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4

*As Engrossed: S3/23/17*

# A Bill

SENATE BILL 770

5 By: Senator B. Sample  
6 *By: Representative Holcomb*  
7

## For An Act To Be Entitled

9 AN ACT TO AUTHORIZE AND REQUIRE THE ISSUANCE OF A  
10 TITLE FOR A WATERCRAFT; TO CREATE THE ARKANSAS  
11 MOTORBOAT REGISTRATION AND TITLING ACT; AND FOR OTHER  
12 PURPOSES.  
13  
14

## Subtitle

16 TO AUTHORIZE AND REQUIRE THE ISSUANCE OF  
17 A TITLE FOR A WATERCRAFT; AND TO CREATE  
18 THE ARKANSAS MOTORBOAT REGISTRATION AND  
19 TITLING ACT.  
20  
21

22 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:  
23

24 *SECTION 1. Arkansas Code § 4-2A-104(1)(a), concerning leases subject*  
25 *to other laws, is amended to read as follows:*

26 *(a) certificate of title statute of this state, including, but*  
27 *not limited to §§ 27-14-801 – 27-14-804 and 27-101-1014 – 27-101-1019,*  
28 *concerning the filing of liens and encumbrances on motor vehicles and*  
29 *motorboats;*  
30

31 *SECTION 2. Arkansas Code § 4-9-311(a), concerning perfection of*  
32 *security interests in property, is amended to read as follows:*

33 *(a) Except as otherwise provided in subsection (d) of this section,*  
34 *the filing of a financing statement is not necessary or effective to perfect*  
35 *a security interest in property subject to:*

36 *(1) a statute, regulation, or treaty of the United States whose*



1 requirements for a security interest's obtaining priority over the rights of  
2 a lien creditor with respect to the property preempt § 4-9-310(a);

3 (2) any other laws of this State which provide for central  
4 filing of security interests or which require indication on a certificate of  
5 title to property of such interest, including but not limited to §§ 27-14-801  
6 – 27-14-807 and 27-101-1014 – 27-101-1019; or

7 (3) a statute of another jurisdiction which provides for a  
8 security interest to be indicated on a certificate of title as a condition or  
9 result of the security interest's obtaining priority over the rights of a  
10 lien creditor with respect to the property.

11  
12 SECTION 3. Arkansas Code § 19-5-205(e)(1)(B)(i), concerning the State  
13 Central Services Fund, is amended to read as follows:

14 (i) Those special revenues as specified in § 19-6-  
15 301(9), (11), (19), (21), (37), (75), (76), (77), (78), (79), (82), (83),  
16 (84), (85), (86), (87), (88), (89), (91), (96), (116), (118), (120), (124),  
17 (149), (188), (231), (244), (246), ~~and (247)~~, and (255) and eight percent  
18 (8%) of those special revenues as set out in § 19-6-301(20) of the Revenue  
19 Classification Law, § 19-6-101 et seq.;

20  
21 SECTION 4. Arkansas Code § 19-6-301, concerning special revenues  
22 enumerated, is amended to add additional subdivisions to read as follows:

23 (255) Motorboat duplicate title, lien filing, lien notation, and  
24 certificate of title fees set forth in the Arkansas Motorboat Registration  
25 and Titling Act, § 27-101-1001 et seq.;

26 (256) Motorboat certificate of title with beneficiary processing fees  
27 and certificate of title application fees set forth in the Arkansas Motorboat  
28 Registration and Titling Act, § 27-101-1001 et seq.; and

29 (257) Hull identification number verification fees, § 27-101-1012.  
30

31 SECTION 5. Arkansas Code § 27-101-103(1), concerning the definition of  
32 "commission", is repealed.

33 ~~(1) "Commission" means the Arkansas State Game and Fish~~  
34 ~~Commission;~~

35  
36 SECTION 6. Arkansas Code § 27-101-103, concerning definitions related

1 to watercrafts, is amended to add an additional subdivision to read as  
2 follows:

3 (14) "Certificate of number" means a motorboat registration or  
4 motorboat registration certificate.

5  
6 SECTION 7. Arkansas Code § 27-101-108(a), concerning the filing and  
7 publication of rules and regulations, is amended to read as follows:

8 (a) A copy of the regulations adopted pursuant to §§ 27-101-101 et  
9 seq., 27-101-201 et seq., 27-101-301 et seq., 27-101-501 et seq., ~~and~~ 27-101-  
10 601 et seq., and the Arkansas Motorboat Registration and Titling Act, § 27-  
11 101-1001 et seq., and of any amendments of those regulations shall be filed  
12 in the offices of the Arkansas State Game and Fish Commission, the Secretary  
13 of State, the Arkansas State Library, and the Bureau of Legislative Research  
14 where each copy shall be preserved as a public record.

15  
16 SECTION 8. Arkansas Code § 27-101-110, concerning deposit of funds into  
17 the State Treasury, is amended to read as follows:

18 (a) Except as otherwise provided in this chapter, All all fees  
19 collected by the Director of the Department of Finance and Administration  
20 under ~~the provisions of~~ this chapter shall be deposited as special revenues  
21 ~~in~~ into the State Treasury to the credit of the Special Revenue Fund Account  
22 of the State Apportionment Fund.

23 (b) ~~All these funds~~ The fees collected under subsection (a) of this  
24 section shall be credited to the Boating Safety Account Fund, which is  
25 established on the books of the Treasurer of State, the Auditor of State, and  
26 the Chief Fiscal Officer of the State.

27  
28 SECTION 9. Arkansas Code Title 27, Chapter 101, Subchapter 1, is  
29 amended to add additional sections to read as follows:

30 27-101-112. Refund of application fees.

31 An application fee collected by the Office of Motor Vehicle under this  
32 chapter shall be:

33 (1) Refunded to the applicant if the application is refused or  
34 rejected; or

35 (2)(A) Refunded to the applicant if the fee was not required to  
36 be paid under this chapter.

1 (B) A refund shall not be issued under subdivision (2)(A)  
2 of this section if the applicant fails to submit an application for refund  
3 within six (6) months from the date the applicant paid the application fee.  
4

5 27-101-113. Payment by credit card.

6 (a) The Director of the Department of Finance and Administration may:

7 (1) Allow payment by credit card of any fees due under this  
8 chapter;

9 (2) Promulgate rules and regulations providing for payment by  
10 credit card of any fees authorized under this chapter; and

11 (3) Contract with credit card companies to pay fees normally  
12 charged by those companies for allowing the use of their credit cards as  
13 authorized by this section.

14 (b)(1) The net proceeds received, or receivable, from credit card  
15 companies shall be prorated to the various funds for which they were  
16 collected and deposited into the State Treasury for transfer on the last  
17 business day of each month, in the same manner and to be used for the same  
18 purposes as all other fees collected upon the issuance or renewal of a  
19 motorboat registration with certificate of number and the issuance of a  
20 motorboat certificate of title.

