

## Part 803

### Watercraft Transfer and Certificate of Title

#### **324.80301 Additional definitions.**

Sec. 80301. As used in this part:

(a) "Highly restricted personal information" means an individual's photograph or image, social security number, digitized signature, and medical and disability information.

(b) "Personal information" means information that identifies an individual, including an individual's driver identification number, name, address not including zip code, and telephone number.

(c) "Watercraft" means a contrivance used or designed for navigation on water, including a vessel, boat, motor vessel, steam vessel, vessel operated by machinery either permanently or temporarily affixed, scow, tugboat, or any marine equipment that is capable of carrying passengers, except a ferry.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995;--Am. 1997, Act 102, Imd. Eff. Aug. 7, 1997.

#### **324.80302 Exceptions; appropriate forms.**

Sec. 80302. (1) This part does not apply to any of the following:

(a) A boat from a jurisdiction other than this state temporarily using the waters of this state.

(b) A boat whose owner is the United States, a state, or political subdivision thereof.

(c) A ship's lifeboat.

(d) Watercraft less than 20 feet in length that do not have permanently affixed engines unless the owner, lessee, or operator voluntarily wishes to become subject to this part.

(e) Watercraft documented by an agency of the United States government.

(2) The various certificates, applications, and assignments necessary to provide certificates of title for watercraft shall be made upon appropriate forms approved by the secretary of state.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

#### **324.80303 Rules; cancellation of improperly issued certificate of title.**

Sec. 80303. (1) The secretary of state shall promulgate rules to implement this part.

(2) If it appears that a certificate of title is improperly issued, the secretary of state shall cancel the certificate. The secretary of state shall notify the person to whom the certificate of title was issued, as well as any lienholders appearing on the certificate of title, of the cancellation, and shall demand the surrender of the certificate of title, but the cancellation shall not affect the validity of a lien noted on the certificate of title. The holder of the certificate of title shall return it to the secretary of state immediately.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

#### **324.80304 Sale, purchase, or other disposition or acquisition of watercraft; certificate of title required.**

Sec. 80304. (1) A person, except as provided in section 80306, shall not sell or otherwise dispose of a watercraft without delivering to the purchaser or transferee of the watercraft a certificate of title with such assignment on the certificate of title as is necessary to show title in the purchaser.

(2) A person shall not purchase or otherwise acquire a watercraft without obtaining a certificate of title for it in the person's name pursuant to this part.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

**324.80305 Acquisition of watercraft from owner; certificate of title or manufacturer's or importer's certificate required; waiver or estoppel; judicial recognition of right, title, claim, or interest.**

Sec. 80305. (1) A person acquiring a watercraft from the owner of the watercraft, whether the owner is a manufacturer, importer, dealer, or otherwise, shall not acquire any right, title, claim, or interest in or to the watercraft until that person has issued to him or her a certificate of title to the watercraft, or delivered a manufacturer's or importer's certificate for the watercraft. A waiver or estoppel shall not operate in favor of that person against a person having possession of the certificate of title, or manufacturer's or importer's certificate for the watercraft, for a valuable consideration.

(2) A court shall not recognize the right, title, claim, or interest of a person in or to a watercraft sold or disposed of, or mortgaged or encumbered, unless:

(a) Evidenced by a certificate of title or a manufacturer's or importer's certificate issued pursuant to this part.

(b) Evidenced by admission in the pleadings or stipulation of the parties.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

**324.80306 Sale or other disposition of new watercraft to dealer for display or resale; manufacturer's or importer's certificate required; contents; assignment.**

Sec. 80306. (1) A manufacturer, importer, dealer, or other person shall not sell or otherwise dispose of a new watercraft to a dealer, to be used by the dealer for purposes of display and resale, without delivering to the dealer a manufacturer's or importer's certificate executed in accordance with this section and with those assignments on the certificate as are necessary to show title in the purchaser of the watercraft. A dealer shall not purchase or acquire a new watercraft without obtaining from the seller of the watercraft the manufacturer's or importer's certificate.

