

NASBLA MODEL ACT FOR VESSEL TITLING

This act originally was adopted by the membership of the National Association of State Boating Law Administrators in September 1996. The act, among its provisions, presents requirements for the issuance and content of certificates of title for vessels, the responsibilities of manufacturers and dealers in this area, and a set of requirements related to the notice, priority, release and surrender of security interest in vessels.*

*In 2005, the NASBLA Numbering & Titling Committee approved and recommended a revised version of the act to the NASBLA membership as part of the Association’s Model Act Review and Standardization Project. The act was approved by the membership in revised form on Sept. 21, 2005.***

In 2008, the Vessel Identification, Registration and Titling Committee added provisions for a salvage or non repairable title for fraud prevention and consumer protection. This branding became even more important following the damage done to vessels involved in Hurricane Katrina.

The Vessel Identification, Registration and Titling Committee in 2009 to correspond more with the Vessel Identification System provisions in the Code of Federal Regulations.

See also, the NASBLA Model Act for Numbering and Titling of Non-Powered Vessels, originally adopted by the membership on Sept. 13, 2000, and subsequently approved in revised form on Sept. 21, 2005.

** An earlier version actually had been adopted in November 1964, and in 1979, was repositioned from its original placement in an appendix to become Chapter 3 (Numbering of Vessels and Certificate of Title) of the “Uniform Boating Code”; the Code was designed as a guide or standard for state boating laws and regulations.*

***As part of its review of all related numbering and titling acts, the Committee approved the use of common definitions for terms such as “Dealer,” “Manufacturer,” “Operate/Operation” and “Owner” across the acts and as applicable (Titling, Dealer/Manufacturer Licensing, Dealer/Manufacturer Numbering, and Numbering/Titling Non-Powered Vessels). Federal definitions from 33 CFR 173 were used as the basis for this standardization.*

1 Section 1. [*Short Title.*] This act may be cited as the Vessel Titling Act.

1 Section 2. [*Definitions.*] As used in this act:

2 (1) “Approved numbering system” means a numbering system approved by the Secretary under
3 46 U.S.C. Chapter 123.

4 (1) “Certificate of documentation” means a certificate issued by the United States Coast Guard
5 for a vessel documented under 46 U.S.C., Chapter 121 (Form CG-1270).

6 (2) "Certificate of origin" means a document establishing the initial chain of ownership, such as
7 a manufacturer's certificate of origin (MCO) or statement of origin (MSO), or an importer's
8 certificate of origin (ICO) or statement of origin (ISO), or a builder's certification (Form CG-1261,
9 under 46 CFR Part 67) provided by the manufacturer of a new vessel or its distributor, that is the
10 only valid indication of ownership between the manufacturer, its distributor, its franchised new
11 vessel dealers, and the original purchaser.

Vessel Titling – Adopted September 28, 2009

12 (3) "Dealer" means any person who engages wholly or in part in the business of buying, selling,
13 or exchanging for value new or used vessels, or both, either outright or on conditional sale,
14 bailment, lease, chattel mortgage or otherwise. A dealer must have an established place of business
15 for the sale, trade, and display of such vessels, selling [two or more] within any [twelve (12)]
16 consecutive months.

17 (4) "Documented vessel" means a vessel documented under 46 U.S.C, Chapter 121.

18 (5) "Hull identification number" means the number assigned to a vessel under subpart C of 33
19 CFR Part 181.

20 (6) "Insurer" is as defined in [insert state statute].

21 (7) "Issuing authority" means the [insert name of agency/authority designated by the legislative
22 body to administer the issuance of certificates of number or title, or both for vessels], and its duly
23 authorized representatives.

24 (8) "Lienholder" means a person holding a security interest.

25 (9) "Manufacturer" means any person engaged in the business of manufacturing or importing
26 new vessels for the purpose of sale or trade.

