

Regular Session, 2009

HOUSE BILL NO. 478

BY REPRESENTATIVE HARRISON

BOATS/SHIPS/VESSELS: Provides for titling of outboard boat motors and certain vessels

1 AN ACT

2 To amend and reenact R.S. 10:9-309(1), 311(b), 501(a)(3), 515(i), and 516(3), and R.S.
3 34:851.20(M)(1) and (3), 852.1, 852.2(2), (3), and (7) through (17), 852.3(A),
4 852.4(A) and (B)(2), (3), and (6), 852.5, 852.6, 852.7(A)(4) and (B), 852.8, 852.10,
5 852.11(B) and (C), 852.12, 852.14(A) and (C), 852.15, 852.16(A), (D) through (H),
6 and (I)(1) and (3), 852.17, and 852.20 and to enact R.S. 10:9-504(5) and R.S.
7 34:851.20(M)(4) and (5), 852.2(18), 852.3(A)(1) and (2), and 852.23, relative to
8 titling; to provide for titling and registering of certain vessels and outboard motors;
9 and to provide for perfection of security interests in certain motors; to provide for
10 effectiveness of certain financing statements; to provide for definitions; to provide
11 for certificates of title; to provide for form and content of application for title and
12 certificate of title; to provide for duplicate titles; to provide for exemptions; to
13 provide for manufacturers and dealers; to provide for transfer of and interest in
14 outboard motors; to provide for liens; to provide for rules and regulations; and to
15 provide for related matters.

16 Be it enacted by the Legislature of Louisiana:

17 Section 1. R.S. 10:9-309(1), 311(b), 501(a)(3), 515(i), and 516(3) are hereby
18 amended and reenacted and R.S. 10:9-504(5) is hereby enacted to read as follows:

19 §9-309. Security interest perfected upon attachment

20 The following security interests are perfected when they attach:

1 (1) a purchase-money security interest in consumer goods, except as
 2 otherwise provided in R.S. 10:9-501(a)(1) with respect to titled motor vehicles and
 3 R.S. 10:9-311(b) with respect to consumer goods that are subject to a statute or treaty
 4 described in R.S. 10:9-311(a) and R.S. 10:9-501(a)(3) with respect to a titled vessel
 5 or outboard motor;

6 * * *

7 §9-311. Perfection of security interests in property subject to certain statutes,
 8 regulations, and treaties

9 * * *

10 (b) Compliance with other law. Compliance with the requirements of a
 11 statute, regulation, or treaty described in Subsection (a) for obtaining priority over
 12 the rights of a lien creditor is equivalent to the filing of a financing statement under
 13 this Chapter. Except as otherwise provided in Subsection (d) and R.S. 10:9-313 and
 14 9-316(d) and (e) for goods covered by a certificate of title, a security interest in
 15 property subject to a statute, regulation, or treaty described in Subsection (a) may be
 16 perfected only by compliance with those requirements, and a security interest in a
 17 titled motor vehicle may be perfected only by compliance with R.S. 10:9-501(a)(1)
 18 and R.S. 32:701 et seq., and a security interest in a titled vessel transferred for the
 19 first time on or after July 1, 2008, valued in excess of two thousand five hundred
 20 dollars; and required to be numbered, or a titled outboard motor transferred for the
 21 first time on or after January 1, 2011, and such vessel or motor is to be principally
 22 operated on the waters of this state, ~~required to be numbered, and~~ not held as
 23 inventory for sale or lease, ~~and transferred for the first time on or after July 1, 2008,~~
 24 may be perfected only by compliance with R.S. 10:9-501(a)(3) and R.S. 34:852.1 et
 25 seq., and a security interest so perfected remains perfected notwithstanding a change
 26 in the use or transfer of possession of the collateral.

27 * * *

1 §9-501. Filing office

2 (a) Filing offices. If the local law of this state governs perfection of a
3 security interest or agricultural lien, the office in which to file a financing statement
4 to perfect the security interest or agricultural lien is:

5 * * *

6 (3) The Department of Wildlife and Fisheries, if the collateral is a titled
7 vessel valued in excess of two thousand five hundred dollars; and required to be
8 numbered, or a titled outboard motor, and such vessel or motor is to be principally
9 operated on the waters of this state, ~~required to be numbered~~, not held as inventory
10 for sale or lease, and transferred for the first time on or after July 1, 2008.

