

Contents

Executive Summary: Protecting Boat Owners and Purchasers from Fraud	3
Boat Titling.....	8
Tennessee requires boats to be registered but not titled	9
Advocates claim that boat titling has many benefits.....	10
Proof of Ownership and Reducing the Likelihood of Purchasing Stolen Property .	11
Impeding the Sale of Stolen Boats	13
Existence of a Lien.....	13
Reducing the Cost to Finance a Boat.....	14
Boat titling requirements, fees, and administration vary by state.....	16
Several states limit titling requirements to boats over a specified length or engine power.....	17
Boat titling fees vary by state.....	18
Phased-In Boat Titling Requirements	19
Model Legislation – Uniform Certificate of Title for Vessels Act	19
Boat titling in other states is commonly administered by the same entity that administers boat registration.....	21
Some states use an electronic titling system.....	22
Prior Tennessee Boat Titling Legislation	23
A boat title would not have necessarily prevented the Hardin County boat dealer’s scam.....	25
Consumer Protection Beyond Titling.....	26

References 31

Appendix A: Public Chapter 179, Acts of 2017..... A-1

Appendix B: Motor Vehicle/RV Dealer License Requirements..... B-1

Appendix C: 50 State Review – Boat Registration and Titling Requirements..... C-1

Appendix D: Tennessee Boat Registration Statistics D-1

Appendix E: Tennessee's Legal Requirements of Boating..... E-1

Appendix F: Tennessee Boat Registration Fee Schedule..... F-1

Appendix G: Uniform Certificate of Title for Vessels Act (UCOTVA)..... G-1

Appendix H: Fiscal Estimates from TWRA and Department of Revenue for Boat
Titling System..... H-1

DRAFT

Executive Summary: Protecting Boat Owners and Purchasers from Fraud

A Hardin County boat dealer's scheme to defraud boat owners and buyers made headlines after it was uncovered in 2015. The dealer lured victims by offering free storage for recently purchased boats. Then, without the owner's permission, she would sell the boats to unsuspecting buyers, repeating the same scam with the same boats multiple times. Fortunately, schemes like this are rare, and in general, boat theft does not appear to be a pervasive problem in Tennessee. Only 133 boats valued at over \$1,000 were reported stolen in the state in 2016—far less than 1% of Tennessee's 254,000 registered boats

While the overall effect of theft and fraud on boating in Tennessee appears small, the victims in these cases can suffer sizable financial harm. For example, the aforementioned scam in Hardin County resulted in more than \$660,000 in total property loss for the 14 reported victims. Some of those defrauded have argued that the scam could have been prevented if boats were issued titles similar to those issued for motor vehicles in Tennessee. In response to this argument, the General Assembly passed Public Chapter 179, Acts of 2017, directing the Commission to study the creation and implementation of a boat titling system in Tennessee (see appendix A). Although federal documentation—which provides similar protections to a state-issued title—is available for larger recreational boats in all states, Tennessee is one of only 13 states that don't currently offer state-issued boat titles. Titling boats would not be a cure-all—given the facts of the case, victims of the Hardin County scam still would have been unable to recover their boats—but a titling system would provide some protections and other benefits to boat owners and buyers.

The protections and benefits of titling boats are the same as those of titling motor vehicles. In general, a title is beneficial for personal property that is expensive, mobile, relatively common, and subject to theft and fraudulent sale. Certificates of title provide potential buyers with evidence of ownership and note information about any unpaid liens. Having access to this information makes it easier for buyers to confirm whether an individual rightfully owns property he is selling, thereby reducing the likelihood that buyers unknowingly purchase stolen property. Access to a title also makes it easier for buyers to confirm that any preexisting liens have been satisfied prior to transfer of ownership. In addition to these benefits, if Tennessee were to implement boat titling, it could marginally reduce the cost of financing for buyers who take out loans to purchase

their boats. Savings would depend on the size of the loan and would generally be greater for larger loans.

Although stakeholders interviewed expressed general support for implementing a boat titling system in Tennessee, several were concerned that it could require many smaller, inexpensive boats to be titled—including relatively low-horsepower motorboats with outboard engines, such as jon boats. For example, if Tennessee were to adopt the same criteria for titling boats as it uses for registering them, then all motorized and sail-powered boats would need titles. This would include not only jon boats but also one or two-person sailboats. Currently, five states use titling criteria this expansive for both motorized and sail-powered boats, though another 16 use it for motorized boats alone while exempting at least some sailboats from titling.

Michigan is one of several states that limit titling to both larger and more powerful boats by setting minimum requirements based on length and method of propulsion. In Michigan, boats with permanently attached engines—which tend to be more powerful—must be titled regardless of length. But all other boats, including sailboats and motorboats without permanently attached engines, require titles only if they are at least 20 feet long. Idaho and Pennsylvania use similar criteria to differentiate titling requirements for motorized boats with inboard engines from requirements for those with outboard engines, though Pennsylvania, unlike Michigan and Idaho, does not require a title for any sailboats. Among other states that limit titling based on length, minimum requirements for sailboats range from eight feet in California to 19.5 feet in Connecticut while those for motorized boats range from 10 feet in New Mexico to 17 feet in Iowa. Three states also set minimum horsepower requirements for titling motorized boats that don't meet minimum length requirements, and seven issue separate titles for at least some outboard motors.

Based on the benefits of boat titling for owners and buyers, the titling laws in other states, and the concerns raised by stakeholders, Tennessee could implement a boat titling system for motorized and sail-powered boats that are either larger or likely to be more powerful. Similar to Michigan, Tennessee could consider limiting titling both to boats that have a permanently attached engine and to boats that are at least 20 feet long, excluding human-powered watercraft. This would mean that jet skis, which have permanently attached motors, would have to be titled, but any sailboats and jon boats under 20 feet would not. All human-powered watercraft, including canoes, kayaks, and paddleboats, would also be exempt.

To avoid the significant administrative burdens that would occur if titling requirements were applied retroactively to all existing boats, Tennessee should also consider phasing in any new titling system by limiting it either to boats manufactured at least one year after the law's effective date or to boats sold or transferred at least one year after the law's effective date. As an example of the former, Connecticut passed boat titling requirements in 2014 that became effective in 2016 but apply only to boats with a manufacture date of 2017 or newer. Seven additional states similarly exempt boats manufactured before a certain date from titling requirements. Two other states, North Carolina and West Virginia, instead exempt boats sold or transferred before a certain date from titling requirements. In interviews and when discussing prior boat titling legislation, stakeholders in Tennessee have expressed support for limiting titling to newly manufactured boats, but some, including representatives for county clerks, have raised concerns about titling boats based on a specified date of sale or transfer because it could require titling older boats sold or transferred without documentation of prior ownership.

