

1 SB152
2 197193-2
3 By Senator Beasley
4 RFD: Governmental Affairs
5 First Read: 20-MAR-19

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8 SYNOPSIS: Under existing law, the owner of a vessel is
9 not required to obtain a certificate of title for
10 the vessel.

11 This bill would adopt the Uniform
12 Certificate of Title for Vessels Act.

13 This bill would require the owner of a
14 vessel to obtain a certificate of title on the
15 vessel and would provide a procedure for the owner
16 of a vessel to make application with the Alabama
17 State Law Enforcement Agency.

18 This bill would provide for an issuance fee.

19 This bill would specify the process for
20 perfecting a security interest on a vessel and
21 provide for the maintenance of records and files
22 regarding the security agreement.

23
24 A BILL
25 TO BE ENTITLED
26 AN ACT
27

1 Relating to vessels; to adopt the Uniform
2 Certificate of Title for Vessels Act, to provide for the
3 issuance by the Alabama State Law Enforcement Agency of
4 certificates of title on vessels; to require owners of vessels
5 to obtain a certificate of title; to provide for the
6 application process; to provide for the issuance of
7 certificates of title; to provide an issuance fee; to provide
8 for the perfecting of a security interest on a vessel; and to
9 provide for the maintenance of records and files regarding
10 security interests.

11 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

12 Section 1. SHORT TITLE. This act may be cited as the
13 Uniform Certificate of Title for Vessels Act.

14 Section 2. DEFINITIONS.

15 (a) In this act:

16 (1) BARGE. A vessel that is not self-propelled or
17 fitted for propulsion by sail, paddle, oar, or similar device.

18 (2) BUILDER'S CERTIFICATE. A certificate of the
19 facts of build of a vessel described in 46 C.F.R. §67.99, as
20 amended.

21 (3) BUYER. A person that buys or contracts to buy a
22 vessel.

23 (4) CANCEL. With respect to a certificate of title,
24 means to make the certificate ineffective.

25 (5) CERTIFICATE OF ORIGIN. A record created by a
26 manufacturer or importer as the manufacturer's or importer's
27 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. A record, created by the
5 office under this act or by a governmental agency of another
6 jurisdiction under the law of that jurisdiction, that is
7 designated as a certificate of title by the office or agency
8 and is evidence of ownership of a vessel.

9 (7) DEALER. A person, including a manufacturer, in
10 the business of selling vessels.

11 (8) DOCUMENTED VESSEL. A vessel covered by a
12 certificate of documentation issued pursuant to 46 U.S.C.
13 §12105, as amended. The term does not include a
14 foreign-documented vessel.

15 (9) ELECTRONIC. Relating to technology having
16 electrical, digital, magnetic, wireless, optical,
17 electromagnetic, or similar capabilities.

18 (10) ELECTRONIC CERTIFICATE OF TITLE. A certificate
19 of title consisting of information that is stored solely in an
20 electronic medium and is retrievable in perceivable form.

21 (11) FOREIGN-DOCUMENTED VESSEL. A vessel the
22 ownership of which is recorded in a registry maintained by a
23 country other than the United States which identifies each
24 person that has an ownership interest in a vessel and includes
25 a unique alphanumeric designation for the vessel.

26 (12) GOOD FAITH. Honesty in fact and the observance
27 of reasonable commercial standards of fair dealing.

1 (13) HULL DAMAGE. Compromised with respect to the
2 integrity of a vessel's hull by a collision, allision,
3 lightning strike, fire, explosion, running aground, or similar
4 occurrence, or the sinking of a vessel in a manner that
5 creates a significant risk to the integrity of the vessel's
6 hull.

7 (14) HULL IDENTIFICATION NUMBER. The alphanumeric
8 designation assigned to a vessel pursuant to 33 C.F.R. Chapter
9 1, Part 181, as amended.

10 (15) LIEN CREDITOR. With respect to a vessel, means:

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

13 (B) an assignee for benefit of creditors from the
14 time of assignment;

15 (C) a trustee in bankruptcy from the date of the
16 filing of the petition;

17 (D) a receiver in equity from the time of
18 appointment; or

19 (E) a person with a lien arising under Section
20 35-11-60, Code of Alabama 1975.

21 (16) OFFICE. The Alabama State Law Enforcement
22 Agency.

23 (17) OWNER. A person that has legal title to a
24 vessel.

25 (18) OWNER OF RECORD. The owner indicated in the
26 files of the office or, if the files indicate more than one
27 owner, the one first indicated.

1 (19) PERSON. An individual, corporation, business
2 trust, estate, trust, statutory trust, partnership, limited
3 liability company, association, joint venture, public
4 corporation, government or governmental subdivision, agency,
5 or instrumentality, or any other legal or commercial entity.

6 (20) PURCHASE. To take by sale, lease, mortgage,
7 pledge, consensual lien, security interest, gift, or any other
8 voluntary transaction that creates an interest in a vessel

9 (21) PURCHASER. A person that takes by purchase.

10 (22) RECORD. Information that is inscribed on a
11 tangible medium or that is stored in an electronic or other
12 medium and is retrievable in perceivable form.

13 (23) SECURED PARTY. With respect to a vessel, means
14 a person:

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

18 (B) that is a consignor under Article 9A of Title 7
19 of the Code of Alabama 1975; or

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

23 (24) SECURED PARTY OF RECORD. The secured party
24 whose name is indicated as the name of the secured party in
25 the files of the office or, if the files indicate more than
26 one secured party, the one first indicated.

