

12: 7A-1 et al

LEGISLATIVE HISTORY CHECKLIST

NJSA: 12: 7A-1 et al

"Boat Ownership Certification Act"

LAWS OF: 1984

CHAPTER: 152

Bill No: A141

Sponsor(s): Villane

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Yes

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No

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No

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Yes

Following were printed:

Reports:

No

Hearings:

No

12 certifying registration of the numbers assigned to the vessel.
13 d. "Certificate of origin" means the original written instrument
14 or document required to be executed and delivered by the manu-
15 facturer to his agent or a dealer, or a person purchasing directly
16 from the manufacturer, certifying the origin of the vessel, hull, or
17 outboard motor.

CHAPTER 152 LAWS OF N. J. 1984
APPROVED 9-12-84

ASSEMBLY, No. 141

STATE OF NEW JERSEY

PRE-FILED FOR INTRODUCTION IN THE 1984 SESSION

By Assemblymen VILLANE, PALAIA, BENNETT, MARSELLA and
MARKERT

AN ACT to provide a system of ownership certification for vessels,
hulls and outboard motors.

1 BE IT ENACTED *by the Senate and General Assembly of the State*
2 *of New Jersey:*

1 1. This act shall be known and may be cited as the "Boat Owner-
2 ship Certificate Act."

1 2. The Legislature declares it to be a public policy of this State
2 that vessels, hulls, and outboard motors shall be titled.

1 3. As used in this act:

2 a. "Abstract" means a duplicate copy of the original certificate
3 of ownership recording any encumbrance or upon which the
4 existence of a security interest is noted.

5 b. "Buyer" includes purchaser, debtor, lessee, bailee, transferee,
6 and any person buying or attempting to buy marine equipment, or
7 any person acquiring marine equipment subject to a security
8 interest, lease, bailment or transfer agreement, and their legal
9 successors in interest.

10 c. "Certificate of number" means the paper or papers issued in
11 conformance with chapter 7 of Title 12 of the Revised Statutes
12 certifying registration of the numbers assigned to the vessel.

13 d. "Certificate of origin" means the original written instrument
14 or document required to be executed and delivered by the manu-
15 facturer to his agent or a dealer, or a person purchasing directly
16 from the manufacturer, certifying the origin of the vessel, hull, or
17 outboard motor.

18-19 e. "Certificate of ownership" means the paper or papers issued
20 in conformance with this act, certifying ownership of a vessel, hull,
21 or outboard motor, other than a manufacturer's or importer's
22 certificate of origin.

23 f. "Dealer" means any person who engages wholly or in part in
24 the business of buying, selling or exchanging new or used marine
25 equipment.

26 g. "Debtor" means the person who owes payment or other per-
27 formance of the obligation secured by a security interest in marine
28 equipment.

29 h. "Director" means the Director of the Division of Motor
30 Vehicles in the Department of Law and Public Safety.

31 i. "Documentation papers" means those papers issued to a docu-
32 mented vessel by the United States Coast Guard or any federal
33 agency successor thereto.

34 j. "Documented vessel" means a vessel which has valid docu-
35 mentation papers issued by the United States Coast Guard or any
36 federal agency successor thereto.

37 k. "Hull" means a vessel, exclusive of all means of propulsion.

38 l. "Inboard vessel" means a hull with an inboard engine includ-
39 ing an inboard/outboard or stern drive installed as a primary or
40 auxiliary means of propulsion.

41 m. "Manufacturer" means any person engaged in the business of
42 manufacturing new marine equipment for the purpose of sale or
43 trade.

44 n. "Manufacturer's number" means a hull identification number
45 affixed by the manufacturer pursuant to federal regulation or
46 assigned by the director pursuant to regulation, the manufacturer's
47 serial number of an outboard motor, or a number assigned to an
48 outboard motor by the director pursuant to regulation.

49 o. "Marine equipment" means vessels, hulls, and outboard
50 motors.

51 p. "New marine equipment" means a newly manufactured vessel,
52 hull, or outboard motor.

53 q. "Outboard motor" means any completely self-contained pro-
54 pulsion system, excluding fuel supply, which is used to propel a
55 vessel and which is detachable from such vessel as a unit, and
56 commonly known as an outboard motor.

57 r. "Outboard vessel" means a hull with an outboard motor
58 attached as a primary or auxiliary means of propulsion.

59 s. "Principal use within this State" means marine equipment
60 that has been within this State for a period in excess of 60 consecu-
61 tive days, unless the equipment is in this State for the purpose of

62 wet or dry storage, or for repairs, in which case the actual time
63 for this storage or repairs shall not be counted as included within
64 the 60 day period.

65 t. "Purchaser" means a person who takes possession of marine
66 equipment by transfer of ownership, either for use or resale, except
67 a dealer when he takes possession through a certificate of origin.

68 u. "Secured party" means a lender, seller or other person in
69 whose favor there is a security interest.

70 v. "Security agreement" means an agreement which creates or
71 provides for a security interest in marine equipment.

72 w. "Security interest" means an interest in marine equipment
73 which secures payment or other performance of an obligation.