(2) A manufacturer's or importer's certificate of the origin of a watercraft shall contain, in the form and together with the information the secretary of state requires, the following information:

(a) A description of the watercraft, including, if applicable, make, year, length, series of model, hull type, and hull identification number.

(b) Certification of the date of transfer of the watercraft to a distributor, dealer, or other transferee, and the name and address of the transferee.

(c) Certification that this transaction is the first transfer of the new watercraft in ordinary trade and commerce.

(d) Signature and address of a representative of the transferor.

(3) An assignment of a manufacturer's or importer's certificate shall be printed on the reverse side of the manufacturer's or importer's certificate in the form to be prescribed by the secretary of state. The assignment form shall include the name and address of the transferee, a certification that the watercraft is new, and a warranty that the title at the time of delivery is subject only to the liens and encumbrances that are set forth and described in full in the assignment.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

**324.80307 Certificate of title; application; form; fee; evidence of ownership; certificate of hull identification number; duties of secretary of state; name in which certificate of title to be obtained.**

Sec. 80307. (1) Application for a certificate of title for a watercraft shall be made upon a form prescribed by the secretary of state. The application shall be filed with the secretary of state within 15 days after the date of purchase or transfer. At the request of the applicant, an application shall be processed on an expedited basis. The application

shall be accompanied by the fee or fees prescribed in section 80311, and if a certificate of title was previously issued for the watercraft, it shall be accompanied by the certificate of title duly assigned, unless otherwise provided in this part. Unless otherwise provided in this part, if a certificate of title was not previously issued for the watercraft in this state, the application shall be accompanied by a manufacturer's or importer's certificate, by a certificate of ownership, or a certificate of registration issued under part 801 or former Act No. 303 of the Public Acts of 1967, if purchased by the applicant on or before July 1, 1976, or by a certificate of title, bill of sale, or other evidence of ownership required by the law of another state from which the watercraft is brought into this state. Evidence of ownership of a watercraft for which a Michigan certificate of title was not previously issued, and which does not have permanently affixed to it a hull identification number, shall be accompanied by the certificate of hull identification number assigned by the secretary of state as provided in section 80308. The secretary of state shall retain the evidence of title presented by the applicant and upon which the certificate of title is issued, and shall use reasonable diligence in ascertaining whether the facts in the application are true by checking the application and documents accompanying the application with the records of watercraft in the secretary of state's office. If satisfied that the applicant is the owner of the watercraft and that the application is in the proper form, the secretary of state shall issue a certificate of title.

(2) When a watercraft is sold by a dealer to a general purchaser or user, the certificate of title shall be obtained in the name of the purchaser by the dealer upon application signed by the purchaser. In other cases, the certificate shall be obtained by the purchaser.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

### **324.80308 Application for watercraft certificate of title; certification; contents; permanent or assigned hull identification number; affixing or imprinting assigned hull identification number.**

Sec. 80308. (1) An application for a watercraft certificate of title shall include a certification. The owner or purchaser of the watercraft shall sign the application or, if the application is filed electronically, provide information requested by the secretary of state to verify the owner's or purchaser's identity. The application shall contain, in the form and together with other information that the secretary of state requires, the following information:

- (a) Name and address of the applicant.
- (b) Name and address of the previous owner.
- (c) A statement of liens, mortgages, or other encumbrances on the watercraft, and the name and address of the holder of the liens, mortgages, or other encumbrances.
- (d) If a lien, mortgage, or other encumbrance is not outstanding, a statement of that fact.
- (e) A description of the watercraft, including, if applicable, the make, year, length, series or model, hull type, and hull identification number.