11 * * *

12 §9-504. Indication of collateral

13 A financing statement sufficiently indicates the collateral that it covers if the
14 financing statement provides:

15 * * *

16 (5) Serial number, year manufactured, name of manufacturer or model, in
17 the case of a titled outboard motor not held as inventory for sale or lease.

18 * * *

19 §9-515. Duration and effectiveness of financing statement; effect of lapsed
20 financing statement

21 * * *

22 (i) Financing statement covering titled vessel or outboard motor. A
23 financing statement filed with the Department of Wildlife and Fisheries covering a
24 titled vessel not held as inventory for sale or lease is effective until a termination
25 statement is filed.

26 §9-516. What constitutes filing; effectiveness of filing

27 (a) What constitutes filing.

28 * * *

1 (3) A financing statement covering a titled vessel or outboard motor not held
2 as inventory for sale or lease is filed when received provided the receipt is
3 subsequently validated by the Department of Wildlife and Fisheries.

4 * * *

5 Section 2. R.S. 34:851.20(M)(1) and (3), 852.1, 852.2(2), (3), and (7) through (17),
6 852.3(A), 852.4(A) and (B)(2), (3), and (6), 852.5, 852.6, 852.7(A)(4) and (B), 852.8,
7 852.10, 852.11(B) and (C), 852.12, 852.14(A) and (C), 852.15, 852.16(A), (D) through (H),
8 and (I)(1) and (3), 852.17, and 852.20 are hereby amended and reenacted and R.S.
9 34:851.20(m)(4) and (5), 852.2(18), 852.3(A)(1) and (2), and 852.23 are hereby enacted to
10 read as follows:

11 §851.20. Identification number

12 * * *

13 M.(1) Any application for registration or titling of a an outboard motor as
14 defined in R.S. 34:852.2(9) with a serial number that has been removed or obliterated
15 whether on purpose or accident, a homemade ~~boat~~ vessel, a vessel with an alteration
16 in length due to restoration, construction, or other means that would require a change
17 to the vessel's title document or registration certificate, a vessel with a hull
18 identification number that has been removed or obliterated whether on purpose or by
19 accident, a vessel with an incorrect hull identification number or a vessel with no
20 hull identification number shall first be submitted to the ~~nearest regional office of the~~
21 Department of Wildlife and Fisheries. ~~An agent associated with that regional office~~
22 The enforcement division shall make a visual inspection of the ~~boat~~ outboard motor
23 or vessel to determine if it is homemade, to determine ownership, or to verify
24 ownership. If the inspection of the ~~boat~~ outboard motor or vessel is favorable and
25 approved by the State Boating Law Administrator or his designee, the agent shall
26 issue and stamp a sequential hull number on the boat. ~~The owner of the boat shall~~
27 ~~then submit the registration form with the favorable inspection report of the agent to~~
28 ~~the Department of Wildlife and Fisheries for processing.~~ Persons shall be required

1 to obtain titles for such approved outboard motors and vessels at the time of
2 application.

3 * * *

4 (3) Any proprietor of a scrap or salvage yard who is in receipt of an
5 ~~aluminum boat~~ outboard motor which does not have a serial number or vessel which
6 does not have a hull identification number affixed thereto shall notify ~~an agent~~
7 ~~associated with the nearest regional office of~~ the Department of Wildlife and
8 Fisheries to obtain verification of ownership thereof prior to payment of any value
9 for the receipt of the ~~boat~~ outboard motor or vessel, unless proper ownership can be
10 verified by registration.

11 (4) For the purposes of this Subsection "homemade vessel" shall mean a
12 vessel that is built by an individual for personal use from raw materials that does not
13 require the assignment of a federal hull identification number by a manufacturer
14 pursuant to federal law. The term shall not include a rebuilt or reconstituted vessel.

15 (5) Hull identification numbers issued by the department and inspections of
16 outboard motors shall be for identification purposes only and shall not guarantee the
17 seaworthiness or to certify compliance with safety standards as required by the
18 United States Coast Guard.

