

1 SB570
2 141479-1
3 By Senator Ward
4 RFD: Energy and Natural Resources
5 First Read: 26-APR-12

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8 SYNOPSIS: This bill would adopt the Uniform
9 Certificate of Title for Vessels Act. This bill
10 would provide a procedure for the owner of a vessel
11 or a vessel trailer to make application with the
12 Department of Conservation and Natural Resources
13 for a certificate of title on a vessel and vessel
14 trailer.

15 This bill would require all vessels and
16 vessel trailers to have a certificate of title.
17 This bill would require a completed application for
18 a certificate of title and supporting documentation
19 be filed with the probate judge or other designated
20 agent for the department and forwarded to the
21 department. This bill would require the payment of
22 a fee with the application and would authorize the
23 designated agent to retain a portion of the fee as
24 an administrative expense. This bill would specify
25 the information to be included in an application
26 for a certificate of title. This bill would provide

1 vessels and vessel trailers; to require owners of vessels and
2 vessel trailers to obtain a certificate of title; to provide
3 that the application for a certificate of title may be filed
4 with the judge of probate or other designated agent; to
5 provide for the application process; to provide for the
6 issuance of certificates of title; to provide an issuance fee;
7 to provide an exemption; and to amend Section 33-5-9, Code of
8 Alabama 1975.

9 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

10 Section 1. SHORT TITLE. This act may be cited as the
11 Alabama Uniform Certificate of Title for Vessels Act.

12 Section 2. DEFINITIONS.

13 (a) In this act:

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

17 (2) "Builder's certificate" means a certificate of
18 the facts of build of a vessel described in 46 C.F.R. Section
19 67.99, as amended

20 (3) "Buyer" means a person that buys or contracts to
21 buy a vessel.

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

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

1 manufacturer's certificate or statement of origin and an
2 importer's certificate or statement of origin. The term does
3 not include a builder's certificate.

4 (6) "Certificate of title" means a record, created
5 by the department under this act or by a governmental agency
6 of another jurisdiction under the law of that jurisdiction,
7 that is designated as a certificate of title by the department
8 or agency and is evidence of ownership of a vessel or vessel
9 trailer.

10 (7) "Dealer" means a person, including a
11 manufacturer, in the business of selling vessels or vessel
12 trailers.

13 (8) "Department" means the Department of
14 Conservation and Natural Resources.

15 (9) "Documented vessel" means a vessel covered by a
16 certificate of documentation issued pursuant to 46 U.S.C.
17 Section 12105, as amended. The term does not include a
18 foreign-documented vessel.

19 (10) "Electronic" means relating to technology
20 having electrical, digital, magnetic, wireless, optical,
21 electromagnetic, or similar capabilities.

22 (11) "Electronic certificate of title" means a
23 certificate of title consisting of information that is stored
24 solely in an electronic medium and is retrievable in
25 perceivable form.

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

6 (13) "Good faith" means honesty in fact and the
7 observance of reasonable commercial standards of fair dealing.

8 (14) "Hull damaged" means compromised with respect
9 to the integrity of a vessel's hull by a collision, allision,
10 lightning strike, fire, explosion, running aground, or similar
11 occurrence, or the sinking of a vessel in a manner that
12 creates a significant risk to the integrity of the vessel's
13 hull.

14 (15) "Hull identification number" means the
15 alphanumeric designation assigned to a vessel pursuant to 33
16 C.F.R. Part 181, as amended.

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

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

21 (B) an assignee for benefit of creditors from the
22 time of assignment;

23 (C) a trustee in bankruptcy from the date of the
24 filing of the petition; or

25 (D) a receiver in equity from the time of
26 appointment.

1 (17) "Owner of record" means the owner indicated in
2 the files of the department or, if the files indicate more
3 than one owner, the one first indicated.

4 (18) "Person" means an individual, corporation,
5 business trust, estate, trust, statutory trust, partnership,
6 limited liability company, association, joint venture, public
7 corporation, government or governmental subdivision, agency,
8 or instrumentality, or any other legal or commercial entity.

9 (19) "Purchase" means to take by sale, lease,
10 mortgage, pledge, consensual lien, security interest, gift, or
11 any other voluntary transaction that creates an interest in a
12 vessel or vessel trailer.

13 (20) "Purchaser" means a person that takes by
14 purchase.

15 (21) "Record" means information that is inscribed on
16 a tangible medium or that is stored in an electronic or other
17 medium and is retrievable in perceivable form.

18 (22) "Secured party", with respect to a vessel or a
19 vessel trailer, means a person:

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

23 (B) that is a consignor under Chapter 9A of Title 7,
24 Code of Alabama 1975; or

1 (C) that holds a security interest arising under
2 Section 7-2-401, 7-2-505, 7-2-711(3), or 7-2A-508(5), Code of
3 Alabama 1975.

4 (23) "Secured party of record" means the secured
5 party whose name is indicated as the name of the secured party
6 in the files of the department or, if the files indicate more
7 than one secured party, the one first indicated.