74 x. "Sell" or "sale" or "purchase" and any form thereof include
75 absolute or voluntary sales and purchases, agreements to sell and
76 purchase, bailments, leases, security agreements whereby any
77 marine equipment is sold and purchased, or agreed to be sold and
78 purchased, involuntary, statutory and judicial sales, inheritance,
79 devise, or bequest, gift or any other form or manner of sale or
80 agreement of sale thereof, or the giving or transferring of posses-
81 sion of a piece of marine equipment to a person for a permanent
82 use, where there is continued possession for 60 days or more.

83 y. "Seller" means manufacturer, dealer, lessor, bailor, trans-
84 feror with or without a security interest, and any other person
85 selling, attempting to sell, or delivering marine equipment and
86 their legal successors in interest.

87 z. "Title papers" mean any instrument or document that is
88 evidence of ownership of a vessel, hull, or outboard motor.

89 aa. "Used marine equipment" means a vessel, hull, or outboard
90 motor, title to, or possession of, which has been first transferred
91 from the person who first acquired it from the manufacturer or
92 dealer, and so used as to become what is commonly known as
93 "secondhand" within the ordinary meaning thereof, and every
94 vessel, hull, or outboard motor other than a new vessel, hull, or
95 outboard motor.

96 bb. "Vessel" means a boat or watercraft, other than a sea plane
97 on the water, used or capable of being used as a means of trans-
98 portation on water.

1 4. No person shall sell or purchase any marine equipment in this
2 State, except in the manner and subject to the conditions provided
3 in this act and the regulations adopted hereunder by the director.

1 5. a. Except as provided in section 6 of this act, for each piece of
2 marine equipment principally used in this State, the owner shall
3 make application to the director for a certificate of ownership.

4-5 b. Except as may be otherwise provided in this act, the Depart-
6 ment of Law and Public Safety shall not number or renew the
7 certificate of number of a vessel required to be numbered in this
8 State pursuant to the "New Jersey Boat Act of 1962," P. L. 1962,
9 c. 73 (C. 12:7-34.36 et seq.) unless a certificate of ownership has
10 been issued by the director to the owner pursuant to this act.

1 6. a. Any person, who prior to the effective date of this act, owned
2 any marine equipment shall, at the time its certificate of number
3 is due to be renewed, file an application for a certificate of owner-
4 ship for the marine equipment as required in section 5, and shall
5 file a financing statement as required in section 12 of this act.

6 b. A certificate of ownership shall not be required under this act
7 for any marine equipment that is:

8 (1) a ship's lifeboat;

9 (2) a non-motorized inflatable, surfboard, racing shell, rowing
10 scull, tender for direct transportation between a vessel and the
11 shore and for no other purpose (dinghy), or vessel, except outboard
12 vessels, of 12 feet or less in length; or

13 (3) a canoe or kayak.

1 7. a. A certificate of ownership shall be in the possession of any
2 person who possesses or has custody of a piece of marine equipment
3 and shall be exhibited by the person at the request of the director,
4 a member of the State Marine Police Force, or any law enforcement
5 officer.

6 b. The director shall prescribe, by regulation, the forms for
7 certificates and certified copies.

8 c. Whenever marine equipment is in the possession of a marina
9 operator, dealer, or service facility, production by the marina
10 operator, dealer, or service facility of a writing, signed by the
11 person delivering possession of the marine equipment which states
12 that the person delivering possession is the owner or entitled to
13 possession of the marine equipment and that the person has title
14 papers or certificates of number or other evidence of ownership,
15 shall satisfy the requirements of this section. However, the director,
16 the State Marine Police Force or any law enforcement officer may
17 seize and take into possession anywhere in this State any marine
18 equipment for which the manufacturer's number is not readable.
19 The marine equipment shall be disposed of as provided in this act.

20 d. If any marine equipment, including documented vessels, is
21 titled or exhibits registration numbers or other identifying marks
22 issued by another state or the United States Coast Guard and is
23 being used, operated or stored in this State, a person in possession

24 of, or using or operating the marine equipment or documented
25 vessel shall be entitled to ownership or possession in accordance
26 with federal regulations or the laws of the State where the marine
27 equipment or documented vessel is titled or registered. However,
28 the person in possession shall produce for the director, the State
29 Marine Police Force, or any law enforcement officer anywhere in
30 this State, documents showing title to, or right of possession in, the
31 marine equipment or documented vessel in the person or in the
32 person who is authorized to possess or use, or to use and operate,
33 the marine equipment or documented vessel, which documents shall
34 evidence the valid documentation, titling or registering of the
35 marine equipment or documented vessel pursuant to federal regu-
36 lation or requirements of the particular state.

37 e. If there is a failure to produce a valid certificate of number as
38 required by section 4 of P. L. 1962, c. 73 (C. 12:7-34.39), certificate
39 of ownership or documentation papers, the director, the State
40 Marine Police Force or any law enforcement officer may, if neces-
41 sary, seize and take possession, either constructive or actual, any-
42 where in this State of the marine equipment or documented vessel
43 and dispose of it as provided in this act; provided that, if a person
44 charged with a violation of this section can exhibit the certificate of
45 number, certificate of ownership, or documentation papers that
46 were valid on the day he was charged to the judge of the court
47 before whom he is summoned to answer to the charge, the judge
48 may dismiss the charge and may impose court costs.

1 8. a. Subsequent to the effective date of this act, each piece of
2 marine equipment for sale and purchase in this State shall contain
3 a manufacturer's number.

