

HOUSE BILL No. 5552

February 25, 1992, Introduced by Reps. Baade, DeMars, Perry Bullard, Weeks, Olshove, Joe Young, Jr., Dobronski, Anthony, Harder, Griffin, Niederstadt and Porreca and referred to the Committee on Marine Affairs and Port Development.

A bill to amend sections 11 and 13 of Act No. 160 of the Public Acts of 1976, entitled

"An act to provide certificates of title for watercraft; to regulate transfers of watercraft; to prescribe powers and duties; and to provide penalties,"

being sections 281.1211 and 281.1213 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 11 and 13 of Act No. 160 of the Public
2 Acts of 1976, being sections 281.1211 and 281.1213 of the
3 Michigan Compiled Laws, are amended to read as follows:

4 Sec. 11. (1) ~~if~~ THE SECRETARY OF STATE MAY ISSUE A CER-
5 TIFICATE OF TITLE FOR A WATERCRAFT TO A PERSON WHO COMPLIES WITH
6 SUBSECTION (2) OR (3) IF the transfer of ownership of ~~a~~ THAT
7 watercraft is ~~by~~ ANY OF THE FOLLOWING:

1 (A) BY operation of law INCLUDING, BUT NOT LIMITED TO, ~~such~~
2 ~~as upon~~ inheritance, devise, bequest, order in bankruptcy,
3 insolvency, replevin, or execution of sale. ~~, or when a water~~
4 ~~craft is sold~~

5 (B) BY SALE to satisfy a storage or repair charge. ~~, or~~
6 ~~if~~

7 (C) BY repossession ~~is had~~ upon default in performance of
8 the terms of a security agreement. ~~, upon the surrender of the~~
9 ~~prior~~

10 (D) PURSUANT TO SUBSECTION (3).

11 (2) A PERSON APPLYING FOR A CERTIFICATE OF TITLE UNDER THIS
12 SECTION SHALL DO ALL OF THE FOLLOWING:

13 (A) SURRENDER TO THE SECRETARY OF STATE EITHER A VALID cer-
14 tificate of title or the manufacturer's or importer's certificate
15 ~~, FOR THE WATERCRAFT or, when that~~ IF SURRENDER OF A CERTIFI-
16 CATE FOR THAT WATERCRAFT is not possible, ~~upon presentation of~~
17 ~~satisfactory~~ PRESENT proof SATISFACTORY to the secretary of
18 state of THE APPLICANT'S ownership OF and ~~a~~ right of possession
19 to the watercraft. ~~, and upon payment of~~

20 (B) PAY the fee prescribed in section 10. ~~and presentation~~
21 ~~of~~

22 (C) PRESENT TO THE SECRETARY OF STATE an application for
23 certificate of title. ~~, the secretary of state may issue to the~~
24 ~~applicant a certificate of title to the watercraft.~~

25 (3) A PERSON MAY PETITION THE SECRETARY OF STATE FOR A CER-
26 TIFICATE OR CERTIFICATES OF TITLE FOR 1 OR MORE REGISTERED

1 WATERCRAFT THAT THE PERSON DOES NOT OWN, IF EACH OF THE FOLLOWING
2 CIRCUMSTANCES EXISTS:

3 (A) THE RECORD OWNER OF THE REGISTERED WATERCRAFT DIES
4 INTESTATE WITHOUT LEAVING OTHER PROPERTY THAT REQUIRES THE PRO-
5 CUREMENT OF LETTERS OF ADMINISTRATION OR LETTERS OF AUTHORITY
6 PURSUANT TO SECTION 114 OF THE REVISED PROBATE CODE, ACT NO. 642
7 OF THE PUBLIC ACTS OF 1978, BEING SECTION 700.114 OF THE MICHIGAN
8 COMPILED LAWS.

9 (B) THE TOTAL VALUE OF THE DECEASED OWNER'S INTEREST IN ALL
10 WATERCRAFT SUBJECT TO THE PETITION FOR A CERTIFICATE OR CERTIFI-
11 CATES OF TITLE UNDER THIS SECTION IS \$20,000.00 OR LESS.