8 (24) "Security interest" means an interest in a
9 vessel or a vessel trailer which secures payment or
10 performance of an obligation if the interest is created by
11 contract or arises under Section 7-2-401, 7-2-505, 7-2-711(3),
12 or 7-2A-508(5), Code of Alabama 1975. The term includes any
13 interest of a consignor in a vessel or a vessel trailer in a
14 transaction that is subject to a security interest. The term
15 does not include the special property interest of a buyer of a
16 vessel or vessel trailer on identification of that vessel or
17 vessel trailer to a contract for sale under Section 7-2-401,
18 Code of Alabama 1975, but a buyer also may acquire a security
19 interest by complying with Chapter 9A of Title 7, Code of
20 Alabama 1975. Except as otherwise provided in Section 7-2-505,
21 Code of Alabama 1975, the right of a seller or lessor of a
22 vessel or vessel trailer under Chapter 2 or 2A of Title 7,
23 Code of Alabama 1975, to retain or acquire possession of the
24 vessel or vessel trailer is not a security interest, but a
25 seller or lessor also may acquire a security interest by
26 complying with Chapter 9A of Title 7, Code of Alabama 1975.

1 The retention or reservation of title by a seller of a vessel
2 or vessel trailer notwithstanding shipment or delivery to the
3 buyer under Section 7-2-401 is limited in effect to a
4 reservation of a security interest. Whether a transaction in
5 the form of a lease creates a security interest is determined
6 by Section 7-1-203, Code of Alabama 1975.

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

9 (A) make or adopt a tangible symbol; or

10 (B) attach to or logically associate with the record
11 an electronic symbol, sound, or process.

12 (26) "State" means a state of the United States, the
13 District of Columbia, Puerto Rico, the United States Virgin
14 Islands, or any territory or insular possession subject to the
15 jurisdiction of the United States.

16 (27) "State of principal use" means the state on
17 whose waters a vessel is or will be used, operated, navigated,
18 or employed more than on the waters of any other state during
19 a calendar year.

20 (28) "Title brand" means a designation of previous
21 damage, use, or condition that must be indicated on a
22 certificate of title of a vessel.

23 (29) "Transfer of ownership" means a voluntary or
24 involuntary conveyance of an interest in a vessel or vessel
25 trailer.

1 (30) "Vessel" means any watercraft used or capable
2 of being used as a means of transportation on water. The term
3 does not include:

4 (A) a seaplane;

5 (B) an amphibious vehicle for which a certificate of
6 title is issued pursuant to the Alabama Uniform Certificate of
7 Title and Antitheft Act or a similar statute of another state;

8 (C) watercraft less than 12 feet in length and
9 propelled solely by sail, paddle, oar, or an engine of less
10 than 10 horsepower;

11 (D) watercraft that operate only on a permanently
12 fixed, manufactured course and the movement of which is
13 restricted to or guided by means of a mechanical device to
14 which the watercraft is attached or by which the watercraft is
15 controlled;

16 (E) a stationary floating structure that:

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

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

21 (iii) has a permanent, continuous hookup to a
22 shoreside sewage system;

23 (F) watercraft owned by the United States, a state,
24 or a foreign government or a political subdivision of any of
25 them;

1 (G) watercraft used solely as a lifeboat on another
2 watercraft; and

3 (H) a watercraft that would otherwise be a vessel
4 but is more than 10 years old.

5 (31) "Vessel number" means the alphanumeric
6 designation for a vessel issued pursuant to 46 U.S.C. Section
7 12301, as amended.

8 (32) "Vessel Trailer" means a trailer with nonmotive
9 power designated primarily for pulling a vessel.

10 (33) "Written certificate of title" means a
11 certificate of title consisting of information inscribed on a
12 tangible medium.

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

15 (1) "Agreement", as defined in subsection (b) of
16 Section 7-1-201, Code of Alabama 1975.

17 (2) "Buyer" in ordinary course of business, as
18 defined in subsection (b) of Section 7-1-201, Code of Alabama
19 1975.

20 (3) "Conspicuous", as defined in subsection (b) of
21 Section 7-1-201, Code of Alabama 1975.

22 (4) "Consumer goods", as defined in subsection (a)
23 of Section 7-9-102, Code of Alabama 1975.

24 (5) "Debtor", as defined in subsection (a) of
25 Section 7-9-102, Code of Alabama 1975.

1 (6) "Knowledge", as defined in Section 7-1-202, Code
2 of Alabama 1975.

3 (7) "Lease", as defined in subsection (a) of Section
4 7-2A-103(1)(j), Code of Alabama 1975.

5 (8) "Lessor", as defined in Section 7-2A-103(1)(p),
6 Code of Alabama 1975.

7 (9) "Notice", as defined in Section 7-1-202, Code of
8 Alabama 1975.

9 (10) "Representative", as defined in subsection (b)
10 of Section 7-1-201, Code of Alabama 1975.

11 (11) "Sale", as defined in Section 7-2-106, Code of
12 Alabama 1975.

13 (12) "Security agreement", as defined in subsection
14 (a) Section 7-9-102, Code of Alabama 1975.

15 (13) "Seller" as defined in subsection (b) of
16 Section 7-1-103(1)(o), Code of Alabama 1975.

17 (14) "Send", as defined in subsection (b) of Section
18 7-1-201, Code of Alabama 1975.

19 (15) "Value", as defined in Section 7-1-204, Code of
20 Alabama 1975.

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

25 Section 3. APPLICABILITY. Subject to Section 28,
26 this act applies to any transaction, certificate of title, or

1 record relating to a vessel or a vessel trailer, even if the
2 transaction, certificate of title, or record was entered into
3 or created before the effective date of this act.

4 Section 4. SUPPLEMENTAL PRINCIPLES OF LAW AND
5 EQUITY. Unless displaced by a provision of this act, the
6 principles of law and equity supplement its provisions.

