

## **IC 9-31-2**

### **Chapter 2. Watercraft Certificates of Title**

#### **IC 9-31-2-1**

##### **Nonapplicability of chapter**

Sec. 1. This chapter does not apply to the following:

- (1) A watercraft from a jurisdiction other than Indiana using the waters of Indiana for less than sixty (60) consecutive days.
- (2) A ship's lifeboat.
- (3) Watercraft other than motorboats unless the owner voluntarily desires to become subject to this chapter.
- (4) A watercraft that is a Class 5 or lower motorboat or sailboat under IC 6-6-11-10 (the boat excise tax), unless the owner voluntarily desires to become subject to this chapter.
- (5) A watercraft that is propelled by an internal combustion, steam, or electrical inboard or outboard motor or engine or by any mechanical means, including sailboats that are equipped with such a motor or engine when the sailboat is in operation whether or not the sails are hoisted, if:
  - (A) the watercraft was made by an individual for the use of the individual and not for resale; and
  - (B) the owner does not voluntarily desire to become subject to this chapter.

*As added by P.L.71-1991, SEC.11. Amended by P.L.125-2012, SEC.378.*

#### **IC 9-31-2-2**

##### **Watercraft requiring registration; exception**

Sec. 2. (a) Except as provided in subsection (b), a watercraft that is required to be registered in Indiana must have a certificate of title issued under this chapter.

(b) A watercraft acquired by the Indiana owner of the watercraft before January 1, 1986, is not required to have a certificate of title until after ownership of the watercraft is transferred to another person.

*As added by P.L.71-1991, SEC.11.*

#### **IC 9-31-2-3**

##### **Transfer or acquisition of title; necessity for transfer or obtaining title certificate; offense**

Sec. 3. (a) Except as provided in section 5 of this chapter, a person may not transfer ownership of a watercraft that was acquired by the person after January 1, 1986, without delivering to the transferee of the watercraft a certificate of title with an assignment on the certificate of title that shows title in the transferee.

(b) A person who acquires ownership of a watercraft after January 1, 1986, must obtain a certificate of title for the watercraft under section 6 of this chapter.

(c) A person who violates this section commits a Class A

infraction.

*As added by P.L.71-1991, SEC.11. Amended by P.L.217-2014, SEC.155.*

#### **IC 9-31-2-4**

##### **Necessity for certificate of title to obtain right, title, claim, or interest in watercraft**

Sec. 4. (a) Except as provided in section 30 of this chapter, a person acquiring a watercraft from the owner of the watercraft, whether the owner is a manufacturer, importer, dealer, or otherwise, does not acquire any right, title, claim, or interest in or to the watercraft until the person has obtained a certificate of title to the watercraft. A waiver or estoppel does not operate in favor of the person against another person having possession of the certificate of title, or manufacturer's or importer's certificate for the watercraft, for a valuable consideration.

(b) A court may recognize the right, title, claim, or interest of a person in or to a watercraft sold, disposed of, mortgaged, or encumbered only if the right, title, claim, or interest:

(1) is evidenced by:

- (A) a certificate of title;
- (B) a certificate of title designating a transfer on death beneficiary to the watercraft signed under section 30 of this chapter; or
- (C) a manufacturer's or importer's certificate issued under this chapter; or

(2) is evidenced by admission in the pleadings or stipulation of the parties.

*As added by P.L.71-1991, SEC.11. Amended by P.L.83-2008, SEC.9.*

#### **IC 9-31-2-5**

##### **Sale of watercraft to dealer; manufacturer's or importer's certificate; offense**

Sec. 5. (a) A manufacturer, importer, dealer, or other person may not sell or otherwise dispose of a new watercraft to a dealer, to be used by the dealer for purposes of display and resale, without delivering to the dealer a manufacturer's or importer's certificate executed under this section and with those assignments on the certificate as are necessary to show title in the purchaser of the watercraft. A dealer may not purchase or acquire a new watercraft without obtaining from the seller of the watercraft the manufacturer's or importer's certificate.