(2) If the watercraft contains a permanent hull identification number placed on the watercraft by the manufacturer of the watercraft, this number shall be used as the hull identification number. If there is not a manufacturer's hull identification number, or if the manufacturer's hull identification number is removed or obliterated, the secretary of state, upon a prescribed application that includes information indicating proof of ownership, shall assign a hull identification number to the watercraft. This assigned hull identification number shall be permanently affixed to, or imprinted by the applicant, at the place and in the manner designated by the secretary of state, upon the watercraft to which the hull identification number is assigned.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995 ;-- Am. 2012, Act 28, Imd. Eff. Feb. 23, 2012

### **324.80309 Certificate of title; issuance; contents; assignment form.**

Sec. 80309. The secretary of state shall issue a certificate of title containing the information required in the application for a certificate of title, as prescribed by section 80308, except for the name and address of the previous owner. The certificate of title shall also contain space for the notation and cancellation of a lien, mortgage, or encumbrance. An assignment of certificate of title shall appear on the reverse side of the certificate of title in the form to be prescribed by the secretary of state. The assignment form shall include a warranty that the signer is the

owner of the watercraft and that a mortgage, lien, or encumbrance is not on the watercraft, except as noted on the face of the certificate of title.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

**324.80310 Certificate of title; uniform method of numbering; indexes; destruction by secretary of state; furnishing information to law enforcement and conservation officers.**

Sec. 80310. (1) The secretary of state shall prescribe a uniform method of numbering certificates of title, and shall maintain in his or her office indexes for the certificates of title.

(2) The secretary of state may destroy a certificate of title or supporting evidence of a certificate of title covering a watercraft which was on file for 10 years after the date of its filing.

(3) The secretary of state shall furnish information on a title without charge to authorized law enforcement and conservation officers when engaged in official duties.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995;--Am. 1997, Act 102, Imd. Eff. Aug. 7, 1997.

**324.80311 Fee for processing application for certificate of title or duplicate; additional fee; check or draft not paid on first presentation as delinquent fee; liability; notice or demand; suspension of certificate; penalty.**

Sec. 80311. (1) The secretary of state shall charge a fee of \$5.00 for the processing of an application for a certificate of title or a duplicate certificate of title. The secretary of state shall charge an additional fee of \$5.00 for the processing of an application on an expedited basis.

(2) If a check or draft in payment of a fee payable to the secretary of state under this section is not paid on its first presentation, the fee is delinquent as of the date the check or draft was tendered. The person tendering the check or draft remains liable for the payment of each fee and any penalty.

(3) The secretary of state may suspend a certificate of title if the secretary of state determines that a fee prescribed in this section has not been paid and remains unpaid after reasonable notice or demand.

(4) If a fee is still delinquent 15 days after the secretary of state gives notice to a person who tendered the check or draft, a \$5.00 penalty shall be assessed and collected in addition to the fee.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

**324.80312 Certificate of title for watercraft; issuance; compliance; transfer of ownership; requirements; petition for watercraft not owned; proof of ownership and right of possession; statement of lien.**

Sec. 80312. (1) The secretary of state may issue a certificate of title for a watercraft to a person who complies with subsection (2) or (3) if the transfer of ownership of that watercraft is any of the following:

(a) By operation of law including, but not limited to, inheritance, devise, bequest, order in bankruptcy, insolvency, replevin, or execution of sale.

(b) By sale to satisfy a storage or repair charge.

(c) By repossession upon default in performance of the terms of a security agreement.

(d) As provided in subsection (3).

(2) A person applying for a certificate of title under this section shall do all of the following:

(a) Surrender to the secretary of state either a valid certificate of title or the manufacturer's or importer's certificate for the watercraft or, if surrender of a certificate for that watercraft is not possible, present proof satisfactory to the secretary of state of the applicant's ownership of and right of possession to the watercraft.

(b) Pay the fee prescribed in section 80311.

(c) Present to the secretary of state an application for certificate of title.

(3) A person may petition the secretary of state for a certificate or certificates of title for 1 or more registered watercraft that the person does not own, if each of the following circumstances exists:

(a) The record owner of the registered watercraft dies without leaving other property that requires the procurement of letters under the estates and protected individuals code, 1998 PA 386, MCL 700.1101 to 700.8102.

(b) The total value of the deceased owner's interest in all watercraft subject to the petition for a certificate or certificates of title under this section is \$100,000.00 or less.

