (a) Except as otherwise provided in subsections (b), (c) and (d) of this section, the owner of a vessel for which this state is the state of principal use shall deliver to the Department of Motor Vehicles an application for a certificate of title for the vessel, with the applicable fee, not later than twenty days after the later of:

- (1) The date of a transfer of ownership; or
- (2) The date this state becomes the state of principal use.

(b) An application for a certificate of title is not required and shall not be accepted, and no certificate of title shall be issued, for:

- (1) A documented vessel;
- (2) A foreign-documented vessel;
- (3) A barge;

(4) An amphibious vehicle for which a certificate of title is issued pursuant to chapter 247 of the general statutes or a similar statute of another state;

(5) A vessel, other than a motorboat, as defined in section 15-141 of the general statutes, less than nineteen and one-half feet in length;

(6) A vessel propelled solely by paddle or oar;

(7) A vessel that operates only on a permanently fixed,

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manufactured course and the movement of which is restricted to or guided by means of a mechanical device to which the watercraft is attached or by which the watercraft is controlled;

(8) A vessel owned by the United States, a foreign government or a state, or a political subdivision thereof, which is used in the performance of governmental functions;

(9) A vessel used solely as a lifeboat on another watercraft;

(10) A vessel before delivery if the vessel is under construction or completed pursuant to contract;

(11) A vessel held by a dealer for sale or lease;

(12) A stationary floating structure that:

(A) Does not have and is not designed to have a mode of propulsion of its own;

(B) Is dependent for utilities upon a continuous utility hookup to a source originating on shore; and

(C) Has no sewage facilities or has a permanent, continuous hookup to a shoreside sewage system;

(13) A vessel designated by the manufacturer as having a model year of 2016 or earlier, and any vessel manufactured or assembled prior to January 1, 2017, for which the manufacturer or assembler has not designated a model year; or

(14) A vessel for which a certificate of title has been issued by another state when this state has become the state of principal use for the vessel if one or more of the exceptions enumerated in this subsection apply to such vessel.

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(c) The exceptions in subsection (b) of this section shall not apply to a vessel for which this state is the state of principal use that was a documented vessel or a foreign documented vessel when it becomes no longer a documented vessel or a foreign documented vessel.

(d) The department may not issue, transfer or renew a certificate of title for a vessel issued pursuant to the requirements of 46 USC 12301, unless the department has created a certificate of title for the vessel or an application for a certificate of title for the vessel and the applicable fee has been delivered to the department.

Sec. 7. (NEW) (*Effective January 1, 2016*) (a) Except as otherwise provided in sections 14 and 18 to 21, inclusive, of this act, only an owner may apply for a certificate of title.

(b) An application for a certificate of title shall be on a form that the Commissioner of Motor Vehicles prescribes, be signed by the applicant and contain:

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

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

(3) The hull identification number for the vessel or, if none, an application to the Department of Energy and Environmental Protection for the issuance of a hull identification number for the vessel;

(4) The vessel number for the vessel or, if none has been issued by the Department of Motor Vehicles, an application for a vessel number;

(5) A description of the vessel as required by the Department of Motor Vehicles, which shall include:

(A) The official number for the vessel, if any, assigned by the United

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States Coast Guard;

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

(C) The model year or the year in which the manufacture or build of the vessel was completed;

(D) The overall length of the vessel;

(E) The vessel type;

(F) The hull material;

(G) The propulsion type;

(H) The engine drive type, if any; and

(I) The fuel type, if any;

(6) An indication of all security interests in the vessel known to the applicant and the name and mailing address of each secured party;

(7) A statement that the vessel is not a documented vessel or a foreign-documented vessel;

(8) Any title brand known to the applicant and, if known, the jurisdiction under whose law the title brand was created;

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

(10) If the vessel previously was registered or titled in another jurisdiction, a statement identifying each jurisdiction known to the applicant in which the vessel was registered or titled; and

(11) Any further information the commissioner reasonably requires

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to identify the vessel and to enable the commissioner to determine whether the owner is entitled to a certificate of title and the existence or nonexistence of security interests in the vessel.