(b) A manufacturer's or importer's certificate of the origin of a watercraft must contain the following information along with any additional information the bureau requires:

(1) A description of the watercraft, including, if applicable, the make, year, length, dry weight, series or model, horsepower rating, hull type, and hull identification number.

(2) Certification of the date of transfer of the watercraft to a

distributor, dealer, or other transferee and the name and address of the transferee.

(3) Certification that this is the first transfer of the new watercraft in ordinary trade and commerce.

(4) The signature and address of a representative of the transferor.

(c) An assignment of a manufacturer's or importer's certificate shall be printed on the reverse side of the manufacturer's or importer's certificate. The assignment form must include the following:

- (1) The name and address of the transferee.
- (2) A certification that the watercraft is new.
- (3) A warranty that the title at the time of delivery is subject only to the liens and encumbrances that are set forth and described in full in the assignment.

(d) A person who violates this section commits a Class A infraction.

*As added by P.L.71-1991, SEC.11. Amended by P.L.125-2012, SEC.379; P.L.217-2014, SEC.156.*

#### **IC 9-31-2-6**

##### **Application for certificate of title; time for filing; fees; offense**

Sec. 6. (a) Except as provided in subsection (b), an application for a certificate of title shall be filed with the bureau within thirty-one (31) days after the date of purchase or transfer. The application must be accompanied by the fee prescribed in IC 9-29-15-1.

(b) This subsection applies only to a watercraft acquired by a conveyance subject to section 30 of this chapter. An application for a certificate of title shall be filed with the bureau within sixty (60) days after the date of the transfer under section 30 of this chapter. The application must be accompanied by the fee prescribed in IC 9-29-15-1 and any other applicable fees and service charges.

(c) A person who violates this section commits a Class A infraction.

*As added by P.L.71-1991, SEC.11. Amended by P.L.83-2008, SEC.10; P.L.125-2012, SEC.380; P.L.217-2014, SEC.157.*

#### **IC 9-31-2-7**

##### **Application for certificate of title; certification; contents**

Sec. 7. An application for a certificate of title must be certified by the owner or purchaser of the watercraft and must contain the following information:

- (1) The name and residence address of the applicant and, if different from the residence address, the applicant's mailing address, and the Social Security number or federal identification number of the applicant.
- (2) The name and address of the previous owner.
- (3) A statement of liens, mortgages, or other encumbrances on the watercraft and the name and address of the holder of the liens, mortgages, or other encumbrances.

- (4) The former title number of the watercraft, if applicable.
- (5) A description of the watercraft, including, if applicable, the make, year, length, dry weight, series or model, horsepower rating, hull type, and hull identification number.
- (6) The purchase or acquisition date.
- (7) Any other information that the bureau requires.

*As added by P.L.71-1991, SEC.11. Amended by P.L.125-2012, SEC.381; P.L.262-2013, SEC.121.*

### **IC 9-31-2-7.5**

#### **Application for certificate of title for watercraft requires inspection**

Sec. 7.5. (a) This section does not apply to the following:

- (1) A new watercraft sold by a dealer that is licensed by the state under IC 9-31-4.
- (2) A watercraft transferred or assigned on a certificate of title issued by the bureau.

(b) The bureau may not accept an application for a certificate of title under section 7 of this chapter for a watercraft unless the watercraft has been inspected by one (1) of the following:

- (1) An employee of a dealer designated by the secretary of state to perform an inspection.
- (2) A military police officer assigned to a military post in Indiana.
- (3) A police officer.
- (4) A designated employee of the bureau.
- (5) An employee of a qualified person operating under a contract with the commission under IC 9-16-1-4 for operation of a full service license branch.
- (6) An employee of a qualified person operating under a contract with the commission under IC 9-16-1-4.5 for operation of a partial service license branch.