7 Section 5. LAW GOVERNING VESSEL OR VESSEL TRAILER
8 COVERED BY CERTIFICATE OF TITLE.

9 (a) The local law of the jurisdiction under whose
10 certificate of title a vessel or a vessel trailer is covered
11 governs all issues relating to the certificate from the time
12 the vessel or vessel trailer becomes covered by the
13 certificate until the vessel becomes covered by another
14 certificate or becomes a documented vessel, even if no other
15 relationship exists between the jurisdiction and the vessel or
16 its owner.

17 (b) A vessel or vessel trailer becomes covered by a
18 certificate of title when an application for the certificate
19 and the applicable fee are delivered to the designated agent
20 of the department in accordance with this act or to the
21 governmental agency that creates a certificate in another
22 jurisdiction in accordance with the law of that jurisdiction.

23 (c) (1) Each judge of probate, commissioner of
24 licenses, director of revenue, or other county official in
25 this state authorized and required by law to issue motor
26 vehicle license tags shall by virtue of his or her department

1 be a designated agent of the department for purposes of this
2 act. Judges of probate, commissioners of licenses, directors
3 of revenue, or other county officials may perform their duties
4 under this chapter either personally or through any of their
5 deputies.

6 (2) Every dealer shall be a designated agent of the
7 department. The dealers may perform their duties under this
8 act either personally or through any of their officers or
9 employees; provided that the dealer or persons shall enter
10 into a bond with a corporate surety authorized to do business
11 in this state as surety thereon, payable to the State of
12 Alabama in a sum to be determined by the department, but in no
13 event less than ten thousand dollars (\$10,000), conditioned on
14 the faithful performance of their duties under this act.

15 (d) The designated agent shall collect the following
16 fees for each application for a certificate of title or
17 transfer of title for each vessel and each vessel trailer.

18 (1) Ten dollars (\$10) for each application to be
19 remitted to the department. The fee collected for each
20 application for a vessel shall be forwarded to the State
21 General Fund. The fee collected for each application for a
22 vessel trailer shall be forwarded to the State Highway Fund.

23 (2) If the designated agent is a dealer, the
24 designated agent shall collect a fee of one dollar and fifty
25 cents (\$1.50) in addition to the fee provided in subdivision

1 (1). The fee may be retained by the designated agent as an
2 administrative fee.

3 (3) If the designated agent is the judge of probate,
4 the designated agent shall collect an administrative fee of
5 three dollars (\$3) in addition to the fee provided in
6 subdivision (1). The fee may be retained by the department of
7 the judge of probate as an administrative fee.

8 Section 6. CERTIFICATE OF TITLE REQUIRED.

9 (a) Except as otherwise provided in subsections (b)
10 and (c), the owner of a vessel or a vessel trailer designed
11 for pulling a vessel for which this state is the state of
12 principal use shall deliver to a designated agent of the
13 department an application for a certificate of title for the
14 vessel or vessel trailer, with the applicable fee, not later
15 than 20 days after the later of:

16 (1) the date of a transfer of ownership; or

17 (2) the date this state becomes the state of
18 principal use for the vessel.

19 (b) An application for a certificate of title is not
20 required for:

21 (1) a documented vessel;

22 (2) a foreign-documented vessel;

23 (3) a barge;

24 (4) a vessel before delivery if the vessel is under
25 construction or completed pursuant to contract; or

26 (5) a vessel held by a dealer for sale or lease.

1 (c) The department may not issue, transfer, or renew
2 a certificate or number for a vessel issued pursuant to the
3 requirements of 46 U.S.C. Section 12301, as amended, unless
4 the department has created a certificate of title for the
5 vessel or an application for a certificate for the vessel and
6 the applicable fee have been delivered to the department.

7 Section 7. APPLICATION FOR CERTIFICATE OF TITLE.

8 (a) Except as otherwise provided in Sections 10, 15,
9 19, 20, 21, and 22, only an owner may apply for a certificate
10 of title.

11 (b) An application for a certificate of title must
12 be signed by the applicant and contain:

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

16 (2) the name and mailing address of each other owner
17 of the vessel or vessel trailer;

18 (3) the Social Security number or taxpayer
19 identification number of each owner;

20 (4) the hull identification number for the vessel
21 or, if none, an application for the issuance of a hull
22 identification number for the vessel;

23 (5) the vessel number for the vessel or, if none
24 issued by the department, an application for a vessel number;

25 (6) a description of the vessel or vessel trailer as
26 required by the department, which must include:

1 (A) the official number for the vessel, if any,
2 assigned by the United States Coast Guard;

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

4 (C) the model year or the year in which the
5 manufacture or build of the vessel or vessel trailer was
6 completed;

7 (D) the overall length of the vessel or vessel
8 trailer;

9 (E) the vessel type;

10 (F) the hull material;

11 (G) the propulsion type;

12 (H) the engine drive type, if any; and

13 (I) the fuel type, if any;

14 (7) an indication of all security interests in the
15 vessel or vessel trailer known to the applicant and the name
16 and mailing address of each secured party;

17 (8) a statement that the vessel is not a documented
18 vessel or a foreign-documented vessel;

19 (9) any title brand known to the applicant and, if
20 known, the jurisdiction under whose law the title brand was
21 created;

22 (10) if the applicant knows that the vessel is hull
23 damaged, a statement that the vessel is hull damaged;

24 (11) if the application is made in connection with a
25 transfer of ownership, the transferor's name, street address,

1 and, if different, mailing address, the sales price, if any,
2 and the date of the transfer; and

3 (12) if the vessel or vessel trailer previously was
4 registered or titled in another jurisdiction, a statement
5 identifying each jurisdiction known to the applicant in which
6 the vessel or vessel trailer was registered or titled.