(c) The person petitioning for a certificate or certificates of title under this section is 1 of the following, in the following order of priority:

(i) The surviving spouse of the watercraft owner.

(ii) A person entitled to the certificate or certificates of title in the order specified in section 2103 of the estates and protected individuals code, 1998 PA 386, MCL 700.2103.

(d) The person who petitions for a certificate of title under this section furnishes the secretary of state with proof satisfactory to the secretary of state of each of the following:

(i) The death of the owner of each watercraft for which a certificate of title is sought.

(ii) The petitioner's priority to receive the decedent's interest in each watercraft for which a certificate of title is sought.

(4) A certification by the person, or agent of the person, to whom possession of the watercraft passed, that sets forth the facts entitling that person to possession and ownership of the watercraft, together with a copy of the journal entry, court order, instrument, or other document upon which the claim of possession and ownership is founded, are satisfactory proof of ownership and right of possession. If the applicant cannot produce proof of ownership, the applicant may apply to the secretary of state for a certificate of title and submit evidence that establishes that person's ownership interest in the watercraft. If the secretary of state finds the evidence sufficient, the secretary of state may issue to that person a certificate of title for that watercraft. The office of secretary of state shall examine the records in its possession and, if it determines from that examination that a lien is on the watercraft, and if the applicant fails to provide satisfactory evidence of extinction of the lien, the secretary of state shall furnish a certificate of title that contains a statement of the lien.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995;--Am. 2000, Act 65, Eff. Apr. 1, 2000.

### **324.80313 Dismantling, destroying, or changing watercraft; surrender, cancellation, and destruction of certificate of title.**

Sec. 80313. (1) An owner of a watercraft and a person mentioned as owner in the last certificate of title, when the watercraft is dismantled, destroyed, or changed in such manner that it loses its character as a watercraft, or changed in such manner that it is not the watercraft described in the certificate of title, shall surrender the certificate of title to the secretary of state, and the secretary of state shall, with the consent of a holder of a lien noted on the certificate of title, enter a cancellation upon his or her records.

(2) Upon the cancellation of a certificate of title in the manner prescribed by subsection (1), the secretary of state may cancel and destroy the certificates.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

**324.80314 Loss, mutilation, or illegibility of certificate of title; application and fee for duplicate copy; issuance and contents of duplicate copy; rights and indemnification of purchaser; surrender and cancellation of original certificate; conditions not requiring duplicate of lost watercraft certificate of title at time of transfer; record; definitions.**

Sec. 80314. (1) If certificate of title is lost, mutilated, or becomes illegible, the person to whom that certificate of title was issued shall apply to the secretary of state for a duplicate copy of the certificate of title upon a form prescribed by the secretary of state and accompanied by the fee prescribed by section 80311. The applicant shall certify the application. Upon an applicant's compliance with this section, the secretary of state shall issue to that applicant a duplicate copy of the certificate of title that contains the legend, "This is a duplicate certificate and may be subject to the rights of a person under the original certificate.". A purchaser of watercraft who obtains title to the watercraft through a duplicate copy of the watercraft's certificate of title acquires only those rights in the watercraft that the holder of the duplicate certificate of title had. At the time of purchase, a watercraft purchaser may require the seller to indemnify the purchaser and subsequent purchasers of the watercraft against a loss which the purchaser or subsequent purchasers may suffer by reason of a claim presented upon the original certificate of title. If the original certificate of title is recovered by the owner, the owner shall immediately surrender it to the secretary of state for cancellation.

(2) The secretary of state is not required to issue a duplicate of a lost watercraft certificate of title at the time ownership of the watercraft is being transferred if all of the following conditions are met:

(a) The transferor personally appears before an authorized representative of the secretary of state and does all of the following:

(i) Provides evidence of the transferor's identity and ownership interest in the watercraft that is satisfactory to the authorized representative of the secretary of state.

(ii) Pays the fee required under section 80311.

(b) The transferee or the transferee's representative accompanies the transferor in appearing before the authorized agent of the secretary of state and does all of the following:

(i) Applies for an original certificate of title for the watercraft.