Administration of any new boat titling system should be housed in the Tennessee Wildlife Resources Agency (TWRA), which already administers the state's boat registration system, and should include county clerks, who also collect and process necessary documentation and fees for motor vehicle titling in Tennessee. Past legislation in Tennessee has considered housing boat titling in either the TWRA or the same agency that handles motor vehicle titling, which is currently the Department of Revenue. Of the 37 states that have boat titling systems, approximately half administer them through their TWRA equivalent, while the rest administer boat titling through the same agency that handles motor vehicle titling. In all but four, however, the agency that administers boat titling also administers boat registration. According to information provided by the TWRA and the Department of Revenue, the TWRA could implement and administer a new boat titling system at a lower cost to the state. Moreover, both the TWRA and the Department of Revenue recommend that boat titling should be administered by the same entity that administers boat registration.

County clerks, who collect and process the necessary documentation and fees for motor vehicle titling in Tennessee, should play a similar role for boat titling. This is in part because of their experience in such processes, and in part because of the convenience their proximity to citizens statewide provides. Representatives for county clerks have expressed interest in the clerks performing such a role, though they would prefer administration of the system be housed with the Department of Revenue because of its administrative experience with motor vehicle titling and its effective working relationship with the clerks. They have also indicated that their participation in the

titling process may require them to hire additional staff, but any associated costs are unclear. However, an adequate phase-in time for a titling process, combined with coordination among the TWRA, the Department of Revenue, and county clerks in the development of the process and the training of participating staff, would greatly assist in overcoming the current lack of experience.

Although boat titling would provide some protections and benefits for boat owners and buyers, it wouldn't have helped victims of the Hardin County dealer's scam recover their boats. Under Tennessee Code Annotated, Section 47-2-403(2), entrusting "possession of goods to a merchant who deals in goods of that kind gives him power to transfer all rights of the entruster to a buyer in ordinary course of business." Because they agreed to store their boats with the Hardin County dealer—thereby entrusting the boats to her—the victims in this scam could not reclaim their boats from individuals who subsequently bought them in good faith from the unscrupulous dealer. Possession of a title would have made no difference.

Tennessee already takes additional steps beyond titling to protect consumers from unscrupulous motor vehicle and recreational vehicle (RV) dealers. The state requires motor vehicle and RV dealers to be licensed through the state's motor vehicle commission, which sets minimum requirements for obtaining a license (see appendix B). These requirements include but are not limited to passing a criminal background check and providing proof of a surety bond. Surety bonds, in particular, could help victims of dealer scams like the one in Hardin County by ensuring they are able to recover some of their monetary losses up to the amount of the bond. The need to acquire surety bonds could also make it more difficult for unscrupulous individuals to become dealers in the first place because surety bond companies conduct personal credit and background checks to determine not only the cost of the bond but also whether an individual is trustworthy enough to receive a bond.

Currently, no such licensing or bond requirements exist for boat dealers in Tennessee. While victims like those in the Hardin County scam can already sue boat dealers for damages resulting from fraud, there is no guarantee that a dealer will have any assets to pay judgments against him or her. There appears to be no reason why customers should not be protected by holding boat dealers to the same requirements as other vehicle dealers. Thus, **Tennessee should provide consumers with greater protection from frauds perpetrated by unscrupulous boat dealers and prevent those individuals from becoming dealers by requiring boat dealers to meet minimum licensing requirements similar to motor vehicle and RV dealers, including background checks**

and surety bonds. As is done in Maine and Maryland, the amount of the surety bond could be scaled to require larger bonds for larger boat dealers.

DRAFT

Boat Titling

In 2015, a Hardin County, Tennessee, boat dealer defrauded multiple victims through a scheme involving the unauthorized sale of the same boat to multiple parties, resulting in more than \$660,000 in total property loss.¹ The dealer provided free boat storage to persuade customers to entrust their recently purchased boats to her, and she would then illegally sell those same boats to other, unsuspecting buyers. Some victims of the scheme initially asserted that a boat titling system might have prevented the fraud.²

Motivated by this event and the desire to protect Tennesseans from the fraudulent sale of stolen boats, the Tennessee General Assembly passed Public Chapter 179, Acts of 2017, which directs the Commission to study the creation and implementation of a boat titling system for Tennessee (see appendix A). In general, certificates of title are government records used to authenticate ownership and document any liens on a particular piece of property; they are issued by the state typically for a one-time fee. Tennessee, like all states, titles motor vehicles such as cars, trucks, motorcycles, and recreational vehicles (RVs). But, it is currently one of only 13 states that do not title boats.³

Implementing a boat titling system in Tennessee would provide a way to verify who owns a boat, decreasing the likelihood of purchasing stolen property and deterring the sale of stolen boats. A title would also make it easier to verify the existence of any preexisting boat liens, which are listed on the title so that a buyer doesn't unwittingly buy a boat with a lien. For those who finance the purchase of a boat, another benefit of a title is that it could potentially reduce the financing costs; the cost for a bank to establish a lien is less for titled property, assuming the titling fees are not set too high. Moreover, boat owners and purchasers could benefit from other protections—such as requiring boat dealers to obtain surety bonds similar to motor vehicle dealers—that would make it more likely for them to recover their money in cases similar to the 2015 Hardin County scandal.

With its many scenic lakes and waterways, boating is an important activity in Tennessee. According to the National Marine Manufacturers Association, recreational boating in Tennessee has an annual economic impact of \$3 billion, supporting over 595

¹ State v. Carolyn Hopkins, Docket No. 10,113, Circuit Court Records, Hardin County, Tennessee.

² Telephone phone interview with Dana Capocaccia, CEO, StatLink Systems, May 2, 2017.

³ TACIR staff review of other states' laws.

businesses and 15,817 jobs in the state.⁴ The boat manufacturing industry has a significant presence in Tennessee, including nine major boat builders and many smaller-scale builders. During the 12-month period ending June 2017, Tennessee ranked 14th among all states in total new powerboat retail sales with 6,789 units, which is a 10.6% increase over the previous year.⁵ In 2016, Tennessee had over 254,000 registered boats, which is the 16th highest amount among the states.⁶

While it does not appear to be a significant problem according to the available crime statistics,⁷ boat theft and the fraudulent transfer of stolen boats can have a devastating effect on those who experience it, as evidenced by the experiences of victims in the Hardin County boat dealer case. While it is not clear whether a boat title alone would have prevented the Hardin County boat dealer's scheme, boat titling and boat dealer regulations would both provide additional safeguards for the boat buying process.

Tennessee requires boats to be registered but not titled.

All 50 states, as required by federal law,⁸ have a boat registration system, and the large majority of states—37—also have a boat titling system. See appendix C for a summary of all 50 states' boat registration and titling requirements. Under current Tennessee law, all motorized and sail-powered boats principally used in the state are required to be registered.⁹ Registration is imposed on boat operators as a recurring fee and is required for the lawful use of the waterways, which are maintained by the government. In 2016, there were 254,480 boats registered in Tennessee. Appendix D shows the types and number of boats registered in 2016. Boat registration does allow boats to be operated on waters of the state, but registration does not act as proof of ownership¹⁰ and is not used to record a lender's lien.