19 * * *

20 PART IV-A. VESSEL AND MOTOR TITLING ACT

21 §852.1. Short title

22 This Part may be cited as the "Vessel and Motor Titling Act".

23 §852.2. Definitions

24 As used in this Part:

25 * * *

26 (2) "Certificate of origin" means a document establishing the initial chain of
27 ownership, such as a manufacturer's certificate of origin (MCO) or statement of
28 origin (MSO), or an importer's certificate of origin (ICO) or statement of origin
29 (ISO), or a builder's certification (Form CG-1261, under 46 CFR Part 67) provided

1 by the manufacturer of a new vessel or outboard motor or its distributor, that is the
2 only valid indication of ownership between the manufacturer, its distributor, its
3 franchised new vessel or outboard motor dealers, and the original purchaser.

4 (3) "Dealer" means any person who engages wholly or in part in the business
5 of buying, selling, or exchanging for value new or used vessels or outboard motors,
6 or both, either outright or on conditional sale, bailment, lease, chattel mortgage, or
7 otherwise. A dealer must have an established place of business for the sale, trade,
8 and display of such vessels or motors, selling two or more within any twelve
9 consecutive months.

10 * * *

11 (7) "Manufacturer" means any person engaged in the business of
12 manufacturing or importing new vessels or outboard motors for the purpose of sale
13 or trade.

14 (8) "Operate", "operated", or "operation" means all operations of a vessel or
15 outboard motor when it is at the pier, idle in the water, at anchor, or being propelled
16 through the water.

17 (9) "Outboard motor" means a mechanical combustion engine manufactured
18 to produce a twenty-five or more horsepower engine and designed to attach outboard
19 of the transom of a vessel.

20 ~~(9)~~ (10) "Owner" means a person, other than a secured party, having property
21 rights in, or title to, a vessel or outboard motor. ~~"The term"~~ The term includes a
22 person entitled to use or possess a vessel or outboard motor subject to a security
23 interest in another person, but does not include a lessee under a lease not intended
24 as security.

25 ~~(10)~~ (11) "Person" means any natural person or individual, firm, partnership,
26 corporation, association, limited liability company, or other entity.

27 ~~(11)~~ (12) "Possesses" means the person has acquired rights in or title to a
28 vessel or outboard motor by virtue of a gift, donation, raffle, or exchange or the
29 person built the vessel or outboard motor themselves.

1 ~~(12)~~ (13) "Security interest" means an interest that is reserved or created by
2 an agreement that secures payment or performance of an obligation. A lien or
3 privilege created by operation of law is not a "security interest".

4 ~~(13)~~ (14) "State of principal operation" means the state on whose waters a
5 vessel or outboard motor is operated or to be operated most during a calendar year.

6 ~~(14)~~ (15) "Title-holding state" means a state whose department is required
7 by law to send the certificate of title to the first secured party.

8 ~~(15)~~ (16) "Undocumented vessel" means a vessel for which a certificate of
9 documentation has not been issued by the United States Coast Guard under 46
10 U.S.C., Chapter 121.

11 ~~(16)~~ (17) "Vessel" means every description of watercraft and air boats,
12 including homemade boats, other than a seaplane on the water, used or capable of
13 being used as a means of transportation on water, valued in excess of two thousand
14 five hundred dollars, to be principally operated on the waters of this state, required
15 to be numbered, not held as inventory for sale or lease, and transferred for the first
16 time on or after July 1, 2008.

17 ~~(17)~~ (18) "Waters of the state" means any waters within the jurisdiction of
18 the state.

19 §852.3. Certificate of title authorized

20 A. Upon the implementation of this Part, any person who purchases or
21 possesses ~~a vessel valued in excess of two thousand five hundred dollars, either of~~
22 the following to be principally operated on the waters of this state, ~~required to be~~
23 ~~numbered, and~~ not held as inventory for sale or lease, ~~and transferred for the first~~
24 ~~time on or after July 1, 2008,~~ may apply to the department for a certificate of title for
25 the vessel: :

26 (1) A vessel valued in excess of two thousand five hundred dollars and
27 required to be numbered and transferred for the first time on or after July 1, 2008.

1 (2) An outboard motor transferred for the first time on or after January 1,
2 2011.

3 * * *

4 §852.4. Application for certificate of title; form; content

5 A. An application for a certificate of title may be made by the owner within
6 sixty days after acquiring the vessel or outboard motor or after a change in the ~~vessel~~
7 data listed on the certificate of title. The application shall be on forms prescribed
8 and furnished by the department.

9 B. The application shall contain:

10 * * *

11 (2) The name and address of all persons having any liens or security interests
12 upon the vessel or outboard motor in the order of their priority.