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

(d) Except as otherwise provided in sections 18 to 21, inclusive, of this act, an application for a certificate of title shall be accompanied by:

(1) A certificate of title signed by the owner shown on the certificate of title that:

(A) Identifies the applicant as the owner of the vessel; or

(B) Is accompanied by a record that identifies the applicant as the owner; or

(2) If there is no certificate of title:

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

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

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

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

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(f) The department may require that an application for a certificate of title be accompanied by payment or evidence of payment of any or all fees and taxes payable by the applicant under the law of this state, other than fees paid in connection with the application or the acquisition or use of the vessel.

Sec. 8. (NEW) (*Effective January 1, 2016*) (a) Unless an application for a certificate of title is rejected pursuant to subsection (c) or (d) of this section, the Department of Motor Vehicles shall create a certificate of title for the vessel in accordance with subsection (b) of this section after delivery of an application to the department that complies with section 7 of this act.

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

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

(1) The application does not comply with section 7 of this act;

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

(3) There is a reasonable basis for concluding that the application is fraudulent or issuance of a certificate of title would facilitate a fraudulent or illegal act; or

(4) The application does not comply with state law.

(d) The department shall reject an application for a certificate of title for a vessel that appears from the application to be a documented

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vessel or a foreign-documented vessel.

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

(1) Could have rejected the application for the certificate of title under subsection (c) of this section;

(2) Is required to cancel the certificate of title pursuant to this section or section 11, 18 or 19 of this act; or

(3) Receives satisfactory evidence that the vessel is a documented vessel or a foreign-documented vessel.

Sec. 9. (NEW) (*Effective January 1, 2016*) (a) A certificate of title shall contain:

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

(2) The name of the owner of record and, if not all owners are listed, an indication that there are additional owners indicated in the files of the Department of Motor Vehicles;

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

(4) The hull identification number;

(5) The information listed in subdivision (5) of subsection (b) of section 7 of this act;

(6) Except as otherwise provided in subsection (b) of section 14 of this act, the name and mailing address of the secured party of record, if any, and, if not all secured parties are listed, an indication that there are other security interests indicated in the files of the department;

(7) All title brands indicated in the files of the department covering the vessel, including, but not limited to, brands indicated on a

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certificate of title created by a governmental agency of another jurisdiction and delivered to the department; and

(8) Any other information the Commissioner of Motor Vehicles prescribes.

(b) Nothing in sections 1 to 32, inclusive, of this act shall preclude the department from noting on a certificate of title the name and mailing address of a secured party that is not a secured party of record.

(c) For each title brand indicated on a certificate of title, the certificate of title shall identify the jurisdiction under whose law the title brand was created or the jurisdiction that created the certificate of title on which the title brand was indicated. If the meaning of a title brand is not easily ascertainable or cannot be accommodated on the certificate of title, the certificate of title may state: "Previously branded in (insert the jurisdiction under whose law the title brand was created or whose certificate of title previously indicated the title brand)".

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

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

Sec. 10. (NEW) (*Effective January 1, 2016*) (a) For each record relating to a certificate of title submitted to the Department of Motor Vehicles, the department shall:

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(1) Maintain the hull identification number and all the information submitted with the application pursuant to subsection (b) of section 7 of this act to which the record relates, including the date and time the record was delivered to the department;

(2) Maintain the files for public inspection; and

(3) Index the files of the department pursuant to subsection (b) of this section.

(b) The department shall maintain in its files the information contained in all certificates of title created pursuant to section 8 of this act. The information in the files of the department shall be searchable by the hull identification number for the vessel, the vessel number, the name of the owner of record and any other method used by the department.

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

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

(e) Except as otherwise provided by the general statutes, the information required pursuant to section 9 of this act is a public record.

Sec. 11. (NEW) (*Effective January 1, 2016*) (a) On creation of a written certificate of title, the Department of Motor Vehicles shall send the certificate of title to the secured party of record or, if none, to the

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owner of record, at the address indicated for that person in the files of the department. On creation of an electronic certificate of title, the department shall send a record evidencing the certificate of title to the owner of record and, if there is a secured party of record, to such secured party at the address indicated for that person in the files of the department. The department may send the record to the person's mailing address or, if indicated in the files of the department, an electronic address.