27 (10) "Nonrepairable vessel" means a vessel which is incapable of safe operation for use on the
28 water and which the owner or insurer designates has no resale value except as a source of parts or
29 scrap. "Nonrepairable vessel" includes, but is not limited to, any vessel that is completely stripped
30 and is recovered from theft, or is completely burned to the extent that the hull, motor, or interior
31 components are not usable, and that the owner irreversibly designates as having little or no resale
32 value except as a source of scrap.

33 (11) "Nonrepairable vessel certificate of title" means a vessel ownership document issued by the
34 issuing authority to the owner of a nonrepairable vessel.

35 (12) "Operate," "operated" or "operation" means all operations of a vessel when it is at the pier,
36 idle in the water, at anchor, or being propelled through the water.

37 (13) "Owner" means a person, other than a secured party, having property rights in, or title to, a
38 vessel. "Owner" includes a person entitled to use or possess a vessel subject to a security interest in
39 another person, but does not include a lessee under a lease not intended as security.

40 (14) "Person" means any natural person or individual, firm, partnership, corporation, association,
41 or other entity.

42 (15) "Salvage vessel" means a vessel, other than a nonrepairable vessel, of a type that is subject
43 to titling and registration and that was stolen, wrecked, destroyed, damaged in a storm or otherwise
44 damaged to the extent that the owner, leasing company, financial institution or insurance company
45 considers it uneconomical to repair. "Salvage vessel" also includes, without regard to whether
46 such vessel meets the seventy-five percent (75%) threshold as defined in "uneconomical to repair",
47 any vessel whose owner may wish to designate as a salvage vessel by obtaining a salvage title,
48 without regard to the extent of the vessel's damage and repairs. Such designation by the owner
49 shall not impose on the insurer of the vessel or on an insurer processing a claim made by or on
50 behalf of the owner of the vessel any obligations or liabilities.

51 (16) "Salvage certificate of title" means a vessel ownership document issued by the issuing
52 authority to the owner of a salvage vessel.

53 (17) "Secured party" means a lender, seller or other person in whose favor there is a security
54 interest under applicable law.

55 (18) "Security interest" means an interest that is reserved or created by an agreement under
56 applicable law that secures payment or performance of an obligation.

57 (19) "State of principal operation" means the state on whose waters a vessel is operated or to be

58 operated most during a calendar year.

59 (20) "Title holding state" means a state whose issuing authority is required by law to send the
60 certificate of title to the first secured party.

61 (21) "Undocumented vessel" means a vessel for which a certificate of documentation has not
62 been issued by the United States Coast Guard under 46 U.S.C., Chapter 121.

63 (22) "Uneconomical to repair" means wrecked, destroyed or damaged to the extent that the total
64 estimated or actual cost of parts and labor to rebuild or reconstruct the vessel to its pre-accident
65 condition exceeds seventy-five percent (75%) of the retail value of the vessel as set forth in [a
66 current edition of any nationally recognized compilation (to include automated databases) of retail
67 value].

68 (23) "Vessel" includes every description of watercraft, other than a seaplane on the water, used
69 or capable of being used as a means of transportation on water.

70 (24) "Waters of the state" means any waters within the jurisdiction of the state.

1 Section 3. [*Certificate of Title Required.*]

2 (a) Except as provided in Section 4 of this act, any owner of a vessel principally operated on the
3 waters of the state and required to be numbered shall apply to the issuing authority for a certificate
4 of title for the vessel.

5 (b) Except as provided in Section 4 of this act, the issuing authority shall not issue or renew a
6 certificate of number to any vessel required to be numbered in the state unless the issuing authority
7 has issued a certificate of title to the owner.

1 Section 4. [*Certificate of Title Exemptions.*] A person who on [insert effective date] is the owner
2 of a vessel with a valid certificate of number issued by the issuing authority shall not be required to
3 file an application for a certificate of title for the vessel unless the person is transferring any
4 interest in the vessel or renewing the certificate of number for the vessel. A person who is the
5 owner of a vessel with a valid certificate of documentation issued by the United States Coast
6 Guard shall not be issued a certificate of title.