13 (3) A description of the vessel or outboard motor to be titled, including an
14 entry for identification of the state or country in which the vessel or outboard motor
15 was last numbered, titled, or registered under the laws of another jurisdiction or a
16 foreign country, the name of the manufacturer or model, the model year or year
17 built; In the case of a vessel, the application shall also include the complete hull
18 identification number, vessel length, vessel type, principal material of hull
19 construction, and propulsion type. In the case of an outboard motor, the application
20 shall also include the serial number.

21 * * *

22 (6) The date of sale and gross purchase price of the vessel or outboard motor,
23 or the fair market value if no sale immediately preceded the transfer or, if the vessel
24 or outboard motor was not purchased but acquired by other means, the date of the
25 acquisition and the fair market value of the vessel or outboard motor at the time of
26 the acquisition.

27 * * *

28 §852.5. Acquisition of vessel or outboard motor by dealer

1 If a dealer buys or acquires a used outboard motor or numbered vessel for
2 resale, the dealer shall report the acquisition to the department on forms the
3 department provides, or the dealer may apply for and obtain a certificate of title as
4 provided in this Part. If a dealer acquires a new vessel or outboard motor and he
5 wishes to obtain a title for resale, the dealer may apply for and obtain a certificate of
6 title as provided in this Part. Every dealer transferring a vessel or outboard motor
7 he wishes to have titled shall assign the title to the new owner or the new owner's
8 designee or, in the case of a new vessel or outboard motor, assign either the
9 certificate of origin or, if titled, the title.

10 §852.6. Prohibition of vessel or outboard motor sale, assignment, or transfer without
11 certificate of title or documentation

12 A. No person shall sell, assign, or transfer a vessel or outboard motor titled
13 by the department or documented with the United States Coast Guard without
14 delivering to the new owner or the new owner's designee a certificate of title or a
15 certificate of documentation with an assignment in the new owner's name.

16 B. The provisions of this Section shall not apply to vessel or outboard motor
17 dealers and supervised financial organizations or licensed lenders as defined in R.S.
18 9:3516, when they acquire or dispose of such vessels or outboard motors in
19 connection with enforcement of any security interest held therein.

20 §852.7. Certificate of title; form and content

21 A. Each certificate of title shall contain:

22 * * *

23 (4) A description of the vessel or outboard motor, including ~~the vessel~~
24 ~~identification number as required in 33 CFR 187.5~~, the name of manufacturer or
25 model, the model year or year built; or manufactured. In the case of a vessel, the
26 description shall also include the vessel identification number as required by 33 CFR
27 187.5, vessel length, vessel type, principal material of hull construction, and

1 propulsion type. In the case of an outboard motor, the application shall also include
2 the serial number.

* * *

4 B. Space must be provided on the certificate for assignment of interest in the
5 vessel or outboard motor, with a certification that statements provided on the title
6 assignment are true and correct to the best of the owner's knowledge, information,
7 and belief, under penalty of perjury.

8 §852.8. Retention of records of title

9 The department shall retain the evidence used to establish the accuracy of the
10 information required for vessel or outboard motor titling purposes and may make the
11 evidence available to the United States Coast Guard and participating authorities
12 upon request.

* * *

14 §852.10. Manufacturer's or importer's certificate of origin required

15 No dealer shall purchase or otherwise acquire a new vessel or outboard motor
16 without obtaining from the seller a manufacturer's or importer's certificate of origin
17 or equivalent document. No manufacturer, importer, dealer, or other person shall sell
18 or otherwise dispose of a new vessel or outboard motor to a dealer for purposes of
19 resale without delivering to the dealer a manufacturer's or importer's certificate of
20 origin or equivalent document.

21 §852.11. Manufacturer's or importer's certificate of origin; form and content

* * *

23 B. Each manufacturer's or importer's certificate of origin shall contain:

24 (1) A description of the vessel or outboard motor, including the name of the
25 manufacturer or model, the model year or year built; or manufactured. In the case
26 of a vessel, the description shall also include the complete hull identification number,
27 vessel length, vessel type, principal material of hull construction, and propulsion
28 type. In the case of an outboard motor, the application shall also include the serial
29 number.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

1 (2) An assignment form that contains as many assignments thereon as may
2 be necessary to show title in the name of the purchaser, including the certification
3 of date of transfer of vessel or outboard motor, the name and address of transferee,
4 certification that the vessel or outboard motor is new, and a warranty that the vessel
5 or outboard motor at the time of delivery is subject only to such liens and security
6 interests as set forth and described in full in the assignment.