(ii) Provides evidence of the transferee's identity that is satisfactory to the authorized representative of the secretary of state.

(iii) Pays the fee required under section 80311.

(3) If a duplicate certificate of title is not required for the transfer of a watercraft under subsection (2), the secretary of state shall maintain a record specifying that ownership of the watercraft was transferred without a surrender of the watercraft's certificate of title.

(4) As used in this section, "transfer" or "transferred" includes a conveyance, assignment, and gift.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

**324.80315 Records available to the public; commercial lookup service of watercraft title records; disposition of fees; computerized central file; creation; maintenance; providing to nongovernmental person or entity; payment; admissibility in evidence.**

Sec. 80315. (1) Records maintained under this part, other than those declared to be confidential by law or that are restricted by law from disclosure to the public, shall be available to the public under procedures prescribed in this part and in the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.

(2) The secretary of state may provide a commercial lookup service of watercraft title records maintained under this part. For each individual record looked up, the secretary of state shall charge a fee specified annually by the

legislature, or if none, a market-based price established by the secretary of state. The secretary of state shall process a commercial lookup request only if the request is in a form or format prescribed by the secretary of state. Fees collected under this subsection on and after October 1, 2005 shall be credited to the transportation administration collection fund created in section 810b of the Michigan vehicle code, 1949 PA 300, MCL 257.810b, through October 1, 2015.

(3) The secretary of state shall create and maintain a computerized central file that includes the information contained on application forms received under this part. The computerized central file shall be interfaced with the law enforcement information network as provided in the C.J.I.S. policy council act, 1974 PA 163, MCL 28.211 to 28.215.

(4) The secretary of state shall not provide an entire computerized central or other file of records maintained under this part to a nongovernmental person or entity unless the purchaser pays the prescribed fee or price for each individual record contained within the computerized file.

(5) A certified copy of an order, record, or paper maintained under this part is admissible in evidence in the same manner as the original and is prima facie proof of the facts stated in the original.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995 ;-- Am. 1997, Act 102, Imd. Eff. Aug. 7, 1997 ;-- Am. 2005, Act 174, Imd. Eff. Oct. 12, 2005 ;-- Am. 2009, Act 100, Imd. Eff. Sept. 30, 2009 ;-- Am. 2011, Act 90, Imd. Eff. July 15, 2011

### **324.80315a Disclosure of personal information; uses.**

Sec. 80315a. (1) Except as provided in this section and section 80315c, personal information in a record maintained under this part shall not be disclosed, unless the person requesting the information furnishes proof of identity considered satisfactory to the secretary of state and certifies that the personal information requested will be used for a permissible purpose identified in this section or in section 80315c. Notwithstanding this section, highly restricted personal information shall be used and disclosed only as expressly permitted by law.

(2) Personal information in a record maintained under this act shall be disclosed by the secretary of state if required to carry out the purposes of a specified federal law. As used in this section, "specified federal law" means the automobile information disclosure act, Public Law 85-506, 15 U.S.C. 1231 to 1232 and 1233, the former motor vehicle information and cost savings act, Public Law 92-513, the former national traffic and motor vehicle safety act of 1966, Public Law 89-563, the anti-car theft act of 1992, Public Law 102-519, 106 Stat. 3384, the clean air act, chapter 360, 69 Stat. 322, 42 U.S.C. 7401 to 7431, 7470 to 7479, 7491 to 7492, 7501 to 7509a, 7511 to 7515, 7521 to 7525, 7541 to 7545, 7547 to 7550, 7552 to 7554, 7571 to 7574, 7581 to 7590, 7601 to 7612, 7614 to 7617, 7619 to 7622, 7624 to 7627, 7641 to 7642, 7651 to 7651o, 7661 to 7661f, and 7671 to 7671q, and all federal regulations promulgated to implement these federal laws.

(3) Personal information in a record maintained under this part may be disclosed as follows:

(a) For use by any government agency, including any court or law enforcement agency, in carrying out its functions, or any private person or entity acting on behalf of a government agency in carrying out its functions.