4 b. After six months from the effective date of this act, no person
5 shall possess, operate, use, transport, or sell any marine equipment
6 requiring a certificate of ownership without the manufacturer's
7 number.

8 c. The director shall adopt regulations to implement the purpose
9 of this section, and the director shall provide for the assignment of
10 manufacturer's numbers to that marine equipment, including home-
11 made marine equipment, which is without a manufacturer's number.

12 d. Beginning six months from the effective date of this act, the
13 director, the State Marine Police Force or any law enforcement
14 officer may immediately seize and take possession anywhere in this
15 State of any marine equipment on which the manufacturer's num-
16 ber or numbers have been obliterated, erased, mutilated, removed
17 or missing.

1 9. a. Whenever new marine equipment is delivered in this State
2 by the manufacturer to his agent or to a dealer, or to a person
3 purchasing directly from the manufacturer, the manufacturer shall
4 execute and deliver a certificate of origin in the form prescribed
5 by the director. No person shall bring into this State for the
6 purpose of offering for sale any new marine equipment unless he
7 has in his possession the certificate of origin as prescribed by the
8 director.

9 b. The certificate of origin shall contain the manufacturer's
10 number; name of the manufacturer; the description of the marine
11 equipment, including its trade name, if any; year, series or model;
12 body type; type of propulsion; type of fuel; length; and any other
13 items that may be prescribed by the director.

14 c. Whenever new marine equipment is sold in this State, the
15 seller shall execute and deliver to the purchaser an assignment of
16 the certificate of origin, with the genuine names and business or
17 residence addresses of both stated thereon, and certified to have
18 been executed with full knowledge of the contents and with the
19 consent of both purchaser and seller. If, in connection with the
20 sale, the security interest is taken or retained by the seller to secure
21 all or part of the purchase price of the marine equipment, or is
22 taken by a person who by making an advance or incurring an obliga-
23 tion gives value to enable the purchaser to acquire rights in the
24 marine equipment, the name and the business or residence address
25 of the secured party or his assignee shall be noted on the assign-
26 ment of the certificate of origin. Nothing in this section shall apply
27 to a security interest in marine equipment which constitutes inven-
28 tory held for sale, but the interest shall be subject to chapter 9 of
29 Title 12A of the New Jersey Statutes.

1 10. Whenever marine equipment is sold in this State, the seller
2 shall execute and deliver to the purchaser an assignment of the
3 certificate of ownership. If a security interest exists at the time
4 of the sale or if, in connection with the sale, a security interest is
5 taken or retained by the seller to secure all or part of the purchase
6 price of the marine equipment, or is taken by a person who by
7 making an advance or incurring an obligation gives value to enable
8 the purchaser to acquire rights in the marine equipment, the name
9 and business or the residence address of the secured party or his
10 assignee shall be noted on the certificate of ownership. Nothing
11 in this section shall apply to a security interest in marine equip-
12 ment which constitutes inventory held for sale, but the interest
13 shall be subject to chapter 9 of Title 12A of the New Jersey

14 Statutes. Nothing in this section shall apply to seized marine
15 equipment sold by the director, the State Marine Police Force or
16 any law enforcement agency.

1 11. When the contract or term of the security agreement noted
2 on the certificate of origin or certificate of ownership has been
3 satisfied, the secured party shall deliver to the buyer the certificate
4 of ownership thereto, executed as provided in this act, with proper
5 evidence of satisfaction of the contract or termination of the
6 security interest. Within 15 days after the performance of the
7 contract or termination of the security interest, the secured party
8 shall file with the director a notice, in whatever form the director
9 shall prescribe, containing evidence of the performance or termi-
10 nation. The director shall thereupon cause a notation to be made
11 on his records of certificate of ownership of the marine equipment
12 that the contract has been satisfied or the security interest
13 terminated.

1 12. a. The purchaser of any marine equipment in this State shall,
2 within 10 days after its purchase, submit to the director evidence of
3 the purchase. Upon presentation to the director of the certificate of
4 origin or certificate of ownership, with proper assignment and
5 certification of the seller, a record of the transaction shall be made
6 and filed. A certificate of ownership shall be made and filed. A
7 certificate of ownership shall be issued by the director and delivered
8 to the buyer, in case of a sale not subject to a security interest, and
9 the director shall collect a fee for the issuance and filing thereof.

10 b. In the case of a sale subject to a security interest, the original
11 certificate of ownership, with the name and address of the holder
12 of the encumbrance or secured party or his assignee recorded
13 thereon, shall be delivered to the holder of the encumbrance or
14 secured party or his assignee and a nonnegotiable copy thereof
15 shall be delivered to the buyer. The director shall collect a fee for
16 his services in issuing a certificate and a copy thereof, and for
17 making and filing a record of the transaction pursuant to this
18 subsection.

19 c. Except as otherwise provided in this section, whenever a
20 security interest is created in any marine equipment other than a
21 security interest which is required to be noted on the certificate
22 of origin or the certificate of ownership as provided in sections 11
23 and 12 of this act, there shall be filed with the director, the certifi-
24 cate of ownership of the marine equipment together with a financing
25 statement on a form prescribed by the director. The director shall
26 make and file a record of the transaction and shall issue a certificate

27 of ownership recording the name and address of the secured party
28 or his assignee thereon, and shall deliver it to the secured party or
29 his assignee. A copy of the certificate of ownership so issued shall
30 be delivered to the owner. The director shall collect a fee for his
31 services in issuing a certificate and copy thereof and for making
32 and filing a record of the transaction pursuant to this subsection.