21 (2) Any amounts deducted from the gross proceeds of motorboat  
22 registration with a certificate of number or titling fees paid by credit  
23 card, which are deducted for the purpose of paying credit card company fees,  
24 shall be cash funds not subject to appropriation and, if withheld by the  
25 director, shall be remitted by the director to credit card companies as  
26 required under contracts authorized by this section.  
27

28 SECTION 10. Arkansas Code § 27-101-304(b), concerning the issuance of a  
29 certificate of number, is amended to read as follows:

30 (b) The application shall be signed by the owner of the motorboat and  
31 ~~shall be~~ accompanied by a fee as provided in § 27-101-306, verification of  
32 the hull identification number, proof the motorboat is listed for assessment,  
33 proof of payment of required personal property taxes, and ~~by~~ proof of  
34 insurance establishing that the motorboat, if it is equipped with more than  
35 fifty horsepower (50 hp), or a personal watercraft, is covered by a liability  
36 insurance policy issued by an insurance company authorized to do business in

1 this state.

2

3 SECTION 11. Arkansas Code § 27-101-304(e)(1), concerning issuance of a  
4 certificate of number, is amended to read as follows:

5 ~~(e)(1) Upon receipt of the application in approved form, accompanied  
6 by proof that the motorboat has been assessed or listed for assessment and,  
7 if it is equipped with more than fifty horsepower (50 hp), or is personal  
8 watercraft, is covered by a liability insurance policy issued by an insurance  
9 company authorized to do business in this state, the director shall enter the  
10 application upon the records of his or her office and issue to the applicant  
11 a certificate of number stating the number awarded to the motorboat and the  
12 name and address of the owner~~

13 The director shall enter upon the records of his or her office an  
14 application for issuance of a certificate of number upon receipt of:

15 (A) An application submitted in approved form;

16 (B) Proof that the motorboat has been assessed or listed  
17 for assessment;

18 (C) Proof that personal property taxes have been paid; and

19 (D) Proof of coverage by a liability insurance policy  
20 issued by an insurance company authorized to do business in this state if the  
21 motorboat is equipped with more than fifty horsepower (50 hp) or is a  
22 personal watercraft.

23 (2)(A) Upon approval by the director of the application and  
24 supporting documents required under subdivision (e)(1) of this section, the  
25 director shall issue to the applicant a certificate of number stating:

26 (i) The identifying number assigned to the  
27 motorboat;

28 (ii) The name and address of the owner; and

29 (iii) A description of the motorboat, including when  
30 available the make, model, year, and hull identification number of the  
31 motorboat.

32 (B) The certificate of number shall be of a type that  
33 prevents as nearly as possible alteration, counterfeiting, duplication, or  
34 simulation without ready detection.

35

36 SECTION 12. Arkansas Code § 27-101-306(g), concerning the renewal of

1 certificates of number, is amended to read as follows:

2 (g) Certificates of number may be renewed by the owner in the same  
3 manner as is provided in this section for initially securing the certificate  
4 and upon: ~~payment of the fee as set forth in this section except that the~~  
5 ~~certificate of a motorboat shall not be renewed if it is equipped with more~~  
6 ~~than fifty horsepower (50 HP) or is personal watercraft unless proof is~~  
7 ~~presented that it is covered by a liability insurance policy issued by an~~  
8 ~~insurance company authorized to do business in this state.~~

9 (1) Payment of all fees required in this chapter;

10 (2) If applicable, proof the motorboat or personal watercraft is  
11 covered by a liability insurance policy issued by an insurance company  
12 authorized to do business in this state;

13 (3) Proof the motorboat is listed for assessment; and

14 (4) Proof of payment of required personal property taxes.

15  
16 SECTION 13. Arkansas Code § 27-101-309(c), concerning the transfer of a  
17 certificate of number, is amended to read as follows:

18 (c) The application for transfer of the certificate of number shall be  
19 signed by the new owner of the motorboat and shall be accompanied by: a fee  
20 of two dollars (\$2.00).

21 (1) A fee of two dollars (\$2.00);

22 (2) Proof the motorboat is listed for assessment;

23 (3) Proof of payment of required personal property taxes; and

24 (4) Proof of insurance establishing that the motorboat, if it is  
25 equipped with more than fifty horsepower (50 hp) or is a personal watercraft  
26 is covered by a liability insurance policy issued by an insurance company  
27 authorized to do business in this state.

28  
29 SECTION 14. Arkansas Code Title 27, Chapter 101, Subchapter 3, is  
30 amended to add an additional section to read as follows:

31 27-101-314. Obligations of certificate of number holders.

32 (a)(1) Upon receipt of a certificate of number issued under § 27-101-  
33 304, the owner of the motorboat shall write his or her signature on the  
34 certificate of number with pen and ink in the space provided.

35 (2)(A) A certificate of number shall be carried:

36 (i) In the motorboat to which it refers; or

1 (ii) On the person of the driver or the person in  
2 control of the motorboat.

3 (B) The certificate of number shall be displayed upon  
4 request of a law enforcement officer, any officer of the Arkansas State Game  
5 and Fish Commission, or any officer or employee of the Office of Motor  
6 Vehicle.

7 (3) A person charged with violating this section shall not be  
8 convicted if he or she produces in court a certificate of number for the  
9 motorboat that was issued prior to, and in effect at, the time of the arrest.

10 (b) For purposes of this section, a photocopy of the certificate of  
11 number shall suffice to meet the requirements of this section.

12 (c) This section does not apply when a certificate of number is used  
13 for to apply for renewal of a certificate of number or upon transfer of a  
14 certificate of number.

15  
16 SECTION 15. Arkansas Code Title 27, Chapter 101, is amended to add a  
17 new subchapter to read as follows:

18  
19 Subchapter 10 – Arkansas Motorboat Registration and Titling Act

20  
21 27-101-1001. Title and purpose.

22 (a) This subchapter shall be known and may be cited as the “Arkansas  
23 Motorboat Registration and Titling Act”.

24 (b) The purpose of this subchapter is to establish the requirements  
25 and procedures for registering with a certificate of number and titling  
26 motorboats manufactured on and after January 1, 2018.

27  
28 27-101-1002. Application, exclusions, and limitations.

29 (a) Chapters 1-99 of Title 27 do not apply to motorboats registered  
30 with a certificate of number and titled under this Subtitle 7.

31 (b) This subchapter shall apply only to motorboats manufactured on and  
32 after January 1, 2018.

33 (c) Title 27, Chapter 101, Subchapters 1-7, apply to all motorboats  
34 regardless of the date the motorboat was manufactured.

35 (d)(1) All motorboats, regardless of when the motorboat was  
36 manufactured, are subject to the requirements of § 27-101-301 et seq.

