

JAN 11 1988

NATURAL RESOURCES AND  
OUTDOOR RECREATION

HOUSE FILE 2011  
BY GRUHN

*Substituted for S.F. 2067*

Passed House, Date 1-25-88 (y. 153) Passed Senate, Date 1/28/88 (y. 211)  
Vote: Ayes 87 Nays 0 Vote: Ayes 46 Nays 1

Approved March 2, 1988 (y. 545)

*Repassed House per Senate amendment  
2/12/88 (y. 818)*

A BILL FOR

1 An Act relating to the ownership of certain vessels by requiring  
2 the purchaser of a registered vessel to obtain a certificate  
3 of title, by providing for the perfection of a security  
4 interest, and by providing an effective date.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2011

S. 6000

1 Section 1. Section 106.77, subsection 3, Code Supplement  
2 1987, is amended to read as follows:

3 3. A person who, on January 1, 1988, is the owner of a  
4 vessel seventeen feet or longer in length with a valid  
5 certificate of number issued by the state is not required to  
6 file an application for a certificate of title for the vessel  
7 ~~unless the person transfers an interest in the vessel.~~ A  
8 person who, on or after January 1, 1988, purchases a vessel  
9 seventeen feet or longer in length which was registered with a  
10 valid certificate of number issued by this state before  
11 January 1, 1988, shall obtain a certificate of title for the  
12 vessel.

S. 5200

13 Sec. 2. Section 106.84, Code Supplement 1987, is amended  
14 to read as follows:

15 106.84 PERFECTION AND TITLES.

16 1. ~~In addition to the requirements of chapter 554, a~~ A  
17 security interest created in this state in a vessel required  
18 to have a certificate of title is not perfected ~~unless and~~  
19 until the security interest is noted on the certificate of  
20 title.

21 a. To perfect the security interest, an application for  
22 security interest must be presented along with the original  
23 title. The county recorder shall note the security interest  
24 on the face of the title and on the copy in the recorder's  
25 office.

26 b. The application fee for a security interest is five  
27 dollars. The fees shall be credited to the county general  
28 fund.

29 2. The certificate of title shall be ~~filed with~~ presented  
30 to the county recorder when the ~~financing statement~~  
31 application for that security interest or assigning for  
32 assignment of the security interest is filed presented and a  
33 new or endorsed certificate of title shall be issued to the  
34 secured party with the name and address of the secured party  
35 upon it.

1 3. The secured party shall ~~file~~ present the certificate of  
2 title ~~with~~ to the county recorder when a ~~termination-or~~  
3 release statement is filed and a new or endorsed certificate  
4 shall be issued to the owner.

5 Sec. 3. Section 106.85, subsection 1, Code Supplement  
6 1987, is amended to read as follows:

7 1. The department shall prescribe and provide suitable  
8 forms for applications, certificates of title, notices of  
9 security interests, and all other notices and forms, ~~other~~  
10 ~~than those provided under chapter 554,~~ necessary to carry out  
11 this division.

12 Sec. 4. This Act, being deemed of immediate importance,  
13 takes effect upon enactment.

14 EXPLANATION

15 This bill provides that the purchaser, rather than the  
16 seller, of a vessel which is seventeen or more feet in length  
17 is required to obtain a certificate of title for the vessel  
18 upon transfer.

19 The bill also eliminates the need for using a Uniform  
20 Commercial Code form and procedure to perfect a security  
21 interest in a vessel subject to titling. The financing  
22 statement is replaced by an application for a security  
23 interest.

24 The bill takes effect upon enactment.

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HOUSE FILE 2011

S-5026

1 Amend House File 2011, as passed by the House, as  
2 follows:

3 1. Page 1, by inserting before line 1 the  
4 following:

5 "Section 1. Section 106.2, subsection 29, Code  
6 Supplement 1987, is amended to read as follows:

7 29. "Vessel" means every description of  
8 watercraft, other than a seaplane, used or capable of  
9 being used as a means of transportation on water or  
10 ice. Ice boats are watercraft. ~~The term includes the~~  
11 ~~vessel's motor, spars, sails, and accessories."~~

12 2. Page 1, by inserting after line 12 the  
13 following:

14 "Sec. \_\_\_\_ . Section 106.79, Code Supplement 1987,  
15 is amended to read as follows:

16 106.79 OBTAINING MANUFACTURER'S OR IMPORTER'S  
17 CERTIFICATE OF ORIGIN.

18 A manufacturer or dealer shall not transfer  
19 ownership of a new vessel required to be titled  
20 without supplying the transferee with the  
21 manufacturer's or importer's certificate of origin  
22 signed by the manufacturer's or importer's authorized  
23 agent. The certificate shall contain information the  
24 department requires. The department may adopt rules  
25 providing for the issuance of a certificate of origin  
26 for a vessel by the department upon good cause shown  
27 by the owner."

28 3. By renumbering sections.

29 4. Amend the title page, line 1, by inserting  
30 after the word "vessels" the following: "by defining  
31 vessel, by requiring a certificate of origin for  
32 certain vessels,".

S-5026

Filed January 28, 1988

ADOPTED (p. 212)

BY DONALD V. DOYLE