33 d. The financing statement required to be filed pursuant to sub-
34 section c. of this section shall be signed only by the owner, shall
35 not be required to be acknowledged or proved, and shall show, in
36 addition to such matters as the director may require for the proper
37 identification of the marine equipment affected, the date of the
38 security agreement, and the names and addresses of the parties
39 thereto. The security agreement or a copy thereof, or any proof of
40 execution thereof other than that contained in the financing state-
41 ment, need not be presented to the director. When the owner is a
42 corporation, it shall be sufficient if the financing statement is signed
43 by any officer thereof, or by any agent designated by the corpora-
44 tion for that purpose, and it shall not be necessary that the financ-
45 ing statement recite the authorization of the agent. When there is
46 more than one owner, it shall be sufficient if the financing statement
47 is signed by any one of them.

48 e. Nothing in subsections c. and d. of this section shall apply to
49 a security interest in marine equipment which constitutes inventory
50 held for sale, but the interest shall be subject to chapter 9 of
51 Title 12A of the New Jersey Statutes.

52 f. In addition to the fees elsewhere in this section provided for,
53 there shall be paid to the director a fee for notice of satisfaction of
54 the lien or encumbrance of the record or abstract, or of the termina-
55 tion of the security interest where the marine equipment is subject
56 to a lien or encumbrance or a security interest.

57 g. Notwithstanding any other provision of this section to the
58 contrary when any dealer licensed under the provisions of section
59 20 of this act is the purchaser of any marine equipment in this
60 State, he shall within 10 days after its purchase, submit to the
61 director the evidence of purchase. Upon presentation of the certifi-
62 cate of ownership with proper assignment and certification of the
63 seller to the director, a record of the transaction shall be made and
64 filed. A certificate of ownership shall be issued by the director and
65 delivered to the purchaser, and the director shall collect a fee for
66 the issuing and filing thereof. A purchaser of any marine equipment
67 who fails to comply with the provisions of this subsection shall pay
68 the director a penalty plus the issuing and filing fee.

69 h. The failure of a person to comply with the requirements of
70 this section shall constitute a violation within the provisions of
71 section 25 of this act, but the failure shall not affect the validity
72 of any instrument creating or reserving a security interest in any
73 marine equipment as between the parties to the instrument.

74 i. The notation of the name and business or residence address
75 of a secured party or his assignee, on the certificate of origin or
76 on the certificate of ownership, as provided in sections 9 and 10 of
77 this act, and the presentation to the director of the certificate of
78 origin or certificate of ownership so noted in the compliance with
79 the security interest filing requirements of this act, shall be in lieu
80 of all filing requirements imposed by chapter 9 of Title 12A of the
81 New Jersey Statutes and shall constitute the perfection of the
82 security interest in the marine equipment, and the rights and
83 remedies of the debtors and the secured parties in respect to the
84 security interest shall, except as otherwise expressly provided in
85 this act, be subject to and governed by chapter 9 of Title 12A of
86 the New Jersey Statutes.

1 13. a. If a certificate of ownership or title papers are lost, the
2 director may, upon proof by certification or otherwise in the manner
3 required by him and if satisfied with the application, prepare a
4 certificate of ownership, certify it and authorize its use in place of
5 the original, with the same effect as the original. The director shall
6 collect a fee for this duplicate certificate.

7 b. A person who falsely states, in an application to the director
8 for a duplicate certification of ownership, that a certification of
9 ownership, or title papers, are lost, shall be subject to the penalties
10 of section 25 of this act. Notwithstanding any other provision of
11 law, a prosecution may be commenced at any time up to three years
12 after the issuance of the duplicate certificate.

1 14. The director shall retain a file of all certificates of ownership
2 for a period, prescribed by him, beyond the date that the marine
3 equipment described therein is no longer registered in this State.

1 15. a. The director shall, on the record or abstract of any marine
2 equipment registered with him which is subject to a security
3 interest of which notice is required to be filed with him, make a
4 notation of the existence of the security interest and shall index
5 the same under the name of the owner of record of the marine
6 equipment so long as the security interest remains unterminated
7 of record.

8 b. Upon request from any person, the director shall issue a cer-
9 tificate, for which he shall be entitled to a fee, showing names and
10 addresses of the parties to any contract of conditional sale or

11 chattel mortgage or other instrument or to any financing state-
12 ment; the name and address of the holder of any liens under such
13 contract, chattel mortgage or other instrument or of the secured
14 party; the date thereof or of the financing statement; the date of
15 filing; the make, model, identification number or numbers of the
16 marine equipment; and, if the condition in the contract of condi-
17 tional sale or chattel mortgage has been performed or the security
18 interest has been terminated, a statement to that effect.

19 c. For a full certified copy of any instrument showing a lien on
20 or a security interest in any marine equipment the director shall be
21 entitled to a fee for the certificate plus a fee for each copy of any
22 paper certified.

23 d. When evidence of satisfaction of any contract of conditional
24 sale or chattel mortgage or other instrument or evidence of the
25 termination of the security interest, shall be presented to the
26 director, he shall make a notation thereof on his records.