1           (2) However, a motorboat manufactured prior to January 1, 2018,  
2 is not eligible for issuance of a certificate of title under this subchapter.

3           (e) This subchapter shall not apply to:

4           (1) A motorboat issued a certificate of number under federal law  
5 or a federally approved numbering system of another state, provided that the  
6 motorboat has not been within this state for more than thirty (30) days;

7           (2) Motorboats from a country other than the United States  
8 temporarily using the waters of this state;

9           (3) Motorboats whose owner is the United States Government, a  
10 state, or a subdivision of a state;

11           (4) Ship lifeboats; or

12           (5) Homemade motorboats.

13  
14           27-101-1003. Registration and titling requirements generally.

15           It is a Class A misdemeanor for a person to operate upon the waters of  
16 this state a motorboat of a type required to be titled under this subchapter  
17 that is not registered with a certificate of number under § 27-101-301 et  
18 seq., or for which a certificate of title, if applicable, has not been issued  
19 or applied for, or for which all required fees have not been paid when and as  
20 required under this chapter.

21  
22           27-101-1004. Application for certificate of title.

23           (a) The owner of a motorboat manufactured on and after January 1,  
24 2018, required to be registered with a certificate of number under this  
25 chapter shall apply to the Office of Motor Vehicle for the issuance of a  
26 certificate of title or a certificate of title with beneficiary under § 27-  
27 101-1013, for the motorboat upon the appropriate forms furnished by the  
28 office.

29           (b) The application shall contain:

30           (1) The name, bona fide residence, and mailing address of the  
31 owner or business address if the owner is a firm, association, or  
32 corporation;

33           (2)(A) A description of the motorboat, including, when  
34 available, the make, model, year, hull identification number, motor or engine  
35 serial number or model number, and a manufacturer's certificate of origin.

36           (B) The manufacturer's certificate of origin shall be



1 furnished to the dealer by the manufacturer and shall accompany the  
2 application for certificate of title.

3 (C) The manufacturer's certificate of origin shall be on a  
4 form prescribed by the Director of the Department of Finance and  
5 Administration;

6 (3) A statement concerning all liens or encumbrances upon the  
7 motorboat and the names and addresses of all persons having any interest in  
8 the motorboat and the nature of the interest;

9 (4)(A) Further information as may reasonably be required by the  
10 office to determine whether the owner is entitled to a certificate of title.

11 (B) When the application refers to a motorboat purchased  
12 from a dealer, the application shall, if applicable, be accompanied by:

13 (i) A statement by the dealer or a bill of sale  
14 showing any lien retained by the dealer; and

15 (ii) Payment of applicable lien notation and lien  
16 filing fees set forth in § 27-101-1029.

17 (c) The application shall be accompanied by:

18 (1) A certificate of title application fee in the amount of  
19 eight dollars (\$8.00) per motorboat; and

20 (2) A certificate of title fee in the amount of two dollars  
21 (\$2.00) per motorboat.

22 (d)(1) The certificate of title application fee collected under  
23 subdivision (c)(1) of this section shall be remitted to the Treasurer of  
24 State separate and apart from other taxes and fees.

25 (2)(A) The Treasurer of State shall deduct a percentage of the  
26 gross amount of the certificate of title application fee collected under  
27 subdivision (c)(1) of this section for the benefit of the Constitutional  
28 Officers Fund and the State Central Services Fund as required in §§ 19-5-202  
29 and 19-5-203.

30 (B) The net amount remaining after the deduction under  
31 subdivision (d)(2)(A) of this section shall be distributed as follows:

32 (i) Fifty percent (50%) of the net amount shall be  
33 deposited into the State Treasury as trust funds and credited to the Game  
34 Protection Fund for use by the Arkansas State Game and Fish Commission; and

35 (ii) Fifty percent (50%) of the net amount shall be  
36 deposited into the State Treasury as trust funds and credited to the State

1 Police Retirement Fund to be used for the State Police Retirement System.

2 (e) A certificate of title shall not be issued under this subchapter  
3 absent receipt of the following:

4 (1) Payment of all applicable fees;

5 (2) Proof of payment of personal property taxes;

6 (3) Proof of assessment;

7 (4) Proof of liability insurance to the extent required in § 27-  
8 101-301 et seq.; and

9 (5) Any other documentation that may be requested by the office.

10  
11 27-101-1005. Lost or damaged certificates.

12 (a) In the event any certificate of title is lost, mutilated, or  
13 becomes illegible, the owner or legal representative or successor in interest  
14 of the owner of the motorboat for which it was issued, as shown by the  
15 records of the office, shall immediately make application to the office for  
16 and may obtain a duplicate certificate of title if the conditions of this  
17 section are satisfied.

18 (b) The following information shall be included in the application:

19 (1) The year, make, model, hull identification number, and motor  
20 or engine serial number if applicable;

21 (2) The name of a lienholder;

22 (3) A release if the applicant claims that the lien has been  
23 released; and

24 (4) Other information required by the office.

25 (c) In addition to the application referred to in subsection (a) of  
26 this section, the following fees are imposed and shall be paid to the office  
27 at the time that application for issuance of a duplicate certificate of title  
28 is made:

29 (1) A certificate of title application fee in the amount of  
30 eight dollars (\$8.00) per motorboat; and

31 (2) A certificate of title fee of two dollars (\$2.00) per  
32 motorboat.

33 (d)(1) The certificate of title application fee collected under  
34 subsection (c)(1) of this section shall be remitted to the Treasurer of State  
35 separate and apart from other taxes and fees.

36 (2)(A) A percentage of the gross amount thereof shall be

1 deducted by the Treasurer of State for the benefit of the Constitutional  
2 Officers Fund and the State Central Services Fund as required in §§ 19-5-202  
3 and 19-5-203.

4 (B) The net amount remaining after the deduction under  
5 subsection (d)(2)(A) of this section shall be distributed as follows:

6 (i) Fifty percent (50%) of the net amount shall be  
7 deposited into the State Treasury as trust funds and credited to the Game  
8 Protection Fund for use by the Arkansas State Game and Fish Commission; and

9 (ii) Fifty percent (50%) of the net amount shall be  
10 deposited into the State Treasury as trust funds and credited to the State  
11 Police Retirement Fund to be used for the State Police Retirement System.

12 (e) The office may issue a duplicate certificate of title without  
13 notice to a lienholder if the records of the office do not show that a lien  
14 exists against the motorboat.

15 (f)(1)(A) The office shall mail notice to a lienholder shown in the  
16 records of the office at the address shown in the records for the lienholder.

17 (B) The notice shall state that the lienholder shall  
18 respond to the office within ten (10) business days from the date of the  
19 notice if the lien has not been released, or the duplicate certificate of  
20 title will be issued without recording the lien.

