

STATE OF CONNECTICUT

**UNIFORM CERTIFICATE OF TITLE
FOR VESSELS ACT**

Proposed Act

Approved by the

CONNECTICUT LAW REVISION COMMISSION

On

FEBRUARY 22, 2012

NOTE: All Sections Are Effective as of January 1, 2015.

Sec. 1. Short Title. This act may be cited as the Uniform Certificate of Title for Vessels Act.

Sec. 2. Definitions.

(a) In 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 C.F.R. Section 67.99, as amended.

(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 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. The term includes a manufacturer’s certificate or statement of origin and an importer’s certificate or statement of origin. The term does not include a builder’s certificate.

(6) “Certificate of title” means a record, created by the office under 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 office or 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) “Documented vessel” means a vessel covered by a certificate of documentation issued pursuant to 46 U.S.C. Section 12105, as amended. The term does not include a foreign-documented vessel.

(10) “Electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

(11) “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.

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

(13) “Good faith” means honesty in fact and the observance of reasonable commercial standards of fair dealing.

(14) “Hull damaged” means compromised with respect to the integrity of a vessel’s hull by a collision, allision, lightning strike, fire, explosion, running aground, or similar occurrence, or the sinking of a vessel in a manner that creates a significant risk to the integrity of the vessel’s hull.

(15) “Hull identification number” means the alphanumeric designation assigned to a vessel pursuant to 33 C.F.R. Part 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) “Office” means the Department of Motor Vehicles.

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

(19) “Owner of record” means the owner indicated in the files of the office or, if the files indicate more than one owner, the one first indicated.

(20) “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.

(21) “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.

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

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

(24) “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) that is a consignor under Article 9 of title 42a; or

(C) that holds a security interest arising under section 42a-2-401, 42a-2-505, 42a-2-711(3), or 42a-2A-724(d)].

(25) “Secured party of record” means the secured party whose name is indicated as the name of the secured party in the files of the office or, if the files indicate more than one

secured party, the one first indicated.

(26) “Security interest” means an interest in a vessel which secures payment or performance of an obligation if the interest is created by contract or arises under section 42a-2-401, 42a-2-505, 42a-2-711(3), or 42a-2A-724(d). The term includes any interest of a consignor in a vessel in a transaction that is subject to Article 9 of title 42a. The term does not include the special property interest of a buyer of a vessel on identification of that vessel to a contract for sale under section 42a-2-401, but a buyer also may acquire a security interest by complying with Article 9 of title 42a. Except as otherwise provided in section 42a-2-505, the right of a seller or lessor of a vessel under Article 2 of title 42a or Article 2A of title 42a 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 of title 42a. The retention or reservation of title by a seller of a vessel notwithstanding shipment or delivery to the buyer under section 42a-2-401 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].

(27) “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.

(28) “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.

(29) “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.

(30) “Title brand” means a designation of previous damage, use, or condition that must be indicated on a certificate of title.

(31) “Transfer of ownership” means a voluntary or involuntary conveyance of an interest in a vessel.

(32) “Vessel” means any watercraft used or capable of being used as a means of transportation on water, except:

(A) a seaplane;

(B) an amphibious vehicle for which a certificate of title is issued pursuant to chapter 247 or a similar statute of another state;

(C) watercraft less than 19 ½ feet in length and propelled solely by sail, paddle, or oar;

(D) watercraft that operate only on a permanently fixed, 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;

(E) a stationary floating structure that:

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

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

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

(F) watercraft owned by the United States, a state, or a foreign

government or a political subdivision of any of them; and

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

(33) “Vessel number” means the alphanumeric designation for a vessel issued pursuant to 46 U.S.C. Section 12301, as amended and part III of chapter 268.

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

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

- (1) “Agreement”, section 42a-1-201(b)(3).
- (2) “Buyer in ordinary course of business”, section 42a-1-201(b)(9).
- (3) “Consumer goods”, section 42a-9-102(a)(23).
- (4) “Debtor”, section 42a-9-102(a)(28).
- (5) “Knowledge”, section 42a-1-202.
- (6) “Lease”, section 42a-2A-103(1)(j).
- (6) “Lessor”, section 42a-2A-103(1)(p).
- (8) “Notice”, section 42a-1-202.
- (9) “Representative”, section 42a-1-201(b)(33).
- (10) “Sale”, section 42a-2-106(1).
- (11) “Security agreement”, section 42a-9-102(a)(73).
- (12) “Seller”, section 42a-2-103(1)(c).
- (13) “Send”, section 42a-1-201(b)(36).
- (14) “Value”, section 42a-1-204.

