



National Marine
Manufacturers Association

Welcome to the Webinar **Understanding the** **Uniform Certificate of Title** **Act for Vessels & Its** **Branding Provisions**

May 10, 2011





Agenda

- **Cindy Squires, Esq.**, Chief Counsel, National Marine Manufacturers Association - Welcome and Quick Overview
- **E.M. Miller**, Chair of the Certificate of Title Act for Boats Drafting Committee - Overview of Uniform Law Commission and the Need for the Model Boat Title Act
- **Stephen Sepinuck**, Professor, Gonzaga University School of Law and Reporter for the Certificate of Title Act for Boats Drafting Committee - Explanation of the Model Act and Its Branding Provisions
- Questions & Answers



Cindy Squires

What is Titling & Branding?

- Titling isn't boat registration or numbering
- Titling is about **ownership** of property – liens are placed on titles
- Branding is a way to tell subsequent owners of a boat or car that something **major** happened
- Title branding is the use of a **permanent** designation on a vehicle's title, *e.g.*,
 - “Flood Damaged” “Non-Repairable” “Dismantled” “Reconstructed Vehicle” “Junked” “Prior Taxi” “Fire Car” “Hail Damaged” “Odometer Discrepancy” “Lemon Law Buyback” “Recovered Theft” “Total Loss Vehicle” “Homemade” “Police Vehicle”



Sometimes Bad Things Happen to Good Boats



- Boat Title Laws have been supported by NASBLA since 1964
- Still lots of variation in the state laws
- A Salvage / Non-Repairable Title was added to NASBLA Model Act in 2008



E.M. Miller

Overview of Uniform Law Commission & This Project



Uniform Law Commission

- 119 years old
- Develops non-partisan, well-conceived and well-drafted legislation for state enactment
- Brings uniformity, clarity and stability to critical areas of the law
- Brings uniformity to the law where desirable and practical
- Comprised of respected lawyers appointed by state and other governments

Why the need for Act and Uniformity

- U.S. Coast Guard Approval
- Facilitate transfers of ownership
- Deter theft of vessels
- Accommodate financing of vessels
- Blend with UCC
- Transition in or out of documentation
- No additional burdens for SBLA
- Buyer protection

Participants

- U.S. Coast Guard, Auxiliary and Boating Safety/Vessel Documentation Center
- National Association of State Boat Law Administrators
- National Marine Manufacturers Association
- Maritime Law Association
- Boat U.S.
- National Marine Bankers Association
- Boat Owners Association of U.S.
- National Boating Federation
- Many others



Stephen Sepinuck

Explanation of the Uniform Certificate of Title Act for Vessels & Its Branding Provisions



General Operation & Scope of Act

◆ Vessels Covered



◆ State of Principal Use

General Operation & Scope of Act

◆ Vessels That Must Be Titled



- (1) a documented vessel
- (2) a foreign-documented vessel
- (3) a barge
- (4) a vessel under construction before delivery
- (5) a vessel held by a dealer for sale or lease

General Operation & Scope of Act

	Information Needed in Application	Information on Certificate of Title
Names & Addresses	All Owners	Owner of Record +
SS# or Taxpayer ID	All Owners	
Hull Identification #	✓	✓
Vessel #	✓	✓
Vessel Description	✓	✓
Secured Parties	All Known to Applicant	Secured Party of Record +
Title Brands	All Known to Applicant	All in Files of Issuer
Documented Status	Statement not Documented	
Transfer Information	Name of Transferee / \$	
Previous Registration/Title	All Known to Applicant	

Branding Rules

	Insurer	Owner of Record
When They Must Brand	Before transferring an ownership interest on own behalf or for insured	At or before transfer of an ownership interest
Conditions to Duty		<ol style="list-style-type: none"> 1. Hull Damage occurred while an owner of record; 2. Insurance claim for damage was filed
What Brand (“Hull Damaged”) Means	The integrity of a vessel’s hull has been compromised by a collision, allision, lightning strike, fire, explosion, running aground, or the like, or a sinking in a manner that creates a significant risk that the integrity of the vessel’s hull has been compromised.	
Remedy for Failure to Comply	Makes a non-disclaimable warranty that hull is “merchantable” within the meaning of UCC § 2-314	\$1,000 penalty (also to anyone that solicits or colludes in failure to comply)



Questions?



If there was a post in the middle of the desert someone
would hit it.....
(did you notice the name of the boat?)



Next Steps

- Draft Certificate of Title Act for Vessels will be considered by the National Conference of Commissioners on Uniform State Laws in July 2011 in Vail, Colorado. More information is at www.nccusl.org

The screenshot shows a Windows Internet Explorer browser window displaying the NCCUSL website. The address bar shows the URL: <http://nccusl.org/Committee.aspx?title=Certificate of Title Act for Vessels>. The page title is "Certificate of Title Act for Vessels". The navigation menu includes Home, Acts, Committees, Legislation, Meetings, News, and About ULC. The main content area is titled "Committees" and "Certificate of Title Act for Vessels".

Description

This committee will draft an act establishing a certificate of title system for boats. Many states do not have certificate of title laws governing watercraft, and those that do have considerable differences in terms. The committee will coordinate its work with the United States Coast Guard and developments concerning the Coast Guard's vessel identification and documentation systems.

Committee Members

Esson McKenzie Miller	Chair
Scott L. Baena	Member
Vincent P. Cardi	Member
Paul W. Chaiken	Member
Jeffrey T. Ferriell	Member
Michael A. Ferry	Member
Fred H. Miller	Member
Neal Ossien	Member
Rodney W. Satterwhite	Member
Yvonne I. Tharnes	Member

Related Information

- [Sign Up to follow this committee](#)

Drafts

- Fisher Memo (3/18/11)
- Minturn Memo (3/18/11)
- Williams Memo (3/18/11)
- King Memo (3/16/11)
- Walden Comments (3/7/11)
- Redline Comparison of Jan 2011 and Mar 2011 Drafts
- March 2011 Post Committee Meeting Draft
- March 2011 Post Committee Meeting Report
- Redline Comparison of Oct 10 and Jan 11 Drafts
- January 2011 Interim Draft
- March 2011 Committee Meeting Draft (w/o rules)
- Redline Comparison of Oct 2010 and Mar 2011 Drafts
- Henning Memo for October 2010 Committee Meeting
- October 2010 Committee Meeting Agenda
- Redline of 2010 Annual Meeting Black Letter Draft
- October 2010 Committee Meeting Draft
- Memo for 2010 Annual Meeting
- 2010 Annual Meeting Draft



Thank You!

This webinar will be posted to the NMMA.org website. For further information contact Cindy Squires at csquires@nmma.org