21 (2)(A) At the earlier of the time the lienholder responds  
22 indicating that the lien has been released or the expiration of the time for  
23 response by the lienholder, the office may issue a duplicate certificate of  
24 title without recording the name of the lienholder.

25 (B) If the lienholder timely responds indicating that the  
26 lien has not been released, the office may issue a duplicate certificate of  
27 title that places the name of the lienholder on the duplicate certificate  
28 title upon payment of all required lien notation and filing fees.

29 (g) Upon issuance of any duplicate certificate of title, the previous  
30 certificate of title issued shall be void.

31  
32 27-101-1006. Grounds for refusing certificate of number or certificate  
33 of title.

34 A certificate of number or transfer of a certificate of number shall  
35 not be issued under § 27-101-301 et seq., nor shall a certificate of title be  
36 issued under this subchapter, if:

1           (1) The Office of Motor Vehicle has been provided with  
2 information leading the office to reasonably believe that the relevant  
3 application contains any false or fraudulent statement;

4           (2) The applicant fails to furnish required information or  
5 reasonable additional information requested by the office;

6           (3) The office has reasonable grounds to believe that the  
7 motorboat is stolen or embezzled or that the granting of a certificate of  
8 number, the issuance of a certificate of title, or the transfer of a  
9 certificate of number would constitute a fraud against the rightful owner or  
10 other person having a valid lien upon the motorboat; or

11           (4) All the required fees have not been paid.

12  
13           27-101-1007. Submission and receipt of reports and checking  
14 applications against indexes.

15           (a) The owner of or person having a lien or encumbrance upon a  
16 motorboat that has been stolen or embezzled may notify the Office of Motor  
17 Vehicle of the theft or embezzlement, but in the event of an embezzlement,  
18 may make a report only after having procured the issuance of a warrant for  
19 the arrest of the person charged with the embezzlement.

20           (b) Every owner or other person who has given any such notice shall  
21 notify the office of a recovery of the motorboat.

22           (c) The office upon receiving a report of a stolen or embezzled  
23 motorboat as provided in subsection (a) of this section shall file and  
24 appropriately index the report, shall immediately suspend the certificate of  
25 number or title of the stolen or embezzled motorboat, and shall not transfer  
26 the certificate of number or certificate of title of the stolen or embezzled  
27 motorboat until such time as the office is notified in writing that the  
28 stolen or embezzled motorboat has been recovered.

29           (d)(1) The office shall, at least one (1) time each week, compile and  
30 maintain a list of all motorboats that have been stolen, embezzled, or  
31 recovered as reported to the office during the preceding week.

32           (2) The lists shall be open to inspection by any law enforcement  
33 officer or other person interested in the motorboat.

34           (e) The office, upon receiving application for the certificate of  
35 number of a motorboat under § 27-101-301 et seq. or application for a  
36 certificate of title under this subchapter, shall first check the hull

1 identification number or other identifying number shown in the application  
2 against the indexes of registered motorboats and against the index of stolen  
3 and recovered motorboats required by this section to be maintained.

4  
5 27-101-1008. Organization of records.

6 The Office of Motor Vehicle shall file each application received and  
7 issue a certificate of title if all the requirements are properly satisfied  
8 and shall register the motorboat with a certificate of number and keep a  
9 record of the application in suitable methods ensuring the records will be  
10 available as follows:

11 (1) Under a distinctive certificate of number assigned to the  
12 motorboat;

13 (2) Alphabetically, under the name of the owner;

14 (3) Under the hull identification number, if available,  
15 otherwise any other identifying number of the motorboat; and

16 (4) In any other manner to be decided at the discretion of the  
17 office.

18  
19 27-101-1009. Issuance of certificate of title.

20 (a)(1) The Office of Motor Vehicle, upon registering a motorboat with  
21 a certificate of number under § 27-101-304 and upon receipt of a proper  
22 application and all required fees, shall issue a certificate of title.

23 (2) The certificate of title shall be of a type that, as nearly  
24 as possible, prevents the document from being altered, counterfeited,  
25 duplicated, or simulated without ready detection.

26 (b)(1)(A) The certificate of title shall contain upon its face the  
27 identical information required upon the face of the certificate of number.

28 (B) In addition, the certificate of title shall contain:

29 (i) A statement of the owner's title to the  
30 motorboat;

31 (ii) A statement of all liens and encumbrances on  
32 the motorboat described in the application for the certificate of title;

33 (iii) A statement as to whether possession of the  
34 motorboat is held by the owner under a lease, contract of conditional sale,  
35 or other similar agreement; and

36 (iv) If a certificate of title is issued as a

1 certificate of title with beneficiary, the information required under § 27-  
2 101-1013.

3 (2) The certificate of title shall bear the seal of the office.

4 (c)(1) The certificate of title shall contain upon the front side a  
5 space for the signature of the owner, and the owner shall write his or her  
6 name with pen and ink in the space upon receipt of the certificate of title,  
7 except when a surviving owner or a beneficiary applies for a new certificate  
8 of title with beneficiary under § 27-101-1013.

9 (2) The certificate of title shall also contain upon the reverse  
10 side forms for assignment of title or interest and warranty of title or  
11 interest by the owner, with space for notation of liens and encumbrances upon  
12 the motorboat at the time of a transfer.

13 (d)(1) The certificate of title shall be delivered to the owner in the  
14 event no lien or encumbrance appears thereon.

15 (2) Otherwise, the certificate of title shall be delivered  
16 either to the person holding the first lien or encumbrance upon the motorboat  
17 as shown in the certificate of title or to the person named to receive it in  
18 the application for the certificate of title.

19  
20 27-101-1010. Certificate of title not renewed.

21 A certificate of title shall remain valid until cancellation by the  
22 Office of Motor Vehicle for cause or when a transfer in interest of the  
23 motorboat occurs.

24  
25 27-101-1011. Expiration of certificate of title.

26 (a)(1) A certificate of title issued under this subchapter shall  
27 expire upon the determination by the Office of Motor Vehicle that the hull  
28 identification number on the motorboat is mutilated, destroyed, or  
29 obliterated.

30 (2) Upon expiration of a certificate of title under subdivision  
31 (a)(1) of this section, the office shall refer the owner of the motorboat to  
32 the Boating Law Administrator of the Arkansas State Game and Fish Commission  
33 to:

34 (A) Issue a primary hull identification number to the  
35 motorboat; and

36 (B) Verify that the owner of the motorboat permanently

1 affixes the hull identification number to the motorboat in compliance with 33  
2 C.F.R. Part 181, Subpart C, as in effect on January 1, 2017.

3 (b) After receipt of a proper application and payment of all required  
4 fees under this subchapter, the office shall issue a new certificate of title  
5 using the primary hull identification number issued as provided under  
6 subsection (a) of this section.

7  
8 27-101-1012. Limited hull identification number verification.