(b) For use in connection with matters of watercraft and operator safety or watercraft theft; watercraft emissions; watercraft product alterations, recalls; or advisories; performance monitoring of watercraft; watercraft research activities, including survey research; and the removal of nonowner records from the original records of watercraft manufacturers.

(c) For use in the normal course of business by a business or its agents, employees, or contractors to verify the accuracy of personal information submitted by an individual to the business or its agents, employees, or contractors, and if the information as submitted is not correct or is no longer correct, to obtain the correct information, but only for the purposes of preventing fraud, by pursuing legal remedies against, or recovering on a debt or security interest against, the individual.

(d) For use in connection with any civil, criminal, administrative, or arbitral proceeding in any court or government agency or before any self-regulatory body, including the service of process, investigation in anticipation

of litigation, and the execution or enforcement of judgments and orders, or pursuant to an order of any court, administrative agency, or self-regulatory body.

(e) For use in legitimate research activities and in preparing statistical reports for commercial, scholarly, or academic purposes by a bona fide research organization, so long as the personal information is not published, redisclosed, or used to contact individuals.

(f) For use by any insurer, self-insurer, or insurance support organization, or its agents, employees, or contractors, in connection with claims investigation activities, antifraud activities, rating, or underwriting.

(g) For use in providing notice to the owner of an abandoned, towed, or impounded watercraft.

(h) For use by any licensed private security guard agency or alarm system contractor licensed under the private security guard act of 1968, 1968 PA 330, MCL 338.1051 to 338.1085, or a private detective or private investigator licensed under the private detective license act of 1965, 1965 PA 285, MCL 338.821 to 338.851, for any purpose permitted under this section.

(i) For use by a watercraft rental business or its employees, agents, contractors, or service firms for the purpose of making rental decisions.

(j) For use by a news medium in the preparation and dissemination of a report related in part or in whole to the operation of a motor vehicle or public safety. "News medium" includes a newspaper, a magazine or periodical published at regular intervals, a news service, a broadcast network, a television station, a radio station, a cablecaster, or an entity employed by any of the foregoing.

(k) For any use by an individual requesting information pertaining to himself or herself or requesting in writing that the secretary of state provide information pertaining to himself or herself to the individual's designee. A request for disclosure to a designee, however, may be submitted only by the individual.

History: Add. 1997, Act 102, Imd. Eff. Aug. 7, 1997.

### **324.80315b Resale or redisclosure of information; maintenance of records; duration; availability for inspection.**

Sec. 80315b. (1) An authorized recipient of personal information under section 80315a may resell or redisclose the information for any use permitted under section 80315a.

(2) Any authorized recipient who resells or rediscloses personal information shall be required by the secretary of state to maintain for a period of not less than 5 years records as to the information obtained and the permitted use for which it was obtained, and to make such records available for inspection by the secretary of state, upon request.

History: Add. 1997, Act 102, Imd. Eff. Aug. 7, 1997.

### **324.80315c Furnishing list of information to federal, state, or local governmental agency; contract for sale of list of information; insertion of safeguard in agreement or contract; resale or redisclosure of information; duties of recipient.**

Sec. 80315c. (1) Upon request, the secretary of state may furnish a list of information from the records of the department maintained under this part to a federal, state, or local governmental agency for use in carrying out the agency's functions, or to a private person or entity acting on behalf of a governmental agency for use in carrying out the agency's functions. Unless otherwise prohibited by law, the secretary of state may charge the requesting agency a preparation fee to cover the cost of preparing and furnishing a list provided under this subsection if the cost of preparation exceeds \$25.00, and use the revenues received from the service to defray necessary expenses. If the secretary of state sells a list of information under this subsection to a member of the state legislature, the secretary of state shall charge the same fee as the fee for the sale of information under subsection (2) unless the list of information is requested by the member of the legislature to carry out a legislative function. The secretary of state may require the requesting agency to furnish 1 or more blank computer tapes, cartridges, or other electronic media,

and may require the agency to execute a written memorandum of agreement as a condition of obtaining a list of information under this subsection.