1 (25) SECURITY INTEREST. An interest in a vessel
2 which secures payment or performance of an obligation if the
3 interest is created by contract or arises under Section
4 7-2-401, 7-2-505, 7-2-711(3), or 7-2A-508(5) of the Code of
5 Alabama 1975. The term includes any interest of a consignor in
6 a vessel in a transaction that is subject to Article 9A of
7 Title 7 of the Code of Alabama 1975. The term does not include
8 the special property interest of a buyer of a vessel on
9 identification of that vessel to a contract for sale under
10 Section 7-2-501 of the Code of Alabama 1975, but a buyer also
11 may acquire a security interest by complying with Article 9A
12 of Title 7 of the Code of Alabama 1975. Except as otherwise
13 provided in Section 7-2-505, Code of Alabama 1975, the right
14 of a seller or lessor of a vessel under Article 2 of 2A Title
15 7, of the Code of Alabama 1975, to retain or acquire
16 possession of the vessel is not a security interest, but a
17 seller or lessor also may acquire a security interest by
18 complying with Article 9A, Title 7 of the Code of Alabama
19 1975. The retention or reservation of title by a seller of a
20 vessel notwithstanding shipment or delivery to the buyer under
21 Section 7-2-401 of the Code of Alabama 1975, is limited in
22 effect to a reservation of a security interest. Whether a
23 transaction in the form of a lease creates a security interest
24 is determined by Section 7-1-203 of the Code of Alabama 1975.

25 (26) SIGN. With present intent to authenticate or
26 adopt a record, to:

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

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

3 (27) STATE. A state of the United States, the
4 District of Columbia, Puerto Rico, the United States Virgin
5 Islands, or any territory or insular possession subject to the
6 jurisdiction of the United States.

7 (28) STATE OF PRINCIPAL USE. The state on whose
8 waters a vessel is or will be used, operated, navigated, or
9 employed more than on the waters of any other state during a
10 calendar year.

11 (29) TITLE BRAND. A designation of previous damage,
12 use, or condition that must be indicated on a certificate of
13 title.

14 (30) TRANSFER OF OWNERSHIP. A voluntary or
15 involuntary conveyance of an interest in a vessel.

16 (31) VESSEL. Any watercraft used or capable of being
17 used as a means of transportation on water, except:

18 (A) a seaplane;

19 (B) an amphibious vehicle for which a certificate of
20 title is issued pursuant to Chapter 8 of Title 32 of the Code
21 of Alabama 1975, or a similar statute of another state;

22 (C) watercraft less than 16 feet in length and
23 propelled solely by sail, paddle, oar, or an engine of less
24 than 10 horsepower;

25 (D) watercraft that operate only on a permanently
26 fixed, manufactured course and the movement of which is
27 restricted to or guided by means of a mechanical device to

1 which the watercraft is attached or by which the watercraft is
2 controlled;

3 (E) a stationary floating structure that:

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

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

8 (iii) has a permanent, continuous hookup to a
9 shoreside sewage system;

10 (F) watercraft owned by the United States, a state,
11 or a foreign government or a political subdivision of any of
12 them; and

13 (G) watercraft used solely as a lifeboat on another
14 watercraft.

15 (32) VESSEL NUMBER. The alphanumeric designation for
16 a vessel issued pursuant to 46 U.S.C. §12301, as amended.

17 (33) WRITTEN CERTIFICATE OF TITLE. A certificate of
18 title consisting of information inscribed on a tangible
19 medium.

20 (b) The following definitions and terms also apply
21 to this act:

22 (1) AGREEMENT. The term, as defined in Section
23 7-1-201, Code of Alabama 1975.

24 (2) BUYER IN ORDINARY COURSE OF BUSINESS. The term,
25 as defined in Section 7-1-201, Code of Alabama 1975.

26 (3) CONSPICUOUS. The term, as defined in Section
27 7-1-201, Code of Alabama 1975.

1 (4) CONSUMER GOODS. The term, as defined in Section
2 7-9A-102, Code of Alabama 1975.

3 (5) DEBTOR. The term, as defined in Section
4 7-9A-102, Code of Alabama 1975.

5 (6) KNOWLEDGE. The term, as defined in Section
6 7-1-202, Code of Alabama 1975.

7 (7) LEASE. The term, as defined in Section 7-2A-103,
8 Code of Alabama 1975.

9 (8) LESSOR. The term, as defined in Section
10 7-2A-103, Code of Alabama 1975.

11 (9) NOTICE. The term, as defined in Section 7-1-202,
12 Code of Alabama 1975.

13 (10) REPRESENTATIVE. The term, as defined in Section
14 7-1-201, Code of Alabama 1975.

15 (11) SALE. The term, as defined in Section 7-2-106,
16 Code of Alabama 1975.

17 (12) SECURITY AGREEMENT. The term, as defined in
18 Section 7-9A-102, Code of Alabama 1975.

19 (13) SELLER. The term, as defined in Section
20 7-2-103, Code of Alabama 1975.

21 (14) SEND. The term, as defined in Section 7-1-201,
22 Code of Alabama 1975.

23 (15) VALUE. The term, as defined in Section 7-1-204,
24 Code of Alabama 1975.

25 (c) The definitions in subsections (a) and (b) do
26 not apply to any state or federal law governing licensing,

1 numbering, or registration if the same term is used in that
2 law.

3 Section 3. APPLICABILITY. Subject to Section 28,
4 this act applies to any transaction, certificate of title, or
5 record relating to a vessel, even if the transaction,
6 certificate of title, or record was entered into or created
7 before January 1, 2021.