9 (a) As used in this section, "designee" means a person or entity duly  
10 authorized by the Arkansas State Game and Fish Commission to perform hull  
11 identification number verifications under this section on behalf of the  
12 commission.

13 (b) An application for registration with a certificate of number under  
14 § 27-101-304 or an application for certificate of title under this subchapter  
15 shall be accompanied by a verification of the hull identification number if  
16 the owner of the motorboat:

17 (1) Does not have a properly endorsed and assigned certificate  
18 of title or manufacturer's certificate of origin and may only obtain a  
19 certificate of title to the motorboat through a court order; or

20 (2) Presents a certificate of title or other ownership document  
21 from another state that bears any of the following designations:

22 (A) Salvage;

23 (B) Prior salvage;

24 (C) Damaged;

25 (D) Prior damaged;

26 (E) Junked;

27 (F) Nonrepairable; or

28 (G) Any other designation that is substantially similar to  
29 the designations stated in this subdivision (b)(2).

30 (c)(1) The commission or its designee shall perform hull  
31 identification number verifications under this section.

32 (2) A hull identification number verification is only valid  
33 under this section if performed by either the commission or its designee.

34 (d)(1) The commission or its designee may charge a fee for the hull  
35 identification number verification not to exceed twenty-five dollars  
36 (\$25.00).

1 (2) A fee owed to the commission shall be:

2 (A) Collected by the Revenue Division of the Department of  
3 Finance and Administration at the time of application for certificate of  
4 title; and

5 (B) Deposited into the State Treasury as special revenue  
6 to the credit of the Game Protection Fund for use by the commission.

7 (3) A fee owed to a designee may be collected and retained by  
8 the commission or the designee at the time of the inspection.

9 (e)(1) The commission shall adopt a form that is to be used for all  
10 hull identification number verifications in the state.

11 (2) The commission may adopt rules to:

12 (A) Ensure the hull identification number verification  
13 process is available at convenient times and locations; and

14 (B) Ensure the hull identification number verification  
15 process does not unduly burden legitimate businesses or consumers in the  
16 state.

17 (f) If information is received from another state that indicates that  
18 a certificate of title issued by the Office of Motor Vehicle under this  
19 chapter does not accurately reflect the designation of the status of a  
20 motorboat as provided under subdivision (b)(2) of this section, the office  
21 may cancel the certificate of title and issue a corrected certificate of  
22 title that correctly designates the status of the motorboat.

23  
24 27-101-1013. Certificate of title with beneficiary.

25 (a) As used in this section:

26 (1)(A) "Beneficiary" means one (1) person designated to become  
27 the owner of a motorboat upon the death of the current owner as indicated on  
28 the certificate of title issued under this chapter.

29 (B) "Beneficiary" does not include a business, firm,  
30 partnership, corporation, association, or any other legally created entity;

31 (2) "Certificate of title with beneficiary" means a certificate  
32 of title for a motorboat issued under this subchapter that indicates the  
33 present owner of the motorboat and designates a beneficiary as provided under  
34 this section; and

35 (3)(A) "Owner" means a person who holds legal title to a  
36 motorboat and may include more than one (1) person but not more than three



1 (3) people.

2 (B) "Owner" does not include a business, firm,  
3 partnership, corporation, association, or any other legally created entity.

4 (b)(1) The owner or joint owners of a motorboat may submit a transfer-  
5 on-death application to the Office of Motor Vehicle to request the issuance  
6 of a certificate of title with beneficiary or a change to a certificate of  
7 title with beneficiary which directs the office to transfer the certificate  
8 of title upon the death of the owner or upon the death of all joint owners to  
9 the beneficiary named on the certificate of title with beneficiary.

10 (2) A transfer-on-death application shall contain:

11 (A) A statement as to whether the applicant seeks to add,  
12 remove, or change a beneficiary;

13 (B) The full legal name of the beneficiary;

14 (C) The Social Security number of the beneficiary;

15 (D) The address of the beneficiary;

16 (E) The hull identification number of the motorboat and,  
17 where applicable, the engine or motor serial number;

18 (F) The year, make, model, and body type of the motorboat;

19 (G) The printed full legal name of the owner of the  
20 motorboat;

21 (H) The driver's license or identification card number for  
22 the owner of the motorboat; and

23 (I) The signature of the owner of the motorboat.

24 (3) The applicant shall include the following with the transfer-  
25 on-death application:

26 (A) The certificate of title for the motorboat issued  
27 under this chapter;

28 (B) A certificate of title fee in the amount of two  
29 dollars (\$2.00);

30 (C) The certificate of title application fee in the amount  
31 of eight dollars (\$8.00); and

32 (D) The certificate of title with beneficiary processing  
33 fee in the amount of ten dollars (\$10.00).

34 (4) The proceeds collected under subdivision (b)(3)(C) of this  
35 section shall be distributed as set out in § 27-101-1004(d).

36 (5)(A) The certificate of title with beneficiary processing fee

1 remitted under subdivision (b)(3)(D) of this section shall be deposited into  
2 the State Central Services Fund for the benefit of the Revenue Division of  
3 the Department of Finance and Administration.

4 (B) The fee shall be credited as supplemental and in  
5 addition to all other funds as may be deposited for the benefit of the  
6 division.

7 (C) The fee shall not be considered or credited to the  
8 office as direct revenue.

9 (c)(1) The office shall not issue a certificate of title with  
10 beneficiary to an owner of a motorboat if:

11 (A) The motorboat is encumbered by a lien; or

12 (B) The owner holds his or her interest in the motorboat  
13 as a tenant in common with another person.

14 (2) If a lien request is made for a certificate of title with  
15 beneficiary, the beneficiary shall be removed and the lien added upon payment  
16 of all fees required under this chapter.

17 (d) The certificate of title with beneficiary issued by the office  
18 shall include after the name of the owner the words "transfer on death to" or  
19 the abbreviation "TOD" followed by the name of the beneficiary.

20 (e) During the lifetime of the owner or before the death of the last  
21 surviving joint owner:

22 (1) The signature or consent of the beneficiary is not required  
23 for any transaction relating to the motorboat for which a certificate of  
24 title with beneficiary has been issued; and

25 (2) The certificate of title with beneficiary is revoked by:

26 (A) Selling the motorboat with proper assignment and  
27 delivery of the certificate of title to another person; or

28 (B) Filing an application with the office to remove or  
29 change a beneficiary as provided under subsection (b) of this section.

30 (f) Except as provided in subsection (e) of this section, the  
31 designation of the beneficiary in a certificate of title with beneficiary  
32 shall not be changed or revoked absent receipt of a court order requiring a  
33 change in the designation of beneficiary.

34 (g) The interest of the beneficiary in a motorboat on the death of the  
35 owner or on the death of the last surviving joint owner is subject to any  
36 contract of sale, assignment, or security interest to which the owner of the

1 motorboat was subject to during his or her lifetime.

