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**By: Delegates Bozman, Conway, and McClenahan**

Introduced and read first time: January 9, 1997

Assigned to: Environmental Matters

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## A BILL ENTITLED

1 AN ACT concerning

2 **Reposessed Vessels - Certificate of Title**

3 FOR the purpose of repealing a requirement that a lienholder repossessing a vessel  
4 secure a new certificate of title; authorizing the Department of Natural Resources  
5 under certain circumstances to transfer on its records the ownership of a vessel that  
6 has been repossessed by a secured party; and generally relating to the transfer of  
7 title to a vessel that has been repossessed by a secured party.

8 BY repealing

9 Article - Natural Resources  
10 Section 8-720(b)  
11 Annotated Code of Maryland  
12 (1990 Replacement Volume and 1996 Supplement)

13 BY adding to

14 Article - Natural Resources  
15 Section 8-720(b)  
16 Annotated Code of Maryland  
17 (1990 Replacement Volume and 1996 Supplement)

18 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
19 MARYLAND, That the Laws of Maryland read as follows:

20 **Article - Natural Resources**

21 8-720.

22 [(b) If a lienholder repossesses a vessel by operation of law and holds the vessel for  
23 resale, the lienholder shall secure a new certificate of title but the lienholder is not  
24 required to pay the title tax but shall pay the other required fees.]

25 (B) (1) THE DEPARTMENT MAY TRANSFER ON ITS RECORDS THE  
26 OWNERSHIP OF A VESSEL THAT HAS BEEN REPOSSESSED BY A SECURED PARTY, IF  
27 THE SECURED PARTY PAYS THE FEE REQUIRED FOR TRANSFER OF A TITLE AND  
28 SUBMITS TO THE DEPARTMENT A CERTIFICATION THAT STATES:

29 (I) THAT THE SECURED PARTY HAS A SECURITY INTEREST IN THE  
30 VESSEL;

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1 (II) THAT, ON THE BASIS OF THE SECURITY AGREEMENT OR  
2 OTHER LAWFUL BASIS, THE SECURED PARTY HAS A RIGHT TO THE POSSESSION OF  
3 AND TITLE TO THE VESSEL;

4 (III) THAT THE SECURED PARTY HAS POSSESSION OF THE VESSEL;  
5 AND

6 (IV) ANY OTHER INFORMATION THAT THE DEPARTMENT  
7 REQUIRES.

8 (2) A SECURED PARTY THAT REPOSSESSES A VESSEL IS NOT REQUIRED  
9 TO PAY THE TITLE TAX.

10 (3) ON SUBMISSION OF THE CERTIFICATION TO IT, THE DEPARTMENT  
11 MAY ISSUE A NEW CERTIFICATE OF TITLE IF IT IS SATISFIED THAT THE SECURED  
12 PARTY IS ENTITLED TO ONE.

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
14 October 1, 1997.