(2) The secretary of state may contract for the sale of lists of records maintained under this part in bulk, in addition to those lists distributed at cost or at no cost under this section, for purposes defined in section 80315a(3) as well as for surveys, marketing, and solicitations. The secretary of state shall require each purchaser of information in bulk to execute a written purchase contract. The secretary of state shall fix a market-based price for the sale of lists of bulk information, which may include personal information. The proceeds from each sale shall be used by the secretary of state to defray the costs of list preparation and for other necessary or related expenses.

(3) The secretary of state or any other state agency shall not sell or furnish any list of information under subsection (2) for the purpose of surveys, marketing, and solicitations. The secretary of state shall ensure that personal information disclosed in bulk will be used, rented, or sold solely for uses permitted under this part.

(4) The secretary of state may insert any safeguard the secretary considers reasonable or necessary, including a bond requirement, in a memorandum of agreement or purchase contract executed under this section, to ensure that the information furnished or sold is used only for a permissible use and that the rights of individuals and of the secretary of state are protected.

(5) An authorized recipient of personal information disclosed under this section who resells or rediscloses the information for any of the permissible purposes described in section 80315a(3) shall do both of the following:

(a) Make and keep for a period of not less than 5 years records identifying each person who received personal information from the authorized recipient and the permitted purpose for which it was obtained.

(b) Allow a representative of the secretary of state, upon request, to inspect and copy records identifying each person who received personal information from the authorized recipient and the permitted purpose for which it was obtained.

History: Add. 1997, Act 102, Imd. Eff. Aug. 7, 1997;--Am. 2000, Act 194, Eff. Jan. 1, 2001.

### **324.80316 Authorized agents.**

Sec. 80316. Manufacturers and importers shall appoint and authorize agents who shall sign manufacturer's or importer's certificates. The secretary of state may require that a certified copy of a list containing the names and the facsimile signatures of authorized agents be furnished to him or her. The secretary of state may prescribe the form of authorization to be used by manufacturers or importers and the method of certification of the names of agents.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

### **324.80317 Stolen or converted watercraft; information; record; report; notice of recovery; removal of record from file.**

Sec. 80317. (1) Upon receiving knowledge of a stolen watercraft, a law enforcement agency shall immediately furnish the sheriff's department of the county in which the watercraft was stolen and the department of state police with full information concerning the theft.

(2) The law enforcement agency receiving the initial report of the theft or conversion of a watercraft shall notify the department and the secretary of state, and shall furnish the secretary of state with a distinctive record of the initial report, including the make of the stolen watercraft and its manufacturer's hull identification number or assigned hull identification number. The secretary of state shall file the record in the numerical order of the manufacturer's hull identification number or assigned hull identification number with the index records of the watercraft. The secretary of state shall prepare a report listing watercraft stolen and recovered as disclosed by the reports submitted to the secretary of state, to be distributed as the secretary of state considers advisable.

(3) If a stolen or converted watercraft is recovered, the owner or recovering agency shall immediately notify the law enforcement agency which received the initial theft report, which shall immediately notify the department, the sheriff of the county from which the watercraft was stolen, the department of state police, and the secretary of state. The secretary of state shall remove the record of the theft or conversion from the file in which the report is recorded.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

### **324.80318 Prohibited conduct generally.**

Sec. 80318. A person shall not do any of the following:

(a) Operate in this state a watercraft for which a certificate of title is required without having a certificate as prescribed by this part.

(b) Operate in this state a watercraft for which a certificate of title is required for which the certificate of title is canceled.

(c) Fail to surrender a certificate of title upon cancellation of the certificate by the secretary of state and notice of the cancellation as prescribed in this part.

(d) Fail to surrender the certificate of title to the secretary of state, as provided in this part, if the watercraft is destroyed, dismantled, or changed in such manner that it is not the watercraft described in the certificate of title.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

### **324.80319 Additional prohibited conduct; violation as misdemeanor; penalty.**

Sec. 80319. (1) A person shall not do any of the following:

(a) Alter or forge a certificate of title, or a manufacturer's or importer's certificate, to a watercraft, an assignment of either, or a cancellation of a lien on a watercraft.

