

**NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT (EXCERPT)**  
**Act 451 of 1994**

**324.80320 Secured interest in watercraft; notation; discharge; perfection; electronic transactions; requirements.**

Sec. 80320.

(1) A party with a secured interest in a watercraft, upon presentation of a properly completed application for certificate of title to the secretary of state, together with the fee prescribed by section 80311, may have a notation of the security interest made on the face of the certificate of title to be issued by the secretary of state. The secretary of state shall enter the notation and the date and shall note the security interest and the date in his or her files. However, as provided in subsection (5), the secretary of state is not required to issue a certificate of title to the owner of a vehicle if the title is subject to a security interest.

(2) When the security interest is discharged, the holder shall note the discharge on the certificate of title over his or her signature.

(3) Receipt by the secretary of state of a properly tendered application for a certificate of title on which a security interest in a watercraft is to be indicated is a condition of perfection of a security interest in the watercraft, unless, under subsection (4), the department of state does not issue certificates of title for watercraft subject to a security interest, and is equivalent to filing a financing statement under the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.9994, with respect to the watercraft. When a security interest in a watercraft is perfected, it has priority over the rights of a lien creditor as lien creditor is defined in section 9102 of the uniform commercial code, 1962 PA 174, MCL 440.9102.

(4) The department of state may require that all transactions concerning watercraft title liens and security interests be conducted by electronic means, as determined by the department of state. In that case, if a watercraft is subject to a security interest, the department of state is not required to issue a certificate of title to the owner of the watercraft or a lienholder if it maintains a record of title electronically. After all liens have been terminated, or for purposes of retitling the watercraft in another state or any other purpose considered appropriate by the department of state, the department of state may issue a paper copy of the watercraft title to the watercraft owner.

(5) A watercraft sale transaction in which a security interest is entered by electronic means shall include a document recording entry of the electronic security interest and information regarding the financial institution that holds the security interest. When a secured party is presented with payment in satisfaction of the security interest, a secured receipt in a form approved by the department of state may be produced and submitted to the department of state in lieu of the certificate of title for purposes of transferring ownership in the watercraft.

**History:** Add. 1995, Act 58, Imd. Eff. May 24, 1995 ;-- Am. 2005, Act 37, Imd. Eff. June 7, 2005 ;-- Am. 2018, Act 678, Eff. Mar. 29, 2019

**Popular Name:** Act 451

**Popular Name:** NREPA

**Popular Name:** Watercraft Title Act