

(SENATE AUTHORS: SCHEID and Ingebrigtsen)

DATE	D-PG	OFFICIAL STATUS
01/31/2011	132	Introduction and first reading Referred to Environment and Natural Resources
03/16/2011	511a	Comm report: To pass as amended and re-refer to Judiciary and Public Safety
04/27/2011	1428	Comm report: To pass
	1431	Second reading
05/13/2011	2015	General Orders: To pass
05/19/2011	2930	Calendar: Third reading Passed

1.1

A bill for an act

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relating to natural resources; modifying certain requirements for titling

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watercraft; amending Minnesota Statutes 2010, sections 86B.825, subdivision 3;

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86B.830, subdivision 2; 86B.850, subdivision 1; 86B.885.

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BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

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Section 1. Minnesota Statutes 2010, section 86B.825, subdivision 3, is amended to read:

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Subd. 3. **Voluntary titling.** The owner of a device used or designed for navigation

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on water and used on the waters of this state may obtain a certificate of title for the device,

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even though it is not a watercraft as defined in section 86B.820, subdivision 14, in the

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same manner and with the same effect as the owner of a watercraft required to be titled

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under ~~Laws 1989, chapter 335~~ sections 86B.820 to 86B.920. Once titled, the device

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is a titled watercraft as defined in section 86B.820, subdivision 13, and is and remains

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subject to ~~Laws 1989, chapter 335~~ sections 86B.820 to 86B.920, to the same extent as a

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watercraft required to be titled.

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Sec. 2. Minnesota Statutes 2010, section 86B.830, subdivision 2, is amended to read:

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Subd. 2. **Issuance.** (a) The commissioner shall issue a certificate of title for a

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watercraft upon verification that:

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(1) the application is genuine;

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(2) the applicant is the owner of the watercraft; and

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(3) payment of the required fee.

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(b) The original certificate of title must be mailed to the ~~first secured party disclosed~~

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~~in the application or, if none, to the~~ owner named in the application. Secured parties, if

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any, must be mailed notification of their security interest filed.

Sec. 3. Minnesota Statutes 2010, section 86B.850, subdivision 1, is amended to read:

Subdivision 1. **Form and issuance.** (a) The commissioner may issue a duplicate certificate of title under this section. The duplicate certificate of title must be a certified copy plainly marked "duplicate" across its face and must contain the legend: "This duplicate certificate of title may be subject to the rights of a person under the original certificate." It must be mailed ~~to the first secured party named in it or, if none,~~ to the owner. The commissioner shall indicate in the department records that a duplicate has been issued.

(b) As a condition to issuing a duplicate certificate of title, the commissioner may require a bond from the applicant in the manner and form prescribed in section 86B.830, subdivision 4, paragraph (b).

Sec. 4. Minnesota Statutes 2010, section 86B.885, is amended to read:

86B.885 OWNER-CREATED SECURITY INTEREST.

Paragraphs (a) to (d) apply if an owner creates a security interest in a titled watercraft.

(a) The owner shall immediately execute the application in the space provided on the certificate of title or on a separate form prescribed by the commissioner, show the name and address of the secured party on the certificate, and have the certificate, application, and required fee delivered to the secured party.

(b) The secured party shall immediately have the certificate, application, and required fee mailed or delivered to the commissioner.

~~(c) Upon request of the owner or~~ A second or subordinate secured party, ~~a secured party in possession of the certificate of title shall either (1) mail or deliver the certificate to the subordinate secured party for delivery to the commissioner, or (2) upon receiving from the subordinate secured party the owner's application and the required fee, mail or deliver them to the commissioner with the certificate. The delivery of the certificate does not affect the rights of the first secured party under the security agreement.~~

(d) Upon receiving the certificate of title, application, and required fee, the commissioner shall either endorse on the certificate or issue a new certificate containing the name and address of the new secured party, and mail or deliver the certificate to the ~~first secured party named on it~~ owner. The secured party or parties shall be issued a notification that the security interest has been recorded.