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

11 Section 5. LAW GOVERNING VESSEL COVERED BY
12 CERTIFICATE OF TITLE.

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

20 (b) A vessel becomes covered by a certificate of
21 title when an application for the certificate and the
22 applicable fee are delivered to the office in accordance with
23 this act or to the governmental agency that creates a
24 certificate in another jurisdiction in accordance with the law
25 of that jurisdiction.

26 Section 6. CERTIFICATE OF TITLE REQUIRED.

1 (a) Except as otherwise provided in subsections (b)
2 and (c), the owner of a vessel for which this state is the
3 state of principal use shall deliver to the office an
4 application for a certificate of title for the vessel, with
5 the applicable fee, not later than 20 days after the later of:

- 6 (1) the date of a transfer of ownership; or
7 (2) the date this state becomes the state of
8 principal use.

9 (b) An application for a certificate of title is not
10 required for:

- 11 (1) a documented vessel;
12 (2) a foreign-documented vessel;
13 (3) a barge;
14 (4) a vessel before delivery if the vessel is under
15 construction or completed pursuant to contract; or
16 (5) a vessel held by a dealer for sale or lease,
17 even if the vessel is used for demonstration purposes or
18 loaned out for use by the dealer.

19 (c) The office may not issue, transfer, or renew a
20 certificate of number for a vessel issued pursuant to the
21 requirements of 46 U.S.C. §12301, as amended, unless the
22 office has created a certificate of title for the vessel or an
23 application for a certificate of title for the vessel and the
24 applicable fee has been delivered to the office.

25 Section 7. APPLICATION FOR CERTIFICATE OF TITLE.

1 (a) Except as otherwise provided in Sections 10, 15,
2 19, 20, 21, and 22, only an owner may apply for a certificate
3 of title.

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

6 (1) the applicant's name, the street address of the
7 applicant's principal residence, and, if different, the
8 applicant's mailing address;

9 (2) the name and mailing address of each other owner
10 of the vessel;

11 (3) the driver license number or taxpayer
12 identification number of each owner;

13 (4) the hull identification number for the vessel
14 or, if none, an application for the issuance of a hull
15 identification number for the vessel;

16 (5) the vessel number for the vessel or, if none
17 issued by the office, an application for a vessel number;

18 (6) a description of the vessel as required by the
19 office, which must include:

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

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

23 (C) the model year or, if none, the year in which
24 the manufacture or build of the vessel was completed;

25 (D) the overall length of the vessel;

26 (E) the vessel type;

27 (F) the hull material;

1 (G) the propulsion type;

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

3 (I) the fuel type, if any;

4 (7) an indication of all security interests in the

5 vessel known to the applicant and the name and mailing address

6 of each secured party;

7 (8) a statement that the vessel is not a documented

8 vessel or a foreign-documented vessel;

9 (9) any title brand known to the applicant and, if

10 known, the jurisdiction under whose law the title brand was

11 created;

12 (10) if the applicant knows that the vessel is hull

13 damaged, a statement that the vessel is hull damaged;

14 (11) if the application is made in connection with a

15 transfer of ownership, the transferor's name, street address,

16 and, if different, mailing address, the sales price, if any,

17 and the date of the transfer; and

18 (12) if the vessel previously was registered or

19 titled in another jurisdiction, a statement identifying each

20 jurisdiction known to the applicant in which the vessel was

21 registered or titled.

22 (c) In addition to the information required by

23 subsection (b), an application for a certificate of title may

24 contain an electronic communication address of the owner,

25 transferor, or secured party.

1 (d) Except as otherwise provided in Section 19, 20,
2 21, or 22, an application for a certificate of title must be
3 accompanied by:

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

6 (A) identifies the applicant as the owner of the
7 vessel; or

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

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

11 (A) if the vessel was a documented vessel, a record
12 issued by the United States Coast Guard which shows the vessel
13 is no longer a documented vessel and identifies the applicant
14 as the owner;

15 (B) if the vessel was a foreign-documented vessel, a
16 record issued by the foreign country which shows the vessel is
17 no longer a foreign-documented vessel and identifies the
18 applicant as the owner; or

19 (C) in all other cases, a certificate of origin,
20 bill of sale, or other record that to the satisfaction of the
21 office identifies the applicant as the owner.

22 (e) A record submitted in connection with an
23 application is part of the application. The office shall
24 maintain the record in its files.

25 (f) The office may require that an application for a
26 certificate of title be accompanied by payment or evidence of
27 payment of fees and taxes payable by the applicant under law

1 of this state other than this act in connection with the
2 application or the acquisition or use of the vessel. If a
3 provision of this act places a duty on the office on delivery
4 to it of an application for a certificate of title and the
5 applicable fee and the office requires that the application be
6 accompanied by payment or evidence of payment of fees and
7 taxes payable by the applicant under the law of this state
8 other than this act, the office is not required to carry out
9 its duty in the absence of such payment or evidence of
10 payment.

11 Section 8. CREATION AND CANCELLATION OF CERTIFICATE
12 OF TITLE.

13 (a) Unless an application for a certificate of title
14 is rejected under subsection (c) or (d), the office shall
15 create a certificate for the vessel in accordance with
16 subsection (b) not later than 20 days after delivery to it of
17 an application that complies with Section 7 and the applicable
18 fee.

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

24 (c) Except as otherwise provided in subsection (d),
25 the office may reject an application for a certificate of
26 title only if:

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

1 (2) the application does not contain documentation
2 sufficient for the office to determine whether the applicant
3 is entitled to a certificate;

4 (3) there is a reasonable basis for concluding that
5 the application is fraudulent or issuance of a certificate
6 would facilitate a fraudulent or illegal act; or

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

9 (d) The office shall reject an application for a
10 certificate of title for a vessel that is a documented vessel
11 or a foreign-documented vessel.