(b) If the department creates a written certificate of title, any such written certificate of title shall cancel any such electronic certificate of title. The department shall maintain in its files the date and time of such cancellation.

(c) Before the department creates an electronic certificate of title, any person holding a written certificate of title shall surrender such written certificate of title. If the department creates an electronic certificate of title, the department shall destroy or otherwise cancel any such surrendered written certificate of title and maintain in its files the date and time of such destruction or other cancellation. If a written certificate of title being canceled is not destroyed, the department shall indicate on the face of the certificate of title that it has been canceled.

Sec. 12. (NEW) (*Effective January 1, 2016*) A certificate of title is prima facie evidence of the accuracy of the information in the record that constitutes the certificate of title. In any criminal proceeding, a certified copy of a certificate of title shall be prima facie evidence as to the ownership of a vessel.

Sec. 13. (NEW) (*Effective January 1, 2016*) Possession of a certificate of title does not in and of itself provide a right to obtain possession of a vessel. Garnishment, attachment, levy, replevin or other judicial process against the certificate of title shall not be effective to determine possessory rights to the vessel. Sections 1 to 32, inclusive, of this act do

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not prohibit enforcement under the law of this state other than said sections of a security interest in, levy on, or foreclosure of a statutory or common law lien on a vessel. Absence of an indication of a statutory or common law lien on a certificate of title shall not invalidate the lien.

Sec. 14. (NEW) (*Effective January 1, 2016*) (a) Except as otherwise provided in this section or section 27 of this act, a security interest in a vessel may be perfected only by delivery to the Department of Motor Vehicles of an application for a certificate of title that identifies the secured party and otherwise complies with section 7 of this act. The security interest shall be perfected on the later of delivery to the department of the application and all applicable fees or attachment of the security interest under section 42a-9-203 of the general statutes.

(b) If the interest of a person named as owner, lessor, consignee or bailor in an application for a certificate of title delivered to the department is a security interest, the application sufficiently identifies the person as a secured party. Identification on the application for a certificate of title of a person as owner, lessor, consignee or bailor shall not in and of itself be a factor in determining whether the person's interest is a security interest.

(c) If the department has created a certificate of title for a vessel, a security interest in the vessel may be perfected by delivery to the department of an application, in such form as the department may require, to have the security interest added to the certificate of title. The application shall be signed by an owner of the vessel or by the secured party and shall include:

- (1) The name of the owner of record;
- (2) The name and mailing address of the secured party;
- (3) The hull identification number for the vessel; and

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(4) If the department has created a written certificate of title for the vessel, the certificate of title.

(d) A security interest perfected under subsection (c) of this section shall be perfected on the later of delivery to the department of the application and all applicable fees or attachment of the security interest under section 42a-9-203 of the general statutes.

(e) On delivery of an application that complies with subsection (c) of this section and payment of all applicable fees, the department shall create a new certificate of title pursuant to section 8 of this act and deliver the new certificate of title or a record evidencing an electronic certificate of title pursuant to subsection (a) of section 11 of this act. The department shall maintain in its files the date and time of delivery of the application to the department.

(f) If a secured party assigns a perfected security interest in a vessel, the receipt by the department of a statement providing the name of the assignee as secured party shall not be required to continue the perfected status of the security interest against creditors of and transferees from the original debtor. A purchaser of a vessel subject to a security interest which obtains a release from the secured party indicated in the files of the department or on the certificate of title takes free of the security interest and of the rights of a transferee unless the transfer is indicated in the files of the department or on the certificate of title.

(g) The provisions of this section shall not apply to a security interest:

(1) Created in a vessel by a person during any period in which the vessel is inventory held for sale or lease by the person or is leased by the person as lessor if the person is in the business of selling vessels;

(2) In a barge or any other vessel for which a certificate of title is not

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permitted under sections 1 to 32, inclusive, of this act; or

(3) In a vessel before delivery if the vessel is under construction, or completed, pursuant to contract and for which no application for a certificate of title has been delivered to the department.

