

3/20/02 Rereferred To: Nat. Res.

FEB 20 2002  
Place On Calendar

HOUSE FILE 2460  
BY COMMITTEE ON NATURAL  
RESOURCES

(SUCCESSOR TO HF 2033)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

**A BILL FOR**

1 An Act providing a method for issuing registration certificates  
2 for certain watercraft for which ownership has not been  
3 conclusively established.

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

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HF 2460

1 Section 1. Section 462A.5, subsection 1, unnumbered  
2 paragraph 2, Code Supplement 2001, amended to read as follows:  
3 The owner of the vessel shall file an application for  
4 registration with the appropriate county recorder on forms  
5 provided by the commission. The application shall be  
6 completed and signed by the owner of the vessel and shall be  
7 accompanied by the appropriate fee, and the writing fee  
8 specified in section 462A.53. Upon applying for registration,  
9 the owner shall display a bill of sale, receipt, or other  
10 satisfactory proof of ownership as provided by the rules of  
11 the commission to the county recorder. If the county recorder  
12 is not satisfied as to the ownership of the vessel or that  
13 there are no undisclosed security interests in the vessel, the  
14 county recorder may register the vessel but shall, as a  
15 condition of issuing a registration certificate, require the  
16 applicant to follow the procedure provided in section 462A.5A.  
17 Upon receipt of the application in approved form accompanied  
18 by the required fees, the county recorder shall enter it upon  
19 the records of the recorder's office and shall issue to the  
20 applicant a pocket-size registration certificate. The  
21 certificate shall be executed in triplicate, one copy to be  
22 delivered to the owner, one copy to the commission, and one  
23 copy to be retained on file by the county recorder. The  
24 registration certificate shall bear the number awarded to the  
25 vessel, the passenger capacity of the vessel, and the name and  
26 address of the owner. In the use of all vessels except  
27 nonpowered sailboats, nonpowered canoes, and commercial  
28 vessels, the registration certificate shall be carried either  
29 in the vessel or on the person of the operator of the vessel  
30 when in use. In the use of nonpowered sailboats, nonpowered  
31 canoes, or commercial vessels, the registration certificate  
32 may be kept on shore in accordance with rules adopted by the  
33 commission. The operator shall exhibit the certificate to a  
34 peace officer upon request or, when involved in a collision or  
35 accident of any nature with another vessel or other personal

1 property, to the owner or operator of the other vessel or  
2 personal property.

3 Sec. 2. NEW SECTION. 462A.5A FILING BOND AS ASSURANCE OF  
4 OWNERSHIP.

5 An applicant for registration of a vessel for which the  
6 county recorder is not satisfied as to the ownership of the  
7 vessel as provided in section 462A.5, subsection 1, shall file  
8 with the county recorder a bond in the form prescribed by the  
9 department and executed by the applicant, and also executed by  
10 a person authorized to conduct a surety business in this  
11 state. The form and amount of the bond shall be established  
12 by rule of the department. The bond shall be conditioned to  
13 indemnify any prior owner and secured party and any subsequent  
14 purchaser of the vessel or person acquiring any security  
15 interest in the vessel, and their respective successors in  
16 interest, against any expense, loss, or damage, including  
17 reasonable attorney fees, by reason of the issuance of the  
18 registration certificate of the vessel or on account of any  
19 defect in or undisclosed security interest upon the right,  
20 title, and interest of the applicant in and to the vessel.

21 Any such interested person has a right of action to recover on  
22 the bond for any breach of its conditions, but the aggregate  
23 liability of the surety to all persons shall not exceed the  
24 amount of the bond. The bond shall be returned at the end of  
25 three years or prior thereto if the vessel is no longer  
26 registered in this state and the registration certificate is  
27 surrendered to the department, unless the department has been  
28 notified of the pendency of an action to recover on the bond.

29 In lieu of filing the bond as provided in this section, an  
30 applicant for registration of a vessel which has a value of  
31 seven hundred fifty dollars or less may file an affidavit with  
32 the county recorder certifying that the value of the vessel is  
33 less than seven hundred fifty dollars. For purposes of this  
34 paragraph, the value of a vessel is the purchase price of the  
35 vessel paid by the applicant.

EXPLANATION

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This bill adapts a method established for issuing certificates of title for motor vehicles for which the issuing authority is not satisfied as to the ownership of the vehicle or that there are no undisclosed security interests in it to issuance of registration for watercraft, with similarly questioned ownership. The bill provides that the county recorder may issue a registration certificate for such a watercraft, if the applicant files a bond with the county recorder.

The bill provides that the bond shall be executed by a person authorized to conduct a surety business and shall be in an amount determined by the department by rule. The bond shall protect prior owners, secured parties, and subsequent owners of the watercraft. The bond is to be returned at the end of three years, or before if the watercraft is no longer registered in this state and the certificate of title or registration certificate is surrendered to the department, unless the department has been notified of the pendency of an action to recover on the bond.

In lieu of filing a bond, an applicant for registration of a vessel which has a value of \$750 or less, may file an affidavit with the county recorder certifying the value of the vessel is less than \$750.