27 e. The director, his agents and employees of the Division of
28 Motor Vehicles in the Department of Law and Public Safety or the
29 agency or instrumentality of the State that may process certificates
30 of ownership, registrations and associated functions shall not incur
31 any personal liability in carrying out the provisions of this section
32 or in furnishing any information provided herein from the records
33 of the State.

1 16. a. If any marine equipment, numbered vessel, or documented
2 vessel, is seized, levied upon, or attached and taken into possession,
3 actually or constructively by virtue of judicial process issued by a
4 court of competent jurisdiction in this State, or by virtue of a State
5 or federal statute, the person from whom possession of the marine
6 equipment, numbered vessel, or documented vessel was taken, and
7 without prejudice to his rights in the premises, shall surrender the
8 title papers or certificate of ownership, certificate of number or
9 marine documents to the director upon written notice or demand
10 from the director. The officer or person so seizing and taking posses-
11 sion of such marine equipment, numbered vessel, or documented
12 vessel shall file with the director a notice in writing giving a full
13 description of such items as prescribed by regulation, and the name
14 and address of the person from whom taken, and shall attach a copy
15 of the process or statutory or other authority to the notice. If the
16 marine equipment, numbered vessel, or documented vessel is sold
17 in pursuance thereof, the officer so selling it shall execute and
18 deliver to the purchaser at the sale an application for certificate of
19 ownership in the same form and manner as provided in this act

20 which shall also contain the name and address of the person from
21 whom the marine equipment, numbered vessel, or documented
22 vessel was taken. A copy of the process or statutory or other
23 authority under which the marine equipment, numbered vessel, or
24 documented vessel is sold and a copy of the notice of sale, which
25 notice of sale shall contain a description of the marine equipment,
26 numbered vessel, or documented vessel as required by this act,
27 shall be attached thereto. If the sale is held by a bailiff or attorney
28 in fact for a lienor, the lienor shall also execute the application for
29 certificate of ownership. The director, upon new application to him
30 by the purchaser at the sale, shall file and record the purchase of
31 the marine equipment as provided in this act.

32 b. The director shall provide by regulation for procedures regard-
33 ing marine equipment or documented vessels forfeited to the State.

1 17. a. Any marine equipment or vessel seized by the director, the
2 State Marine Police Force or any law enforcement officer for failure
3 to produce evidence of ownership upon demand, shall be held by the
4 director, the State Marine Police Force or law enforcement agency,
5 as the case may be, not longer than 90 days until the certificate of
6 number, or certificate of ownership, or documentation papers have
7 been produced to the satisfaction of the officer or person so seizing
8 and taking possession of the marine equipment or vessel. If the
9 documents have not been produced after seizure, the director, the
10 State Marine Police Force or law enforcement agency, as the case
11 may be, may collect any transportation fees or recover the expenses
12 that were incurred in storage of the marine equipment or vessel.
13 The director may prescribe a schedule of storage fees where the
14 storage, including necessary liability coverage, is performed by a
15 State facility. After 90 days, the marine equipment or vessel shall
16 be sold at public auction, and the proceeds deposited in a special
17 fund as hereinafter provided.

18 b. Except for marine equipment missing a manufacturer's serial
19 number, the director may prescribe by regulation a time period
20 before the marine equipment is seized. The director may also
21 prescribe procedures permitting constructive seizure of marine
22 equipment.

23 c. Whenever any marine equipment alleged to be stolen comes
24 into the custody of the director, the State Marine Police Force or
25 any law enforcement agency, as the case may be, the officer or
26 person so seizing and taking possession of the marine equipment
27 shall proceed as provided in chapter 65 of Title 2C of the New
28 Jersey Statutes.

29 d. Neither the director, the State Marine Police Force, nor any
30 law enforcement officer or agency shall be liable for any action
31 taken pursuant to this act regarding the seizure of vessels. Neither
32 the director, the State Marine Police Force, nor any law enforce-
33 ment officer or agency shall be liable for any remaining lien or
34 security interest held in the marine equipment. The remaining lien
35 or security interest shall be the sole obligation of the person who
36 obtained the lien or interest.

1 18. a. If the title papers or certificate of ownership are defective
2 or improper, or if the marine equipment was purchased and its
3 sale consummated in another state or country, in accordance with
4 the laws of the state or country regulating the sale of marine
5 equipment and not made for the purpose of evading the provisions
6 of this act, the owner of the marine equipment may apply to the
7 director to correct the defects, or permit the title papers to be
8 received.

9 b. The director upon whatever proof as he requires showing
10 that it is just and equitable that the defects should be corrected or
11 that the title papers or certificate of ownership should be received,
12 with or without hearing, shall determine the truth and merits of
13 the application and whether the holder appears to be the bona fide
14 owner of the marine equipment, and may issue his certificate cor-
15 recting the defects or permitting the title papers or certificate of
16 ownership to be so recorded and filed. The person submitting the
17 papers shall pay a fee to the director for the issuing and filing of
18 the certificate.

19 c. The director may promulgate regulations supplementing this
20 section prescribing a procedure for the issuance of a certificate of
21 ownership to a purchaser who purchased marine equipment in a
22 state or jurisdiction that does not require or issue title papers.