(h) When a certificate of documentation for a documented vessel is deleted or canceled, if a security interest in the vessel was valid immediately before deletion or cancellation against a third party as a result of compliance with 46 USC 31321, the security interest is and remains perfected until the earlier of four months after deletion or cancellation of the certificate or the time the security interest becomes perfected under this section.

(i) A security interest in a vessel arising under section 42a-2-401 or 42a-2-505 of the general statutes, subdivision (3) of section 42a-2-711 of the general statutes or subsection (d) of section 42a-2A-724 of the general statutes shall be perfected when it attaches but shall become unperfected when the debtor obtains possession of the vessel, unless before the debtor obtains possession the security interest is perfected pursuant to subsection (a) or (c) of this section.

(j) A security interest in a vessel as proceeds of other collateral shall be perfected to the extent provided in section 42a-9-315 of the general statutes.

(k) A security interest in a vessel perfected under the law of another jurisdiction shall be perfected to the extent provided in subsection (d) of section 42a-9-316 of the general statutes.

Sec. 15. (NEW) (*Effective January 1, 2016*) (a) A secured party indicated in the files of the Department of Motor Vehicles as having a security interest in a vessel shall deliver a termination statement to the department in such form as the department prescribes and, on the debtor's request, to the debtor, by the earlier of:

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

(2) If the vessel is consumer goods, thirty days after there is no obligation secured by the vessel and no commitment to make an advance, incur an obligation or otherwise give value secured by the vessel.

(b) If the department has created a written certificate of title and delivered such certificate of title to a secured party and a termination statement is required under subsection (a) of this section, the secured party shall, not later than the date required by subsection (a) of this section, deliver the certificate of title to the debtor or to the department with the statement. If the certificate of title is lost, stolen, mutilated, destroyed or otherwise unavailable or illegible, the secured party shall, not later than the date required by subsection (a) of this section, deliver with the statement an application for a replacement certificate of title meeting the requirements of section 21 of this act.

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

(d) A secured party that fails to comply with this section shall be liable for any loss that the secured party had reason to know might result from its failure to comply and that could not reasonably have

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been prevented and for the cost of an application for a certificate of title under section 7 or 21 of this act.

(e) The Commissioner of Motor Vehicles may require a secured party indicated in the files of the department as having a security interest in a vessel to electronically transmit to the department a termination statement evidencing release of its security interest in a vessel.

Sec. 16. (NEW) (*Effective January 1, 2016*) (a) Upon voluntary transfer of an ownership interest in a vessel covered by a certificate of title, the following rules apply:

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

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

(3) The transferee shall have a right enforceable by specific performance to require the transferor to comply with the provisions of subdivision (1) or (2) of this subsection.

(b) The creation of a certificate of title identifying the transferee as owner of record shall satisfy subsection (a) of this section.

(c) Failure to comply with subsection (a) of this section or to apply

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for a new certificate of title shall not render a transfer of ownership of a vessel ineffective. Except as otherwise provided in section 17, section 18, subsection (a) of section 22 or section 23 of this act, a transfer of ownership without compliance with subsection (a) of this section shall not be effective against another person claiming an interest in the vessel.

(d) A transferor that complies with subsection (a) of this section shall not be liable as owner of the vessel for an event occurring after the transfer, regardless of whether the transferee applies for a new certificate of title.

Sec. 17. (NEW) (*Effective January 1, 2016*) Except as otherwise provided in section 42a-9-337 of the general statutes, a certificate of title or other record required or authorized by sections 1 to 32, inclusive, of this act shall be effective even if it contains incorrect information or does not contain required information.

Sec. 18. (NEW) (*Effective January 1, 2016*) (a) For the purposes of this section, "secured party's transfer statement" means a record signed by the secured party of record stating:

(1) That there has been a default on an obligation to the secured party of record secured by the vessel;

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

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

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

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(5) The name of the transferee;

(6) Other information required by subsection (b) of section 7 of this act; and

(7) One of the following:

(A) The certificate of title is an electronic certificate of title;

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

(C) The secured party is delivering the written certificate of title to the Department of Motor Vehicles with the secured party's transfer statement.