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

Sec 3. Applicability. Subject to section 28 of this act, this act applies 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 the effective date of this act.

Sec. 4. Supplemental Principles Of Law And Equity. Unless displaced by a provision of this [act], the principles of law and equity supplement its provisions.

Sec. 5. Law Governing Vessel Covered By Certificate Of Title.

(a) The local law of the jurisdiction under whose certificate of title a vessel is covered governs all issues relating to the certificate from the time the vessel becomes covered by the certificate until the vessel becomes covered by another certificate 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 application for the certificate and all applicable fees are delivered to the office in accordance with this act or to the governmental agency that creates a certificate in another jurisdiction in accordance with the law of that jurisdiction.

Sec. 6. Certificate Of Title Required.

(a) Except as otherwise provided in subsections (b) and (c), the owner of a vessel for which this state is the state of principal use shall deliver to the office an application for a certificate of title for the vessel, with all applicable fees, not later than 20 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 a certificate of title under this act shall not be created, for:

- (1) a documented vessel;
- (2) a foreign-documented vessel;
- (3) a barge;
- (4) a vessel before delivery if the vessel is under construction or completed

pursuant to contract;

- (5) a vessel held by a dealer for sale or lease; or

(6) a vessel designated by the manufacturer as being a two thousand fourteen or earlier model year vessel and any vessel manufactured prior to January first, two thousand fifteen for which the manufacturer has not designated a model year, other than the following vessels:

(A) 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; or

(B) a vessel having this state as 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.

(c) The office may not issue, transfer, or renew a certificate of number for a vessel issued pursuant to the requirements of 46 U.S.C. Section 12301, as amended, unless the office has created a certificate of title for the vessel or an application for a certificate for the vessel and all applicable fees have been delivered to the office.

Sec. 7. Application For Certificate Of Title.

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

(b) An application for a certificate of title shall be in such form that the office prescribes and must 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 issued by the office, an application for a vessel number;

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

(A) the official number for the vessel, if any, assigned by the United 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 applicant knows that the vessel is hull damaged, a statement that the vessel is hull damaged;

(10) 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;

(11) 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

(12) any further information the office reasonably requires to identify the vessel and to enable the office 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), 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 section 19, 20, 21, or 22 of this act, an application for a certificate of title must be accompanied by:

- (1) a certificate of title signed by the owner shown on the certificate and which:
 - (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 office identifies the applicant as the owner.

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

(f) The office 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 law of this state other than this act in connection with the application or the acquisition or use of the vessel.

Sec. 8. Creation And Cancellation Of Certificate Of Title.

(a) Unless an application for a certificate of title is rejected under subsection (c) or (d), the office shall create a certificate for the vessel in accordance with subsection (b) after delivery to it of an application that complies with Section 7.

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

(c) Except as otherwise provided in subsection (d), the office may reject an application

for a certificate of title only if:

- (1) the application does not comply with Section 7;
 - (2) the application does not contain documentation sufficient for the office to determine whether the applicant is entitled to a certificate;
 - (3) there is a reasonable basis for concluding that the application is fraudulent or issuance of a certificate would facilitate a fraudulent or illegal act; or
 - (4) the application does not comply with the law of this state other than this act.
- (d) The office shall reject an application for a certificate of title for a vessel that appears from the application to be a documented vessel or a foreign-documented vessel.
- (e) The office may cancel a certificate of title created by it only if the office:
- (1) could have rejected the application for the certificate under subsection (c);
 - (2) is required to cancel the certificate under another provision of this act; or
 - (3) receives satisfactory evidence that the vessel is a documented vessel or a foreign-documented vessel.

Sec. 9. Content Of Certificate Of Title.

- (a) A certificate of title must contain:
- (1) the date the certificate 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 office;
 - (3) the mailing address of the owner of record;
 - (4) the hull identification number;
 - (5) the information listed in section 7(b)(6) of this act;
 - (6) except as otherwise provided in Section 15(b) 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 office;

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

(8) any other data the office prescribes.

(b) This act does not preclude the office 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 must identify the jurisdiction under whose law the title brand was created or the jurisdiction that created the certificate 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, the certificate 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 office indicate that a vessel previously was registered or titled in a foreign country, the office shall indicate on the certificate of title that the vessel was registered or titled in that country.

(e) A written certificate of title must contain a form that all owners indicated on the certificate may sign to evidence consent to a transfer of an ownership interest to another person. The form must 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.

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

Sec. 10. Title Brand.

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

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

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

(b) After delivery to the office of the application under subsection (a)(1) or the certificate of title under subsection (a)(2), the office shall create a new certificate that indicates that the vessel is branded “Hull Damaged”.