7 C. Such certificate of origin shall be in the English language or accompanied
8 by an English translation if the vessel or outboard motor was purchased outside of
9 the United States.

10 §852.12. Dealer's record of vessels bought, sold, or transferred

11 Every dealer shall maintain for at least three years a record of any vessel or
12 outboard motor bought, sold, exchanged, or received for sale or exchange. This
13 record shall be available for inspection by department representatives during
14 reasonable business hours.

15 * * *

16 §852.14. Transfer or repossession of vessel or outboard motor by operation of law
17 or court order

18 A. In the event of a transfer by operation of law or order of a court of the title
19 or interest of an owner in a vessel or outboard motor titled under the provisions of
20 this Part, the transferee or the transferee's legal representative shall make application
21 to the department for a certificate of title within sixty days of the transfer. The
22 application shall be accompanied by the title previously issued ~~for the vessel~~, if
23 available, or an original or authentic copy of the legal transfer document, together
24 with such instruments or documents of authority, or copies thereof, satisfactory to
25 the department as proof of ownership, and the required fee.

26 * * *

27 C. The provisions of this Section shall not apply to vessel or outboard motor
28 dealers and supervised financial organizations or licensed lenders as defined in R.S.

1 9:3516, when they acquire or dispose of such vessels or outboard motors in
2 connection with enforcement of any security interest held therein.

3 §852.15. Transfer of title; absence of executor or administrator of estate

4 If the titled owner is deceased and no one has qualified as administrator or
5 executor of the owner's estate, a transfer may be made by a legatee or distributee.
6 The legatee or distributee shall present to the department the original certificate of
7 title, a copy of the decedent's death certificate, and a statement to the effect that there
8 has not been or is not expected to be anyone who qualifies as executor or
9 administrator. The statement shall contain the name, residence at the time of death,
10 and date of death of the decedent, and the name of any other person having an
11 interest in the vessel or outboard motor for which the title is to be transferred. If
12 these persons are of legal age, they shall indicate in writing their consent to the
13 transfer of the title.

14 §852.16. Security interest in vessels or outboard motors; certificate of title to show
15 interest; notice; exemptions

16 A. The department, upon receiving an application or financing statement for
17 a certificate of title to a vessel or outboard motor or financing statement showing a
18 security interest in the vessel or outboard motor, shall show upon the face of the
19 certificate of title all security interests in the order of their priority as shown on the
20 application or the order in which the applications or financing statements are
21 received by the department provided such receipt subsequently is validated by the
22 department. The application or financing statement shall contain the name and
23 address of the owner, a description of the vessel or outboard motor as required in
24 R.S. 34:852.7, and the name and address, including zip code, of the secured party.
25 A security interest covering a titled vessel or outboard motor subject to this Part shall
26 be perfected as of the time the application or financing statement is received by the
27 Department of Wildlife and Fisheries, so long as such receipt subsequently is
28 validated by the secretary of the Department of Wildlife and Fisheries. The secretary
29 shall, upon the request of any person, issue a certification whenever the financing

1 statement is delivered to his office. Such certification receipt may include one or
 2 more security agreement applications. Security interests affecting titled vessels or
 3 outboard motors, perfected by filing with the Department of Wildlife and Fisheries,
 4 shall be created by and shall take rank and priority in accordance with Chapter 9 of
 5 the Uniform Commercial Code, R.S. 10:9-101 et seq. Such an application or
 6 financing statement is filed for such purposes when received provided such receipt
 7 subsequently is validated by the department.

8 * * *

9 D. The certificate of title when issued by the department showing a security
 10 interest shall be adequate notice to the state, creditors, and purchasers that a security
 11 interest in the vessel or outboard motor exists. The recording or filing of such
 12 security interest in the local jurisdiction where the purchaser or debtor resides shall
 13 not be required.

14 E. If application for the recordation of a security interest to be placed upon
 15 a vessel or outboard motor is filed in the principal office of the department, it shall
 16 be valid to all persons as if the recordation had been done on the day the security
 17 interest was acquired provided such receipt subsequently is validated by the
 18 department.

