

571—50.10(462A) Bond required before issuance of title or registration. In the event the county recorder or the department is not satisfied as to the ownership of a vessel or that there are no undisclosed security interests in the vessel, the recorder or the department shall require completion of the following procedures prior to issuing title or registration:

50.10(1) Identification. The applicant shall contact the department and provide the department with identifying information in regard to the vessel. The required identifying information shall include the hull identification number, if applicable, and such additional information as may be requested by the department. If no hull identification number is currently affixed on a vessel otherwise required by law to have a hull identification number, the applicant shall complete the department's procedure for obtaining such number, and the assigned number shall be affixed after the applicant has completed the registration and bonding process set forth in this chapter.

50.10(2) Records search. Upon receipt of sufficient identifying information from an applicant, the department shall:

- a. Search the department registration records to determine if there is an owner of record for the vessel and if the vessel has been reported stolen; and
- b. Notify the applicant, orally or in writing, in regard to whether a record of prior ownership has been located and, if so, provide the name and last-known address of the owner of record.

50.10(3) Examination. At any time after being contacted by the applicant and before approval of an application, the department may examine the vessel.

50.10(4) Notice to owner of record. If the department finds a record of prior ownership in the department's registration records, the department shall provide the applicant with a bonding packet containing instructions that describe how to complete the bonding process. The packet shall include a notice to the owner of record and a certified mail envelope, return receipt requested, with a return address of the department. The notice shall state that the owner of record may assert the owner's right to claim the vessel. If neither the applicant nor the department receives a response from the owner of record within ten days after receipt of notice or the post office returns the notice to the applicant or the department as undeliverable or unclaimed, the department will continue processing the bond application.

50.10(5) Submission of application. The applicant shall submit an application on DNR Form 542-8067. The form shall include a statement obtained from an Iowa-registered dealer for vessels or documentation from the North American Dealers' Association indicating the current value of the vessel. The following documents shall be submitted with the application form:

- a. Photographs of the vessel which show the front, rear, and one side of the vessel.
- b. The written ownership document received at the time that the vessel was acquired.
- c. Satisfactory proof of the hull identification number or DNR Form 542-2000. Examples of what constitutes satisfactory proof include, without limitation, corresponding photographs of the hull identification number and the vessel or a readable pencil rubbing of the hull identification number.
- d. The undeliverable or unclaimed certified letter and envelope addressed to the previous owner or the signed certified mail receipt, if available, if a record of prior ownership was located by the department.
- e. A surety bond on DNR Form 542-8092 in an amount equal to one and one-half times the current value of the vessel.

50.10(6) Approval. If the department determines that the applicant has complied with this rule, that there is sufficient evidence to indicate that the applicant is the rightful owner, and that there is no known unsatisfied security interest, the department shall forward the original application to the county recorder and notify the applicant that the vessel may be registered and titled in Iowa.

50.10(7) Disapproval. If the department determines that the applicant has not complied with this rule, that there is sufficient evidence to indicate that the applicant may not be the rightful owner, that there is an unsatisfied security interest, or that the owner of record asserts a claim for the vessel, the department shall not authorize issuance of a certificate of title or registration receipt and shall notify the applicant in writing of the reason(s).

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