12 (C) THE PETITIONER IS ENTITLED TO THE CERTIFICATE OR CERTIF-
13 ICATES OF TITLE PURSUANT TO SECTION 106 OF THE REVISED PROBATE
14 CODE, ACT NO. 642 OF THE PUBLIC ACTS OF 1978, BEING SECTION
15 700.106 OF THE MICHIGAN COMPILED LAWS.

16 (D) THE PETITIONER PROPERTY EXECUTES AND PROVIDES THE SECRE-
17 TARY OF STATE WITH AN AFFIDAVIT THAT DOES EACH OF THE FOLLOWING:

18 (i) IDENTIFIES EACH HEIR OF THE DECEDENT DESCRIBED IN SEC-
19 TION 106 OF THE REVISED PROBATE CODE, ACT NO. 642 OF THE PUBLIC
20 ACTS OF 1978.

21 (ii) IDENTIFIES THE ADDRESS OF EACH HEIR DISCLOSED PURSUANT
22 TO SUBPARAGRAPH (i).

23 (iii) STATES THAT THE PETITIONER HAS DETERMINED, AFTER
24 MAKING DILIGENT INQUIRY, THAT THERE ARE NO KNOWN CREDITORS OF THE
25 DECEDENT WHO MAY HAVE A CLAIM AGAINST THE DECEDENT'S ESTATE.

26 (iv) IDENTIFIES THE PETITIONER'S ENTITLEMENT TO THE
27 CERTIFICATE OR CERTIFICATES OF TITLE PURSUANT TO SECTION 106 OF

1 THE REVISED PROBATE CODE, ACT NO. 642 OF THE PUBLIC ACTS OF
2 1978.

3 (E) THE PETITIONER PAYS THE FEE PRESCRIBED IN SECTION 10.

4 (4) A certification by the person, or agent of the person,
5 to whom possession of the watercraft passed, ~~setting~~ THAT SETS
6 forth the facts entitling ~~the~~ THAT person to possession and
7 ownership OF THE WATERCRAFT, together with a copy of the journal
8 entry, court order, ~~or~~ instrument, OR OTHER DOCUMENT upon which
9 the claim of possession and ownership is founded, ~~shall be~~ ARE
10 satisfactory proof of ownership and right of possession. If the
11 applicant cannot produce proof of ownership, the applicant may
12 apply to the secretary of state FOR A CERTIFICATE OF TITLE and
13 submit evidence ~~which the applicant has, and the secretary of~~
14 ~~state, if~~ THAT ESTABLISHES THAT PERSON'S OWNERSHIP INTEREST IN
15 THE WATERCRAFT. IF the secretary OF STATE finds the evidence
16 sufficient, ~~may then~~ THE SECRETARY OF STATE MAY issue TO THAT
17 PERSON a certificate of title FOR THAT WATERCRAFT. ~~If, from the~~
18 ~~records in the office of the~~ THE OFFICE OF secretary of state
19 ~~—~~ SHALL EXAMINE THE RECORDS IN ITS POSSESSION AND, IF IT DETER-
20 MINES FROM THAT EXAMINATION THAT a lien ~~appears to be~~ IS on the
21 watercraft, AND IF THE APPLICANT FAILS TO PROVIDE SATISFACTORY
22 EVIDENCE OF EXTINCTION OF THE LIEN, the SECRETARY OF STATE SHALL
23 FURNISH A certificate of title ~~shall contain~~ THAT CONTAINS a
24 statement of the lien. ~~, unless the application is accompanied~~
25 ~~by proper evidence of extinction of the lien.~~

26 Sec. 13. (1) If certificate of title is lost, mutilated,
27 or becomes illegible, ~~application shall be made~~ THE PERSON TO