⁴ "Economic Significance of Recreational Boating in Tennessee." July 2016. Statistics and Research, National Marine Manufacturers Association. Accessed October 30, 2017. www.nmma.org.

⁵ Emails from David Dickerson, vice president, state government affairs, National Marine Manufacturers Association, October 20 and 27, 2017.

⁶ Williams 2016

⁷ 2016 crime statistics provided by the Tennessee Bureau of Investigation and the National Insurance Crime Bureau.

⁸ Code of Federal Regulations, Title 33, Section 173.15.

⁹ Tennessee Code Annotated, Section 69-9-206.

¹⁰ See Tennessee Wildlife Resources Agency's "Application for Boat Certificate of Number," which states on the form that "this is proof of registration, not ownership."

In addition to titling laws in specific states, owners of larger recreational boats in all states have the option to federally document their boat with the United States Coast Guard National Vessel Documentation Center, which acts as a type of national title and registration.¹¹ While federal documentation is a potentially useful alternative to boat titling, it is only available to boats that are five net tons in volume or more (approximately 26 feet or greater in length). In Tennessee, only a small percentage of boats are eligible for federal documentation, and an even smaller percentage take advantage of it. The size restriction for federal documentation limits it to only 4% of the recreational boats registered in Tennessee in 2016. According to the United States Coast Guard, of that 4%, approximately 2,800, which is 1% of all registered boats in Tennessee, are federally documented.¹²

The Tennessee Wildlife Resources Agency (TWRA), which acts as the state's boating agency, administers the state's boat registration system, including the processing of boat registration applications.¹³ The county clerks assist in the process by providing boat registration forms to citizens and by confirming that the appropriate sales tax has been paid as a prerequisite to registering the boat. TWRA contracts with a third party, Brandt Information Services, to develop, implement, and manage an automated hunting and fishing license sales system and for online boat registration renewals.¹⁴ For an illustrative document on Tennessee's Legal Requirements of Boating, refer to appendix E. Tennessee's boat registration fees vary based on the length of the vessel and duration of the registration period. In Tennessee, boats can be registered for one, two, or three-year periods. See appendix F for a chart showing Tennessee's boat registration fees.

Advocates claim that boat titling has many benefits.

The rationale for a state to issue a boat title is analogous to the issuance of a motor vehicle title. Like motor vehicles, boats are expensive, mobile, and relatively common pieces of property that are subject to theft and the fraudulent transfer of ownership. State certificate of titling statutes were originally established to impede the sale of stolen motor vehicles by providing a way for a potential buyer to identify the property's owner readily. Every state issues motor vehicle titles, and a large majority of states also

¹¹ United States Code, Title 46, Section 12102 and 12103.

¹² Email from W. Vann Burgess, Program Management and Operations Branch, United States Coast Guard, July 13, 2017.

¹³ Tennessee Code Annotated, Section 69-9-203.

¹⁴ Interview with TWRA staff on May 4, 2017. Brandt Information Services also provides electronic boat titling development and management for other states.

issue boat titles. Tennessee began issuing motor vehicle titles in 1951¹⁵ to impede the sale of stolen motor vehicles, which is consistent with other states' declared purposes for titling.¹⁶

A title would help safeguard the acquisition and transfer of boats by providing a potential buyer with straightforward, accessible evidence of ownership and assurance that there is no lien on the boat. Without a certificate of title describing the property and owner information, a buyer can be left without a means to conclusively determine ownership, leaving them vulnerable to unwittingly purchasing a stolen boat, or a boat with a preexisting lien. While some proponents of boat titling in Tennessee also assert that it could encourage lenders to offer more favorable interest rates to buyers and reduce insurance costs for owners, there is little direct evidence of this in neighboring states that currently issue boat titles.

All stakeholders interviewed support boat titling and say that the benefits to boat owners outweigh the costs, assuming titling fees are not set excessively high. In general, boat titling benefits the consumer in three main ways. A title

1. provides clear proof of ownership, which reduces the likelihood that a buyer will unwittingly purchase stolen property;
2. provides a straightforward process for recording and viewing liens, which reduces the probability of a buyer unknowingly purchasing a boat with a prior lien; and
3. marginally reduces boat financing fees for recording a lien, which are passed along to the consumer.

Proof of Ownership and Reducing the Likelihood of Purchasing Stolen Property

A boat title would provide a way to determine ownership, which is particularly important when buying and selling a boat. In a non-titling state, verifying ownership can be difficult, making verification less likely to occur and increasing the chances of purchasing a stolen boat. To determine the ownership of a non-titled boat, a boat buyer could request to see all available documentation from the seller, including a manufacturer's statement of origin, past bills of sale, and registration documents, some of which may not be available.

¹⁵ Tennessee Code Annotated, Section 55-3-101.

¹⁶ Yale Law Journal 1961.

Moreover, because the large majority of states do title boats, stakeholders have noted that potential buyers from other states may be apprehensive about purchasing a boat from a Tennessee owner without a title providing clear evidence of ownership. It is possible that titling boats in Tennessee would encourage interstate transactions with boat buyers from other states that would prefer to purchase a boat with a title.¹⁷

Certificates of title provide important points of information to help identify the property, the owner, and any liens. In Tennessee, each time the ownership of a vehicle changes, a new certificate of title must be issued, except for dealer-to-dealer transfers. For example, motor vehicle titles in Tennessee are required to include the following information on the front of the title:

- Vehicle Identification Number (VIN), make, model, year, and body type of motor vehicle;
- title and county number;
- former title number, former title state, sales and use tax amount, and odometer reading
- title issued date and purchase date;
- name and address of any owner(s), as well as the name and address of up to two lien holders;
- brands and/or remarks related to the vehicle or the title itself (e.g., Replica, Duplicate, Actual Mileage, etc.).

The back of a Tennessee motor vehicle title is used to record

- the transfer of ownership of the vehicle;
- any liens;
- the odometer disclosure
- the date of sale;
- and sales tax information.¹⁸

¹⁷ Telephone calls with David Dickerson, vice president, state government affairs, National Marine Manufacturers Association, June 15 and 30, 2017.

¹⁸ Tennessee Department of Revenue 2017.

Impeding the Sale of Stolen Boats

According to boat theft data provided by the Tennessee Bureau of Investigation, in 2016 there were 133 Tennessee boats reported stolen valued at \$1,000 or more.¹⁹ While boat theft and the sale of stolen boats do not appear to be a significant problem in Tennessee, boat theft can have a devastating effect on those who experience it. According to court records, the Hardin County, Tennessee boat dealer's fraudulent scam resulted in over half a million dollars in total property loss with 14 reported victims.