(c) Before an insurer transfers an ownership interest in a hull-damaged vessel that is covered by a certificate of title created by the office, the insurer shall deliver to the office an application for a new certificate that complies with section 6 of this act and includes the title brand designation “Hull Damaged”. After delivery of the application to the office, the office shall create a new certificate that indicates that the vessel is branded “Hull Damaged”.

(d) The commissioner may, after notice and opportunity for a hearing, in accordance with the provisions of chapter 54 of the general statutes, impose a civil penalty of not more than one thousand dollars for each failure to comply on (1) any owner of record that fails to comply with subsection (a), (2) a person that solicits or colludes in a failure by an owner of record to comply with subsection (a), or (3) an insurer that fails to comply with subsection (c).

Sec. 11. Maintenance Of And Access To Files.

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

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

(2) maintain the files for public inspection; and

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

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

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

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

(e) Except as otherwise provided by the law of this state other than this act, the information required under Section 9 is a public record.

Sec. 12. Action Required On Creation Of Certificate Of Title.

(a) On creation of a written certificate of title, the office promptly shall send the

certificate to the secured party of record or, if none, to the owner of record, at the address indicated for that person in the files of the office. On creation of an electronic certificate of title, the office promptly shall send a record evidencing the certificate to the owner of record and, if there is one, to the secured party of record, at the address indicated for that person in the files of the office. The office may send the record to the person's mailing address or, if indicated in the files of the office, an electronic address.

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

(c) Before the office creates an electronic certificate of title, any written certificate for the vessel must be surrendered to the office. If the office creates an electronic certificate, the office shall destroy or otherwise cancel the written certificate for the vessel which has been surrendered to the office and maintain in the files of the office the date and time of destruction or other cancellation. If a written certificate being canceled is not destroyed, the office shall indicate on the face of the certificate that it has been canceled.

Sec. 13. Effect Of Certificate Of Title. A certificate of title is prima facie evidence of the accuracy of the information in the record that constitutes the certificate. 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. 14. Effect Of Possession Of Certificate Of Title; Judicial Process. Possession of a certificate of title does not by itself provide a right to obtain possession of a vessel. Garnishment, attachment, levy, replevin, or other judicial process against the certificate is not effective to determine possessory rights to the vessel. This act does not prohibit enforcement

under law of this state other than this act 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 does not invalidate the lien.

Sec. 15. Perfection Of Security Interest.

(a) Except as otherwise provided in this section or section 28 of this act, a security interest in a vessel may be perfected only by delivery to the office of an application for a certificate of title that identifies the secured party and otherwise complies with Section 7. The security interest is perfected on the later of delivery to the office 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 office is a security interest, the application sufficiently identifies the person as a secured party. Identification on the application for a certificate of a person as owner, lessor, consignee, or bailor is not by itself a factor in determining whether the person's interest is a security interest.

(c) If the office has created a certificate of title for a vessel, a security interest in the vessel may be perfected by delivery to the office of an application, in such form the office may require, to have the security interest added to the certificate. The application must be signed by an owner of the vessel or by the secured party and must 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
- (4) if the office has created a written certificate of title for the vessel, the

certificate.

(d) A security interest perfected under subsection (c) is perfected on the later of delivery to the office 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) and payment of all applicable fees, the office shall create a new certificate of title pursuant to section 8 of this act and deliver the new certificate or a record evidencing an electronic certificate pursuant to section 12(a) of this act. The office shall maintain in the files of the office the date and time of delivery of the application to the office.

(f) If a secured party assigns a perfected security interest in a vessel, the receipt by the office of a statement providing the name of the assignee as secured party is not 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 office or on the certificate takes free of the security interest and of the rights of a transferee unless the transfer is indicated in the files of the office or on the certificate.

(g) This section does 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 permitted under 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 has been delivered to the office.

(h) This subsection applies if 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 42 U.S.C. Section 31321, the security interest is and remains perfected until the earlier of four months after cancellation of the certificate or the time the security interest becomes perfected under this act.

(i) A security interest in a vessel arising under section 42a-2-401, 42a-2-505, 42a-2-711(3), or 42a-2A-724(d) of the general statutes is perfected when it attaches but becomes 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).

(j) A security interest in a vessel as proceeds of other collateral is 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 is perfected to the extent provided in section 42a-9-316(d) of the general statutes.

Sec. 16. Termination Statement.

(a) A secured party indicated in the files of the office as having a security interest in a vessel shall deliver a termination statement to the office in such form as the office prescribes, and, on the debtor's request, to the debtor, by the earlier of:

(1) 20 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.