12 (e) The office may cancel a certificate of title
13 created by it only if the office:

14 (1) could have rejected the application for the
15 certificate under subsection (c);

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

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

20 (f) The office shall provide an opportunity for an
21 administrative review at which the owner and any other
22 interested party may present evidence in support of or
23 opposition to cancellation of a certificate of title. The
24 office shall serve all owners and secured parties indicated in
25 the files of the office with notice of the opportunity for an
26 administrative review. Service must be made personally or by
27 mail through the United States Postal Service, properly

1 addressed, postage paid, return receipt requested. Service by
2 mail is complete on deposit with the United States Postal
3 Service. The office, by rule, may authorize service by
4 electronic transmission if a copy is sent on the same day by
5 first-class mail or by a commercial delivery company. If not
6 later than 30 days after the notice was served the office
7 receives a request for an administrative review from an
8 interested party, the office shall hold the review not later
9 than 20 days after receiving the request.

10 Section 9. CONTENT OF CERTIFICATE OF TITLE.

11 (a) A certificate of title must contain:

12 (1) the date the certificate was created;

13 (2) the name of the owner of record and, if not all
14 owners are listed, an indication that there are additional
15 owners indicated in the files of the office;

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

17 (4) the hull identification number;

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

19 (6) except as otherwise provided in Section 15(b),
20 the name and mailing address of the secured party of record,
21 if any, and if not all secured parties are listed, an
22 indication that there are other security interests indicated
23 in the files of the office; and

24 (7) all title brands indicated in the files of the
25 office covering the vessel, including brands indicated on a
26 certificate created by a governmental agency of another
27 jurisdiction and delivered to the office.

1 (b) This act does not preclude the office from
2 noting on a certificate of title the name and mailing address
3 of a secured party that is not a secured party of record.

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

14 (d) If the files of the office indicate that a
15 vessel previously was registered or titled in a foreign
16 country, the office shall indicate on the certificate of title
17 that the vessel was registered or titled in that country.

18 (e) A written certificate of title must contain a
19 form that all owners indicated on the certificate may sign to
20 evidence consent to a transfer of an ownership interest to
21 another person. The form must include a certification, signed
22 under penalty for making an unsworn falsification to
23 authorities pursuant to Section 13A-10-109 of the Code of
24 Alabama 1975, as amended, that the statements made are true
25 and correct to the best of each owner's knowledge,
26 information, and belief.

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

5 (g) A written certificate of title must contain a
6 form for a secured party to indicate release of its security
7 interest.

8 Section 10. TITLE BRAND.

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

15 (1) deliver to the office an application for a new
16 certificate that complies with Section 7 and includes the
17 title brand designation "Hull Damaged"; or

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

21 (b) Not later than 20 days after delivery to the
22 office of the application under subsection (a)(1) or the
23 certificate of title under subsection (a)(2), the office shall
24 create a new certificate that indicates that the vessel is
25 branded "Hull Damaged."

26 (c) Before an insurer transfers an ownership
27 interest in a hull-damaged vessel that is covered by a

1 certificate of title created by the office, the insurer shall
2 deliver to the office an application for a new certificate
3 that complies with Section 6 and includes the title brand
4 designation "Hull Damaged." Not later than 20 days after
5 delivery of the application to the office, the office shall
6 create a new certificate that indicates that the vessel is
7 branded "Hull Damaged."

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

14 Section 11. MAINTENANCE OF AND ACCESS TO FILES.

15 (a) For each record relating to a certificate of
16 title submitted to the office, the office shall:

17 (1) ascertain or assign the hull identification
18 number for the vessel;

19 (2) maintain the hull identification number and all
20 the information submitted with the application pursuant to
21 Section 7(b) to which the record relates, including the date
22 and time the record was delivered to the office;

23 (3) maintain the files for public inspection subject
24 to subsection (e); and

25 (4) index the files of the office as required by
26 subsection (b).

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

7 (c) The office shall maintain in its files, for each
8 vessel for which it has created a certificate of title, all
9 title brands known to the office, the name of each secured
10 party known to the office, the name of each person known to
11 the office to be claiming an ownership interest, and all
12 stolen-property reports the office has received.

13 (d) Upon request, for safety, security, or
14 law-enforcement purposes, the office shall provide to federal,
15 state, or local government the information in its files
16 relating to any vessel for which the office has issued a
17 certificate of title.

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

22 Section 12. ACTION REQUIRED ON CREATION OF
23 CERTIFICATE OF TITLE.

24 (a) On creation of a written certificate of title,
25 the office promptly shall send the certificate to the secured
26 party of record or, if none, to the owner of record, at the
27 address indicated for that person in the files of the office.

1 On creation of an electronic certificate of title, the office
2 promptly shall send a record evidencing the certificate to the
3 owner of record and, if there is one, to the secured party of
4 record, at the address indicated for that person in the files
5 of the office. The office may send the record to the person's
6 mailing address or, if indicated in the files of the office,
7 an electronic address.

8 (b) If the office creates a written certificate of
9 title, any electronic certificate of title for the vessel is
10 canceled and replaced by the written certificate. The office
11 shall maintain in the files of the office the date and time of
12 cancellation.

13 (c) Before the office creates an electronic
14 certificate of title, any written certificate for the vessel
15 must be surrendered to the office. If the office creates an
16 electronic certificate, the office shall destroy or otherwise
17 cancel the written certificate for the vessel which has been
18 surrendered to the office and maintain in the files of the
19 office the date and time of destruction or other cancellation.
20 If a written certificate being canceled is not destroyed, the
21 office shall indicate on the face of the certificate that it
22 has been canceled.