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

11 (d) Except as otherwise provided in Section 19, 20,
12 21, or 22, an application for a certificate of title must be
13 accompanied by:

14 (1) a certificate of title signed by the owner shown
15 on the certificate and which:

16 (A) identifies the applicant as the owner of the
17 vessel or vessel trailer; or

18 (B) is accompanied by a record that identifies the
19 applicant as the owner; or

20 (2) if there is no certificate of title:

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

25 (B) if the vessel was a foreign-documented vessel, a
26 record issued by the foreign country which shows the vessel is

1 no longer a foreign-documented vessel and identifies the
2 applicant as the owner; or

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

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

9 (f) The department may require that an application
10 for a certificate of title be accompanied by payment or
11 evidence of payment of all fees and taxes payable by the
12 applicant under law of this state other than this act in
13 connection with the application or the acquisition or use of
14 the vessel or vessel trailer.

15 Section 8. CREATION AND CANCELLATION OF CERTIFICATE
16 OF TITLE.

17 (a) Unless an application for a certificate of title
18 is rejected under subsection (c) or (d), the department shall
19 create a certificate for the vessel or vessel trailer in
20 accordance with subsection (b) not later than 20 days after
21 delivery to it of an application that complies with Section 7.

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

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

4 (1) the application does not comply with Section 7;

5 (2) the application does not contain documentation
6 sufficient for the department to determine whether the
7 applicant is entitled to a certificate;

8 (3) there is a reasonable basis for concluding that
9 the application is fraudulent or issuance of a certificate
10 would facilitate a fraudulent or illegal act; or

11 (4) the application does not comply with the law of
12 this state other than this act.

13 (d) The department shall reject an application for a
14 certificate of title for a vessel that is a documented vessel
15 or a foreign-documented vessel.

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

18 (1) could have rejected the application for the
19 certificate under subsection (c);

20 (2) is required to cancel the certificate under
21 another provision of this act; or

22 (3) receives satisfactory evidence that the vessel
23 is a documented vessel or a foreign-documented vessel.

24 (f) The department shall provide an opportunity for
25 a hearing at which the owner and any other interested party
26 may present evidence in support of or opposition to

1 cancellation of a certificate of title. The department shall
2 serve all owners and secured parties indicated in the files of
3 the department with notice of the opportunity for a hearing.
4 Service must be made personally or by mail through the United
5 States Postal Service, properly addressed, postage paid,
6 return receipt requested. Service by mail is complete on
7 deposit with the United States Postal Service. The department,
8 by rule, may authorize service by electronic transmission if a
9 copy is sent on the same day by first-class mail or by a
10 commercial delivery company. If not later than 30 days after
11 the notice was served, the department receives a request for a
12 hearing from an interested party, the department shall hold
13 the hearing not later than 20 days after receiving the
14 request.

15 Section 9. CONTENT OF CERTIFICATE OF TITLE.

16 (a) A certificate of title must contain:

17 (1) the date the certificate was created;

18 (2) the name of the owner of record and, if not all
19 owners are listed, an indication that there are additional
20 owners indicated in the files of the department;

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

22 (4) the hull identification number of the vessel;

23 (5) the information listed in Section 7(b)(6);

24 (6) except as otherwise provided in Section 15(b),
25 the name and mailing address of the secured party of record,
26 if any, and if not all secured parties are listed, an

1 indication that there are other security interests indicated
2 in the files of the department; and

3 (7) all title brands indicated in the files of the
4 department covering the vessel, including brands indicated on
5 a certificate created by a governmental agency of another
6 jurisdiction and delivered to the department.

7 (b) This act does not preclude the department from
8 noting on a certificate of title the name and mailing address
9 of a secured party that is not a secured party of record.

10 (c) For each title brand indicated on a certificate
11 of title, the certificate must identify the jurisdiction under
12 whose law the title brand was created or the jurisdiction that
13 created the certificate on which the title brand was
14 indicated. If the meaning of a title brand is not easily
15 ascertainable or cannot be accommodated on the certificate,
16 the certificate may state: "Previously branded in (insert the
17 jurisdiction under whose law the title brand was created or
18 whose certificate of title previously indicated the title
19 brand)."

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

25 (e) A written certificate of title must contain a
26 form that all owners indicated on the certificate may sign to

1 evidence consent to a transfer of an ownership interest to
2 another person. The form must include a certification, signed
3 under penalty of perjury, that the statements made are true
4 and correct to the best of each owner's knowledge,
5 information, and belief.

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

10 Section 10. TITLE BRAND.

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

17 (1) deliver to the department an application for a
18 new certificate that complies with Section 7 and includes the
19 title brand designation "hull damaged"; or

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

23 (b) Not later than 20 days after delivery to the
24 department of the application under subsection (a)(1) or the
25 certificate of title under subsection (a)(2), the department

1 shall create a new certificate that indicates that the vessel
2 is branded "hull damaged".