23 d. Before issuing a certificate the director may require the person
24 to advertise in a newspaper having a general circulation in the
25 county where he resides, or where the marine equipment is located,
26 or both, for the space of two weeks, at least once a week, a notice
27 briefly stating that the person has applied to the director to correct
28 defects in the marine equipment title papers or receive title papers
29 out of time, or as the case may be, giving a description of the marine
30 equipment as provided by regulation, and that if anyone desires
31 to be heard in opposition thereto he may do so by appearing before
32 the director or his designee on a date and at a place named, or
33 communicating with the director or his designee prior thereto. The
34 applicant shall also serve like notice on local police both where the
35 applicant resides and where the marine equipment is located, the

36 State Marine Police Force, and any other person or agency as
37 prescribed by the director. The notice shall be made personally or
38 by certified mail. Proofs of the publication and service shall be sub-
39 mitted to the director. The director, his agent, or inspector, may
40 have the notice advertised or served at the cost and expense of the
41 applicant.

1 19. The director may refuse to issue a certificate of number for
2 any vessel required to have the certificate unless there is furnished
3 to the director or his agent title papers or certificates of ownership
4 in conformity to this act. The director may provide by regulation
5 for the issuance of title papers to marine equipment in possession
6 as of the effective date of this act or marine equipment purchased
7 in a jurisdiction that does not require or issue title papers.

1 20. a. No dealer shall engage in the business of buying, selling,
2 or dealing in marine equipment in this State unless he is authorized
3 to do so under the provisions of this act. The director may, upon
4 application in such form as he prescribes, license any person as a
5 dealer.

6 b. Except as required by the provisions of P. L. 1968, c. 282 (C.
7 2A:168A-1 et seq.) and P. L. 1974, c. 161 (C. 2A:168A-4 et seq.),
8 no person who has been convicted of a violation of any of the follow-
9 ing shall be eligible to receive a license:

10 (1) The consumer fraud law, chapter 8 of Title 56 of the Revised
11 Statutes;

12 (2) An offense arising out of fraud or misrepresentation in the
13 sale or financing of any marine equipment or motor vehicles;

14 (3) A deceptive business practice, or

15 (4) Any other violation relating to the consumer fraud law of
16 this State, or of any other state or federal law.

17 c. An applicant for a license shall at the time the license is issued
18 have established and maintained, or by said application shall agree
19 to establish and maintain within 90 days after the issuance thereof,
20 a permanent place of business in this State of a size to be prescribed
21 by the director by regulation, which place of business shall be used
22 principally in conformance with regulations to be prescribed by the
23 director.

24 d. A license fee of \$100.00 shall be paid by an applicant upon his
25 initial application for a license, which fee shall include special
26 dealer numbers, including up to three duplicates thereof and up to
27 four sets of temporary numbers bearing a number corresponding
28 to the special dealer numbers. The director may renew an appli-
29 cant's license from year to year upon application for renewal on a
30 form prescribed by the director and accompanied each year by

31 renewal fee of \$100.00. Each license shall expire one year from the
32 the date of issue at a time to be prescribed by the director by regula-
33 tion. The director may prescribe a pro rata fee schedule of licenses
34 issued within 12 months of the effective date of this act.

35 e. Renewal applicants shall meet the same criteria as initial
36 applicants.

1 21. a. Dealers for both new and used marine equipment in this
2 State shall have a certificate of origin, certificate of ownership,
3 or writing as provided in section 7 of this act, for marine equip-
4 ment in their possession. The director, the State Marine Police
5 Force or any law enforcement officer may demand production of,
6 and examine the certificate of origin, certificate of ownership or
7 writing for any marine equipment in the dealer's possession, and
8 examine and inspect marine equipment in a dealer's possession.

9 b. If the demand is not complied with in regard to either inspec-
10 tion of the documents or inspection of the marine equipment, or
11 if the dealer is unable to produce the documents for marine equip-
12 ment in his possession, or if the documents are not in conformance
13 with the provisions of this act and the regulations adopted there-
14 under, the director, his agent or any law enforcement officer may
15 seize and take possession of the marine equipment and hold the
16 marine equipment or issue stop use or stop sale orders until the
17 required documents are produced or corrected, if defective, or
18 ownership of the marine equipment is established according to law
19 and to the satisfaction of the director, his agent or the law enforce-
20 ment agency. If such documents have not been produced or cor-
20A rected within 24 hours after seizure, the dealer shall pay storage
21 fees to the director, unless the marine equipment remains on the
22 dealer's premises, in a manner similar to that provided by section
23 16 of this act.

24 c. After 90 days from the date the marine equipment came into
25 the director's possession and during which time documents have
26 not been provided or corrected, the director may sell the marine
27 equipment at public sale upon at least 10 days written notice of
28 sale to the dealer, served personally or by certified mail, addressed
29 to the dealer at his last known place of business as indicated by the
30 files of the director, and notice of the sale being published for a
31 space of two weeks, once a week, making two insertions in all, in
32 one or more newspapers published and circulating in a county
33 where the dealer had his last known place of business and also by
34 posting the notice in five places in that county. The newspaper and
35 places of posting shall be designated by the director. Upon the sale
36 of the marine equipment, all valid liens and claims for interest

37 therein if any, shall be transferred from the marine equipment to
38 the proceeds of sale, which subject thereto, shall become the sole
39 property of the State to be used as other moneys received by the
40 director pursuant to the provisions of this act. Claims for moneys in
41 excess of the amount realized by the sale, deducting expenses of
42 the sale therefrom shall be extinguished.