23 Section 13. EFFECT OF CERTIFICATE OF TITLE. A
24 certificate of title is prima facie evidence of the accuracy
25 of the information in the record that constitutes the
26 certificate.

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

13 Section 15. PERFECTION OF SECURITY INTEREST.

14 (a) Except as otherwise provided in this section or
15 Section 28, a security interest in a vessel may be perfected
16 only by delivery to the office of an application for a
17 certificate of title that identifies the secured party and
18 otherwise complies with Section 7. The security interest is
19 perfected on the later of delivery to the office of the
20 application and the applicable fee or attachment of the
21 security interest under Section 7-9A-203 of the Code of
22 Alabama 1975.

23 (b) If the interest of a person named as owner in an
24 application for a certificate of title delivered to the office
25 is a security interest, the application sufficiently
26 identifies the person as a secured party. Identification on
27 the application for a certificate of a person as owner is not

1 by itself a factor in determining whether the person's
2 interest is a security interest.

3 (c) If the office has created a certificate of title
4 for a vessel, a security interest in the vessel may be
5 perfected by delivery to the office of an application, on a
6 form the office may require, to have the security interest
7 added to the certificate. The application must be signed by an
8 owner of the vessel or by the secured party and must include:

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

10 (2) the name and mailing address of the secured
11 party;

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

13 and

14 (4) if the office has created a written certificate
15 of title for the vessel, the certificate.

16 (d) A security interest perfected under subsection
17 (c) is perfected on the later of delivery to the office of the
18 application and all applicable fees or attachment of the
19 security interest under Section 7-9A-203 of the Code of
20 Alabama 1975.

21 (e) On delivery of an application that complies with
22 subsection (c) and payment of all applicable fees, the office
23 shall create a new certificate of title pursuant to Section 8
24 and deliver the new certificate or a record evidencing an
25 electronic certificate pursuant to Section 12(a). The office
26 shall maintain in the files of the office the date and time of
27 delivery of the application to the office.

1 (f) If a secured party assigns a perfected security
2 interest in a vessel, the receipt by the office of a statement
3 providing the name of the assignee as secured party is not
4 required to continue the perfected status of the security
5 interest against creditors of and transferees from the
6 original debtor. A purchaser of a vessel subject to a security
7 interest which obtains a release from the secured party
8 indicated in the files of the office or on the certificate
9 takes free of the security interest and of the rights of a
10 transferee unless the transfer is indicated in the files of
11 the office or on the certificate.

12 (g) This section does not apply to a security
13 interest:

14 (1) created in a vessel by a person during any
15 period in which the vessel is inventory held for sale or lease
16 by the person or is leased by the person as lessor if the
17 person is a dealer;

18 (2) in a barge for which no application for a
19 certificate of title has been delivered to the office; or

20 (3) in a vessel before delivery if the vessel is
21 under construction, or completed, pursuant to contract and for
22 which no application for a certificate has been delivered to
23 the office.

24 (h) This subsection applies if a certificate of
25 documentation for a documented vessel is deleted or canceled.
26 If a security interest in the vessel was valid immediately
27 before deletion or cancellation against a third party as a

1 result of compliance with 46 U.S.C. §31321, the security
2 interest is and remains perfected until the earlier of four
3 months after cancellation of the certificate or the time the
4 security interest becomes perfected under this act.

5 (i) A security interest in a vessel arising under
6 Section 7-2-401, 7-2-505, 7-2-711(3), or 7-2A-508(5) of the
7 Code of Alabama 1975, is perfected when it attaches but
8 becomes unperfected when the debtor obtains possession of the
9 vessel, unless before the debtor obtains possession the
10 security interest is perfected pursuant to subsection (a) or
11 (c).

12 (j) A security interest in a vessel as proceeds of
13 other collateral is perfected to the extent provided in
14 Section 7-9A-315 of the Code of Alabama 1975.

15 (k) A security interest in a vessel perfected under
16 the law of another jurisdiction is perfected to the extent
17 provided in Section 7-9A-316(d) of the Code of Alabama 1975.

18 Section 16. TERMINATION STATEMENT.

19 (a) Except as provided in subsection (b), a secured
20 party indicated in the files of the office as having a
21 security interest in a vessel shall deliver a termination
22 statement to the office and, on request of the owner of record
23 in a signed record, shall deliver a copy of the termination
24 statement to the owner of record, by the earlier of:

25 (1) twenty days after the secured party receives a
26 signed demand from an owner for a termination statement and
27 there is no obligation secured by the vessel subject to the

1 security interest and no commitment to make an advance, incur
2 an obligation, or otherwise give value secured by the vessel.

3 (2) if the vessel is consumer goods, 30 days after
4 there is no obligation secured by the vessel and no commitment
5 to make an advance, incur an obligation, or otherwise give
6 value secured by the vessel; or

7 (b) If a written certificate of title has been
8 created and delivered to a secured party, the secured party
9 may comply with the requirements of subsection (a) by signing
10 the release form on the certificate and delivering the
11 certificate to the office or to the owner of record no later
12 than the date required by subsection (a). On request of the
13 owner of record, a secured party that delivers a written
14 certificate with a signed release form to the office shall,
15 not later than the date required by subsection (a), deliver a
16 copy of the certificate showing the signed release form to the
17 owner of record. If the certificate is lost, stolen,
18 mutilated, destroyed, or is otherwise unavailable or
19 illegible, the secured party shall deliver a termination
20 statement to the office as required by subsection (a) and
21 shall deliver to the office with the statement an application
22 for a replacement certificate meeting the requirements of
23 Section 22 and the applicable fee.

