

# HOUSE BILL No. 5700

March 17, 1992, Introduced by Reps. Hoekman and Baade 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 WITH-  
4 OUT LEAVING OTHER PROPERTY THAT REQUIRES THE PROCUREMENT OF LET-  
5 TERS OF ADMINISTRATION OR LETTERS OF AUTHORITY UNDER THE REVISED  
6 PROBATE CODE, ACT NO. 642 OF THE PUBLIC ACTS OF 1978, BEING SEC-  
7 TIONS 700.1 TO 700.993 OF THE MICHIGAN COMPILED LAWS.

8 (B) THE TOTAL VALUE OF THE DECEASED OWNER'S INTEREST IN ALL  
9 WATERCRAFT SUBJECT TO THE PETITION FOR A CERTIFICATE OR CERTIFI-  
10 CATES OF TITLE UNDER THIS SECTION IS \$100,000.00 OR LESS.

11 (C) THE PERSON PETITIONING FOR A CERTIFICATE OR CERTIFICATES  
12 OF TITLE UNDER THIS SECTION IS 1 OF THE FOLLOWING, IN THE FOLLOW-  
13 ING ORDER OF PRIORITY:

14 (i) THE SURVIVING SPOUSE OF THE WATERCRAFT OWNER.

15 (ii) A PERSON ENTITLED TO THE CERTIFICATE OR CERTIFICATES OF  
16 TITLE PURSUANT TO SECTION 106 OF THE REVISED PROBATE CODE, ACT  
17 NO. 642 OF THE PUBLIC ACTS OF 1978, BEING SECTION 700.106 OF THE  
18 MICHIGAN COMPILED LAWS.

19 (D) THE PERSON WHO PETITIONS FOR A CERTIFICATE OF TITLE  
20 UNDER THIS SECTION FURNISHES THE SECRETARY OF STATE WITH PROOF  
21 SATISFACTORY TO THE SECRETARY OF STATE OF EACH OF THE FOLLOWING:

22 (i) THE DEATH OF THE OWNER OF EACH WATERCRAFT FOR WHICH A  
23 CERTIFICATE OF TITLE IS SOUGHT.

24 (ii) THE PETITIONER'S PRIORITY TO RECEIVE THE DECEDENT'S  
25 INTEREST IN EACH WATERCRAFT FOR WHICH A CERTIFICATE OF TITLE IS  
26 SOUGHT.

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

23       Sec. 13. (1) If certificate of title is lost, mutilated,  
 24 or becomes illegible, ~~application shall be made~~ THE PERSON TO  
 25 WHOM THAT CERTIFICATE OF TITLE WAS ISSUED SHALL APPLY to the sec-  
 26 retary of state ~~by the owner of the watercraft~~ for a duplicate  
 27 copy of the certificate of title upon a form prescribed by the

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

24 (2) THE SECRETARY OF STATE IS NOT REQUIRED TO ISSUE A DUPLI-  
25 CATE OF A LOST WATERCRAFT CERTIFICATE OF TITLE AT THE TIME OWNER-  
26 SHIP OF THE WATERCRAFT IS BEING TRANSFERRED IF EACH OF THE  
27 FOLLOWING CONDITIONS IS MET:

1 (A) THE TRANSFEROR PERSONALLY APPEARS BEFORE AN AUTHORIZED  
2 REPRESENTATIVE OF THE SECRETARY OF STATE AND DOES EACH OF THE  
3 FOLLOWING:

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

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

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

11 (i) APPLIES FOR AN ORIGINAL CERTIFICATE OF TITLE FOR THE  
12 WATERCRAFT.

13 (ii) PROVIDES EVIDENCE OF THE TRANSFEREE'S IDENTITY THAT IS  
14 SATISFACTORY TO THE AUTHORIZED REPRESENTATIVE OF THE SECRETARY OF  
15 STATE.

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

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

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