The original purpose of certificate of titling laws in the United States was to impede the sale of stolen vehicles. According to Tennessee case law and legislative history, the primary purpose of Tennessee's 1951 law requiring a certificate of title for motor vehicles was to prevent trafficking in stolen motor vehicles.²⁰

A certificate of title requirement provides a potential buyer with evidence of ownership, allowing the buyer to confirm that the seller is the owner or has the authority to sell the property in question, thereby reducing the likelihood that a buyer will unwittingly purchase stolen property. However, it's unclear if there is any relationship between boat titling and reported boat theft. For example, the five states with the highest number of boat thefts all issue boat titles.²¹

Law enforcement officials have provided anecdotal evidence about the effectiveness of titles to deter the sale of stolen boats and aid the investigation process. United States Coast Guard officials have stated that those states without certificate of title requirements for boats act as "dumping grounds" for stolen boats from other states that have boat titling requirements. According to law enforcement officials, a certificate of title provides a "paper trail," which aids in the investigation and recovery of stolen boats.²²

Existence of a Lien

A title provides a straightforward process for recording and viewing liens, which reduces the probability of a buyer unknowingly purchasing a boat with a prior lien. To determine whether a lien exists on a non-titled boat, a buyer would check with the appropriate secretary of state's office to determine whether a Uniform Commercial Code form (UCC-1) financing statement has been recorded against the boat's owner, a

¹⁹ Email with Dale King, CJIS Support Center Supervisor, Tennessee Bureau of Investigation, June 9, 2017.

²⁰ *Hayes v. Hartford Accident & Indemnity Co.*, 57 Tenn. App. 254 (1967).

²¹ Moss 2016. Note that the rate of boat theft is not available as the boat theft totals for each state are based on registered boats stolen, and states vary regarding which boats are required to be registered.

²² Telephone interview with Vann Burgess, Program Management and Operations Branch, United States Coast Guard on July 6, 2017.

process that may be unfamiliar to many potential boat buyers. In contrast, in a titling state, a buyer would simply look at the title to see whether a lien is recorded. Moreover, in Tennessee, the law provides that lenders hold a motor vehicle title until the loan is satisfied, which could also be applied to boat titles, and this would make it much more difficult for someone to sell a boat with an unsatisfied lien.²³ See table 1 for a comparison between titling and non-titling states.

Table 1: Comparison of Buying a Boat in a Titling State to a Non-Titling State

	Boat Titling State	Non-Titling State
How would a buyer determine boat ownership and that a boat is not stolen?	A title provides straightforward proof of ownership. The buyer would be able to review the title and confirm that the seller and the boat match the information presented on the title.	Without a title, a buyer would ask the seller to provide other documentation of ownership, none of which is as strong as a title. The buyer would want to review all available documentation, including any prior bills of sale, boat registration cards, and manufacturer’s statement of origin, if available.
How does a buyer determine whether there is a prior lien on a boat they intend to buy?	As liens are listed on the title, a buyer could review the title to confirm that there are no liens. In Tennessee, lenders hold the title for motor vehicles until the loan is satisfied.	A buyer would have to check with the secretary of state’s office to determine whether a preexisting lien exists for the seller. If the results show there is a lien for the individual, then the buyer would do the official search on the secretary of state’s website. There is a \$15 fee plus \$1 per page fee to receive the official UCC lien report on an individual.

Source: Information gathered from various sources by TACIR staff.

Reducing the Cost to Finance a Boat

Another benefit of a boat title is that it could potentially reduce the cost for a consumer to finance a boat. According to lenders, the cost for a bank to establish a lien is less for

²³ Tennessee Code Annotated, Section 55-3-123.

titled property, assuming the titling fees are not set too high.²⁴ In general, these financing costs are passed along to the consumer.

In Tennessee, lenders protect their right to have a boat loan repaid by establishing a lien against it. For non-titled property, like boats, a lien is established by filing a financing statement with the Tennessee Secretary of State's Office on a form known as a "Uniform Commercial Code (UCC) form 1" or "UCC-1."²⁵ However, when the collateral is property subject to a certificate of title statute, such as a motor vehicle, a different rule applies.

The Uniform Commercial Code, which has been adopted by Tennessee, provides that a lender's right to repayment in titled collateral is established not by filing a financing statement, but by compliance with the relevant certificate of title statute. In Tennessee, to file a lien against titled property, such as a car, an application for a title with a lien notation is made through the county clerk's office.

For Tennessee motor vehicles, the lien is noted on the back of the title document. The lender's interest is "perfected" by delivery to the county clerk with the required fees and proper proof of the lien and documentation. When the debt is paid off, the lender must discharge the lien and notify the county clerks of the discharge date. The title is then forwarded to the owner.²⁶

In Tennessee, to file a UCC-1 financing statement, there is a filing fee of \$15 per debtor and also a recording tax fee. The recording tax is calculated at 11.5 cents for each \$100 of indebtedness. The first \$2,000 is tax exempt. In other words, the larger the debt, the higher the recording tax will be.²⁷ In 2016, the average price for a new traditional motorboat was \$43,179.²⁸

To establish a lien on a certificate of title in Tennessee, the cost is the same regardless of the size of the debt. For a motor vehicle title lien, for example, there is a \$5.50 state fee for a new title, plus a \$5.50 county fee. There is an \$11 state fee for the notation of the lien on the title. This totals to \$22 to note a lien on a title.²⁹ Table 2 shows that the financing fees for titled motor vehicles are less than for non-titled boats. The higher the

²⁴ Email with Amy Heaslet, senior vice president and general counsel, Tennessee Bankers Association, September 28, 2017.

²⁵ UCC-1 form is found at <http://sos-tn-gov-files.s3.amazonaws.com/forms/UCC1.pdf>.

²⁶ Tennessee Department of Revenue 2017.

²⁷ Tennessee Secretary of State's UCC-1 Financing Statement Instructions are found at <http://sos-tn-gov-files.s3.amazonaws.com/forms/UCC1.pdf>.

²⁸ Email with Libby Yranski, manager of state government relations, National Marine Manufacturers Association, August 18, 2017.

²⁹ Tennessee Code Annotated, Sections 55-3-101 through 55-3-130.

debt being financed, the more the consumer would save, assuming the same titling fees would apply to boats as apply to motor vehicles in Tennessee.

Table 2. Financing Cost Comparison for Tennessee

Boat Value Financed	UCC Lien Cost	Motor Vehicle Title Lien Cost	Potential Amount Saved By Titling
\$12,000	\$26.50 [\$15 filing fee + (.00115 x \$10,000) recording tax]	\$22 [\$5.50 state fee, \$5.50 county fee, and \$11 title lien notation fee]	\$4.50 [savings by having a title, plus consumer enjoys the other purported benefits of a title]
\$22,000	\$38	\$22	\$16
\$42,000	\$61	\$22	\$39
\$82,000	\$107	\$22	\$85
\$102,000	\$130	\$22	\$108
\$202,000	\$245	\$22	\$223

Source: TACIR staff analysis of lien recording costs of non-titled boats and titled motor vehicles. See Tennessee Secretary of State’s UCC-1 Financing Statement Instructions and Tennessee Code Annotated, Section 55-6-101.

