
By: Delegates Bozman, Conway, and McClenahan

Introduced and read first time: January 9, 1997

Assigned to: Environmental Matters

Committee Report: Favorable

House action: Adopted

Read second time: January 31, 1997

CHAPTER ____

1 AN ACT concerning

2 **Repossessed 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:

2

1 **Article - Natural Resources**

2 8-720.

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

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

10 (I) THAT THE SECURED PARTY HAS A SECURITY INTEREST IN THE
11 VESSEL;

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

15 (III) THAT THE SECURED PARTY HAS POSSESSION OF THE VESSEL;
16 AND

17 (IV) ANY OTHER INFORMATION THAT THE DEPARTMENT
18 REQUIRES.

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

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

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