19 F. Except in the case of security interest in vessels or outboard motors which
 20 are in inventory held for sale or lease, the security interest shown on the certificates
 21 of title issued by the department pursuant to applications for certificates shall have
 22 priority over any other liens or security interest against the vessel or outboard motor
 23 however created and recorded, except for liens designated under Subsection ~~(F)~~ I of
 24 this Section.

25 G. The certificate of title of the vessel or outboard motor shall be delivered
 26 to the person holding the security interest having first priority upon the vessel or
 27 outboard motor. The title shall be retained by that lienholder until the entire amount
 28 of the security interest is fully paid by the owner of the vessel or outboard motor.

1 The certificate of title shall then be delivered to the secured party next in order of
2 priority and so on, or, if none, then to the owner of the vessel or outboard motor.

3 H. Upon the satisfaction of a security interest in a vessel or outboard motor,
4 the secured party shall attach to the certificate of title a release of security interest in
5 whatever form as may be prescribed by or acceptable to the department. Within
6 thirty days, the secured party shall mail or deliver the certificate of title to the vessel
7 or outboard motor owner together with the security release. Upon request of the
8 owner and upon receipt of the security release and the certificate of title, the
9 department shall correct its records and issue a new certificate of title to the owner.

10 I. This Section does not apply to any of the following:

11 (1) A lien given by statute to a supplier of services or materials for the vessel
12 or outboard motor.

13 * * *

14 (3) Any lien arising out of an attachment of a vessel or outboard motor.

15 §852.17. Certificate of origin; evidence of ownership; rebuttal

16 Issuance of a certificate of origin under provision of the law shall be prima
17 facie evidence of ownership of a vessel or outboard motor and entitlement of the
18 owner to a certificate of title, but such certificate of origin and certificate of title shall
19 be subject to rebuttal.

20 * * *

21 §852.20. Electronic media system for lien recordation and title information

22 The department is hereby authorized to develop and implement a computer
23 system which will permit the voluntary electronic recording of information
24 concerning the perfection and release of vessel or outboard motor security interests
25 without submitting or receiving paper title documents. The department may allow
26 the submission of vessel or outboard motor title information for new, transferred, and
27 corrected certificates of title, including the perfection and release of security
28 interests, through electronic media in a cost-effective manner in lieu of the
29 submission and maintenance of paper documents otherwise required by this Part.

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* * *

§852.23. Titling abandoned and salvaged vessels and outboard motors

The department is authorized to adopt rules and regulations pursuant to the Administrative Procedure Act to establish guidelines and procedures for the registration and titling of vessels or outboard motors which are abandoned, salvaged, towed and stored abandoned vessels, court ordered transferred, and vessels or outboard motors which lack prior documentation of ownership.

Section 3. This Act shall become effective on January 1, 2011.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Harrison

HB No. 478

Abstract: Adds the titling of outboard motors to the Vessel Titling Act.

Present law provides for the "Vessel Titling Act" and provides for definitions. Proposed law retains present law and includes and defines outboard motors 25 horsepower or greater in the "Vessel and Outboard Motor Titling Act".

Proposed law authorizes the purchaser or possessor of an outboard motor to be principally operated in this state and transferred for the first time on or after Jan. 1, 2011, to obtain a certificate of title from the Dept. of Wildlife and Fisheries (department).

Present law provides for an application for certificate of title, its form, and content; provides for obligations for dealers acquiring vessels. Proposed law retains present law and includes the titling of outboard motors.

Present law prohibits the sale, assignment, or transfer of a vessel titled by the department or documented with the U.S. Coast Guard without delivering a certificate of title or certificate of documentation. Provides exceptions to this requirement. Proposed law retains present law and includes outboard motors titled by the department.

Present law provides for the certificate of title, its form, and content; requires the department to retain the evidence used to establish the accuracy of the information required for vessel titling purposes; provides for the issuance of a duplicate certificate of title under certain circumstances; and requires the department to adopt rules and regulations. Proposed law retains present law and includes the titling of outboard motors.

Proposed law prohibits selling or transferring a titled outboard motor without delivering the title.

Present law provides for the certificate of origin, its form, and content for vessels. Proposed law retains present law and expands to the titling of outboard motors.

Present law requires dealers to maintain acquisition records for a minimum of three years. Proposed law retains present law.

Present law provides for the obligations of persons who obtain vessels by operation of law or court order. Proposed law retains present law and expands obligations to obtaining a titled outboard motor.