(c) A person who inspects a watercraft under subsection (b) shall do the following:

- (1) Make a record of the inspection on the application.
- (2) Verify the information contained in the application.

*As added by P.L.262-2013, SEC.122.*

### **IC 9-31-2-8**

#### **Hull identification number; application**

Sec. 8. (a) If a watercraft contains a permanent hull identification number placed on the watercraft by the manufacturer of the watercraft, the number shall be used as the hull identification number. If there is no manufacturer's hull identification number or if the manufacturer's hull identification number has been removed or obliterated, the bureau shall, upon a prescribed application, assign a hull identification number to the watercraft. The assigned hull identification number shall be permanently affixed to or imprinted by the applicant at the place and in the manner designated by the bureau upon the watercraft to which the hull identification number is

assigned. The fee prescribed under IC 9-29-15-2 and any other applicable fees and service charges shall be paid to the bureau for assigning a hull identification number.

(b) An application under subsection (a) must contain the following:

- (1) A description of the watercraft, including the make, year, length, series or model, and, if known, original identification number.
- (2) The name and address of the applicant.
- (3) The date on which the applicant purchased or obtained possession of the watercraft.
- (4) The name and address of the person from whom the applicant purchased or obtained possession of the watercraft.
- (5) Any other information the bureau requires.

*As added by P.L.71-1991, SEC.11. Amended by P.L.125-2012, SEC.382; P.L.262-2013, SEC.123.*

### **IC 9-31-2-9**

#### **Certificate of title; offense**

Sec. 9. (a) If a certificate of title was not previously issued in Indiana for the watercraft, the application must be accompanied by one (1) of the following:

- (1) A manufacturer's or importer's certificate.
- (2) A certificate of registration issued under IC 9-31-3, if purchased by the applicant before January 1, 1986.
- (3) A certificate of title or bill of sale.
- (4) Other evidence of ownership required by the law of another state from which the watercraft is brought into Indiana.

(b) A person who violates this section commits a Class C infraction.

*As added by P.L.71-1991, SEC.11. Amended by P.L.125-2012, SEC.383; P.L.217-2014, SEC.158.*

### **IC 9-31-2-10**

#### **Certificate of title; certificate of hull identification number; offense**

Sec. 10. (a) Evidence of ownership of a watercraft for which an Indiana certificate of title was not previously issued and that does not have permanently affixed to the watercraft a hull identification number shall be accompanied by the certificate of hull identification number assigned by the bureau under section 8 of this chapter.

(b) A person who violates this section commits a Class A infraction.

*As added by P.L.71-1991, SEC.11. Amended by P.L.217-2014, SEC.159.*

### **IC 9-31-2-11**

#### **Retention and verification of evidence of title; inspection; rejection of application**

Sec. 11. (a) The bureau shall:

- (1) retain the evidence of title presented by a person upon which the Indiana certificate of title is issued in accordance with applicable document and record retention requirements; and
- (2) use reasonable diligence in ascertaining whether the facts in the application are true by checking the application and documents accompanying the application with the records of watercraft in the bureau.

(b) An authorized employee of the bureau may inspect a watercraft to determine whether a certificate of title should be issued.

(c) The bureau may reject an application if the bureau is not satisfied:

- (1) of the genuineness, regularity, or legality of the application or the truth of a statement made on the application; or
- (2) for any other reason authorized by law.

*As added by P.L.71-1991, SEC.11. Amended by P.L.125-2012, SEC.384.*

#### **IC 9-31-2-12**

#### **Filing of application and issuance of certificate of title; assignment of certificate form**

Sec. 12. (a) If the bureau is satisfied:

- (1) of the genuineness and regularity of an application;
- (2) that no tax imposed by Indiana law is owed as evidenced by the receipt for payment or determination of exemption from the department of state revenue; and
- (3) that the applicant is entitled to the issuance of a certificate of title;

the bureau shall issue a certificate of title containing the information required in the application for a certificate of title, as prescribed by section 7 of this chapter, as well as space for the notation and cancellation of a lien, a mortgage, or an encumbrance.