2 (h)(1)(A) Upon the death of the owner, the office shall issue a new  
3 certificate of title for the motorboat to the surviving owner or, if there is  
4 no surviving owner, to the beneficiary if the surviving owner or beneficiary  
5 presents the following:

6 (i) Proof of death of the owner that includes a  
7 death certificate issued by the state or a political subdivision of the  
8 state;

9 (ii) Surrender of the outstanding certificate of  
10 title with beneficiary; and

11 (iii) An application and payment of all fees  
12 required under this chapter.

13 (B) A certificate of title issued under this subsection is  
14 subject to any existing security interest.

15 (2) If the surviving owner or beneficiary chooses, he or she can  
16 submit a completed certificate of title with beneficiary application as  
17 provided under this section, which shall be accompanied by all required fees,  
18 at the time of the application for a new certificate of title.

19 (3) The transfer under this subsection is a transfer by  
20 operation of law, and § 27-101-1022 applies to the extent practicable and not  
21 in conflict with this section.

22 (i) The transfer of a motorboat upon the death of the owner under this  
23 section is not testamentary and is not subject to administration under the  
24 Probate Code.

25 (j) The procedures and fees under §§ 27-101-1004 and 27-101-1029 shall  
26 apply for obtaining a duplicate certificate of title with beneficiary.

27  
28 27-101-1014. Liens invalid without compliance.

29 A conditional sale contract, conditional lease, chattel mortgage, or  
30 other lien or encumbrance, or title retention instrument upon a motorboat,  
31 other than a lien dependent upon possession, is not valid against the  
32 creditors of an owner acquiring a lien by levy or attachment or subsequent  
33 purchasers or encumbrances, with or without notice, until the requirements of  
34 this subchapter have been satisfied.

35  
36 27-101-1015. Instruments and jurisdiction.

1 (a) There shall be deposited with the Office of Motor Vehicle a copy  
2 of the instrument creating and evidencing a lien or encumbrance, which is to  
3 be executed in the manner required by the laws of this state and accompanied  
4 by the certificate of title last issued for the motorboat.

5 (b) If a motorboat is subject to a security interest when brought into  
6 this state, the validity of the security interest is determined by the law of  
7 the jurisdiction where the motorboat was when the security interest attached,  
8 subject to the following:

9 (1) If at the time the security interest attaches the parties  
10 understand that the motorboat will be kept in this state and the motorboat is  
11 in this state within thirty (30) days after attachment for purposes other  
12 than transportation through this state, the validity of the security interest  
13 in this state is determined by the law of this state;

14 (2) If a security interest is perfected under the law of the  
15 jurisdiction where the security interest attached, the following rules apply:

16 (A) If the name of the lienholder is shown on an existing  
17 certificate of title issued by that jurisdiction, the lienholder's security  
18 interest continues perfected in this state; or

19 (B)(i) If the name of the lienholder is not shown on an  
20 existing certificate of title issued by that jurisdiction, the security  
21 interest continues perfected in this state for four (4) months after a first  
22 certificate of title of the motorboat is issued in this state and also  
23 thereafter if, within the four-month period, it is perfected in this state.

24 (ii) Perfection dates from the time of perfection in this  
25 state if the security interest is perfected in this state after the  
26 expiration of the four-month period;

27 (3) If the security interest is not perfected under the law of  
28 the jurisdiction where the security interest attached, the security interest  
29 may be perfected in this state, and perfection dates from the time of  
30 perfection in this state; or

31 (4) A security interest may be perfected either under  
32 subdivision (b)(2)(B) of this section or subdivision (b)(3) of this section  
33 as provided in subsection (a) of this section.

34 (c) If the motorboat is not registered with a certificate of number  
35 and a certificate of title has not been issued for the motorboat, the  
36 certified copy of the instrument creating the lien or encumbrance shall be

1 accompanied by an application by the owner in usual form for an original  
2 registration and issuance of an original certificate of title and any fees as  
3 required under this chapter.

4  
5 27-101-1016. Statement of liens – Issuance.

6 Upon receipt of an application for a certificate of title accompanied  
7 by the documents and fees required under this subchapter, the Office of Motor  
8 Vehicle shall:

9 (1) File the application and documents with the date and hour  
10 the application and documents were received noted on the application; and

11 (2) If the application requirements are properly satisfied,  
12 issue a new certificate of title in the name of the owner and a statement of  
13 all liens or encumbrances certified to the office existing against the  
14 motorboat.

15  
16 27-101-1017. Filing as constructive notice.

17 (a) The filing and issuance of a new certificate of title as provided  
18 in this chapter shall constitute constructive notice of all liens and  
19 encumbrances against the motorboat described in the certificate of title to  
20 creditors of the owner, subsequent purchasers, and encumbrancers, except  
21 those liens as may be authorized by law dependent upon possession.

22 (b)(1) A lien is perfected on the date of execution if the documents  
23 required under § 27-101-1015 are filed with the Office of Motor Vehicle  
24 within thirty (30) days from the date of execution.

25 (2) Otherwise, constructive notice shall date from the time of  
26 receipt and filing of the documents by the office noted on the application as  
27 required under § 27-101-1016.

28  
29 27-101-1018. Optional means of recording.

30 (a)(1)(A) At his or her option, a lienholder may:

31 (i) Record the lien on the manufacturer's  
32 certificate of origin; or

33 (ii) Record the lien on an existing certificate of  
34 title.

35 (B) File with the Revenue Division of the Department of  
36 Finance and Administration a certified copy of the instrument creating and

1 evidencing the lien or encumbrance.

2 (2) The lienholder shall remit a fee in the amount of one dollar  
3 (\$1.00) for each lien filed.

4 (3) The recording or filing shall constitute constructive notice  
5 of the lien against the motorboat described therein to creditors of the  
6 owner, subsequent purchasers, and encumbrancers, except those liens that are  
7 by law dependent upon possession.

8 (4) A photocopy of the manufacturer's certificate of origin or  
9 of an existing certificate of title, showing the lien recorded thereon and  
10 certified as a true and correct copy by the party recording the lien, shall  
11 be sufficient evidence of the recording.

12 (b)(1)(A) The lien shall be deemed perfected and the constructive  
13 notice shall be effective from the date of the execution of the instrument  
14 creating and evidencing the lien or encumbrance if it is filed as authorized  
15 in this section within thirty (30) days after the date of the execution  
16 thereof.

17 (B) If the instrument is filed more than thirty (30) days  
18 after the date of the execution thereof, the lien shall be deemed perfected  
19 and the constructive notice shall date from the time of the filing of the  
20 instrument.

21 (2) However, the filing of a lien under this section by the  
22 lienholder and the payment of the required fee shall in no way relieve any  
23 person of the obligation of paying the fee required by law for filing a lien  
24 to be evidenced on a certificate of title of a motorboat.