24 (c) On delivery to the office of a termination
25 statement under subsection (a) or (b), or on delivery of a
26 written certificate of title with a signed release form to the
27 office or the owner of record under subsection (b), any

1 security interest to which the statement or certificate
2 relates ceases to be perfected. If the security interest to
3 which the statement relates was indicated on the certificate,
4 the office shall create a new certificate and deliver the new
5 certificate or a record evidencing an electronic certificate
6 pursuant to Section 12(a). The office shall maintain in its
7 files the date and time of delivery to the office of a
8 termination statement or written certificate with a signed
9 release form.

10 (d) A secured party that fails to comply with this
11 section is liable to the owner of record for a penalty in the
12 amount of five hundred dollars (\$500). Nothing in this
13 subsection precludes the owner of record or another owner from
14 recovering damages under the law of this state other than this
15 act.

16 Section 17. TRANSFER OF OWNERSHIP.

17 (a) On voluntary transfer of an ownership interest
18 in a vessel covered by a certificate of title, the following
19 rules apply:

20 (1) If the certificate is a written certificate of
21 title and the transferor's interest is noted on the
22 certificate, the transferor shall sign the certificate and
23 deliver it to the transferee. If the transferor does not have
24 possession of the certificate, the person in possession of the
25 certificate has a duty to facilitate the transferor's
26 compliance with this subdivision. A secured party does not
27 have a duty to facilitate the transferor's compliance with

1 this subdivision if the proposed transfer is prohibited by the
2 security agreement.

3 (2) If the certificate of title is an electronic
4 certificate of title, the transferor shall sign and deliver to
5 the transferee a record evidencing the transfer of ownership
6 to the transferee.

7 (3) The transferee has a right enforceable by
8 specific performance to require the transferor to comply with
9 subdivision (1) or (2).

10 (b) The creation of a certificate of title
11 identifying the transferee as owner of record satisfies
12 subsection (a).

13 (c) A failure to comply with subsection (a) or to
14 apply for a new certificate of title does not render a
15 transfer of ownership of a vessel ineffective between the
16 parties. Except as otherwise provided in Section 18, 19,
17 23(a), or 24, a transfer of ownership without compliance with
18 subsection (a) is not effective against another person
19 claiming an interest in the vessel.

20 (d) A transferor that complies with subsection (a)
21 is not liable solely in the capacity as owner of the vessel
22 for an event occurring after the transfer, regardless of
23 whether the transferee applies for a new certificate of title.

24 Section 18. EFFECT OF MISSING OR INCORRECT
25 INFORMATION.

26 Except as otherwise provided in Section 7-9A-337 of
27 the Code of Alabama 1975, a certificate of title or other

1 record required or authorized by this act is effective even if
2 it contains incorrect information or does not contain required
3 information.

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

6 (a) In this section, "secured party's transfer
7 statement" means a record signed by the secured party of
8 record stating:

9 (1) that there has been a default on an obligation
10 secured by the vessel;

11 (2) that the secured party of record has exercised
12 post-default remedies with respect to the vessel;

13 (3) that, by reason of the exercise, a transferee
14 has acquired the ownership interest of an owner;

15 (4) the name of the owner whose ownership interest
16 has been acquired by the transferee;

17 (5) the name and last known mailing address of the
18 owner of record and the secured party of record;

19 (5) the name of the transferee;

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

21 (7) one of the following:

22 (A) that the certificate of title is an electronic
23 certificate;

24 (B) that the secured party does not have possession
25 of the written certificate of title created in the name of the
26 owner of record; or

1 (C) that the secured party of record is delivering
2 the written certificate of title created in the name of the
3 owner of record to the office, with the release form signed,
4 with the transfer statement.

5 (b) Unless the office rejects a secured party's
6 transfer statement for a reason stated in Section 8(c), not
7 later than 20 days after delivery to the office of the
8 statement and the applicable fee the office shall:

9 (1) accept the statement;

10 (2) amend its files to reflect the transfer; and

11 (3) if the name of the owner whose ownership
12 interest has been transferred is indicated on the certificate
13 of title:

14 (A) cancel the certificate;

15 (B) create a new certificate substituting the name
16 of the transferee for the name of the owner; and

17 (C) deliver the new certificate or a record
18 evidencing an electronic certificate pursuant to Section
19 12(a).

20 (c) An application under subsection (a) or the
21 creation of a certificate of title under subsection (b) is not
22 by itself a disposition of the vessel and does not by itself
23 relieve the secured party of its duties under Article 9A,
24 Title 7, Code of Alabama 1975.

25 Section 20. TRANSFER BY OPERATION OF LAW.

26 (a) In this section:

1 (1) "By operation of law" means pursuant to a law or
2 judicial order affecting ownership of a vessel:

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

5 (B) through the exercise of the rights of a lien
6 creditor or a person having a lien created by statute or rule
7 of law; or

8 (C) through other legal process.

9 (2) "Transfer-by-law statement" means a record
10 signed by a transferee stating that by operation of law the
11 transferee has acquired or has the right to acquire an
12 ownership interest in a vessel.