43 d. The director may prescribe procedures for the seizure and
44 storage of any marine equipment.

1 22. The director shall prepare and prescribe forms necessary for
2 the proper administration of this act. The director or a member of
3 the State Marine Police Force may seize and take possession of any
4 certificate of ownership or other title papers to which the director
5 may be entitled, and which a person is under duty to return to the
6 director, from any person or place in this State, with all the rights,
7 privileges and immunities conferred by law on an officer executing
8 a writ of replevin.

1 23. Whenever marine equipment is scrapped, dismantled, de-
2 stroyed, lost, changed in any manner so that it loses its character
3 as a vessel, hull, or outboard motor, or changed in any manner
4 so that it is not the marine equipment described in the certificate
5 of ownership, or a person permanently relinquishes possession
6 other than by sale, the owner named in the last certificate of owner-
7 ship shall immediately surrender and deliver the certificate to the
8 director who shall issue a receipt to the person surrendering the
9 certificate of ownership. Whenever marine equipment is sold to be
10 scrapped, junked or destroyed, assignment shall be made to the
11 purchaser in accordance with the provisions of this act. The pur-
12 chaser shall within five days, deliver the certificate of ownership
13 to the director, who shall issue a receipt to the person surrender-
14 ing it.

15 The director may require an affidavit, in form that he may pre-
16 scribe, that the marine equipment was so lost, destroyed, dismantled
17 or altered, scrapped or junked, or if practicable and feasible, the
18 director may require that his agent or designee make inspection or
19 investigation of the facts surrounding the circumstances.

1 24. The director may designate any person to be his agent for the
2 issuing and filing of certificates of origin and certificate of owner-
3 ship in accordance with the provisions of this act and regulations
4 to be prescribed by the director. The agent shall so act at the
5 discretion of the director until his authority is revoked by the
6 director. All moneys received by the agents for the issuance and
7 filing of certificates of origin and certificates of ownership under
8 the provisions of this act shall forthwith be deposited upon receipt
9 with the State Treasurer.

10 The director shall prescribe the fee to be paid to the agent and
11 the fee shall be paid to the agent by the State Treasurer upon the
12 voucher of the director in the same manner as other State expenses
13 are paid.

1 25. a. If any person violates any of the provisions of this act or
2 any rule, regulation or order adopted or issued pursuant to the
3 provisions of this act, the director may institute a civil action in a
4 court of competent jurisdiction for injunctive relief to enforce said
5 provisions and to prohibit and prevent that violation and the court
6 may proceed in the action in a summary manner. Any person who
7 violates the provisions of this act or any rule, regulation or order
8 adopted or issued pursuant to this act shall be liable to a civil
9 administrative penalty of not more than \$5,000.00 for each offense
10 to be imposed by the director pursuant to standards adopted in
11 regulations; or a civil penalty of not more than \$5,000.00 for each
12 offense, to be collected in a civil action by a summary proceeding
13 under "the penalty enforcement law," N. J. S. 2A:58-1 et seq.,
14 or in any case before a court of competent jurisdiction wherein
15 injunctive relief has been requested.

16 b. The Superior Court, the municipal courts, and the county
17 district courts shall have jurisdiction to enforce the provisions of
18 this act. If the violation is of a continuing nature, each day during
19 which it continues shall constitute an additional, separate and dis-
20 tinct offense. The director is authorized to compromise and settle
21 any claim for a penalty under this section in such amount in the
22 discretion of the director as may appear appropriate and equitable
23 under all of the circumstances.

24 c. A dealer convicted of a violation of any provision of this act,
25 whether penalized by this section or another section, may have his
26 license suspended by the director.

1 26. All moneys collected for fees and penalties imposed by this
2 act shall be deposited as part of the State's general funds with the
3 State Treasurer, who shall keep a record of the same. The sums
4 shall be credited to a fund to be known as the "Boat Certification
5 Fund," which fund shall be used exclusively for the administrative
6 and enforcement costs associated with carrying out the provisions
7 of this act. Any moneys remaining in the Boat Certification Fund
8 at the close of each fiscal year shall be allocated to the Attorney
9 General for disbursement to the State Marine Police Force. This
10 fund shall be kept separate and apart from all other State moneys
11 and shall be disbursed by the State Treasurer on vouchers certified
12 to by the director.

1 27. This act shall be construed liberally to effectuate its purposes.
 2 Any act or part of acts inconsistent with this act are hereby super-
 3 seded. If any section or provision or rule or regulation issued
 4 pursuant to this act is held invalid, such ruling shall not affect the
 5 validity of the remainder of the sections or regulations of this act.

1 28. a. The director is authorized to adopt pursuant to law, regu-
 2 lations to implement the provisions of this act. The director shall,
 3 to the maximum extent practicable and feasible, adopt regulations
 4 similar to those adopted for implementation of chapter 10 of Title
 5 39 of the Revised Statutes.

6 b. The director may adopt regulations regarding stop sale, stop
 7 use or stop movement orders in lieu of seizure, whether actual or
 8 constructive, of marine equipment that does not conform to the
 9 provisions of this act or any regulations adopted pursuant to
 10 this act.