1 Section 5. [*Application for Certificate of Title; Form; Content.*]

2 (a) An application for a certificate of title shall be made by the owner(s) within 60 days after
3 acquiring the vessel or after a change in the vessel data listed on the certificate of title.

4 (b) The application shall include a certificate of origin for any new vessel not previously
5 numbered, titled, documented, or registered

6 (c) The application shall be on forms prescribed and furnished by the issuing authority.

7 (d) The application shall contain: (1) The name(s) and principle residence(s) of the owner(s);
8 (2) Mailing address, if different from the address in paragraph (d)(1) of this section.

9 (2) The name(s) and address(es), including zip code(s), of all persons having any liens or
10 encumbrances upon the vessel in the order of their priority.

11 (3) A description of the vessel to be titled as defined under 33 CFR 187.103;

12 (4) The date of purchase;

13 (5) The name(s) and address(es) of the former owner(s) or seller(s);

14 (6) The date of sale and gross purchase price of the vessel, or the fair market value if no sale
15 immediately preceded the transfer;

16 (7) The signatures of all owners certifying that statements made are true and correct to the best
17 of the applicant's knowledge, information and belief, under penalty of perjury; and

- 18 (8) Any additional information the issuing authority requires.
- 19 (9) An owner unique identifier as required under 33 CFR 187.101

1 Section 6. [*Acquisition of Vessel by Dealer.*]

2 (a) If a dealer buys or acquires a used numbered vessel for resale, the dealer shall report the
3 acquisition to the issuing authority on forms the issuing authority provides, or the dealer may
4 apply for and obtain a certificate of title as provided in this act.

5 (b) If a dealer acquires a new vessel requiring titling for resale, the dealer may apply for and obtain
6 a certificate of title as provided in this act.

7 (c) Every dealer transferring a vessel requiring titling, as determined by the issuing authority, shall
8 assign the title to the new owner or the new owner's designee, or in the case of a new vessel assign
9 either the certificate of origin or, if titled, the title.

1 Section 7. [*Prohibition of Vessel Sale, Assignment, Transfer without Certificate of Title or*
2 *Documentation.*] No person shall sell, assign or transfer a vessel titled by the issuing authority or
3 documented with the United States Coast Guard without delivering to the new owner or the new
4 owner's designee, a certificate of title or a certificate of documentation with an assignment in the
5 new owner's name.

1 Section 8. [*Certificate of Title Form, Content.*]

2 (a) Each certificate of title shall contain:

3 (1) The name(s) of the current owner(s);

4 (2) The address of the principal place of residence of an individual owner, and the address,
5 including zip code, of the principal place of business of an owner that is not an individual;

6 (3) The date of title issuance;

7 (4) A description of the vessel defined under 33 CFR 187.317, including the vessel
8 identification number as required in 33 CFR, Section 187.9, the name of manufacturer or model,
9 year built or the model year, vessel length, vessel type, propulsion type, and hull material;

10 (5) The name and address of each lienholder;

11 (6) The recording or perfection date of new liens and original recording date of any liens
12 outstanding;

13 (7) Title number as required under 33 CFR 187.313; and

14 (8) Other items as required by the issuing authority.

15 (b) Space must be provided on the certificate for assignment of interest in the vessel, with a
16 certification that statements provided on the title assignment are true and correct to the best of the
17 owner's knowledge, information and belief under penalty of perjury.

1 Section 9. [*Retention of Records of Title.*] The issuing authority shall retain the evidence used to
2 establish the accuracy of the information required for vessel titling purposes, and shall make the
3 evidence available to the United States Coast Guard and participating authorities upon request.

1 Section 10. [*Duplicate Certificate of Title.*] The holder of an original title shall apply for a
2 duplicate title after the discovery of the loss, theft, mutilation, or destruction of an original
3 certificate of title. The issuing authority shall issue a duplicate certificate of title plainly marked
4 "duplicate" on the face of the duplicate certificate of title upon application by the person entitled to
5 hold such certificate if the issuing authority is satisfied that the original certificate has been lost,

6 stolen, mutilated, destroyed, or has become illegible. The applicant shall furnish information,
7 under penalty of perjury, concerning the original certificate and the circumstances of its loss, theft,
8 mutilation or destruction. Mutilated or illegible certificates shall be returned to the issuing
9 authority with the application for a duplicate. If a duplicate certificate of title has been issued and
10 the lost or stolen original is recovered, the original shall be promptly surrendered to the issuing
11 authority for cancellation.