25  
26 27-101-1019. Methods exclusive – Exception.

27 (a) The methods provided in this subchapter of giving constructive  
28 notice of a lien or encumbrance upon a motorboat shall be exclusive except as  
29 to liens dependent upon possession.

30 (b) Any lien, or encumbrance, or title retention instrument filed as  
31 provided in this subchapter, and any documents evidencing them, are exempted  
32 from the provisions of law which otherwise require or relate to the recording  
33 or filing of instruments creating or evidencing title retention or other  
34 liens or encumbrances upon motorboats.

35  
36 27-101-1020. Misdemeanor and penalty.

1 (a) It is Class C misdemeanor for any person to fail or neglect to  
2 enter the transferee's name on a properly endorsed certificate of title, or  
3 fail or neglect to properly endorse and deliver a certificate of title to a  
4 transferee or owner lawfully entitled to the certificate of title.

5 (b) A person found to be in possession of a motorboat with an  
6 improperly assigned certificate of title that fails to identify the  
7 transferee shall immediately establish ownership of the motorboat, register  
8 the motorboat with a certificate of number, and pay all required fees and  
9 penalties.

10  
11 27-101-1021. Obligations of transferee.

12 (a)(1) The transferee of a motorboat shall apply for, or cause to be  
13 applied for, a registration with a certificate of number under § 27-101-304  
14 and the issuance of a certificate of title under this subchapter within  
15 thirty (30) days after the date of the release of lien by a prior lienholder,  
16 as provided in § 27-101-1025, or thirty (30) days after the date of the  
17 transfer if no lien exists.

18 (2) A motorboat shall not be operated upon the waters of this  
19 state for more than thirty (30) days after the release of lien by a prior  
20 lienholder as provided in § 27-101-1024, or thirty (30) days after the  
21 transfer date if no lien exists, unless a valid registration with a  
22 certificate of number and certificate of title have been issued under this  
23 chapter.

24 (b) A transferee shall at the same time present the certificate of  
25 title, properly endorsed and assigned, to the Office of Motor Vehicle and  
26 apply for and obtain a new certificate of title for the motorboat, except as  
27 otherwise provided in § 27-101-1022.

28 (c)(1)(A) It is unlawful for a dealer or other person who sells or  
29 finances the purchase of a motorboat subject to registration with a  
30 certificate of number in this state to use a title retention note to secure  
31 his or her interest in the motorboat.

32 (B) As used in this section, a "title retention note"  
33 means any instrument that grants the purchaser the right to possession and  
34 use of the motorboat, but withholds assignment of ownership on the existing  
35 certificate of title and its delivery to the purchaser, until full payment  
36 has been made by the purchaser, which makes it impossible for the purchaser

1 to comply with subsection (b) of this section.

2 (2) It shall be a Class C misdemeanor for a motorboat dealer or  
3 other seller to fail to comply with this subsection.

4 (d) This section is not intended to limit the rights of a lienholder to  
5 perfect or record his or her security interest in a motorboat as provided  
6 under §§ 27-101-1014 and 27-101-1019.

7  
8 27-101-1022. Transfer by operation of law.

9 (a) Whenever the certificate of title or interest of an owner in or to  
10 a registered motorboat is transferred to another person by a method other  
11 than voluntary transfer, the registration and certificate of title of the  
12 motorboat shall expire, and the motorboat shall not be operated upon the  
13 waterways of this state for more than thirty (30) days after the date of  
14 transfer.

15 (b)(1) Upon transfer, the new owner shall secure a new registration  
16 with a certificate of number under § 27-101-304 and a new certificate of  
17 title under this subchapter, if the new owner submits to the office:

18 (A) The application and documents required to be submitted  
19 with the application;

20 (B) Payment of all required fees;

21 (C) Presentation and surrender of the last certificate of  
22 title;

23 (D) Evidence that the lien or encumbrance was previously  
24 recorded in this state; and

25 (E) The instruments or documents of authority, or  
26 certified copies of the instruments or documents of authority, as may be  
27 sufficient or required by law to evidence or effect a transfer of certificate  
28 of title or interest in or to chattels in this case.

29 (2)(A) If the motorboat to be registered with a certificate of  
30 number and titled was previously registered with a certificate of number in a  
31 jurisdiction other than Arkansas and if the name of the new owner as  
32 lienholder is not shown on the existing certificate of title, a certificate  
33 of title shall not be issued to the new owner under this section.

34 (B) Instead, the new owner may secure a new registration  
35 and certificate of title by obtaining an order issued by a court of competent  
36 jurisdiction directing issuance of the new registration with certificate of



1 title and certificate of title.

2 (3) The new owner, upon transferring his or her certificate of  
3 title or interest to another person, shall execute and acknowledge an  
4 assignment and warranty of title upon the certificate of title previously  
5 issued, if available, and deliver it, as well as the documents of authority  
6 or certified copies of the documents of authority, as may be sufficient or  
7 required by law to evidence the rights of the person, to the person to whom  
8 the transfer is made.

9  
10 27-101-1023. Assignment without consent of owner.

11 (a) A person holding a lien or encumbrance upon a motorboat, other  
12 than a lien dependent solely upon possession, may assign his or her  
13 certificate of title or interest in or to the motorboat to a person other  
14 than the owner without the consent of the owner, and without affecting the  
15 interest of the owner or the registration with certificate of number of the  
16 motorboat, but in this event, he or she shall give to the owner a written  
17 notice of the assignment.

18 (b) The Office of Motor Vehicle, upon receiving a certificate of  
19 title, along with all required fees, assigned by the holder of a lien or  
20 encumbrance shown thereon and giving the name and address of the assignee,  
21 shall issue a new certificate of title as upon an original application.

22  
23 27-101-1024. Release of lien by lienholder – Disclosure of  
24 information.

25 (a) As used in this section, "final payment" means an item is paid  
26 when a payee bank or person has:

27 (1) Paid for the item in cash;

28 (2) Settled for the item without having a right to revoke the  
29 settlement under statute, clearinghouse rule, or agreement; or

30 (3) Made a provisional settlement for the item and failed to  
31 revoke the settlement in the time and manner permitted by statute,  
32 clearinghouse rule, or agreement.

33 (b) For purposes of this section, a lien or encumbrance is satisfied  
34 when the lienholder receives final payment.

35 (c)(1) Upon the satisfaction of any lien or encumbrance on a motorboat  
36 for which the certificate of title is in the possession of the lienholder,

1 the lienholder shall within ten (10) business days from the date of receipt  
2 of final payment execute a release of the lien or encumbrance in the space  
3 provided in the certificate of title, or as the Office of Motor Vehicle  
4 prescribes, and mail or deliver the certificate of title and the release of  
5 lien or encumbrance to the next lienholder named in the certificate of title  
6 or, if none, to the owner or to any person who delivers to the lienholder an  
7 authorization from the owner to receive the certificate of title.