11 c. The director shall adopt, and may amend, rules providing a
 12 schedule of reasonable fees similar to those adopted for imple-
 13 mentation of chapter 10 of Title 39 of the Revised Statutes, to the
 14 maximum extent practicable and feasible, to defray the adminis-
 15 trative costs of issuing certificates of ownership, providing copies
 16 and duplicates and certificates, and filing certificates, as provided
 17 for by sections 12, 13, 15 and 18 of this act.

18 d. All rules and regulations for the implementation of this act
 19 shall be adopted by the director pursuant to the provisions of the
 20 "Administrative Procedure Act," P. L. 1968, c. 410 (C. 52:14B-1
 21 et seq.).

1 29. All powers and duties exercised by the Department of Envi-
 2 ronmental Protection pursuant to the "New Jersey Boat Act of
 3 1962," P. L. 1962, c. 73 (C. 12:7-34.36 et seq.) are transferred to
 4 the Division of Motor Vehicles in the Department of Law and
 5 and Public Safety. The transfer directed by this section shall be
 6 made in accordance with the "State Agency Transfer Act," P. L.
 7 1971, c. 375 (C. 52:14D-1 et seq.).

1 30. This act shall take effect six months following enactment.

STATEMENT

The purpose of this bill is to lower the incidence of theft of marine equipment, such as boats and outboard motors, to improve the tools available to law enforcement agencies, and to increase sales tax revenue derived from the sale of marine equipment by establishing a system for titling marine equipment similar to that now used for titling motor vehicles.

A141 (1984)

SENATE ENERGY AND ENVIRONMENT COMMITTEE

STATEMENT TO

ASSEMBLY, No. 141

STATE OF NEW JERSEY

DATED: JUNE 18, 1984

Assembly Bill No. 141 would establish a system within the Division of Motor Vehicles for the titling of marine equipment (vessels, hulls, and outboard motors) similar to the system currently used for titling and recording the transfer of motor vehicles. Owners of boats in New Jersey are currently required, pursuant to the "New Jersey Boat Act of 1962" P. L. 1962, c. 73 (C. 12:7-34.36 et seq.), to obtain from the State a "certificate of number" for their vessels, which is in effect similar to the requirement that a motor vehicle display a numbered license plate. This bill would add to this existing requirement a requirement that all owners of marine equipment possess proof of ownership (issued and recorded by the DMV) of their marine vessels, hulls, and outboard motors. (Lifeboats, rowboats of less than 12 feet, canoes, and kayaks are excluded from the provisions of this bill). The system established in this bill would help to decrease the unlawful transfer of marine equipment, would aid in recovering and identifying stolen marine equipment, and would help insure that the appropriate amount of state sales tax is collected and remitted to the State on the sales of marine equipment.

More specifically, this bill would (1) require that all vessels, hulls, and outboard motors in the State have a manufacturer's number, (2) require that an owner of a vessel, hull or outboard motor possess a certificate of ownership issued by the DMV for a vessel, hull, or outboard motor, (3) provide that all new marine equipment brought into the State have a certificate of origin containing basic information such as the name of the manufacturer and the manufacturer's number, and, (4) establish a system for the licensing by the DMV of dealers who sell marine equipment.

This bill also establishes a "Boat Certification Fund" into which all registration fees and penalties for the violation of the provisions of this bill would be deposited. The fund would be used by the DMV for the implementation and administration of the titling system established in this bill. This bill also transfers the powers and duties now exercised by the Department of Environmental Protection under the "New Jersey Boat Act of 1962" to the DMV.

Assembly Bill No. 141 is identical to Senate Bill No. 1631.



OFFICE OF THE GOVERNOR

NEWS RELEASE

CN-001

Contact: CARL GOLDEN
609-292-8956

TRENTON, N.J. 08625

Release: SEPTEMBER 12, 1984

Governor Thomas H. Kean today signed legislation to establish a system of titling marine equipment, such as vessels, hulls and outboard motors, in an effort to reduce the theft and illegal transfer of such equipment.

The bill, A-141, was sponsored by Assemblyman Anthony M. Villane, R-Monmouth.

The legislation which takes effect in six months, creates a Boat Certification Fund, to be within the Division of Motor Vehicles. The Division will administer the certification and titling program and has established a fee of \$5 per title for the equipment.

The legislation also provides:

- Dealers in marine equipment shall be licensed by the Division of Motor Vehicles.

- All marine vessels, hulls and outboard motors shall carry a manufacturer's number.

- All marine equipment brought into the State shall carry a certificate of origin containing basic information such as the name of the manufacturer and the manufacturer's number.

- Boats under 12 feet in length, canoes and kayaks are exempt from the provisions of the law.

Individuals who own marine equipment prior to the effective date of the law will be required to obtain an ownership title when their certificate number is due for renewal.

- more -

Titling Marine Equipment

Wednesday, September 12, 1984

Page Two

By requiring certificates of ownership and titling, the new law will result in increased sales tax collections by the State. It has been estimated by DMV that the fees to be charged, along with the increased sales tax revenue, will produce approximately \$720,000 in the first year.

If the fund contains any surplus at the end of the fiscal year, the money shall be allocated to the State Marine Police.

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