(b) A form for the assignment of the certificate of title must appear on the reverse side of the certificate of title. The assignment form must include a warranty that the signer is the owner of the watercraft and that a mortgage, a lien, or an encumbrance is not on the watercraft except as noted on the face of the certificate of title.

*As added by P.L.71-1991, SEC.11. Amended by P.L.125-2012, SEC.385.*

#### **IC 9-31-2-13**

#### **Repealed**

*(As added by P.L.71-1991, SEC.11. Repealed by P.L.125-2012, SEC.386.)*

#### **IC 9-31-2-14**

#### **Repealed**

*(As added by P.L.71-1991, SEC.11. Repealed by P.L.125-2012, SEC.387.)*

### **IC 9-31-2-15**

#### **Cancellation of improperly issued certificates of title**

Sec. 15. (a) If it appears that a certificate of title is improperly issued, the bureau shall cancel the certificate. The bureau shall notify the person to whom the certificate of title was issued, as well as any lienholders appearing on the certificate of title, of the cancellation and shall demand the surrender of the certificate of title.

(b) A cancellation under subsection (a) does not affect the validity of a lien noted on the certificate of title.

(c) The holder of a certificate of title canceled under subsection (a) shall return the certificate of title to the bureau immediately.

*As added by P.L.71-1991, SEC.11.*

### **IC 9-31-2-16**

#### **Transfers of ownership by operation of law; issuance of certificate of title**

Sec. 16. (a) If the transfer of ownership of a watercraft is by operation of law (such as upon inheritance, devise, bequest, transfer on death designation in accordance with section 30 of this chapter, order in bankruptcy, insolvency, replevin, execution of sale, or under an order of court), if a watercraft is sold to satisfy a storage or repair charge, or if repossession is had upon default in performance of the terms of a security agreement, the bureau shall issue to the applicant a certificate of title to the watercraft upon:

- (1) presentation of satisfactory proof to the bureau of ownership and a right of possession of the watercraft;
- (2) payment of the fee prescribed under IC 9-29-15-1 and any other applicable fees and service charges; and
- (3) presentation of an application for certificate of title.

(b) If an applicant cannot produce proof of ownership, the applicant may apply to the bureau and submit evidence of ownership. If the bureau finds the evidence sufficient, the bureau may issue a certificate of title. If, from the records of the bureau, a lien appears to be on the watercraft, the certificate of title must contain a statement of the lien, unless the application is accompanied by proper evidence of the satisfaction of the lien.

*As added by P.L.71-1991, SEC.11. Amended by P.L.83-2008, SEC.11; P.L.125-2012, SEC.388.*

### **IC 9-31-2-17**

#### **Late application for certificate of title**

Sec. 17. If a person fails to apply for a title within thirty-one (31) days after:

- (1) obtaining ownership of a watercraft; or
- (2) otherwise being required to obtain a certificate of title for a watercraft;

the person shall pay a late title fee prescribed under IC 9-29-15-3.

*As added by P.L.71-1991, SEC.11. Amended by P.L.262-2013, SEC.124.*

**IC 9-31-2-18****Distribution of use tax collections**

Sec. 18. The bureau shall retain one percent (1%) of the use taxes received under this article and remit the balance to the department of state revenue in the manner prescribed by the department of state revenue.

*As added by P.L.71-1991, SEC.11.*

**IC 9-31-2-19****Change or destruction of watercraft; surrender and cancellation of certificate of title**

Sec. 19. (a) If a watercraft is dismantled, destroyed, or changed in a manner that the watercraft loses the character of a watercraft or changed in a manner that the watercraft is not the watercraft described in the certificate of title, an owner of the watercraft shall surrender the certificate of title to the bureau. The bureau shall, upon notification to the holder of a lien noted on the certificate of title, enter a cancellation upon the lienholder's records.