(b) Unless the department rejects a secured party's transfer statement for a reason stated in subsection (c) of section 8 of this act, after delivery to the department of the statement and payment of fees and taxes payable under the law of this state, other than sections 1 to 32, inclusive, of this act, in connection with the statement or the acquisition or use of the vessel, the department shall:

(1) Accept the statement;

(2) Amend the files of the department to reflect the transfer; and

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

(A) Cancel the certificate of title even if the certificate of title has not been delivered to the department;

(B) Create a new certificate of title indicating the transferee as owner; and

(C) Deliver the new certificate of title or a record evidencing an

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electronic certificate of title.

(c) An application submitted under subsection (a) of this section or the creation of a certificate of title under subsection (b) of this section shall not in and of itself be a disposition of the vessel and shall not in and of itself relieve the secured party of its duties under article 9 of title 42a of the general statutes.

Sec. 19. (NEW) (*Effective January 1, 2016*) (a) For purposes of this section:

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

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

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

(C) Through other legal process; and

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

(b) A transfer-by-law statement shall contain:

(1) The name and last-known mailing address of the owner of record and the transferee and the other information required pursuant to subsection (b) of section 7 of this act;

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

(3) A statement that:

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(A) The certificate of title is an electronic certificate of title;

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

(C) The transferee is delivering the written certificate of title to the Department of Motor Vehicles with the transfer-by-law statement; and

(4) Except for a transfer described in subparagraph (A) of subdivision (1) of subsection (a) of this section, evidence that notification of the transfer and the intent to file the transfer-by-law statement has been sent to all persons indicated in the department's files as having an interest, including a security interest, in the vessel.

(c) Unless the department rejects a transfer-by-law statement for a reason stated in subsection (c) of section 8 of this act or because the statement does not include documentation satisfactory to the department as to the transferee's ownership interest or right to acquire the ownership interest, after delivery to the department of the statement and payment of fees and taxes payable under the law of this state other than sections 1 to 32, inclusive, of this act in connection with the statement or with the acquisition or use of the vessel, the department shall:

(1) Accept the statement;

(2) Amend its files to reflect the transfer; and

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

(A) Cancel the certificate of title even if the certificate of title has not been delivered to the department;

(B) Create a new certificate of title indicating the transferee as owner;

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(C) Indicate on the new certificate of title any security interest indicated on the canceled certificate of title, unless a court order provides otherwise; and

(D) Deliver the new certificate of title or a record evidencing an electronic certificate of title.

(d) The provisions of this section shall not apply to a transfer of an interest in a vessel by a secured party under sections 42a-9-601 to 42a-9-628, inclusive, of the general statutes.

Sec. 20. (NEW) (*Effective January 1, 2016*) (a) Except as otherwise provided in section 18 or 19 of this act, if the Department of Motor Vehicles receives, unaccompanied by a signed certificate of title, an application for a new certificate of title that includes an indication of a transfer of ownership or a termination statement, the department may create a new certificate of title under this section only if:

(1) All other requirements under sections 7 and 8 of this act are met;

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

(3) The applicant provides the department with satisfactory evidence in such form as the department prescribes that notification of the application has been sent to the owner of record and all persons indicated in the department's files as having an interest, including a security interest, in the vessel, not less than forty-five days have passed since the notification was sent, and the department has not received an objection from such owner or persons; and

(4) The applicant submits any other information required by the department as evidence of the applicant's ownership or right to terminate the security interest, and the department has no credible

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information indicating theft, fraud or an undisclosed or unsatisfied security interest, lien or other claim to an interest in the vessel.

(b) The department shall indicate in a certificate of title created under subsection (a) of this section that the certificate of title was created without submission of a signed certificate of title or termination statement. Unless credible information indicating theft, fraud or an undisclosed or unsatisfied security interest, lien or other claim to an interest in the vessel is delivered to the department not later than one year after creation of the certificate of title, on request in a form and manner required by the department, the department shall remove the indication from the certificate of title.