(b) Hold or use a certificate, assignment, or cancellation knowing it is altered or forged.

(c) Procure or attempt to procure a certificate of title to a watercraft, or pass or attempt to pass a certificate of title or an assignment of title to a watercraft, knowing or having reason to believe that the watercraft is stolen.

(d) Sell or offer for sale in this state a watercraft on which the manufacturer's or assigned hull identification number is destroyed, removed, covered, altered, or defaced, with knowledge of the destruction, removal, covering, alteration, or defacement of the manufacturer's or assigned hull identification number.

(e) Use a false or fictitious name, give a false or fictitious address, or make a false statement in an application or certificate required under this part, or in a bill of sale or sworn statement of ownership, or otherwise commit a fraud in an application.

(f) Sell or transfer a watercraft without delivering to the purchaser or transferee of the watercraft a certificate of title, or a manufacturer's or importer's certificate to the watercraft, assigned to the purchaser as provided for in this part.

(2) A person who violates this section is guilty of a misdemeanor, punishable by imprisonment for not more than 1 year, or a fine of not more than \$5,000.00, or both.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

### **324.80319a Prohibited conduct; violations as felony; penalties.**

Sec. 80319a. (1) A person who makes a false representation or false certification to obtain personal information under this part, or who uses personal information for a purpose other than a permissible purpose identified in section 80315a or 80315c, is guilty of a felony.

(2) A person who is convicted of a second violation of this section is guilty of a felony punishable by imprisonment for not less than 2 years or more than 7 years, or by a fine of not less than \$1,500.00 or more than \$7,000.00, or both.

(3) A person who is convicted of a third or subsequent violation of this section is guilty of a felony punishable by imprisonment for not less than 5 years or more than 15 years, or by a fine of not less than \$5,000.00 or more than \$15,000.00, or both.

History: Add. 1997, Act 102, Imd. Eff. Aug. 7, 1997.

### **324.80320 Security agreements.**

Sec. 80320. (1) A security agreement covering a security interest in a watercraft, if the instrument is accompanied by delivery of a manufacturer's or importer's certificate and followed by actual and continued possession of the certificate by the holder of the instrument, or, in the case of a certificate of title, if a notation of the instrument is made by the secretary of state on the face of the certificate, shall be valid as against the creditors of the debtor, whether armed with process or not, and against subsequent purchasers, secured parties, and other lienholders or claimants. Liens, mortgages, and encumbrances noted upon a certificate of title shall take priority according to the order of time in which they are noted on the certificate of title by the secretary of state. Exposure for sale of a watercraft by the owner of the watercraft, with the knowledge or with the knowledge and consent of the holder of a lien, mortgage, or encumbrance on the watercraft, shall not render the lien, mortgage, or encumbrance ineffective as against the creditors of the owner, or against holders of subsequent liens, mortgages, or encumbrances upon the watercraft.

(2) The secured party, upon presentation of a properly completed application for certificate of title to the secretary of state, together with the fee prescribed by section 80311, may have a notation of the lien made on the face of the certificate of title to be issued by the secretary of state. The secretary of state shall enter the notation and the date and shall note the lien and the date in his or her files.

(3) When the lien is discharged, the holder shall note the discharge on the certificate of title over his or her signature.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

### **324.80321 Watercraft acquired prior to January 1, 1977.**

Sec. 80321. A watercraft acquired by the owner prior to January 1, 1977, is not the subject of a certificate of title until it is mortgaged, sold, transferred, or a lien placed on the watercraft.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.

### **324.80322 Violation; penalty.**

Sec. 80322. A person who violates sections 80301 to 80319 or rules promulgated under this part is guilty of a misdemeanor, and shall be imprisoned for not more than 90 days, or fined not more than \$100.00, or both.

History: Add. 1995, Act 58, Imd. Eff. May 24, 1995.