3 (c) Before an insurer transfers an ownership
4 interest in a hull-damaged vessel that is covered by a
5 certificate of title created by the department, the insurer
6 shall deliver to the department an application for a new
7 certificate that complies with Section 6 and includes the
8 title brand designation "hull damaged". Not later than 20 days
9 after delivery of the application to the department, the
10 department shall create a new certificate that indicates that
11 the vessel is branded "hull damaged."

12 (d) An owner of record that fails to comply with
13 subsection (a), a person that solicits or colludes in a
14 failure by an owner of record to comply with subsection (a),
15 or an insurer that fails to comply with subsection (c) is
16 subject to a civil penalty of one thousand dollars (\$1,000).

17 Section 11. MAINTENANCE OF AND ACCESS TO FILES.

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

20 (1) ascertain or assign the hull identification
21 number for the vessel;

22 (2) maintain the hull identification number and all
23 the information submitted with the application pursuant to
24 Section 7(b) to which the record relates, including the date
25 and time the record was delivered to the department;

1 (3) maintain the files for public inspection subject
2 to subsection (e); and

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

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

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

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

22 (e) Except as otherwise provided by the law of this
23 state other than this act, the information required under
24 Section 9 is a public record. The information provided under
25 Section 7(b)(3) is not a public record.

1 Section 12. ACTION REQUIRED ON CREATION OF
2 CERTIFICATE OF TITLE.

3 (a) On creation of a written certificate of title,
4 the department promptly shall send the certificate to the
5 secured party of record or, if none, to the owner of record,
6 at the address indicated for that person in the files of the
7 department. On creation of an electronic certificate of title,
8 the department promptly shall send a record evidencing the
9 certificate to the owner of record and, if there is one, to
10 the secured party of record, at the address indicated for that
11 person in the files of the department. The department may send
12 the record to the person's mailing address or, if indicated in
13 the files of the department, an electronic address.

14 (b) If the department creates a written certificate
15 of title, any electronic certificate of title for the vessel
16 or vessel trailer is canceled and replaced by the written
17 certificate. The department shall maintain in the files of the
18 department the date and time of cancellation.

19 (c) Before the department creates an electronic
20 certificate of title, any written certificate for the vessel
21 or vessel trailer must be surrendered to the department. If
22 the department creates an electronic certificate, the
23 department shall destroy or otherwise cancel the written
24 certificate for the vessel or vessel trailer which has been
25 surrendered to the department and maintain in the files of the
26 department the date and time of destruction or other

1 cancellation. If a written certificate being canceled is not
2 destroyed, the department shall indicate on the face of the
3 certificate that it has been canceled.

4 Section 13. EFFECT OF CERTIFICATE OF TITLE. A
5 certificate of title is prima facie evidence of the accuracy
6 of the information in the record that constitutes the
7 certificate.

8 Section 14. EFFECT OF POSSESSION OF CERTIFICATE OF
9 TITLE; JUDICIAL PROCESS. Possession of a certificate of title
10 does not by itself provide a right to obtain possession of a
11 vessel or vessel trailer. Garnishment, attachment, levy,
12 replevin, or other judicial process against the certificate is
13 not effective to determine possessory rights to the vessel or
14 vessel trailer. This act does not prohibit enforcement under
15 law of this state other than this act of a security interest
16 in, levy on, or foreclosure of a statutory or common law lien
17 on a vessel or vessel trailer. Absence of an indication of a
18 statutory or common law lien on a certificate does not
19 invalidate the lien.

20 Section 15. PERFECTION OF SECURITY INTEREST.

21 (a) Except as otherwise provided in this section or
22 Section 28, a security interest in a vessel or vessel trailer
23 may be perfected only by delivery to the department of an
24 application for a certificate of title that identifies the
25 secured party and otherwise complies with Section 7. The
26 security interest is perfected on the later of delivery to the

1 department of the application and the applicable fee or
2 attachment of the security interest under Section 7-9-203,
3 Code of Alabama 1975.

4 (b) If the interest of a person named as owner,
5 lessor, consignor, or bailor in an application for a
6 certificate of title delivered to the department is a security
7 interest, the application sufficiently identifies the person
8 as a secured party. Identification on the application for a
9 certificate of a person as owner, lessor, consignor, or bailor
10 is not by itself a factor in determining whether the person's
11 interest is a security interest.

12 (c) If the department has created a certificate of
13 title for a vessel or vessel trailer, a security interest in
14 the vessel or vessel trailer may be perfected by delivery to
15 the department of an application, on a form the department may
16 require, to have the security interest added to the
17 certificate. The application must be signed by an owner of the
18 vessel or vessel trailer or by the secured party and must
19 include:

20 (1) the name of the owner of record;

21 (2) the name and mailing address of the secured
22 party;

23 (3) the hull identification number for the vessel;

24 and

1 (4) if the department has created a written
2 certificate of title for the vessel or vessel trailer, the
3 certificate.

4 (d) A security interest perfected under subsection
5 (c) is perfected on the later of delivery to the department of
6 the application and all applicable fees or attachment of the
7 security interest under Section 7-9-203, Code of Alabama 1975.

8 (e) On delivery of an application that complies with
9 subsection (c) and payment of all applicable fees, the
10 department shall create a new certificate of title pursuant to
11 Section 8 and deliver the new certificate or a record
12 evidencing an electronic certificate pursuant to Section
13 12(a). The department shall maintain in the files of the
14 department the date and time of delivery of the application to
15 the department.