(c) Unless the department determines that the value of a vessel is less than five thousand dollars, before the department creates a certificate of title under subsection (a) of this section, the department may require the applicant to post a bond or provide an equivalent source of indemnity or security. The bond, indemnity or other security shall be in an amount equal to twice the value of the vessel as determined by the department. The bond, indemnity or other security shall be in a form required by the department and provide for indemnification of any owner, purchaser or other claimant for any expense, loss, delay or damage, including reasonable attorney's fees and costs, but not including incidental or consequential damages, resulting from creation or amendment of the certificate of title.

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

Sec. 21. (NEW) (*Effective January 1, 2016*) (a) If a written certificate of title is lost, stolen, mutilated, destroyed or otherwise becomes

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unavailable or illegible, the secured party of record or, if no secured party is indicated in the Department of Motor Vehicle's files, the owner of record may apply for and, by furnishing information satisfactory to the department, obtain a replacement certificate of title in the name of the owner of record.

(b) An applicant for a replacement certificate of title shall sign the application and, except as otherwise permitted by the department, the application shall comply with section 7 of this act. The application shall include the existing certificate of title unless the certificate of title is lost, stolen, mutilated, destroyed or otherwise unavailable.

(c) A replacement certificate of title created by the department shall comply with section 9 of this act and indicate on the face of the certificate of title that it is a replacement certificate of title.

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

Sec. 22. (NEW) (*Effective January 1, 2016*) (a) A buyer in ordinary course of business shall have the protections afforded by subdivision (2) of section 42a-2-403 of the general statutes and subsection (a) of section 42a-9-320 of the general statutes even if an existing certificate of title was not signed and delivered to the buyer or a new certificate of title listing the buyer as owner of record was not created.

(b) Except as otherwise provided in sections 16 and 23 of this act, the rights of a purchaser of a vessel who is not a buyer in ordinary course of business or a lien creditor shall be governed by the provisions of title 42a of the general statutes.

Sec. 23. (NEW) (*Effective January 1, 2016*) (a) Subject to subsection (b) of this section, the effect of perfection and nonperfection of a security interest and the priority of a perfected or unperfected security interest

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with respect to the rights of a purchaser or creditor, including a lien creditor, shall be governed by the provisions of title 42a of the general statutes.

(b) If, while a security interest in a vessel is perfected by any method under section 14 of this act, the Department of Motor Vehicles creates a certificate of title that does not indicate that the vessel is subject to the security interest or contain a statement that it may be subject to security interests not indicated on the certificate of title:

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

(2) The security interest is subordinate to a conflicting security interest in the vessel that is perfected under section 14 of this act after creation of the certificate of title and without the secured party's knowledge of the conflicting security interest.

Sec. 24. (NEW) (*Effective January 1, 2016*) (a) The Department of Motor Vehicles shall retain the evidence used by the department to determine the accuracy of the information in its files relating to the current ownership of a vessel and the information on the certificate of title.

(b) The department shall retain in its files all information received by the department regarding a security interest in a vessel for not less than ten years after the department receives a termination statement regarding the security interest. The information shall be accessible by the hull identification number for the vessel and any other methods provided by the department.

(c) If a person submits a record to the department, or submits information that the department accepts, and requests an

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acknowledgment of the filing or submission, the department shall send to the person an acknowledgment showing the hull identification number for the vessel to which the record or submission relates, the information in the filed record or submission, and the date and time the record was received or the submission accepted. A request under this section shall contain the hull identification number and be delivered by means authorized by the department.

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

(1) Whether the files of the department indicate, as of a date and time specified by the department, but not a date earlier than ten calendar days before the department received the request, any certificate of title, security interest, termination statement or title brand that relates to a vessel:

(A) Identified by a hull identification number designated in the request;

(B) Identified by a vessel number designated in the request; or

(C) Owned by a person designated in the request;

(2) With respect to the vessel:

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

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

(C) A copy of any termination statement indicated in the files of the department and the effective date of the termination statement; and

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(3) With respect to the vessel, a copy of any certificate of origin, secured party's transfer statement under section 18 of this act, transfer-by-law statement under section 19 of this act and other evidence of previous or current transfers of ownership.