8 (2) Upon the satisfaction of a lien or encumbrance on a  
9 motorboat for which the certificate of title is in the possession of a prior  
10 lienholder, the lienholder whose lien or encumbrance is paid in full shall  
11 within ten (10) business days of receipt of final payment execute a release  
12 of lien or encumbrance in the form the office prescribes and deliver the  
13 release of lien or encumbrance to the owner or to any person who delivers to  
14 the lienholder an authorization from the owner to receive it.

15 (d) A lienholder named in a certificate of title shall upon written  
16 request of the owner or of another lienholder named on the certificate of  
17 title disclose any pertinent information as to his or her security agreement  
18 and the indebtedness secured.

19 (e)(1) A lienholder who fails to comply with subsection (c) of this  
20 section shall pay to the person or persons satisfying the lien or encumbrance  
21 twenty-five dollars (\$25.00) for the first five (5) business days after  
22 expiration of the time period prescribed in subsection (c) of this section,  
23 and the payment shall double for each five (5) days thereafter in which there  
24 is continued noncompliance, up to a maximum of five hundred dollars (\$500)  
25 for each lien.

26 (2) If delivery of the certificate of title is by mail, the  
27 delivery date is the date of the postmark for purposes of this subsection.

28  
29 27-101-1025. Reregistration and issuance of a new title – Filing.

30 (a) When satisfied as to the genuineness and regularity of the  
31 transfer of a motorboat and of the right of the transferee to receive a new  
32 registration and certificate of title under this chapter, the Office of Motor  
33 Vehicle shall reregister the motorboat under § 27-101-304 and issue a new  
34 certificate of title under this subchapter as upon an original application.

35 (b) The request for reregistration and issuance of a new certificate  
36 of title shall be accompanied by:

1 (1) A properly endorsed certificate of title;

2 (2) A completed application for registration and certificate of  
3 title as required in this chapter;

4 (3) If applicable, proof the motorboat or personal watercraft is  
5 covered by a liability insurance policy issued by an insurance company  
6 authorized to do business in this state;

7 (4) Payment of all required fees; and

8 (5) Any other documents that may be required by the office.

9 (c) The office shall:

10 (1) Retain and appropriately file every surrendered certificate  
11 of title; and

12 (2) Maintain the file required under subdivision (c)(1) of this  
13 section to permit the tracing of the certificate of title.

14  
15 27-101-1026. Transferor not liable for negligent operation.

16 (a) The owner of a motorboat who has made a bona fide sale or transfer  
17 of his or her certificate of title or interest and who has delivered  
18 possession of the motorboat to the purchaser or transferee is not liable for  
19 any damages resulting from negligent operation of the motorboat by another  
20 person.

21 (b) The selling or transferring owner, upon delivery of possession of  
22 the motorboat, is not liable for any damage or negligence if the selling or  
23 transferring owner:

24 (1) Delivers the certificate of title, properly endorsed and  
25 dated with the date of the endorsement, to the purchaser or transferee;

26 (2) Delivers to the Office of Motor Vehicle or placed in the  
27 United States mail, addressed to the office, the notice as provided in § 27-  
28 101-1027; or

29 (3) Delivers to the office or places in the United States mail,  
30 addressed to the office, the appropriate documents and fees for registration  
31 of the motorboat to the new owner under the sale or transfer.

32  
33 27-101-1027. Notice of sale or transfer.

34 (a) Whenever the owner of a motorboat registered with a certificate of  
35 number under this chapter sells or transfers the certificate of title or  
36 interest in and delivers possession of the motorboat to another person, the

1 owner may notify the Office of Motor Vehicle of the sale or transfer.

2 (b) The notice shall provide the following information:

3 (1) The date of the sale or transfer;

4 (2) The name and address of the owner and of the transferee;

5 (3) The hull identification number;

6 (4) The identifying number assigned to the motorboat under § 27-  
7 101-301 et seq.;

8 (5) A description of the motorboat; and

9 (6) Any other information that may be required by the office.

10  
11 27-101-1028. Time requirements for payment of lien or encumbrance.

12 (a) As used in this section:

13 (1) "Customer" means a person who trades in or otherwise provides  
14 a motorboat to a motorboat dealer for resale;

15 (2) "Motorboat dealer" means a recognized motorboat dealer; and

16 (3) "Subsequent purchaser" means a person who buys the motorboat  
17 that was provided to the motorboat dealer as a trade-in or for resale by the  
18 customer.

19 (b)(1) If a motorboat dealer takes possession of a motorboat for  
20 purposes of resale and there is an outstanding lien or encumbrance on the  
21 motorboat, the motorboat dealer shall in good faith tender full payment on  
22 the outstanding lien or encumbrance within ten (10) business days after the  
23 motorboat dealer takes possession of the motorboat from the customer.

24 (2) This time period may be shortened if the customer and the  
25 motorboat dealer agree to a shorter time period.

26 (c)(1) If the motorboat dealer fails to act in good faith in tendering  
27 full payment for the outstanding lien or encumbrance within ten (10) business  
28 days or within the time period agreed to by the motorboat dealer and the  
29 customer under subdivision (b)(2) of this section, the customer shall have an  
30 absolute right to cancel the contract for sale between the customer and the  
31 motorboat dealer.

32 (2) If the contract for sale is cancelled under subdivision  
33 (c)(1) of this section, the motorboat dealer shall be responsible for late  
34 fees, finance charges, or any financial penalty that is required to be made  
35 by the customer as part of the existing lien or encumbrance.

36 (d)(1) If the motorboat dealer sells the motorboat to a subsequent

purchaser without first tendering full payment for the outstanding lien or encumbrance, the subsequent purchaser who buys the motorboat subject to the existing lien or encumbrance shall have an absolute right to cancel the contract for sale between the subsequent purchaser and the motorboat dealer.

(2) If the contract for sale is cancelled under subdivision (d)(1) of this section, the motorboat dealer shall be responsible for late fees, finance charges, or any financial penalty that is required to be made by the subsequent purchaser as part of the existing lien or encumbrance.

27-101-1029. Fees.

(a) Except as otherwise provided, all fees required under this chapter shall be paid to the Office of Motor Vehicle.

(b) The following fees are charged under this subchapter by the Commissioner of Motor Vehicles:

- (1) Certificate of title with beneficiary processing Fee.....\$10.00
- (2) Duplicate title fee.....\$2.00
- (3) Lien filing fee .....\$1.00
- (4) Lien notation fee.....\$.50
- (5) Title application fee.....\$8.00
- (6) Hull identification fee.....\$25.00

27-101-1030. Rules.

The Director of the Department of Finance and Administration may promulgate rules for the administration of this subchapter.

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/s/B. Sample