1 Section 11. [*Fees.*] The issuing authority shall charge a [insert dollar amount] fee to issue a
2 certificate of title; a [insert dollar amount] fee to transfer a title; and a [insert dollar amount] fee to
3 issue a duplicate or corrected certificate of title.

COMMENT: It is recommended that the titling fee structure be set in regulation.

1 Section 12. [*Manufacturer's or Importer's Certificate of Origin Required.*] No dealer shall
2 purchase or acquire a new vessel without obtaining from the seller a manufacturer's or importer's
3 certificate of origin or equivalent document. No manufacturer, importer, dealer, or other person
4 shall sell or otherwise dispose of a new vessel to a dealer for purposes of resale without delivering
5 to the dealer a manufacturer's or importer's certificate of origin or equivalent document.

1 Section 13. [*Manufacturer's or Importer's Certificate of Origin Form, Content.*]

2 (a) The manufacturer's or importer's certificate of origin, or equivalent document, shall be a
3 uniform or standardized form.

4 (b) Each manufacturer's or importer's certificate of origin shall contain:

5 (1) A description of the vessel including its trade name, model year or year built, exact length,
6 type and hull identification number; and

7 (2) An assignment form that contains as many assignments thereon as may be necessary to
8 show title in the name of the purchaser, including the certification of date of transfer of vessel, the
9 name and address of transferee, certification that the vessel is new, and a warranty that the vessel
10 at the time of delivery is subject only to such liens and encumbrances as set forth and described in
11 full in the assignment.

12 (c) Such certificate of origin shall be in the English language or accompanied by an English
13 translation if the vessel was purchased outside of the United States.

1 Section 14. [*Dealer's Record of Vessels Bought, Sold or Transferred.*] Every dealer shall
2 maintain for at least [three] years a record of any vessel bought, sold, exchanged or received for
3 sale or exchange. This record shall be available for inspection by issuing authority representatives
4 during reasonable business hours.

1 Section 15. [*Hull Identification Number Requirement; Prohibitions.*]

2 (a) Each vessel shall have a hull identification number assigned and affixed. The issuing
3 authority shall assign a hull identification number to an undocumented vessel not having a hull
4 identification number at the time of numbering or application for a certificate of title after transfer
5 of ownership or change of state of principal operation.

6 (b) A person shall not destroy, remove, alter, cover or deface the manufacturer's hull
7 identification number or the plate bearing it, or any hull identification number the issuing authority
8 assigns to any vessel, without authorization from the issuing authority and the Commandant of the

9 United States Coast Guard.

1 Section 16. [*Transfer or Repossession of Vessel by Operation of Law or Court Order.*]

2 (a) In the event of a transfer by operation of law or order of a court of the title or interest of an
3 owner in a vessel titled under the provisions of this act, the transferee or the transferee's legal
4 representative shall make application to the issuing authority for a certificate of title within 60
5 days of the transfer. The application shall be accompanied by the title previously issued for the
6 vessel, if available, or an original or authentic copy of the legal transfer document, together with
7 such instruments or documents of authority, or copies thereof, satisfactory to the issuing authority
8 as proof of ownership, and the required fee.

9 (b) For purposes of this act, transfer by operation of law or order of a court shall include transfers
10 to anyone as legatee or distributee or as surviving joint owner or by an order in bankruptcy or
11 insolvency, execution sale, repossession upon default in the performance of the terms of a lease or
12 executory sales contract, or transfers pursuant to any written agreement ratified or incorporated in
13 a decree or order of a court of record, or otherwise than by the voluntary act of the person whose
14 title or interest is so transferred.

