
By: Delegates Minnick and McHale

Introduced and read first time: February 21, 1997

Assigned to: Environmental Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Boat Liens - Towage Services - Boat Lien Notice System**

3 FOR the purpose of providing that under certain circumstances a lien on a boat may be
4 established for charges incurred for towage services; requiring the Department of
5 Natural Resources to provide a boat lien notice system; providing certain
6 requirements for filing a boat lien notice with the Department; providing that a boat
7 lien notice provides certain notice to certain third parties; requiring the Department
8 to record a boat lien notice with the owner's certificate of number; providing that
9 the Department may not transfer ownership if the money owed is recorded on the
10 new title; providing that the Department may transfer ownership if the money owed
11 is released by the creditor or lienholder; and generally relating to boat liens.

12 BY repealing and reenacting, with amendments,
13 Article - Commercial Law
14 Section 16-202(b), 16-204, and 16-207(b)
15 Annotated Code of Maryland
16 (1990 Replacement Volume and 1996 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article - Natural Resources
19 Section 8-701(e) and 8-712(c)
20 Annotated Code of Maryland
21 (1990 Replacement Volume and 1996 Supplement)

22 BY adding to
23 Article - Natural Resources
24 Section 8-703(c)
25 Annotated Code of Maryland
26 (1990 Replacement Volume and 1996 Supplement)

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

2

1 **Article - Commercial Law**

2 16-202.

3 (b) (1) Any person who, with the consent of the owner, has custody of a boat
4 and who, at the request of the owner, provides a service to or materials for the boat, has
5 a lien on the boat for any charge incurred for any:

6 (i) Repair, rebuilding, maintenance, servicing, or wet or dry wharfage;

7 (ii) Storage OR TOWAGE SERVICES; or

8 (iii) Parts or accessories.

9 (2) A lien is created under this subsection when any charges giving rise to
10 the lien are incurred.

11 16-204.

12 (A) Surrender or delivery of the property subject to the lien discharges that lien
13 against a third person who is without notice of the lien, but does not discharge the lien
14 against the owner or against a third party who has notice of the lien.

15 (B) A THIRD PARTY IS DEEMED TO HAVE NOTICE OF A LIEN, WHETHER OR
16 NOT THE LIEN HAS BEEN NOTED ON THE TITLE DOCUMENT, IF A BOAT LIEN NOTICE
17 IS ON FILE WITH THE DEPARTMENT OF NATURAL RESOURCES UNDER § 8-703(C) OF
18 THE NATURAL RESOURCES ARTICLE.

19 16-207.

20 (b) (1) The lienor shall publish notice of the time, place, and terms of the sale
21 and a full description of the property to be sold once a week for the two weeks
22 immediately preceding the sale in one or more newspapers of general circulation in the
23 county where the sale is to be held.

24 (2) In addition, the lienor shall send the notice by registered or certified
25 mail at least 10 days before the sale to:

26 (i) The owner of the property, all holders of perfected security
27 interests in the property INCLUDING ALL BOAT LIENHOLDERS WHO HAVE FILED A
28 BOAT LIEN NOTICE WITH THE DEPARTMENT OF NATURAL RESOURCES, and, in the
29 case of a sale of a motor vehicle or mobile home, the Motor Vehicle Administration;

30 (ii) The person who incurred the charges which give rise to the lien, if
31 the address of the owner is unknown and cannot be ascertained by the exercise of
32 reasonable diligence; or

33 (iii) "General delivery" at the post office of the city or county where
34 the business of the lienor is located, if the address of both the owner and the person who
35 incurred the charges is unknown and cannot be ascertained by the exercise of reasonable
36 diligence.

3

1 **Article - Natural Resources**

2 8-701.

3 (e) (1) "Lienholder" means a person holding a security interest.

4 (2) "LIENHOLDER" INCLUDES A PERSON WHO HAS FILED A BOAT LIEN
5 NOTICE WITH THE DEPARTMENT.

6 8-703.

7 (C) (1) THE DEPARTMENT SHALL MAINTAIN A BOAT LIEN NOTICE SYSTEM.

8 (2) A LIENHOLDER MAY FILE A BOAT LIEN NOTICE WITH THE
9 DEPARTMENT BY PROVIDING THE FOLLOWING INFORMATION ON A FORM
10 PRESCRIBED BY THE DEPARTMENT:

11 (I) THE NAME OF THE LIENHOLDER;

12 (II) THE NAME OF THE OWNER AND AN IDENTIFICATION OF THE
13 BOAT SUBJECT TO THE BOAT LIEN;

14 (III) THE DATE OF THE SERVICE OR MATERIALS PROVIDED WHICH
15 GAVE RISE TO THE BOAT LIEN; AND

16 (IV) THE AMOUNT OF THE BOAT LIEN.

17 8-712.

18 (c) (1) Certificates of number issued under this section shall be valid for a
19 period not to exceed 2 years. The owner of the vessel may apply every other year for
20 renewal of the certificate. The renewed certificate shall expire on December 31 of the
21 calendar year following the year the certificate is issued. The fee for a 2-year certificate
22 for vessels is \$24. Vessels 16 feet in length or less and equipped with a 7 1/2 horsepower
23 motor or less are exempt from this fee. The fee to replace a lost, destroyed, or corrected
24 certificate is \$2. The Department shall record ANY BOAT LIEN NOTICE FILED UNDER §
25 8-703(C) OF THIS SUBTITLE, AND any transaction or transfer of numbered boats. The
26 Department may record any amount of money owing on a vessel required to be numbered
27 at the time of sale. The Department may not effect a transfer of ownership until the
28 amount of money owed as shown on the records of the Department is fully paid or
29 [recorded on the new title] THE AMOUNT OF MONEY OWED IS RELEASED BY THE
30 CREDITOR OR LIENHOLDER. Any vessel that is required to be numbered under this
31 section that is exempt prior to January 1, 1974 shall be exempt from payment of this title
32 tax.

33 (2) Emergency rescue boats that belong to fire departments or rescue
34 squads in Maryland:

35 (i) Shall be exempt from all registration fees; but

36 (ii) Shall apply for a registration renewal every 3 years.

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