16 (f) If a secured party assigns a perfected security
17 interest in a vessel or vessel trailer, the receipt by the
18 department of a statement providing the name of the assignee
19 as secured party is not required to continue the perfected
20 status of the security interest against creditors of and
21 transferees from the original debtor. A purchaser of a vessel
22 or vessel trailer subject to a security interest which obtains
23 a release from the secured party indicated in the files of the
24 department or on the certificate takes free of the security
25 interest and of the rights of a transferee unless the transfer

1 is indicated in the files of the department or on the
2 certificate.

3 (g) This section does not apply to a security
4 interest:

5 (1) created in a vessel or vessel trailer by a
6 person during any period in which the vessel or vessel trailer
7 is inventory held for sale or lease by the person or is leased
8 by the person as lessor if the person is in the business of
9 selling vessels or vessel trailers;

10 (2) in a barge for which no application for a
11 certificate of title has been delivered to the department; or

12 (3) in a vessel or vessel trailer before delivery if
13 the vessel or vessel trailer is under construction, or
14 completed, pursuant to contract and for which no application
15 for a certificate has been delivered to the department.

16 (h) This subsection applies if a certificate of
17 documentation for a documented vessel is deleted or canceled.
18 If a security interest in the vessel was valid immediately
19 before deletion or cancellation against a third party as a
20 result of compliance with 42 U.S.C. Section 31321, the
21 security interest is and remains perfected until the earlier
22 of four months after cancellation of the certificate or the
23 time the security interest becomes perfected under this act.

24 (i) A security interest in a vessel or vessel
25 trailer arising under Section 7-2-401, 7-2-505, 7-2-711(3), or
26 7-2A-508(5), Code of Alabama 1975, is perfected when it

1 attaches but becomes unperfected when the debtor obtains
2 possession of the vessel or vessel trailer, unless before the
3 debtor obtains possession the security interest is perfected
4 pursuant to subsection (a) or (c).

5 (j) A security interest in a vessel or vessel
6 trailer as proceeds of other collateral is perfected to the
7 extent provided in Section 7-9-315, Code of Alabama 1975.

8 (k) A security interest in a vessel or vessel
9 trailer perfected under the law of another jurisdiction is
10 perfected to the extent provided.

11 Section 16. TERMINATION STATEMENT.

12 (a) A secured party indicated in the files of the
13 department as having a security interest in a vessel or vessel
14 trailer shall deliver a termination statement to the
15 department and, on the debtor's request, to the debtor, by the
16 earlier of:

17 (1) 20 days after the secured party receives a
18 signed demand from an owner for a termination statement and
19 there is no obligation secured by the vessel or vessel trailer
20 subject to the security interest and no commitment to make an
21 advance, incur an obligation, or otherwise give value secured
22 by the vessel.

23 (2) if the vessel or vessel trailer is consumer
24 goods, 30 days after there is no obligation secured by the
25 vessel or vessel trailer and no commitment to make an advance,

1 incur an obligation, or otherwise give value secured by the
2 vessel or vessel trailer; or

3 (b) If a written certificate of title has been
4 created and delivered to a secured party and a termination
5 statement is required under subsection (a), the secured party,
6 not later than the date required by subsection (a), shall
7 deliver the certificate to the debtor or to the department
8 with the statement. If the certificate is lost, stolen,
9 mutilated, destroyed, or is otherwise unavailable or
10 illegible, the secured party shall deliver with the statement,
11 not later than the date required by subsection (a), an
12 application for a replacement certificate meeting the
13 requirements of Section 22.

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

23 (d) A secured party that fails to comply with this
24 section is liable for any loss that the secured party had
25 reason to know might result from its failure to comply and
26 which could not reasonably have been prevented and for the

1 cost of an application for a certificate of title under
2 Section 7 or 22.

3 Section 17. TRANSFER OF OWNERSHIP.

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

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

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

21 (3) The transferee has a right enforceable by
22 specific performance to require the transferor comply with
23 paragraph (1) or (2).

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

1 (c) A failure to comply with subsection (a) or to
2 apply for a new certificate of title does not render a
3 transfer of ownership of a vessel ineffective between the
4 parties. Except as otherwise provided in Section 18, 19,
5 23(a), or 24, a transfer of ownership without compliance with
6 subsection (a) is not effective against another person
7 claiming an interest in the vessel.

8 (d) A transferor that complies with subsection (a)
9 is not liable as owner of the vessel for an event occurring
10 after the transfer, regardless of whether the transferee
11 applies for a new certificate of title.

12 Section 18. EFFECT OF MISSING OR INCORRECT
13 INFORMATION.

14 Except as otherwise provided in Section 7-9-337,
15 Code of Alabama 1975, a certificate of title or other record
16 required or authorized by this act is effective even if it
17 contains incorrect information or does not contain required
18 information.

19 Section 19. TRANSFER OF OWNERSHIP BY SECURED PARTY'S
20 TRANSFER STATEMENT.

21 (a) In this section, "secured party's transfer
22 statement" means a record signed by the secured party of
23 record stating:

24 (1) that there has been a default on an obligation
25 secured by the vessel or vessel trailer;

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

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

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

9 (5) the name of the transferee;

10 (6) other information required by Section 7(b); and

11 (7) one of the following:

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

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

17 (C) the secured party is delivering the written
18 certificate of title to the department with the secured
19 party's transfer statement.