(b) Upon the cancellation of a certificate of title in the manner prescribed by subsection (a), the bureau may cancel and destroy the certificates of title.

*As added by P.L.71-1991, SEC.11. Amended by P.L.125-2012, SEC.389.*

**IC 9-31-2-20****Duplicate certificates of title**

Sec. 20. (a) If a certificate of title for a watercraft:

- (1) is lost or stolen;
- (2) is mutilated;
- (3) is destroyed; or
- (4) becomes illegible;

the owner of the watercraft, or the owner's legal representative or successor in interest, as shown in the records of the bureau, shall immediately apply to the bureau for a duplicate certificate of title.

(b) To obtain a duplicate certificate of title under subsection (a), a person must:

- (1) submit an application on a form prescribed by the bureau;
- (2) furnish information satisfactory to the bureau concerning the loss, theft, mutilation, destruction, or illegibility of the certificate of title; and
- (3) pay the applicable fee provided under IC 9-29.

(c) The word "duplicate" must be printed or stamped in ink on the face of a certificate of title issued under this section.

(d) When the bureau issues a duplicate certificate of title, the previously issued certificate of title becomes void.

*As added by P.L.71-1991, SEC.11. Amended by P.L.125-2012, SEC.390; P.L.262-2013, SEC.125.*

**IC 9-31-2-21**

**Repealed**

*(As added by P.L.71-1991, SEC.11. Repealed by P.L.125-2012, SEC.391.)*

**IC 9-31-2-22****Repealed**

*(As added by P.L.71-1991, SEC.11. Repealed by P.L.125-2012, SEC.392.)*

**IC 9-31-2-23****Stolen or converted watercraft**

Sec. 23. (a) Upon receiving knowledge of a stolen watercraft, a law enforcement agency shall immediately furnish the sheriff's department of the county from which the watercraft was stolen, the department of natural resources, law enforcement division, and the bureau with full information concerning the theft.

(b) If a stolen or converted watercraft is recovered, the owner or recovering agency shall immediately notify the law enforcement agency that received the initial theft report. The law enforcement agency shall immediately notify the bureau, the department of natural resources, the sheriff of the county from which the watercraft was stolen, and other law enforcement agencies in the county.

*As added by P.L.71-1991, SEC.11. Amended by P.L.125-2012, SEC.393; P.L.262-2013, SEC.126.*

**IC 9-31-2-24****Security agreements; perfection; record entry; discharge of lien**

Sec. 24. (a) A security agreement covering a security interest in a watercraft that is not inventory held for sale can be perfected only if the bureau indicates the security interest on the certificate of title or duplicate. Except as otherwise provided in this section, IC 26-1-9.1 applies to security interests in watercraft.

(b) The secured party, upon presentation of a properly completed application for certificate of title to the bureau together with the fee prescribed by IC 9-29-15-1, may have a notation of the lien made on the face of the certificate of title to be issued by the bureau. The bureau shall enter the notation and the date of the notation and shall note the lien and the date of the lien in the bureau's files.

(c) Whenever a lien is discharged, the holder shall note the discharge on the certificate of title over the holder's signature.

*As added by P.L.71-1991, SEC.11. Amended by P.L.57-2000, SEC.5.*

**IC 9-31-2-25****Repealed**

*(As added by P.L.71-1991, SEC.11. Repealed by P.L.125-2012, SEC.394.)*

**IC 9-31-2-26****Infraction offenses**

Sec. 26. A person who does any of the following commits a Class A infraction:

- (1) Allows a watercraft that the person owns to be operated in Indiana without having a certificate as prescribed by this chapter.
- (2) Fails to surrender a certificate of title upon cancellation of the certificate by the bureau and notice of the cancellation as prescribed in this chapter.
- (3) Fails to surrender a certificate of title to the bureau, as provided in this chapter, if the watercraft is destroyed, dismantled, or changed in a manner that the watercraft is not the watercraft described in the certificate of title.