Present law requires certificates of title to show any security interest in the vessel. Requires the department to deliver the certificate of title to the lienholder having first priority. Proposed law retains present law and expands requirement to a titled outboard motor.

Present law authorizes the department to implement a computer system which will allow the voluntary electronic recording of instruments relative to the perfection of and releasing of security interests in titled vessels. Proposed law retains present law and expands the system to titled outboard motors.

Present law provides that an application to register a homemade vessel shall be submitted to the nearest regional office of the department. Thereafter an agent shall inspect the vessel and issue a hull number. The owner is required to submit the registration form and inspection to the department.

Proposed law retains present law but applies to application for title and includes outboard motors with removed serial numbers, vessels altered to require a change in registration and titling documents, and vessels with removed hull numbers or incorrect hull numbers. Requires owners of such outboard motor or vessel to obtain a title.

Present law requires a scrap or salvage yard to notify the department for ownership verification upon the receipt of an aluminum boat without a hull number.

Proposed law retains present law and expands the requirement to include the receipt of all vessels without a hull number and outboard motors without a serial number.

Proposed law provides the issuance of hull numbers and the inspection of an outboard motor is for identification purpose only.

Proposed law authorizes the department to adopt rules and regulations regarding the registration and titling of abandoned and scrapped vessels and outboard motors.

Proposed law, relative to the UCC, provides as follows:

- (1) Provides that a security interest in a titled outboard motor may be perfected only by compliance with provisions of the UCC and proposed law.
- (2) Provides for purposes of the UCC and proposed law, that certain provisions of the UCC do not apply to outboard motors held in inventory for sale or lease.
- (3) Provides that for purposes of the UCC, the filing office for the perfection of security interest is the Dept. of Wildlife and Fisheries.
- (4) Requires certain outboard motor information to be included in the financing statement.
- (5) Provides for the duration and effectiveness of a financing statement covering a titled outboard motor not held as inventory for sale or lease.
- (6) Provides what constitutes filing a financing statement for a titled outboard motor not held as inventory for sale or lease.

Present law provides for fees as follows:

- (1) Certificate of title-\$18.

- (2) Duplicate certificate of title-\$15.
- (3) Notation of a security interest, whether a chattel mortgage, other security agreement, or other financing statement evidencing a security interest is recorded, on a vessel certificate of title-\$5.
- (4) Cancellation of a notation of a security interest-\$5.
- (5) The fees authorized under R.S. 10:9-525 et seq.
- (6) A handling fee of \$8 for each certificate of title issued.

Proposed law retains fees in present law and includes the fees for titling outboard motors.

Effective on Jan. 1, 2011.

(Amends R.S. 10:9-309(1), 311(b), 501(a)(3), 515(i), 516(3) and R.S. 34:851.20(M)(1) and (3), the heading of Part IV-A of Chapter 4 of Title 34 of the LRS of 1950, 852.1, 852.2(2), (3), and (7)-(17), 852.3(A), 852.4(A) and (B)(2), (3), and (6), 852.5, 852.6, 852.7(A)(4) and (B), 852.8, 852.10, 852.11(B) and (C), 852.12, 852.14(A) and (C), 852.15, 852.16(A), (D)-(H), and (I)(1) and (3), 852.17, and 852.20; Adds R.S. 10:9-504(5) and R.S. 34:851.20 (M)(4) and (5), 852.2(18), 852.3(A)(1) and (2), and 852.23)

Summary of Amendments Adopted by House

Committee Amendments Proposed by House Committee on Natural Resources and Environment to the original bill.

- 1. Requires applications for registration and titling of outboard motors with removed serial numbers, homemade vessels, vessels altered to require a change in registration and titling documents, and vessels with removed hull numbers or incorrect hull numbers to be submitted to the Dept. of Wildlife and Fisheries who will inspect the motor or vessel.
- 2. Requires owners of such outboard motor to obtain a title.
- 3. Requires a scrap or salvage yard to notify the Dept. of Wildlife and Fisheries for ownership verification upon the receipt of an outboard motor without a serial number or vessel without a hull number.
- 4. Defines a "homemade vessel".
- 5. Provides the issuance of hull numbers and the inspection of an outboard motor is for identification purpose only.
- 6. Authorizes the Dept. of Wildlife and Fisheries to adopt rules and regulations regarding the registration and titling of abandoned and scrapped vessels and outboard motors.