1 Section 17. [*Transfer of Title When There is No Executor or Administrator of Estate.*] If the titled
2 owner is deceased and no one has qualified as administrator or executor of the owner's estate, a
3 transfer may be made by a legatee or distributee. The legatee or distributee shall present to the
4 issuing authority the original certificate of title, a copy of the decedent's death certificate and a
5 statement to the effect that there has not been or is not expected to be any one who qualifies as
6 executor or administrator. The statement shall contain the name, residence at the time of death, and
7 date of death of the decedent, and the name(s) of any other person(s) having an interest in the
8 vessel for which the title is to be transferred. If these persons are of legal age, they shall indicate in
9 writing their consent to the transfer of the title.

1 Section 18. [*Security Interest in Vessels; Certificate of Title to Show Interest; Serve as Notice;*
2 *Priority; Release; Surrender; Exemptions.*]

3 (a) The issuing authority upon receiving an application for a certificate of title to a vessel
4 showing a security interest on the vessel, shall show upon the face of the certificate of title all
5 security interests in the order of their priority as shown on the application. The application shall
6 contain the name and address of the owner, a description of the vessel as required in Section 5(c)(3)
7 of this act, the name and address, including zip code of the secured party, and the date of the
8 security interest.

9 (b) Security interests created after the original issue of title to the owner must be shown on the
10 certificate of title. The owner shall surrender the original certificate of title to the issuing authority
11 and file an application on a form furnished by the issuing authority containing the name and
12 address of the secured party, the amount of the security interest and the date, together with
13 payment of a filing fee in the amount of [insert dollar amount]. The issuing authority shall then
14 issue a new certificate of title showing the name and address of the secured party. The newly
15 issued certificate of title shall be sent to the first secured party who shall retain the title until the
16 security interest is satisfied in full.

17 For the purpose of recording subsequent security interests, the issuing authority shall require any
18 secured party to deliver the certificate of title to the issuing authority. Upon receipt of the
19 certificate of title, completion of the forms furnished by the issuing authority, and required fees,

20 the issuing authority shall then issue a new certificate of title showing the security interests in the
21 order of their priority according to the date of the filing of the application. The newly issued
22 certificate of title shall be sent to the first secured party recorded on the certificate of title.

23 (c) The certificate of title when issued by the issuing authority showing a security interest, shall
24 be adequate notice to the state, creditors, and purchasers that a security interest in the vessel exists.
25 The recording or filing of such security interest in the local jurisdiction where the purchaser or
26 debtor resides shall not be required.

27 (d) A security interest shall be filed within [insert number of] days after the purchase of a vessel.
28 If application for the recordation of a security interest to be placed upon a vessel is filed in the
29 principal office of the issuing authority, it shall be valid to all persons as if the recordation had
30 been done on the day the security interest was acquired.

31 (e) Except in the case of security interest in vessels which are in inventory held for sale, the
32 security interest shown on the certificates of title issued by the issuing authority pursuant to
33 applications for certificates shall have priority over any other liens or security interest against the
34 vessel however created and recorded, except for liens designated by the issuing authority.

35 (f) The certificate of title of the vessel shall be delivered to the person holding the security
36 interest having first priority upon the vessel. The title shall be retained by that lienholder until the
37 entire amount of the security interest is fully paid by the owner of the vessel. The certificate of title
38 shall then be delivered to the secured party next in order of priority and so on, or, if none, then to
39 the owner of the vessel.

40 (g) Upon the satisfaction of a security interest in a vessel, the secured party shall attach to the
41 certificate of title a release of security interest in whatever form as may be prescribed by or
42 acceptable to the issuing authority. Within [insert number of] days, the secured party shall mail or
43 deliver the certificate of title to the vessel owner and a copy of the security release, if required, to
44 the issuing authority. Upon request of the owner and upon receipt of a copy of the security release,
45 if required, and the certificate of title, the issuing authority shall correct its records and issue a new
46 certificate of title to the owner.