20 (b) Unless the department rejects a secured party's
21 transfer statement for a reason stated in Section 8(c), not
22 later than 20 days after delivery to the department of the
23 statement and payment of fees and taxes payable under the law
24 of this state other than this act in connection with the
25 statement or the acquisition or use of the vessel, the
26 department shall:

1 (1) accept the statement;

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

4 (3) if the name of the owner whose ownership
5 interest is being transferred is indicated on the certificate
6 of title:

7 (A) cancel the certificate even if the certificate
8 has not been delivered to the department;

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

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

13 (c) An application under subsection (a) or the
14 creation of a certificate of title under subsection (b) is not
15 by itself a disposition of the vessel or vessel trailer and
16 does not by itself relieve the secured party of its duties
17 under Article 9A of Title 7, Code of Alabama 1975.

18 Section 20. TRANSFER BY OPERATION OF LAW.

19 (a) In this section:

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

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

1 (B) through the exercise of the rights of a lien
2 creditor or a person having a lien created by statute or rule
3 of law; or

4 (C) through other legal process.

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

9 (b) A transfer-by-law statement must contain:

10 (1) the name and last known mailing address of the
11 owner of record and the transferee and the other information
12 required by Section 7(b);

13 (2) documentation sufficient to establish the
14 transferee's ownership interest or right to acquire the
15 ownership interest;

16 (3) a statement that:

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

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

22 (C) the transferee is delivering the written
23 certificate to the department with the transfer-by-law
24 statement; and

25 (4) except for a transfer described in subsection
26 (a) (1) (A), evidence that notification of the transfer and the

1 intent to file the transfer-by-law statement has been sent to
2 all persons indicated in the files of the department as having
3 an interest, including a security interest, in the vessel or
4 vessel trailer.

5 (c) Unless the department rejects a transfer-by-law
6 statement for a reason stated in Section 8(c) or because the
7 statement does not include documentation satisfactory to the
8 department as to the transferee's ownership interest or right
9 to acquire the ownership interest, not later than 20 days
10 after delivery to the department of the statement and payment
11 of fees and taxes payable under the law of this state other
12 than this act in connection with the statement or with the
13 acquisition or use of the vessel or vessel trailer, the
14 department shall:

15 (1) accept the statement;

16 (2) amend the files of the department to reflect the
17 transfer; and

18 (3) if the name of the owner whose ownership
19 interest is being transferred is indicated on the certificate
20 of title:

21 (A) cancel the certificate even if the certificate
22 has not been delivered to the department;

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

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

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

6 (d) This section does not apply to a transfer of an
7 interest in a vessel or vessel trailer by a secured party
8 under Article 9A, Part 6, Title 7, Code of Alabama 1975.

9 Section 21. APPLICATION FOR TRANSFER OF OWNERSHIP OR
10 TERMINATION OF SECURITY INTEREST WITHOUT CERTIFICATE OF TITLE.

11 (a) Except as otherwise provided in Section 19 or
12 20, if the department receives, unaccompanied by a signed
13 certificate of title, an application for a new certificate
14 that includes an indication of a transfer of ownership or a
15 termination statement, the department may create a new
16 certificate under this section only if:

17 (1) all other requirements under Sections 7 and 8
18 are met;

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

22 (3) the applicant provides the department with
23 satisfactory evidence that notification of the application has
24 been sent to the owner of record and all persons indicated in
25 the files of the department as having an interest, including a
26 security interest, in the vessel or vessel trailer, at least

1 45 days have passed since the notification was sent, and the
2 department has not received an objection from any of those
3 persons; and

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

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

21 (c) Unless the department determines that the value
22 of a vessel or vessel trailer is less than five thousand
23 dollars (\$5,000), before the department creates a certificate
24 of title under subsection (a), the department may require the
25 applicant to post a bond or provide an equivalent source of
26 indemnity or security. The bond, indemnity, or other security

1 may not exceed twice the value of the vessel or vessel trailer
2 as determined by the department. The bond, indemnity, or other
3 security must be in a form required by the department and
4 provide for indemnification of any owner, purchaser, or other
5 claimant for any expense, loss, delay, or damage, including
6 reasonable attorney's fees and costs, but not including
7 incidental or consequential damages, resulting from creation
8 or amendment of the certificate.

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

14 Section 22. REPLACEMENT CERTIFICATE OF TITLE.

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

22 (b) An applicant for a replacement certificate of
23 title must sign the application, and, except as otherwise
24 permitted by the department, the application must comply with
25 Section 7. The application must include the existing

1 certificate unless the certificate is lost, stolen, mutilated,
2 destroyed, or otherwise unavailable.

3 (c) A replacement certificate of title created by
4 the department must comply with Section 9 and indicate on the
5 face of the certificate that it is a replacement certificate.

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

10 Section 23. RIGHTS OF PURCHASER OTHER THAN SECURED
11 PARTY.

12 (a) A buyer in ordinary course of business has the
13 protections afforded by Sections 7-2-403(2) and 7-9-320(a),
14 Code of Alabama 1975, even if an existing certificate of title
15 was not signed and delivered to the buyer or a new certificate
16 listing the buyer as owner of record was not created.

17 (b) Except as otherwise provided in Sections 17 and
18 24, the rights of a purchaser of a vessel or vessel trailer
19 which is not a buyer in ordinary course of business or a lien
20 creditor are governed by Title 7 of the Code of Alabama 1975.