Boat titling requirements, fees, and administration vary by state.

If the State of Tennessee decides to issue boat titles, it could consider limiting the titling requirements to larger, more valuable boats based on a specified length or engine horsepower and further limit the law to those boats manufactured after a specified future date. One option would be to adopt similar criteria to the Uniform Certificate of Title for Vessels Act (UCOTVA) model legislation, which was created from the common criteria used in other titling states. The model law requires a title for all boats that are at least 16 feet in length or propelled by an engine of at least ten horsepower.

Several states limit titling requirements to boats over a specified length or engine power.

Boat titling laws in other states provide examples of potential criteria that could be used to select which boats should be titled. In Virginia, for example, a title is required for all motorized vessels of any length and sailboats over 18 feet in length.³⁰ In North Carolina, titling is required for all vessels purchased or transferred after January 1, 2007, for all personal watercraft (i.e., jet skis), and motorized vessels or sailboats 14 feet or longer.³¹ North Carolina allows any other vessel to be titled at the owner's option.³² In Minnesota, titling is required for all vessels over 16 feet in length but excludes all kayaks, canoes, row-type fishing boats, waterfowl boats, and lifeboats.³³ See appendix C for a chart detailing other states' boat titling criteria.

Thirty-six states require boat titling, and one state—Mississippi—allows for optional boat titling, as shown in figure 1. Among the 37 states that have a boat titling system, there is considerable variation in the scope of the titling laws, including what types of boats are required to be titled and which state entity is responsible for the administration of the system. Some states list specific criteria, such as length of the boat or the power of the engine to describe those boats that must be titled. In 18 states, any boat that is required to be registered must also be titled. Should Tennessee take this approach, all boats propelled by a sail or motor would require a title, regardless of the size of the boat.³⁴

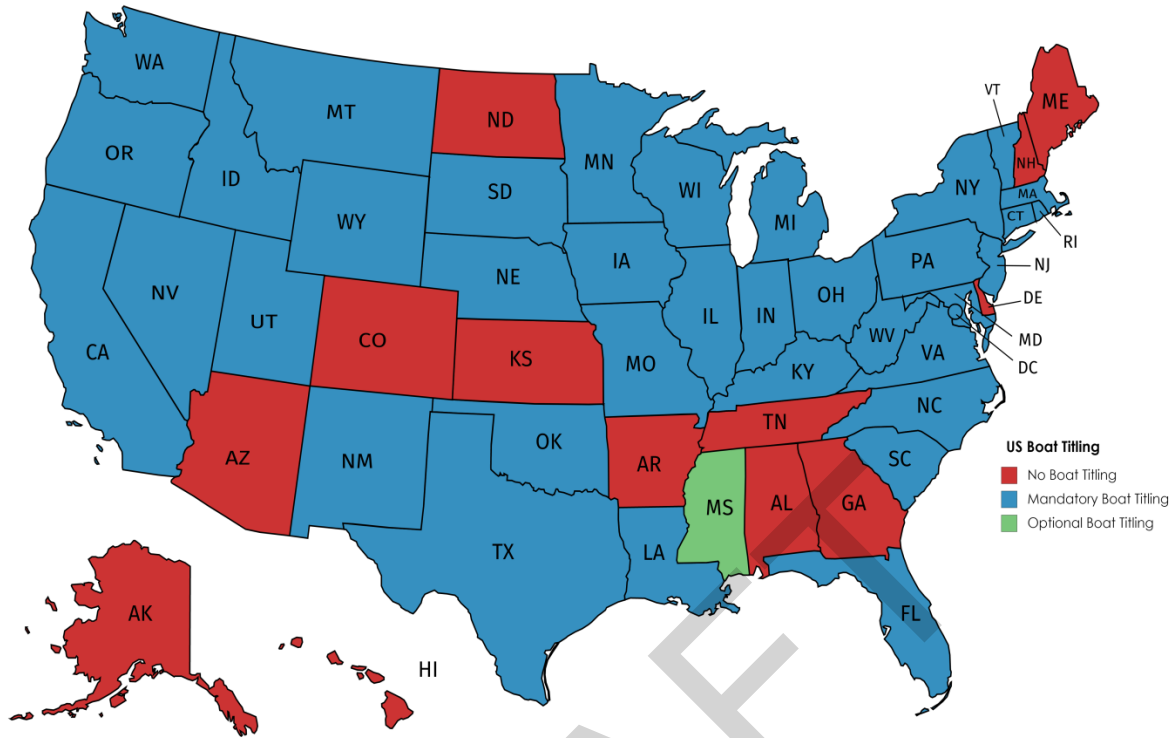
³⁰ Virginia Code Annotated, Sections 29.1-733.2 and 29.1-733.6.

³¹ North Carolina General Statute, Section 75A-34.

³² *Ibid.*

³³ Minnesota Annotated Statutes, Section 86B.825.

³⁴ Tennessee requires all sail and motor powered boats to be registered.



Source: TACIR staff analysis of other states' boat titling laws.

Boat titling fees vary by state.

As shown in table 3, boat titling fees also vary among the states, ranging from a \$2 fee in Maryland to a \$60 fee in New Jersey. See appendix C for boat titling fees for every titling state.

Table 3. Other States' Boat Titling Fees

Boat Titling Fee Amount	Number of States
\$2 to \$10	15 states
\$11 to \$20	11 states
Over \$20	9 states
Fee Schedule	2 states

Source: TACIR staff analysis of other states' boat titling laws

Phased-In Boat Titling Requirements

Some states have phased in boat titling requirements by limiting the requirements to boats manufactured after a specified future date. This helps to reduce the substantial administrative burden that would be created if all existing boats meeting the designated criteria were required to be titled. Moreover, to allow the public and the affected government entities time to prepare for implementation of a new boat titling requirement, some states have passed a law that becomes effective one or two years after passage of the law. Connecticut, for example, passed a boat titling law in 2014 that became effective in 2016 and only applied to boats manufactured in 2017 and after.³⁵ Connecticut officials interviewed strongly recommend a delayed effective date and the phasing in of boat titling requirements.³⁶

Model Legislation – Uniform Certificate of Title for Vessels Act

The Uniform Law Commission (ULC) has developed model legislation—called the Uniform Certificate of Title for Vessels Act (UCOTVA)—for boat titling in an effort to improve boat titling laws and promote consistency among the states³⁷ UCOTVA was drafted with input from boat manufacturers, dealers, state boating law administrators, and the United States Coast Guard. Two states, Virginia and Connecticut, have enacted modified versions of UCOTVA, and several other states, including Alabama and

³⁵ Connecticut General Statutes, Section 15-201 through 15-232 and Connecticut Public Act No. 14-63 of 2014.