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

14 (1) the name and last known mailing address of the
15 owner of record and the transferee and the other information
16 required by Section 7(b);

17 (2) documentation sufficient to establish the
18 transferee's ownership interest or right to acquire the
19 ownership interest;

20 (3) a statement that:

21 (A) the certificate of title is an electronic
22 certificate of title;

23 (B) the transferee does not have possession of the
24 written certificate of title created in the name of the owner
25 of record; or

1 (C) the transferee is delivering the written
2 certificate to the office with the transfer-by-law statement;
3 and

4 (4) except for a transfer described in subsection
5 (a) (1) (A), evidence that notification of the transfer and the
6 intent to file the transfer-by-law statement has been sent to
7 all persons indicated in the files of the office as having an
8 interest, including a security interest, in the vessel.

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

18 (1) accept the statement;

19 (2) amend the files of the office to reflect the
20 transfer; and

21 (3) if the name of the owner whose ownership
22 interest is being transferred is indicated on the certificate
23 of title:

24 (A) cancel the certificate even if the certificate
25 has not been delivered to the office;

26 (B) create a new certificate indicating the
27 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 by a secured party under Part 6, Article
8 9A, Title 7 of the 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 office 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 office may create a new certificate
16 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 office 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 office as having an interest, including a
26 security interest, in the vessel, at least 45 days have passed

1 since the notification was sent, and the office has not
2 received an objection from any of those persons; and

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

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

19 (c) Before the office creates a certificate of title
20 under subsection (a), the office may require the applicant to
21 post a bond. The bond may not exceed twice the value of the
22 vessel as determined by the office. The bond must be in form,
23 amount, and term required by the office and provide for
24 indemnification of any owner, purchaser, or other claimant for
25 any expense, loss, delay, or damage, including reasonable
26 attorney's fees and costs, but not including incidental or

1 consequential damages, resulting from creation or amendment of
2 the certificate.

3 Section 22. REPLACEMENT CERTIFICATE OF TITLE.

4 (a) If a written certificate of title is lost,
5 stolen, mutilated, destroyed, or otherwise becomes unavailable
6 or illegible, the secured party of record or, if no secured
7 party is indicated in the files of the office, the owner of
8 record, may apply for and, by furnishing information
9 satisfactory to the office, obtain a replacement certificate
10 in the name of the owner of record.

11 (b) An applicant for a replacement certificate of
12 title must sign the application, and, except as otherwise
13 permitted by the office, the application must comply with
14 Section 7. The application must include the existing
15 certificate unless the certificate is lost, stolen, mutilated,
16 destroyed, or otherwise unavailable.

17 (c) A replacement certificate of title created by
18 the office must comply with Section 9 and indicate on the face
19 of the certificate that it is a replacement certificate.

20 (d) If a person receiving a replacement certificate
21 of title subsequently obtains possession of the original
22 written certificate, the person promptly shall destroy the
23 original certificate of title.

24 Section 23. RIGHTS OF PURCHASER OTHER THAN SECURED
25 PARTY.

26 (a) A buyer in ordinary course of business has the
27 protections afforded by Sections 7-2-403(2) and 7-9A-320(a) of

1 the Code of Alabama 1975, even if an existing certificate of
2 title was not signed and delivered to the buyer or a new
3 certificate listing the buyer as owner of record was not
4 created.

5 (b) Except as otherwise provided in Sections 17 and
6 24, the rights, with respect to a vessel, of a purchaser that
7 is not a buyer in ordinary course of business are governed by
8 Title 7 of the Code of Alabama 1975.

9 Section 24. RIGHTS OF SECURED PARTY.

10 (a) Subject to subsection (b), the effect of
11 perfection and nonperfection of a security interest and the
12 priority of a perfected or unperfected security interest with
13 respect to the rights of a purchaser or creditor, including a
14 lien creditor, is governed by Title 7 of the Code of Alabama
15 1975. For purposes of the application of the provisions of
16 Title 7 of the Code of Alabama 1975, lien creditor has the
17 meaning provided by this act.

18 (b) If, while a security interest in a vessel is
19 perfected by any method under this act, the office creates a
20 certificate of title that does not indicate that the vessel is
21 subject to the security interest or contain a statement that
22 it may be subject to security interests not indicated on the
23 certificate:

24 (1) a buyer of the vessel, other than a person in
25 the business of selling or leasing vessels of that kind, takes
26 free of the security interest if the buyer, acting in good

1 faith and without knowledge of the security interest, gives
2 value and receives possession of the vessel; and

3 (2) the security interest is subordinate to a
4 conflicting security interest in the vessel that is perfected
5 under Section 15 after creation of the certificate and without
6 the conflicting secured party's knowledge of the security
7 interest.

8 Section 25. DUTIES AND OPERATION OF OFFICE.

9 (a) The office shall retain the evidence used to
10 establish the accuracy of the information in its files
11 relating to the current ownership of a vessel and the
12 information on the certificate of title.

13 (b) The office shall retain in its files all
14 information regarding a security interest in a vessel for at
15 least 10 years after the office receives a termination
16 statement regarding the security interest. The information
17 must be accessible by the hull identification number for the
18 vessel and any other methods provided by the office.

19 (c) If a person submits a record to the office, or
20 submits information that is accepted by the office, and
21 requests an acknowledgment of the filing or submission, the
22 office shall send to the person an acknowledgment showing the
23 hull identification number of the vessel to which the record
24 or submission relates, the information in the filed record or
25 submission, and the date and time the record was received or
26 the submission accepted. A request under this section must

1 contain the hull identification number and be delivered by
2 means authorized by the office.