(e) In responding to a request under this section, the department may provide the requested information in any medium, provided on request and upon payment of all applicable fees, the department shall communicate the requested information by issuing the department's written document.

Sec. 25. (NEW) (*Effective January 1, 2016*) In applying and construing the provisions of sections 1 to 32, inclusive, of this act, consideration shall be given to the need to promote uniformity of the law with respect to its subject matter among states that enact such uniform provisions.

Sec. 26. (NEW) (*Effective January 1, 2016*) The provisions of sections 1 to 32, inclusive, of this act modify, limit, and supersede the federal Electronic Signatures in Global and National Commerce Act, 15 USC 7001, et seq., but do not modify, limit or supersede Section 101(c) of said act, 15 USC 7001(c), or authorize electronic delivery of any of the notices described in Section 103(b) of said act, 15 USC 7003(b).

Sec. 27. (NEW) (*Effective January 1, 2016*) (a) The rights, duties and interests flowing from a transaction, certificate of title or record relating to a vessel that was validly entered into or created before January 1, 2016, and would be subject to sections 1 to 32, inclusive, of this act if it had been entered into or created on or after January 1, 2016, remain valid on and after January 1, 2016.

(b) Sections 1 to 32, inclusive, of this act do not affect an action or proceeding commenced before January 1, 2016.

(c) Except as otherwise provided in subsection (d) of this section, a

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security interest that is enforceable immediately before January 1, 2016, and would have priority over the rights of a person that becomes a lien creditor at that time is a perfected security interest under sections 1 to 32, inclusive, of this act.

(d) A security interest in a vessel for which a certificate of title is required under sections 1 to 32, inclusive, of this act that is perfected immediately before January 1, 2016, remains perfected until the earlier of:

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

(2) January 1, 2019.

(e) Sections 1 to 32, inclusive, of this act shall not affect the priority of a security interest in a vessel if immediately before January 1, 2016, the security interest is enforceable and perfected, and that priority is established.

Sec. 28. (NEW) (*Effective January 1, 2016*) (a) The department shall be paid the following fees: (1) For filing an application for a certificate of title, twenty-five dollars; (2) for each security interest noted upon a certificate of title or maintained in the electronic title file pursuant to subsection (b) of section 14 of this act, ten dollars; (3) for each record copy search, twenty dollars; (4) for each assignment of a security interest noted upon a certificate of title or maintained in the electronic title file, ten dollars; (5) for an application for a replacement certificate of title, twenty-five dollars, provided such fee shall not be required for any such replacement certificate of title; (6) for filing a notice of security interest, ten dollars; (7) for filing a termination statement relating to a security interest pursuant to section 15 of this act, ten dollars; (8) for filing a secured party's transfer statement pursuant to section 18 of this act, twenty-five dollars; (9) for filing a transfer-by-law

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statement pursuant to section 19 of this act, twenty-five dollars; (10) for filing an application for transfer of ownership or termination of a security interest without a certificate of title pursuant to section 20 of this act, twenty-five dollars; (11) for a certificate of search of the records of the department for each name or hull identification number searched against, twenty dollars; (12) for filing an assignment of security interest, ten dollars; (13) for search of a vessel certificate of title record, requested by a person other than the owner of record of such vessel, twenty dollars; and (14) for a certified copy of any documentation, information or other record maintained or created by the department, twenty dollars.

(b) If an application, certificate of title or other document required to be delivered to the department under any provision of sections 1 to 32, inclusive, of this act is not delivered to the department within ten days from the time it is required to be delivered, the department shall collect, as a penalty, an amount equal to the fee required for the transaction.

(c) Vessels leased to an agency of this state and vessels owned by the state, an agency of the state or a municipality, as defined in section 7-245 of the general statutes, shall be exempt from the fees imposed by this section.