³⁶ Telephone interview of Thomas Welsh, attorney, Connecticut Law Revision Commission, July 13, 2017 and Eleanor Mariani, Connecticut Boating Law Administrator, June 26, 2017.

³⁷ See UCOTVA Summary at www.uniformlaws.org/ActSummary.aspx?title=Certificate%20of%20Title%20for%20Vessels%20Act.

Georgia, have introduced, but not passed, boat titling bills based on UCOTVA.³⁸ If Tennessee decides to require boat titling, the UCOTVA could be used as a resource.

The UCOTVA was created to help provide consistent boat titling laws across the country. According to the ULC, motor vehicle titling laws vary only slightly regarding which vehicles are covered, and almost all are based on where the vehicle is principally garaged. On the other hand, the 37 boat titling state laws vary widely in scope in two distinct ways. First, they do not all cover the same types of vessels, each making its distinctions based on size and propulsion. Second, the statutes vary in whether they are based on where the vessel is principally used, where it is principally docked, or where the owner resides. Consequently, significant gaps and some duplication in coverage exist. The gaps could allow for extensive fraud: title to a stolen vessel can be washed by moving the vessel to a new jurisdiction that either has no titling law or has a statute that does not cover the type of vessel stolen.³⁹

The UCOTVA was written by legal experts to conform a state's titling law with Article 9 of the Uniform Commercial Code, which Tennessee has adopted. As a result, difficult legal interpretive problems can be avoided.⁴⁰

According to the ULC, the UCOTVA regulates the titling of boats in a similar manner to the way that all states now regulate titles for automobiles, and by ensuring that a boat's rightful owner is easily identifiable, the uniform law facilitates financing of boats and deters theft. The model law also establishes title branding⁴¹, which is promoted as a way to protect consumers by requiring disclosure on the boat's title of any damage that affects the vessel's integrity. See appendix G for a copy of the UCOTVA.

According to the ULC, the UCOTVA will modernize and standardize the law of titling of boats, resulting in the following advantages for enacting states:

- *UCOTVA can promote new commercial activity in your state.* UCOTVA facilitates vessel financing because security interests perfected pursuant to the act should receive the status of a preferred ship mortgage under federal law. No current state certificate of title statute for vessels has the same effect.

³⁸ See <http://www.uniformlaws.org/Act.aspx?title=Certificate%20of%20Title%20for%20Vessels%20Act>.

³⁹ Ibid.

⁴⁰ Ibid.

⁴¹ Branding is a code on the title that indicates if the vessel has been damaged.

- *UCOTVA prevents unnecessary litigation.* UCOTVA integrates seamlessly with the Uniform Commercial Code, particularly Articles 2 and 9. It provides clear rules on all matters relating to a security interest in a vessel, meaning fewer disputes will go to court.
- *UCOTVA protects consumers from buying unsafe boats.* UCOTVA aids consumers and facilitates boating safety by requiring the title of a vessel to be branded if the integrity of the vessel's hull has been compromised.
- *UCOTVA prevents criminal activity.* UCOTVA deters and impedes the theft of boats by providing both government officials and interested buyers with a simple means of identifying vessels. Uniform adoption of UCOTVA will help prevent "title-washing" by relocating stolen watercraft to another state.
- *UCOTVA is administratively simple.* UCOTVA imposes few new burdens or costs on state titling offices.
- *UCOTVA is popular with stakeholders.* UCOTVA was drafted with extensive input from state boat law administrators, boat manufacturers, financiers, insurers, and the United States Coast Guard.⁴²

Boat titling in other states is commonly administered by the same entity that administers boat registration.

Prior proposed boat titling legislation considered making the agency responsible for boat titling either the Tennessee Wildlife Resources Agency (TWRA) or the department that administers vehicle titling, which is currently the Department of Revenue.⁴³ The TWRA is the state's boating agency and administers the state's boat registration system.⁴⁴ According to TWRA and Department of Revenue staff, for administrative efficiency, the same state entity charged with administering boat registration should be charged with administering a potential Tennessee boat titling system.⁴⁵ According to the TWRA staff, the agency's operating revenue would be adversely affected if it lost the boat registration program and requiring consumers to interact with two separate

⁴² See "Why Your State Should Adopt UCOTVA" found at

<http://www.uniformlaws.org/Narrative.aspx?title=Why%20States%20Should%20Adopt%20uctva>

⁴³ The Department of Safety was also listed in prior legislation when it was charged with administering the state's motor vehicle titling system.

⁴⁴ Tennessee Code Annotated, Section 69-9-203(a), states that "it is the sole duty and responsibility of the Tennessee wildlife resources agency to enforce and administer" boating regulation in the state.

⁴⁵ Staff interview of TWRA and Department of Revenue, November 15, 2017.

agencies to register and title boats would be unnecessarily difficult. Moreover, Tennessee boaters are accustomed to dealing with the TWRA for all boating related matters, such as enforcing boater safety laws and boat registration. Among the 37 states that title boats, only four states use separate government agencies for boat titling and boat registration.⁴⁶ Seventeen of the boat titling states use their TWRA-equivalent agency to administer boat titling.

Moreover, the fiscal estimates provided by the TWRA and the Department of Revenue, estimate that the TWRA could implement and administer a new boat titling system at a lower cost to the state. See appendix H for fiscal estimates from TWRA and the Department of Revenue on model legislation on boat titling.

Some states use an electronic titling system.

The state could establish an electronic lien and titling system for boats instead of the current titling system used in Tennessee for motor vehicles. Electronic titling allows lenders to record and release liens electronically, saving time and money. The owner will still receive a paper title document once the lien is satisfied. Some states, such as Florida and Virginia, use a third party contractor to administer their electronic lien and title system. The TWRA already contracts with a third party for boat registration renewals. This same third party also provides electronic boat titling services for other states, including Virginia and Florida.⁴⁷ According to the State of Florida's Department of Highway Safety and Motor Vehicles, electronic titling

- reduces title fraud;
- reduces titling costs;
- provides faster notification of lien satisfactions;
- reduces the storage of title documents;
- provides access to expedited title printing;
- reduces title paper usage; and
- allows better customer service.

⁴⁶ Idaho, Nebraska, Ohio, and Wyoming.

⁴⁷ See www.brandtinfo.com and email from Chris Richardson, special assistant to the director, policy and legislation, TWRA, October 16, 2017.

Prior Tennessee Boat Titling Legislation

Boat titling is not a new issue in Tennessee. Since 1995, the Tennessee legislature has considered, but has not passed, six bills regarding boat titling. Prior legislation varied in the scope of boats required to be titled, the state agency charged with the administration, the titling fee, and whether or not titling would be mandatory or optional. See table 4 below for summaries of prior Tennessee boat titling legislation. Many of the previous bills included county clerks in the titling process because of their experience in processing the necessary documentation and fees for motor vehicle titling. Clerks, because of their proximity to citizens across the state, also serve as a convenient interface for the public. Representatives for county clerks have expressed interest in the clerks performing such a role, though they would prefer administration of the system be housed with the Department of Revenue because of its administrative experience with motor vehicle titling and its effective working relationship with the clerks. They have also indicated that their participation in the titling process may require them to hire additional staff, but any associated costs are unclear.

