

Subpart D—Guidelines for State Vessel Titling Systems

§ 187.301 What are the eligibility requirements for certification of a State titling system to confer preferred mortgage status?

The Commandant, under 46 U.S.C. 31322(d)(1)(A) and § 187.13, may certify a State vessel titling system that meets the requirements of this subpart as complying with the guidelines for vessel titling systems. This certification is for the purpose of conferring preferred mortgage status on a mortgage, instrument, or agreement granting a security interest perfected under State law, covering the whole of a vessel titled in that State. The State must also comply with the VIS participation requirements of § 187.11 and subpart C of this part and make vessel information it collects available to VIS.

§ 187.303 What terms must a State define?

A State must define the terms “certificate of origin”, “dealer”, “documented vessel”, “issuing authority”, “manufacturer”, “owner”, “person”, “secured party”, “security interest”, “titling authority”, and “vessel” substantially as defined in § 187.7.

§ 187.304 What vessels must be titled?

A State must require that all vessels required to be numbered in the State under 46 U.S.C. chapter 123 be titled only in that State, if that State issues titles to that class of vessels.

§ 187.305 What are the requirements for applying for a title?

(a) A State must require application for a title within a specified period of time, not to exceed 60 days, after a vessel required to be titled is first purchased, ownership is transferred, or there is a change in vessel data listed on the certificate of title.

(b) A State must require disclosure in its titling application form of any secured party holding an unsatisfied security interest in the vessel.

(c) The application must include an entry for identification of the State or country in which the vessel was last numbered, titled, documented, or reg-

istered under the laws of a foreign country.

(d) A State must require that a COO for a vessel be submitted together with the application for any new vessel not previously numbered, titled, documented, or registered under the laws of a foreign country.

(e) A State must require that the application include a signed certification that the statements made are true and correct to the best of the applicant’s knowledge, information, and belief, under penalty of perjury or similar penalties as prescribed by State law.

§ 187.307 What are dealer and manufacturer provisions?

A State must include the following provisions applicable to any dealer or manufacturer building, buying, acquiring, selling, or transferring a vessel in that State:

(a) Dealers or manufacturers must not be allowed to apply for a certificate of title for a vessel not required to be numbered. Dealers or manufacturers owning a new or used vessel primarily used in their business, held for sale or lease, and required to be numbered may be permitted or required to apply for a certificate of title for the vessel. The State may impose other reporting requirements on dealers or manufacturers.

(b) Dealers or manufacturers transferring a vessel required to be titled in the name of the dealer or manufacturer must be required to assign the title to the new owner or, for a new vessel, assign a COO for a new vessel. Dealers or manufacturers transferring a vessel permitted to be titled in their name must be required to assign to the new owner any certificate of title which has been issued and not surrendered.

(c) Dealers or manufacturers must not be permitted to provide a redundant COO if VIS contains information concerning the vessel.

(d) Dealers or manufacturers must be permitted to provide a redundant COO to the vessel owner only upon receipt of information concerning the original certificate and the circumstances of its loss, theft, mutilation, or destruction and receipt of any recovered original COO or remains from the vessel owner. This information must be declared

under penalty of perjury or similar penalties as prescribed by State law. The term "REDUNDANT" must be clearly and permanently marked on the face of a redundant COO.

(e) Dealers or manufacturers must be required to maintain for at least 3 years a record of any vessel bought, sold, exchanged, or received for sale or exchange, and open such records for inspection by the State.

§ 187.309 What are the requirements for transfer of title?

To complete the sale, assignment, or transfer of a titled vessel, a State must require that a manufacturer, dealer, or individual must deliver the vessel's certificate of title to the new owner or new owner's designee, except for transfers by operation of law or order of court.

§ 187.311 What are the application requirements for a certificate of title because of a transfer by operation of law or order of court?

A State must require a new owner to apply for a certificate of title within a specified period of time, not to exceed 60 days, after ownership of a vessel is transferred by operation of law or order of court. This application must include an original or authenticated copy of the legal transfer document.

§ 187.313 Must a State honor a prior State title, Coast Guard documentation, and foreign registry?

(a) A State must honor a title issued by another State as proof of ownership for transfer or sale of a vessel and for applying for a certificate of number or title in the new State of principal operation.

(b) A State must honor a Coast Guard-issued Certificate of Ownership or a Certificate of Deletion as proof of ownership and deletion from documentation.

(c) A State must honor an authenticated copy of a foreign registry, or evidence of deletion from the foreign registry, as proof of ownership and deletion from the foreign registry.

§ 187.315 What happens when a title is surrendered for the purposes of documentation?

A State title is invalid when it is surrendered to the Coast Guard in exchange for a Certificate of Documentation. Upon notification from the Coast Guard of the surrender of a title, a State must process the cancellation of the title.

§ 187.317 What information must be on a certificate of title?

(a) A certificate of title must contain the following information concerning the vessel:

(1) Names of all owners (individuals, businesses, and organizations).

(2) Address of one individual, business, or organization owning the vessel.

(3) Title number.

(4) Date of issuance of title.

(5) Vessel identifier under § 187.9.

(6) Name of manufacturer, builder, or make.

(7) Model year, manufacture year, or year built.

(8) Overall length.

(9) Vessel type. Authorized terms are "open motorboat", "cabin motorboat", "auxiliary sail", "sail only", "personal watercraft", "pontoon", "houseboat", "rowboat", "canoe/kayak", or "other".

(10) Hull material. Authorized terms are "wood", "aluminum", "steel", "fiberglass", "rigid hull inflatable", "rubber/vinyl/canvas", or "other".

(11) Propulsion type. Authorized terms are "propeller", "sail", "water jet", "air thrust", or "manual".

(12) Engine drive type. Authorized terms are "outboard", "inboard", or "inboard/stern drive".

(13) Name of each secured party.

(14) Address (city and State) of each secured party.

(15) Recording or perfection date of new security interest and original recording or perfection date of any security interest outstanding.

(b) Space must be provided on the title form for assignment of interests in the vessel, with a signed certification that the statements made are true and correct to the best of the owner's knowledge, information, and belief, under penalty of perjury or similar penalties as prescribed by State law.