*As added by P.L.71-1991, SEC.11. Amended by P.L.217-2014, SEC.160.*

#### **IC 9-31-2-27**

##### **Repealed**

*(As added by P.L.71-1991, SEC.11. Amended by P.L.158-2013, SEC.165. Repealed by P.L.217-2014, SEC.161.)*

#### **IC 9-31-2-28**

##### **Repealed**

*(As added by P.L.71-1991, SEC.11. Repealed by P.L.217-2014, SEC.162.)*

#### **IC 9-31-2-29**

##### **Rule violation; offense**

Sec. 29. A person who violates a rule adopted to carry out this chapter commits a Class A infraction.

*As added by P.L.71-1991, SEC.11.*

#### **IC 9-31-2-30**

##### **Transfer on death conveyance; requirements**

Sec. 30. (a) The owner or owners of a watercraft may create an interest in the watercraft that is transferrable on the death of the owner or owners by obtaining a certificate of title conveying the interest in the watercraft to one (1) or more persons as transfer on death beneficiaries.

(b) Subject to subsection (e), an interest in a watercraft transferred under this section vests upon the death of the owner or owners.

(c) A certificate of title that is:

(1) worded in substance as "A.B. transfers on death to C.D." or "A.B. and C.D. transfer on death to E.F."; and

(2) signed by the owner or owners;

is a good and sufficient conveyance on the death of the owner or owners to the transferee or transferees.

(d) A certificate of title obtained under this section is not required to be:

(1) supported by consideration; or

(2) delivered to the named transfer on death beneficiary or beneficiaries;  
to be effective.

(e) Upon the death of the owner or owners conveying an interest in a watercraft in a certificate of title obtained under this section, the interest in the watercraft is transferred to each beneficiary who is described by either of the following:

(1) The beneficiary:

- (A) is named in the certificate; and
- (B) survives the transferor.

(2) The beneficiary:

- (A) survives the transferor; and
- (B) is entitled to an interest in the watercraft under IC 32-17-14-22 following the death of a beneficiary who:
  - (i) is named in the certificate; and
  - (ii) did not survive the transferor.

(f) A transfer of an interest in a watercraft under this section is subject to IC 6-4.1.

(g) A certificate of title designating a transfer on death beneficiary is not testamentary.

(h) In general, IC 32-17-14 applies to a certificate of title designating a transfer on death beneficiary. However, a particular provision of IC 32-17-14 does not apply if it is inconsistent with the requirements of this section or IC 9-31-2-16.

*As added by P.L.83-2008, SEC.12. Amended by P.L.143-2009, SEC.4; P.L.6-2010, SEC.5; P.L.36-2011, SEC.2; P.L.81-2015, SEC.4.*

### **IC 9-31-2-31**

#### **Service in the armed forces; transfer of certificate of title of watercraft**

Sec. 31. (a) An Indiana resident who:

- (1) is serving in the armed forces of the United States; and
- (2) holds a certificate of title for a watercraft;

may authorize transfer of the certificate of title to another person by submitting a signed letter to that effect to the bureau. The letter must be accompanied by proof that the Indiana resident is actively serving in the armed forces of the United States outside Indiana.

(b) When the bureau receives the letter and proof described in subsection (a), the bureau may transfer the certificate of title to the person named in the letter. The letter must be attached to the certificate of title being transferred and becomes a permanent record of the bureau.

(c) The bureau shall use reasonable diligence to determine if the signature on the letter authorizing the transfer is authentic. If the bureau is satisfied that the signature is authentic, the bureau shall issue to the person named in the letter an appropriate certificate of title over the signature of the bureau and sealed with the seal of the bureau.

*As added by P.L.262-2013, SEC.127.*