DRAFT

Table 4: Tennessee Boat Titling Legislation Since 1995

Year Introduced	Prior Bills	Bill Summaries
2007	Senate Bill 784 by Burchett and House Bill 1921 by Rinks	The bill would have required titling for all motorized boats and sailboats with TWRA as the administrative entity with title fee of \$13.50. County clerk would be paid \$6.50 for each title application received and forwarded.
2001	Senate Bill 1784 by Burchett and House Bill 243 by Patton	The bill would have required titling for all motorized boats and sailboats over 16 feet in length and not primarily used for fishing with the Department of Safety as the administrative entity and a title fee of \$8. County clerks would be paid \$4.50 of the fee for receiving and forwarding the title applications.
1999	Senate Bill 885 by Atchley and House Bill 819 by Rinks	The bill would have required personal watercraft (e.g., "jet skis") and watercraft with inboard motors to be titled; permits other watercraft to be titled with the Department of Safety as the administrative entity with a title fee of \$8. County clerks would be paid \$4.50 of the fee for receiving and forwarding the title applications.
1999	Senate Bill 636 by Springer, P. and House Bill 959 by Tidwell	The bill would have created a voluntary system of boat titling with the Department of Safety as the administrative entity with a title fee of \$8. County clerks would be paid \$4.50 of the fee for receiving and forwarding the title applications.
1997	Senate Bill 385 by Atchley and House Bill 1120 by Rinks	The bill would have required titling for all motorized boats and all sailboats with the Department of Safety as the administrative entity with a title fee of \$8. County clerks would be paid \$4.50 of the fee for receiving and forwarding the title applications.

1995	Senate Bill 470 by Atchley and House Bill 217 by Rinks	The bill would have required titling for all motorized boats and all sailboats with the Department of Safety as the administrative entity with a title fee of \$8. County clerks would be paid \$4.50 of the fee for receiving and forwarding the title applications.
------	--------------------------------------------------------	-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

A boat title would not have necessarily prevented the Hardin County boat dealer’s scam.

One of the issues that led the bill sponsors to request this study was that a victim of the Pickwick Lake boat scam was not allowed to recover his boat from the subsequent buyer, who had purchased the boat in the ordinary course of business from the fraudulent boat dealer. Tennessee Code Annotated, Section 47-2-403(2), states that “Any entrusting of possession of goods to a merchant who deals in goods of that kind gives him power to transfer all rights of the entruster to a buyer in ordinary course of business.” The law makes a distinction between merchants and non-merchants to protect good faith buyers who purchase from merchants.

Tennessee Code Annotated, Section 47-2-403(2) is commonly known as the “entrustment doctrine” and addresses the specific situation where a person entrusts something to a merchant who deals in goods of that kind, and the merchant later sells the entrusted item to a good faith buyer in the ordinary course of business, even if that merchant did not have permission from the owner to sell it. This is exactly the situation that happened at Pickwick Lake. For example, a victim purchased a boat from the boat dealer and agreed to allow the dealer to maintain possession of the boat for maintenance purposes, i.e., entrusting possession of the boat to the dealer. The dealer then fraudulently sold the same boat to another unsuspecting good faith buyer, who is now the rightful owner under the law.⁴⁸ While a boat titling requirement in Tennessee may have made this fraudulent scheme more difficult to accomplish, it’s not clear that it would have prevented it from occurring.

⁴⁸ Note that if a lender had a lien on the boat, and the lender was not the party responsible for entrusting the boat, then the lender’s lien would still be enforceable. See Tennessee Code Annotated, Section 47-2-403.

However, if the boat dealer had been required to have a surety bond as a condition of being a dealer in Tennessee, the victims of the dealer's fraud would be able to recover from the dealer's bond and mitigate some of their losses.

Consumer Protection Beyond Titling

Tennessee does not license or place any preconditions on becoming a boat dealer. In contrast, Tennessee motor vehicle and RV dealers—before being approved for the required license to be a dealer—must submit proof of several items, including a surety bond of at least \$50,000 and prior conviction records.⁴⁹ In implementing the regulation and licensing of motor vehicle dealers, the Tennessee General Assembly stated the following in its legislative findings and declaration:

“The general assembly finds and declares that the distribution and/or sale of motor vehicles in the state vitally affects the general economy of the state and the public interest and the public welfare, and in the exercise of its police power, it is necessary to regulate and to license motor vehicle manufacturers, distributors, dealers, salespersons, and their representatives doing business in Tennessee in order to prevent frauds, impositions and other abuses upon its citizens.”⁵⁰

A surety bond requirement would help to mitigate the damage caused to a consumer that was swindled by an unscrupulous dealer, such as the aforementioned Hardin County, Tennessee boat dealer. To secure a surety bond, there is an application process. If a potential dealer was deemed to be too great of a risk, they might not be able to secure a bond, making them ineligible to receive a boat dealer license. The executive director of the Tennessee Motor Vehicle Commission suggested that if a surety bond requirement for boat dealers was implemented, the bond amount requirement could be scaled to the size of the dealer, as a larger dealer could cause more financial harm to customers, which a small bond amount may not cover.⁵¹

Requiring a dealer to provide felony conviction records prior to receiving a license would help to identify individuals that may be more likely to commit fraud or other abuse and possibly in need of exclusion. For example, there is nothing preventing the

⁴⁹ See appendix B. Note that dealers of both motor vehicles and RV's are not required to have two separate licenses.

⁵⁰ Tennessee Code Annotated, Section 55-17-101.

⁵¹ Telephone interview with Paula Shaw, executive director, Tennessee Motor Vehicle Commission, August 23, 2017.

aforementioned Hardin County boat dealer—who was convicted of felony theft and served jail time—from becoming a boat dealer again in Tennessee.

In addition to submission of proof of a surety bond and conviction record, motor vehicle and RV dealers have to provide proof of several other items prior to being licensed by the state. See table 5 for a summary of the key requirements to be a motor vehicle or RV dealer in Tennessee, and see appendix B for a complete list of the requirements with an additional explanation for each requirement.