21 Section 24. RIGHTS OF SECURED PARTY.

22 (a) Subject to subsection (b), the effect of
23 perfection and nonperfection of a security interest and the
24 priority of a perfected or unperfected security interest with
25 respect to the rights of a purchaser or creditor, including a

1 lien creditor, is governed by Title 7 of the Code of Alabama
2 1975.

3 (b) If, while a security interest in a vessel or
4 vessel trailer is perfected by any method under this act, the
5 department creates a certificate of title that does not
6 indicate that the vessel or vessel trailer is subject to the
7 security interest or contain a statement that it may be
8 subject to security interests not indicated on the
9 certificate:

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

16 (2) the security interest is subordinate to a
17 conflicting security interest in the vessel or vessel trailer
18 that is perfected under Section 15 after creation of the
19 certificate and without the conflicting secured party's
20 knowledge of the security interest.

21 Section 25. DUTIES AND OPERATION OF DEPARTMENT.

22 (a) The department shall retain the evidence used to
23 establish the accuracy of the information in its files
24 relating to the current ownership of a vessel or vessel
25 trailer and the information on the certificate of title.

1 (b) The department shall retain in its files all
2 information regarding a security interest in a vessel or
3 vessel trailer for at least 10 years after the department
4 receives a termination statement regarding the security
5 interest. The information must be accessible by the hull
6 identification number for the vessel and any other methods
7 provided by the department.

8 (c) If a person submits a record to the department,
9 or submits information that is accepted by the department, and
10 requests an acknowledgment of the filing or submission, the
11 department shall send to the person an acknowledgment showing
12 the hull identification number of the vessel to which the
13 record or submission relates, the information in the filed
14 record or submission, and the date and time the record was
15 received or the submission accepted. A request under this
16 section must contain the hull identification number and be
17 delivered by means authorized by the department.

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

21 (1) whether the files of the department indicate, as
22 of a date and time specified by the department, but not a date
23 earlier than three days before the department received the
24 request, any certificate of title, security interest,
25 termination statement, or title brand that relates to a vessel
26 or vessel trailer:

1 (A) identified by a hull identification number
2 designated in the request;

3 (B) identified by a vessel number designated in the
4 request; or

5 (C) owned by a person designated in the request;

6 (2) with respect to the vessel or vessel trailer:

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

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

12 (C) a copy of any termination statement indicated in
13 the files of the department and the effective date of the
14 termination statement; and

15 (3) with respect to the vessel or vessel trailer, a
16 copy of any certificate of origin, secured party transfer
17 statement, transfer by law statement under Section 20, and
18 other evidence of previous or current transfers of ownership.

19 (e) In responding to a request under this section,
20 the department may provide the requested information in any
21 medium. On request, the department shall send the requested
22 information in a record that is under Rule 902 of the Alabama
23 Rules of Evidence.

24 Section 26. UNIFORMITY OF APPLICATION AND
25 CONSTRUCTION.

1 In applying and construing this uniform act,
2 consideration must be given to the need to promote uniformity
3 of the law with respect to its subject matter among states
4 that enact it.

5 Section 27. RELATION TO ELECTRONIC SIGNATURES IN
6 GLOBAL AND NATIONAL COMMERCE ACT.

7 This act modifies, limits, and supersedes the
8 federal Electronic Signatures in Global and National Commerce
9 Act, 15 U.S.C. Section 7001, et seq., but does not modify,
10 limit, or supersede Section 101(c) of that act, 15 U.S.C.
11 Section 7001(c), or authorize electronic delivery of any of
12 the notices described in Section 103(b) of that act, 15 U.S.C.
13 Section 7003(b).

14 Section 28. SAVINGS CLAUSE.

15 (a) The rights, duties, and interests flowing from a
16 transaction, certificate of title, or record relating to a
17 vessel or vessel trailer which was validly entered into or
18 created before the effective date of this act and would be
19 subject to this act if it had been entered into or created on
20 or after the effective date of this act, remain valid on and
21 after the effective date of this act.

22 (b) This act does not affect an action or proceeding
23 commenced before the effective date of this act.

24 (c) Except as otherwise provided in subsection (d),
25 a security interest that is enforceable immediately before the
26 effective date of this act and would have priority over the

1 rights of a person that becomes a lien creditor at that time
2 is a perfected security interest under this act.

3 (d) A security interest perfected immediately before
4 the effective date of this act remains perfected until the
5 earlier of:

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

8 (2) three years after the effective date of this
9 act.

10 (e) This act does not affect the priority of a
11 security interest in a vessel or vessel trailer if,
12 immediately before the effective date of this act, the
13 security interest is enforceable and perfected, and that
14 priority is established.

15 Section 29. Section 33-5-9, Code of Alabama 1975, is
16 amended to read as follows:

17 "§33-5-9.

18 "(a) Every vessel on the waters of this state shall
19 be registered and numbered. No person shall operate or give
20 permission for the operation of any vessel on such waters
21 unless the vessel is registered and numbered with the
22 identifying number set forth in the certificate of
23 registration displayed on each side of the bow of such vessel,
24 or in accordance with applicable federal law or in accordance
25 with a federally approved numbering system of another state,

1 and unless the certificate of number awarded to such vessel is
2 in full force and effect.

3 "(b) No vessel may be registered and numbered under
4 subsection (a) until the owner of the vessel has complied with
5 Section 6 of the act adding this subsection."

6 Section 30. All laws or parts of laws which conflict
7 with this act are repealed.

8 Section 31. This act shall become effective on
9 January 1, 2013.