3 (d) The office shall send or otherwise make
4 available in a record the following information to any person
5 that requests it and pays the applicable fee:

6 (1) whether the files of the office indicate, as of
7 a date and time specified by the office, but not a date
8 earlier than three days before the office received the
9 request, any certificate of title, security interest,
10 termination statement, or title brand that relates to a
11 vessel:

12 (A) identified by a hull identification number
13 designated in the request;

14 (B) identified by a vessel number designated in the
15 request; or

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

17 (2) with respect to the vessel:

18 (A) the name and address of any owner as indicated
19 in the files of the office or on the certificate of title;

20 (B) the name and address of any secured party as
21 indicated in the files of the office or on the certificate,
22 and the effective date of the information; and

23 (C) a copy of any termination statement indicated in
24 the files of the office and the effective date of the
25 termination statement; and

26 (3) with respect to the vessel, a copy of any
27 certificate of origin, secured party transfer statement,

1 transfer-by-law statement under Section 20, and other evidence
2 of previous or current transfers of ownership.

3 (e) In responding to a request under this section,
4 the office may provide the requested information in any medium
5 as determined by the office. On request, the office shall send
6 the requested information in a record that is
7 self-authenticating under Alabama Rule of Evidence 902(1).

8 Section 26. FEES.

9 (a) There shall be a fee of fifty dollars (\$50) to
10 be collected by the office for processing and issuing the
11 required documents and performing the other duties required by
12 this act in connection with each of the following
13 transactions:

14 (1) an application for a certificate of title;

15 (2) an application for a replacement certificate of
16 title;

17 (3) an application for a transfer of ownership by
18 operation of law using a transfer-by-law statement;

19 (4) an application for a transfer of ownership using
20 a transfer statement;

21 (5) an application for a transfer of ownership
22 without a certificate of title, transfer-by-law statement, or
23 transfer statement; and

24 (6) a search request, including upon request the
25 certification required by Section 11(e).

1 (b) There shall be no fee for processing a
2 termination statement or a statement merely providing the
3 office with the name of a secured party's assignee.

4 (c) Each county licensing official shall serve as an
5 agent of the office for the purpose of receiving a document
6 specified in subsection (a) or (b), collecting a fee as
7 provided for by subsection (a) and forwarding the document and
8 any fee to the office. A fee of fifteen dollars (\$15) shall be
9 paid to the appropriate licensing official for a transaction
10 specified in subsection (a) to be deposited in a separate fund
11 maintained by the licensing official to be used in his or her
12 sole discretion for any legal purpose in the operation of his
13 or her office. There shall be no fee for a transaction
14 specified in subsection (b).

15 (d) The office may designate as its agent a dealer
16 or financial institution located in this state for the purpose
17 of preparing an application for a certificate of title and
18 collecting the fee provided for by subsection (a) and
19 forwarding the application and fee to the office. An agent
20 acting under this subsection may charge a fee of no more than
21 five dollars (\$5) for its services.

22 (e) Fees collected under this section shall be
23 deposited into the State Treasury to the credit of the Public
24 Safety Fund. Amounts deposited into the Public Safety Fund
25 shall be budgeted and allotted in accordance with Sections
26 41-4-80 through 41-4-96 and 41-19-1 through 41-19-12, Code of
27 Alabama 1975.

1 Section 27. UNIFORMITY OF APPLICATION AND
2 CONSTRUCTION. In applying and construing this uniform act,
3 consideration must be given to the need to promote uniformity
4 of the law with respect to its subject matter among states
5 that enact it.

6 Section 28. RELATION TO ELECTRONIC SIGNATURES IN
7 GLOBAL AND NATIONAL COMMERCE ACT.

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

14 Section 29. EFFECTIVE DATE; TRANSITION RULES;
15 SAVINGS CLAUSE.

16 (a) This act takes effect on January 1, 2021.

17 (b) Except as provided in subsection (c), this act
18 applies to any vessel for which this state is the state of
19 principal use on or after January 1, 2021.

20 (c) Except as provided in subsection (d), the
21 provisions of this act do not apply to a vessel as to which
22 construction has been completed as of December 31, 2020.

23 (d) Notwithstanding subsection (c), the owner of a
24 vessel that is 26 feet or more in length and to which
25 subsection (b) applies may voluntarily apply for a certificate
26 of title as provided in Section 6, in which case the
27 provisions of this act apply to the vessel for all purposes

1 when the application for a certificate of title is delivered
2 to the office and thereafter.

3 (e) The rights, duties, and interests flowing from a
4 transaction, certificate of title, or record relating to a
5 vessel which was validly entered into or created before the
6 date the provisions of this act became applicable to the
7 vessel and would be subject to this act if it had been entered
8 into or created on or after the date the provisions of this
9 act became applicable to the vessel, remain valid on and after
10 the date the provisions of this act became applicable to the
11 vessel.

12 (f) This act does not affect an action or proceeding
13 commenced before the date the provisions of this act became
14 applicable.

15 (g) Except as otherwise provided in subsection (i),
16 a security interest in a vessel that is enforceable
17 immediately before the date the provisions of this act became
18 applicable to the vessel and would have priority over the
19 rights of a person that becomes a lien creditor at that time
20 is a perfected security interest under this act.

21 (h) A security interest in a vessel perfected
22 immediately before the date the provisions of this act became
23 applicable to the vessel remains perfected until the earlier
24 of:

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

1 (2) three years after the date the provisions of
2 this act became applicable to the vessel.

3 (i) This act does not affect the priority of a
4 security interest in a vessel if immediately before the date
5 the provisions of this act became applicable to the vessel the
6 security interest is enforceable and perfected, and that
7 priority is established.

8 Section 30. This act shall become effective on
9 January 1, 2021, following its passage and approval by the
10 Governor, or its otherwise become law.