(2) if the vessel is consumer goods, 30 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; or

(b) If a written certificate of title has been created and delivered to a secured party and a termination statement is required under subsection (a), the secured party, not later than the date required by subsection (a), shall deliver the certificate to the debtor or to the office with the statement. If the certificate is lost, stolen, mutilated, destroyed, or is otherwise unavailable or illegible, the secured party shall deliver with the statement, not later than the date required by subsection (a), an application for a replacement certificate meeting the requirements of section 22 of this act.

(c) On delivery to the office 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 office shall create a new certificate and deliver the new certificate or a record evidencing an electronic certificate. The office shall maintain in its files the date and time of delivery to the office of the statement.

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

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

Sec. 17. Transfer Of Ownership.

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

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

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

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

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

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

(d) A transferor that complies with subsection (a) is not 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. 18. Effect Of Missing Or Incorrect Information. Except as otherwise provided in section 42a-9-337 of the general statutes, a certificate of title or other record required or authorized by this act is effective even if it contains incorrect information or does not contain required information.

Sec. 19. Transfer Of Ownership By Secured Party's Transfer Statement.

(a) In 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;

(5) the name of the transferee;

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

(7) one of the following:

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

(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

office with the secured party's transfer statement.

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

- (1) accept the statement;
- (2) amend the files of the office 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 even if the certificate has not been delivered to the office;

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

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

(c) An application under subsection (a) or the creation of a certificate of title under subsection (b) is not by itself a disposition of the vessel and does not by itself relieve the secured party of its duties under Article 9 of title 42a of the general statutes.

Sec. 20. Transfer By Operation Of Law.

(a) In 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.

(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 must contain:

(1) the name and last known mailing address of the owner of record and the transferee and the other information required by section 7(b) of this act;

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

(3) a statement that:

(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 to the office with the transfer-by-law statement; and

(4) except for a transfer described in subsection (a)(1)(A), 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 files of the office as having an interest, including a security interest, in the vessel.

(c) Unless the office rejects a transfer-by-law statement for a reason stated in section 8(c) of this act or because the statement does not include documentation satisfactory to the office as

to the transferee's ownership interest or right to acquire the ownership interest, after delivery to the office of the statement and payment of fees and taxes payable under the law of this state other than this act in connection with the statement or with the acquisition or use of the vessel, the office shall:

- (1) accept the statement;
- (2) amend the files of the office 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 even if the certificate has not been delivered to the office;

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

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

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

(d) This section does not apply to a transfer of an interest in a vessel by a secured party under Part 6 of Article 9 of title 42a.

Sec. 21. Application For Transfer Of Ownership Or Termination Of Security Interest Without Certificate Of Title.

(a) Except as otherwise provided in section 19 or 20 of this act, if the office receives, unaccompanied by a signed certificate of title, an application for a new certificate that includes an indication of a transfer of ownership or a termination statement, the office may create a new certificate 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 office with satisfactory evidence in such form as the office prescribes that notification of the application has been sent to the owner of record and all persons indicated in the files of the office as having an interest, including a security interest, in the vessel, at least forty-five days have passed since the notification was sent, and the office has not received an objection from any of those persons; and

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

(b) The office shall indicate in a certificate of title created under subsection (a) that the certificate was created without submission of a signed certificate 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 office not later than one year after creation of the certificate, on request in a form and manner required by the office, the office shall remove the indication from the certificate.

(c) Unless the office determines that the value of a vessel is less than five thousand dollars, before the office creates a certificate of title under subsection (a), the office 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 office. The bond, indemnity, or other security must be in a form required by

the office 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.

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

Sec. 22. Replacement Certificate Of Title.

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

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

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

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

Sec. 23. Rights Of Purchaser Other Than Secured Party.

(a) A buyer in ordinary course of business has the protections afforded by sections 42a-2-403(2) and 42a-9-320(a) of the general statutes even if an existing certificate of title was not

signed and delivered to the buyer or a new certificate listing the buyer as owner of record was not created.

(b) Except as otherwise provided in sections 17 and 24 of this act, the rights of a purchaser of a vessel which is not a buyer in ordinary course of business or a lien creditor are governed by the Uniform Commercial Code.

Sec. 24. Rights Of Secured Party.

(a) Subject to subsection (b), the effect of perfection and nonperfection of a security interest and the priority of a perfected or unperfected security interest with respect to the rights of a purchaser or creditor, including a lien creditor, is governed by the Uniform Commercial Code.

(b) If, while a security interest in a vessel is perfected by any method under this act, the office 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:

(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 15 of this act after creation of the certificate and without the conflicting secured party's knowledge of the security interest.