Sec. 29. (NEW) (*Effective January 1, 2016*) (a) The Commissioner of Motor Vehicles shall prescribe and provide suitable forms of applications, certificates of title, notices of security interests and all other notices and forms necessary to carry out the provisions of sections 1 to 32, inclusive, of this act.

(b) The commissioner may: (1) Make necessary investigations to procure information required to carry out the provisions of sections 1 to 32, inclusive, of this act; and (2) adopt and enforce reasonable rules to carry out the provisions of said sections of this act.

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(c) The commissioner may adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, to provide for the implementation of any of the provisions of sections 1 to 32, inclusive, of this act and for the placement of additional indications on any certificate of title concerning the condition of or status of title to any vessel. An indication shall be placed on a certificate of title stating that the vessel may be subject to security interests not shown on the certificate of title when: (1) This state becomes the state of principal use of the vessel from another state; (2) the vessel was not a documented or foreign-documented vessel immediately prior to the application for the certificate of title; and (3) the immediately previous state of principal use of the vessel did not issue, or does not have a requirement for, a certificate of title for the vessel. Such regulations, as may be adopted by the commissioner, shall provide for an opportunity for a hearing, in accordance with the provisions of chapter 54 of the general statutes and section 30 of this act, for any person aggrieved by any action, omission to act or decision of the commissioner or of the Department of Motor Vehicles made pursuant to this subsection.

(d) The commissioner shall adopt regulations, in accordance with the provisions of chapter 54 of the general statutes, concerning the inclusion of a title brand on a certificate of title for a vessel. In adopting such regulations, the commissioner shall consider whether special branding categories such as "hull damaged" shall be included on the certificate of title for a vessel.

Sec. 30. (NEW) (*Effective January 1, 2016*) Any person aggrieved by an action, omission to act or decision of the Commissioner of Motor Vehicles or of the Department of Motor Vehicles under sections 1 to 32, inclusive, of this act shall be entitled, upon request, to a hearing in accordance with the provisions of chapter 54 of the general statutes.

Sec. 31. (NEW) (*Effective January 1, 2016*) Any person aggrieved by an action, omission to act or decision of the Commissioner of Motor

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Vehicles or of the Department of Motor Vehicles under sections 1 to 32, inclusive, of this act may appeal therefrom in accordance with the provisions of section 4-183 of the general statutes, except venue for such appeal shall be in the judicial district of New Britain.

Sec. 32. (NEW) (*Effective January 1, 2016*) (a) Any person who, with fraudulent intent: (1) Alters, forges or counterfeits a certificate of title; (2) alters or forges an assignment of a certificate of title, or an assignment or release of a security interest or a termination statement, on a certificate of title or a form the Department of Motor Vehicles prescribes; (3) has possession of or uses a certificate of title knowing it to have been altered, forged or counterfeited; or (4) uses a false or fictitious name or address, or makes a material false statement, or fails to disclose a security interest, or conceals any other material fact, in an application for a certificate of title, shall be fined not less than five hundred dollars or more than one thousand dollars or be imprisoned not less than one year or more than five years or be both fined and imprisoned.

(b) Any person who: (1) With fraudulent intent, permits another person, not entitled thereto, to use or have possession of a certificate of title; (2) wilfully fails to deliver an application for a certificate of title to the department within ten days after the time required by section 6 of this act; (3) wilfully fails to deliver to such person's transferee a certificate of title within ten days after the time required by section 16 of this act; or (4) wilfully violates any provision of sections 1 to 32, inclusive, of this act, other than subdivision (2) or (3) of this subsection and except as provided in subsection (a) of this section, shall be fined not more than one thousand dollars or be imprisoned not more than two years or be both fined and imprisoned.

Sec. 33. Subdivision (2) of subsection (a) of section 14-10 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective January 1, 2016*):

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(2) "Motor vehicle record" means any record that pertains to an operator's license, instruction permit, identity card, registration, certificate of title or any other document issued by the Department of Motor Vehicles. "Motor vehicle record" does not include any record relating to vessels and certificates of title for vessels, as provided in section 10 of this act;

Approved May 28, 2014