

WAC 308-93-230 Procedure for perfecting security interest. (1)

How is the security interest in a vessel perfected?

A security interest in a vessel is perfected when the requirements similar to RCW 46.12.095 for vehicles is followed. Security interest in a vessel (other than one held as inventory by a manufacturer or a dealer and for which a certificate of ownership is required) is perfected only by completing the requirements of RCW 46.12.103 for vessels under the circumstances provided for in this section:

(a) The existing certificate and application for certificate of ownership containing the name and address of the secured party is received by the department with required fees; or

(b) The secured interest is perfected as of the time of its creation if the secured party's name and address appear on the outstanding certificate of ownership when received in (a) of this subsection with appropriate fees; or

(c) The vessel is subject to a security interest when brought into this state. The perfection of the security interest is determined by the jurisdiction in which the vessel was either purchased, registered and/or titled and the security interest is attached.

If perfected through the laws of another jurisdiction, the following applies:

(i) If the name of the secured party is shown on the existing certificate of ownership issued by that jurisdiction, the security interest continues perfected in this state.

(ii) If the security interest was not perfected under the law of the jurisdiction where the vessel was when the security interest was attached, it may be perfected in this state, in that case perfection dates from the time of perfection in this state.

The application must be in the same manner as provided for vehicles and WAC 308-93-069 and 308-93-070 as provided for vessels.

(2) When would the department of licensing not issue a certificate of ownership?

(a) Vessels that are documented in compliance with federal regulations are issued a registration and are not issued a certificate of ownership; or

(b) When ownership in doubt; or

(c) The out-of-state lien holder retains title.

(3) What fees are charged for adding, deleting or changing a secured party?

An application fee and filing fee are due for each transaction. An additional service fee is charged if a licensing subagent processes the transaction as referenced in RCW 88.02.070.

(4) What is the secured party's obligation when the lien has been satisfied?

When a certificate of ownership is required, the secured party must comply with RCW 46.12.170 as provided for vehicles, and WAC 308-93-069 and 308-93-070 as provided for vessels and pay the required fees.

Requirements for application for certificate of ownership:

(a) New vessels:

(i) Application for certificate of ownership to a vessel never before licensed or titled shall be accompanied by a manufacturer's statement of origin, carpenter's certificate, or a copy of the factory invoice.

(ii) The manufacturer's statement of origin, carpenter's certificate, or factory invoice must reflect the model year, make, length and hull identification number of the vessel.

(iii) The department will not accept any manufacturer's statement of origin, carpenter's certificate, or factory invoice for the issuance of a certificate of ownership unless all persons named on the manufacturer's statement of origin, including dealers, have released or assigned their interest, or on a release of interest form approved by the department.

(iv) Dealer-to-dealer transfers may be accomplished either by appropriate endorsement of the manufacturer's statement of origin, carpenter's certificate, or factory invoice, or release of interest form approved by the department. A complete chain of ownership must be reflected from the original dealer named on the manufacturer's statement of origin to the retail selling dealer making the application.

(v) A copy of the factory invoice may be used in lieu of the manufacturer's statement of origin or carpenter's certificate only when such documents are not available and obtaining a replacement from the manufacturer would cause an undue amount of delay in titling the vessel. A certificate of fact describing why the statement of origin or carpenter's certificate is not available must be accompanied by the photocopy of the factory invoice and any necessary releases of interest on a form approved by the department.

(b) Vessels with existing certificate of ownership from a foreign titling jurisdiction:

- (i) Excise exemption affidavit;
- (ii) A copy of the bill of sale or sales agreement;
- (iii) Declaration of value form;
- (iv) Previous ownership document properly released;
- (v) Proof of sales tax paid;
- (vi) Release of interest;
- (vii) Other verification of ownership approved by the department,

such as:

(A) A judgment from a district or superior court of any county of this state awarding ownership; or

(B) Document from an involuntary divestiture sale or auction; and/or

(C) Copy of certificate of documentation of vessel issued by the United States Coast Guard.

(c) Vessels without existing certificate of ownership or from a nontitling jurisdiction:

- (i) Excise exemption affidavit;
- (ii) A copy of the bill of sale or sales agreement;
- (iii) Declaration of value form;
- (iv) Previous ownership document properly released;
- (v) The registration, if it is from a nontitle state;
- (vi) Proof of sales tax paid;
- (vii) Manufacturer's statement of origin, factory invoice, or

carpenter's certificate;

(viii) An affidavit in lieu of title;

(ix) Release of interest;

(x) Other verification of ownership approved by the department to include:

(A) A judgment from a district or superior court of any county of this state awarding ownership; or

(B) Document from an involuntary divestiture sale or auction; and/or

(C) Copy of certificate of documentation of vessel issued by the United States Coast Guard; and/or

(D) An affidavit certifying when and where the vessel was acquired or brought into the state.

(5) What is the secured party's obligation when the lien has been satisfied due to the sale of the vessel?

The secured party must comply with RCW 46.12.101 as provided for vehicles and WAC 308-93-069 and 308-93-070 as provided for vessels.

Vessel owners applying for certificate of ownership and/or registration of a vessel must submit an application, which includes, but is not limited to:

- (a) Expiration date of the certificate of registration;
- (b) The name of each owner of the vessel and if the vessel is subject to security interest, the name of each secured party;
- (c) The department-assigned customer account number for each owner of the vessel including secured parties if available;
- (d) The address at which one of the owners regularly receives mail;
- (e) The mailing address of the first secured party;
- (f) The Washington registration number as assigned;
- (g) Make and model year;
- (h) Length of vessel;
- (i) Type of power (gasoline, diesel, etc.);
- (j) Primary use (commercial, pleasure, etc.);
- (k) Primary method of propulsion (inboard, sail, etc.);
- (l) Type of vessel (runabout, cabin, etc.);
- (m) Primary vessel construction (fiberglass, wood, etc.);
- (n) County of moorage;
- (o) Hull identification number, if one has been assigned;
- (p) Latest purchase price and purchase year or, if the vessel was not acquired by purchase, a declaration of value and year of declaration.

For the purposes of this section, purchase price or declared value includes the vessel, vessel motor, or engine, and all other equipment and accessories, excluding a boat trailer, purchased or acquired in a single transaction;

- (q) United States Coast Guard document number, if applicable.

In addition to the information listed above, upon original application for certificate of ownership and/or registration of a homemade vessel, the owner shall complete and sign a declaration of value form. The owner's signature must be notarized/certified in accordance with WAC 308-93-470.

(6) Is the secured party liable for the acts of the vessel owner?

No. The secured party is not liable or responsible for any act or contract made by the vessel owner or by any person representing the vessel owner.

[Statutory Authority: RCW 88.02.070 and 88.02.100. WSR 03-15-019, § 308-93-230, filed 7/8/03, effective 8/8/03. Statutory Authority: RCW 46.16.381. WSR 02-04-001, § 308-93-230, filed 1/23/02, effective 2/23/02. Statutory Authority: RCW 88.02.070 and 88.02.100. WSR 98-21-001, § 308-93-230, filed 10/8/98, effective 11/8/98; WSR 92-24-035, § 308-93-230, filed 11/25/92, effective 12/26/92. Statutory Authority: 1983 c 7 § 20 and 1983 2nd ex.s. c 3 § 46. WSR 83-23-076 (Order 736-DOL), § 308-93-230, filed 11/18/83.]