Sec. 25. Duties And Operation Of Office.

(a) The office shall retain the evidence used by the office 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 office shall retain in its files all information received by the office regarding a security interest in a vessel for at least ten years after the office receives a termination statement regarding the security interest. The information must be accessible by the hull identification number for the vessel and any other methods provided by the office.

(c) If a person submits a record to the office, or submits information that is accepted by the office, and requests an acknowledgment of the filing or submission, the office shall send to the person an acknowledgment showing the hull identification number of 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 must contain the hull identification number and be delivered by means authorized by the office.

(d) The office 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 office indicate, as of a date and time specified by the office, but not a date earlier than ten calendar days before the office 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 office or on the certificate of title;

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

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

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

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

Sec. 26. Uniformity Of Application And Construction. In applying and construing this act, consideration must be given to the need to promote uniformity of the law with respect to its subject matter among states that enact it. The official comments promulgated by the National Conference of Commissioners of Uniform State Laws relating to the uniform act upon which this act is based may be considered by the courts of this state to ascertain the meaning and effect of this act.

Sec. 27. Relation To Electronic Signatures In Global And National Commerce Act. This act modifies, limits, and supersedes the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001, et seq., but does not modify, limit, or supersede Section 101(c) of that act, 15 U.S.C. Section 7001(c), or authorize electronic delivery of any of the notices described in Section 103(b) of that act, 15 U.S.C. Section 7003(b).

Sec. 28. Savings Clause.

(a) The rights, duties, and interests flowing from a transaction, certificate of title, or record relating to a vessel which was validly entered into or created before January 1, 2015 and would be subject to this act if it had been entered into or created on or after January 1, 2015,

remain valid on and after January 1, 2015.

(b) This act does not affect an action or proceeding commenced before January 1, 2015.

(c) Except as otherwise provided in subsection (d), a security interest that is enforceable immediately before January 1, 2015 and would have priority over the rights of a person that becomes a lien creditor at that time is a perfected security interest under this act.

(d) A security interest in a vessel for which a certificate of title is required under this act that is perfected immediately before January 1, 2015 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, 2018.

(e) This act does not affect the priority of a security interest in a vessel if immediately before January 1, 2015 the security interest is enforceable and perfected, and that priority is established.

Sec. 29. Fees. (a) The office 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 15 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 duplicate certificate of title, twenty-five dollars, provided such fee shall not be required for any such duplicate 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 16 of this act, ten dollars; (8) for filing a secured party's transfer statement pursuant to section 19 of this act, twenty-five dollars; (9) for filing a transfer-by-law statement

pursuant to section 20 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 21 of this act, twenty-five dollars; (11) for a certificate of search of the records of the office 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 office, twenty dollars.

(b) If an application, certificate of title or other document required to be mailed or delivered to the office under any provision of this act is not delivered to the office within ten days from the time it is required to be mailed or delivered, the office 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, shall be exempt from the fees imposed by this section.

Sec. 30. Powers and Duties of Commissioner. (a) The commissioner 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 this act.

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

(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

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 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 31 of this act, for any person aggrieved by any action, omission to act or decision of the commissioner or of the office made pursuant to this subsection.

Sec. 31. Hearing. A person aggrieved by an action, omission to act or decision of the commissioner or of the office under this act is entitled, upon request, to a hearing in accordance with the provisions of chapter 54.

Sec. 32. Appeal. A person aggrieved by an action, omission to act or decision of the commissioner or of the office under 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. 33. Penalties. (a) A 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 office 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) A person who: (1) With fraudulent intent, permits another, not entitled thereto, to use or have possession of a certificate of title; (2) wilfully fails to mail or deliver a certificate of title or application therefor to the office within ten days after the time required by this chapter; (3) wilfully fails to deliver to his transferee a certificate of title within ten days after the time required by this chapter; or (4) wilfully violates any provision of this act, except as provided in subsection (a) of this section, shall be fined not more than one thousand dollars or imprisoned not more than two years, or both.

(c) The penal provisions of this act in no way repeal or modify any existing provision of criminal law or provisions relating to stolen, recovered, unclaimed or abandoned vessels or to false reports of thefts or conversion of vessels, but are additional and supplementary thereto.

Sec. 34. 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, 2015*):

(2) “Motor vehicle record” means any record that pertains to an operator’s license, learner’s permit, identity card, registration, certificate of title or other document issued by the Department of Motor Vehicles, but specifically excepting any record relating to vessels and certificates of title for vessels, as provided in subsection (e) of section 11 of this act.