DRAFT

Table 5. Tennessee’s Regulation of Motor Vehicle, Recreational Vehicle, and Boat Dealers

	Motor Vehicle and Recreational Vehicle Dealers	Boat Dealers
License Required	License required. An extensive multi-page dealer application is required to be completed and approved.	No license required
Who is required to be licensed?	Motor vehicle dealers, RV dealers, salesmen, manufacturers, distributors, dismantlers, and recyclers	No license
License Fees	Required. Various biennial license fees ranging from \$35 to \$1,600. ⁵² For example, motor vehicle dealer selling new or used motor vehicles must pay a biennial license fee of \$400.	No license
Surety Bond	\$50,000 surety bond required	Not required
Liability Insurance	\$300,000 minimum liability insurance required	Not required
Financial Statement	\$10,000 minimum net worth required	Not required
State Entity Charged with Regulation	Department of Commerce and Insurance, Motor Vehicle Commission	Not regulated

Source: Rules of the Tennessee Motor Vehicle Commission, Chapter 0960-01, Sections .01 through .29; and the Department of Commerce and Insurance, Motor Vehicle Commission, “Minimum Requirements for Tennessee Motor Vehicle Dealer License;” and TACIR staff review of state statutes and rules.

While not as common as motor vehicle dealer regulations, there are examples of other states regulating boat dealers, including two of Tennessee neighboring states, Virginia and Missouri. In general, states have chosen to not apply all of the motor vehicle dealer regulations to boat dealers. The state could choose to implement only the surety bond and criminal background check requirements that apply to vehicle dealers.

For example, Virginia requires dealers to be licensed by the Virginia Department of Game and Inland Fisheries (VDGIF), which requires a \$5,000 surety bond as well as an inspection by a Conservation Enforcement Officer to verify the dealer’s established place of business.⁵³ Missouri licenses boat dealers—anyone who sells six or more boats

⁵² See Rules of Tennessee Motor Vehicle Commission, Section 0960-1-14.

⁵³ Virginia Department of Game and Inland Fisheries. <https://www.dgif.virginia.gov/wdl/>.

in a year—through its Motor Vehicle Bureau. It requires a \$25,000 surety bond, business inspection, and a complete criminal history report.⁵⁴

Other states that regulate boat dealers include Connecticut, Indiana, Michigan, Montana, and Washington—typically requiring dealers to prove they have a permanent place of business, obtain surety bonds, and submit criminal background checks. Some states require that a dealer sell a minimum number of vessels to be considered a dealer.

Connecticut issues marine dealer’s registration numbers (MDRNs) through its Department of Energy and Environmental Protection Boating Division. The state requires dealers to have a suitable place of business, open to the public and with a listed phone number, and conducts site visits for new MDRN applicants. To renew an MDRN, dealers must have sold more than five boats in the year or, if fewer, at least \$50,000 in value. Connecticut has no surety bond requirement.⁵⁵ In Indiana, the Secretary of State Dealers Division issues watercraft dealer licenses. If a person sells six or more boats in a year, they must be a licensed dealer and obtain a \$25,000 surety bond and specified amounts of liability insurance coverage, as well as submit a criminal history background check.⁵⁶

The Michigan Secretary of State issues vehicle dealer licenses, which include boats. A \$10,000 bond is required, along with fingerprints and a criminal background check and work history, for anyone who sells six or more boats in a year.⁵⁷ The Montana Department of Justice Motor Vehicle Division issues dealer licenses for all types of vehicles, including boats. A \$5,000 bond is required, as are liability insurance and a permanent building with signage. The department may refuse, after examination and investigation, to issue a license to an applicant based on prior financial, criminal, or other activities—but does not specify the manner of a background check.⁵⁸

The Washington State Department of Licensing issues boat dealer licenses, which are processed by the Department of Revenue’s Business Licensing Service. A \$5,000 surety

⁵⁴ Missouri Dealer Operating Manual. Missouri Department of Revenue, Motor Vehicle Bureau, Dealer Licensing Section. http://dor.mo.gov/motorv/liendeal/documents/DealerOperatingManual_001.pdf.

⁵⁵ General Statutes of Connecticut, Title 15, Chapter 268, Part III. See also Regulations of Connecticut State Agencies, Title 15 Navigation and Aeronautics and http://www.ct.gov/deep/lib/deep/boating/boating_docs/annual_report.pdf

⁵⁶ Office of the Indiana Secretary of State, Auto Dealer Services Division at <https://www.in.gov/sos/dealer/3933.htm> and 2014 Indiana Code Title 9, Article 32, Chapter 8.

⁵⁷ Michigan Compiled Laws, Act 300 of 1949, Section 257.248; and Act 451 of 1994, Section 324.80102.

⁵⁸ Montana Department of Justice, Motor Vehicle Division, Title and Registration Bureau. “General Information and Requirements for Application for a Motor Vehicle Dealer License.”

bond is required unless the dealer sells 15 or fewer vessels valued less than \$2,000 each. A separate Personal Criminal History Statement is required for each owner, officer, or member of the business.⁵⁹

Two states have a varying surety bond requirement for boat dealers, depending on the number and value of boats sold. Maine includes boats in its definition of “motor vehicles.”⁶⁰ A surety bond is required, the amount of which is based on prior year number of sales. Initial licensees shall file a bond based on projected sales. Applications for a dealer’s license also require “qualifications and business history” and criminal background information. Surety bond requirements are as follows:

- For 0 to 50 sales: \$25,000;
- For 51 to 100 sales: \$50,000;
- For 101 to 150 sales: \$75,000; and
- For 151 sales and over: \$100,000.

In Maryland, bond amounts vary depending on a dealer’s gross sales for the last year; however, dealers who are about to begin their first year of business and don’t have any gross sales for the last year must post a surety bond in the amount of \$20,000.⁶¹ The bond requirements are as follows:

- Gross sales < \$500,000: \$5,000;
- \$500,001 - \$1 Million: \$10,000;
- \$1 Million - \$3 Million: \$20,000;
- > \$3 Million but < \$5Million: \$50,000;
- > \$5 Million but < \$10 Million: \$100,000;
- > \$10 Million but < \$15M: \$150,000; and
- \$15 Million and greater: \$200,000.

⁵⁹ Washington State Department of Licensing.

<http://www.dol.wa.gov/business/vehiclevesseldealer/dlrvessel.html>

⁶⁰ Maine Revised Statutes Annotated, Title 29-A, Chapter 9, Subchapter 2 (Amended 2017, ch. 229, Section 17).

⁶¹ Annotated Code of Maryland, Natural Resources, Title 8, Subtitle 7, State Boat Act.

References

- Moss, Christine. 2016. *US Watercraft Theft and Recovery Report*. National Insurance Crime Bureau.
- Tennessee Department of Revenue. *Vehicle Title and Registration Reference Guide*. 2017. Vehicle Services Division, Department of Revenue.
<http://www.tn.gov/assets/entities/revenue/attachments/TRGuide.pdf>
- Williams, Jennifer. 2016. *Recreational Boating Statistics*. Office of Auxiliary and Boat Safety, United States Coast Guard.
<https://www.uscgboating.org/library/accident-statistics/Recreational-Boating-Statistics-2016.pdf>.
- Yale Law Journal. "Security Interests in Motor Vehicles under the UCC: A New Chassis for Certificate of Title Legislation." 1961. Yale Law Journal, Vol. 70, No. 6.

DRAFT