47 (h) It shall constitute a [insert offense] for a secured party who holds a security interest as
48 provided for in this act to refuse or fail to surrender the certificate of title to the person who is
49 legally entitled to possession thereof within [insert number of] days after the security interest has
50 been paid and satisfied.

51 (i) This section does not apply to any of the following: a lien given by statute or rule of law to a
52 supplier of services or materials for the vessel; a lien given by statute to the United States, a state,
53 or a political subdivision thereof; or any lien arising out of an attachment of a vessel.

1 Section 19. [*Branding the Certificate of Title for Salvage and Nonrepairable Vessels*]

2 (a) For any vessel, the ownership of which is transferred on or after (insert date) an indication of
3 a title brand on a certificate of title may consist of an abbreviation, but not a symbol, and must
4 identify the jurisdiction that created the title brand or the jurisdiction that created a certificate of
5 title created by a governmental agency of any jurisdiction that indicated the title brand. If the
6 meaning of a title brand is not easily ascertainable or cannot be accommodated on the certificate of
7 title, the certificate of title may state: “Previously branded in [insert the particular jurisdiction that
8 created the title brand or whose certificate of title previously indicated the title brand].”

9 (b) The issuing authority shall conspicuously indicate on the face of the title or certificate for a
10 vessel, as applicable, if the vessel is a salvage vessel, or a nonrepairable vessel. Such information
11 concerning a vessel’s status shall also be conveyed on any subsequent title, including a duplicate

12 or replacement title, for the vessel issued by the original titling state or any other state.

13 (c) No duplicate or replacement title shall be issued unless the word “duplicate” is clearly
14 marked on its face.

15 (d) If an insurance company is not involved in a damage settlement involving a salvage vessel, or
16 a nonrepairable vessel, the vessel owner must apply for a salvage certificate of title or
17 nonrepairable vessel certificate, whichever is applicable, before the vessel is repaired or the
18 ownership of the vessel is transferred, but in any event within thirty (30) days after the vessel is
19 damaged.

20 (e) If an insurance company, pursuant to a damage settlement, acquires ownership of a vessel
21 that has incurred damage requiring the vessel to be titled as a salvage vessel or, nonrepairable
22 vessel the insurance company either must notify the agency electronically or on documents
23 prescribed by the issuing authority for purposes of evidencing the insurance company in the
24 ownership chain of title or, alternatively, must apply for a salvage certificate of title or
25 nonrepairable vessel certificate within fifteen (15) days after the title is properly assigned by the
26 owner to the insurance company, and delivered to the insurance company with all liens released.

27 (f) Any person acquiring ownership of a damaged vessel that meets the definition of a salvage or
28 nonrepairable vessel for which a salvage certificate of title or nonrepairable vessel certificate has
29 not been issued, must apply for a salvage certificate of title or nonrepairable vessel certificate,
30 whichever is applicable. This application must be made before the vessel is further transferred, but
31 in any event, within thirty (30) days after ownership is acquired.

32 (g) No nonrepairable vessel certificate shall be issued after one transfer of ownership.

33 (h) The issuing authority’s records shall note when a salvage certificate title is issued.

34 (i) A violation of this section is a [insert penalty].

1 Section 20. [*Certificate of Number; Evidence of Ownership; Rebuttal.*] Issuance of a certificate
2 of number under provision of the law shall be prima facie evidence of ownership of a vessel and
3 entitlement of the owner to a certificate of title, but such certificate of number and certificate of
4 title shall be subject to rebuttal.

1 Section 21. [*Adoption of Rules and Regulations.*] The issuing authority shall adopt the necessary
2 rules and regulations to implement the provisions of this act.

1 Section 22. [*Forms; Investigations.*]

2 (a) The issuing authority shall prescribe and provide suitable forms of applications, certificates
3 of title, notices of security interests, and all other notices and forms necessary to carry out this act.

4 (b) The issuing authority may make necessary investigations to procure information required to
5 carry out this act.

1 Section 2. [*Effective Date.*] [Insert effective date.]