1 WHOM THAT CERTIFICATE OF TITLE WAS ISSUED SHALL APPLY to the
2 secretary of state ~~by the owner of the watercraft~~ for a dupli-
3 cate copy of the certificate of title upon a form prescribed by
4 the secretary of state and accompanied by the fee prescribed by
5 section 10. The ~~application shall be certified by the person~~
6 ~~making~~ APPLICANT SHALL CERTIFY the application. ~~The~~ UPON AN
7 APPLICANT'S COMPLIANCE WITH THIS SECTION, THE secretary of state
8 shall ~~then~~ issue TO THAT APPLICANT a duplicate copy of the cer-
9 tificate of title ~~to the person entitled to receive the dupli-~~
10 ~~cate copy under this act. Each duplicate certificate of title~~
11 ~~shall contain~~ THAT CONTAINS the legend, "This is a duplicate
12 certificate and may be subject to the rights of a person under
13 the original certificate". ~~, and shall be delivered to the~~
14 ~~person entitled to possession. A subsequent purchaser of the~~
15 ~~watercraft in the chain of title originating through the~~ WHO
16 OBTAINS TITLE TO THE WATERCRAFT THROUGH A duplicate copy OF THE
17 WATERCRAFT'S CERTIFICATE OF TITLE acquires only those rights in
18 the watercraft ~~which~~ THAT the ~~original~~ holder of the
19 ~~certified copy~~ DUPLICATE CERTIFICATE OF TITLE had. At the time
20 of purchase, a ~~purchaser of the~~ watercraft PURCHASER may
21 require the seller to indemnify the purchaser and subsequent pur-
22 chasers of the watercraft against a loss which the purchaser or
23 subsequent purchasers may suffer by reason of a claim presented
24 upon the original certificate OF TITLE. If the original certifi-
25 cate of title is recovered by the owner, the owner shall immedi-
26 ately surrender it to the secretary of state for cancellation.

1 (2) THE SECRETARY OF STATE IS NOT REQUIRED TO ISSUE A
2 DUPLICATE OF A LOST WATERCRAFT CERTIFICATE OF TITLE AT THE TIME
3 OWNERSHIP OF THE WATERCRAFT IS BEING TRANSFERRED IF EACH OF THE
4 FOLLOWING CONDITIONS IS MET:

5 (A) THE TRANSFEROR PERSONALLY APPEARS BEFORE AN AUTHORIZED
6 REPRESENTATIVE OF THE SECRETARY OF STATE AND DOES EACH OF THE
7 FOLLOWING:

8 (i) PROVIDES EVIDENCE OF THE TRANSFEROR'S IDENTITY AND
9 OWNERSHIP INTEREST IN THE WATERCRAFT THAT IS SATISFACTORY TO THE
10 AUTHORIZED REPRESENTATIVE OF THE SECRETARY OF STATE.

11 (ii) PAYS THE FEE REQUIRED UNDER SECTION 10.

12 (B) THE TRANSFEREE OR THE TRANSFEREE'S REPRESENTATIVE ACCOM-
13 PANIES THE TRANSFEROR IN APPEARING BEFORE THE AUTHORIZED AGENT OF
14 THE SECRETARY OF STATE AND DOES EACH OF THE FOLLOWING:

15 (i) APPLIES FOR AN ORIGINAL CERTIFICATE OF TITLE FOR THE
16 WATERCRAFT.

17 (ii) PROVIDES EVIDENCE OF THE TRANSFEREE'S IDENTITY THAT IS
18 SATISFACTORY TO THE AUTHORIZED REPRESENTATIVE OF THE SECRETARY OF
19 STATE.

20 (iii) PAYS THE FEE REQUIRED UNDER SECTION 10.

21 (3) IF A DUPLICATE CERTIFICATE OF TITLE IS NOT REQUIRED FOR
22 THE TRANSFER OF A WATERCRAFT UNDER SUBSECTION (2), THE SECRETARY
23 OF STATE SHALL MAINTAIN A RECORD SPECIFYING THAT OWNERSHIP OF THE
24 WATERCRAFT WAS TRANSFERRED WITHOUT A SURRENDER OF THE
25 WATERCRAFT'S CERTIFICATE OF TITLE.

26 (4) AS USED IN THIS SECTION, "TRANSFER" OR "TRANSFERRED"
27 INCLUDES A CONVEYANCE, ASSIGNMENT, AND GIFT.