



March 31<sup>st</sup>, 2025

The Honorable Charles Perry  
Chair  
Senate Committee on Water, Agriculture, and Rural Affairs  
Sam Houston Building, 335  
201 E 14<sup>th</sup> Street, Austin TX, 78701

The Honorable  
Kelly Hancock  
Vice-Chair  
Senate Committee on Water, Agriculture, and Rural Affairs  
Sam Houston Building, 335  
201 E 14<sup>th</sup> Street, Austin TX, 78701

### **Support for S.B. 1267 – Strengthening Vessel Titling & Registration**

Dear Chair Perry, Vice Chair Hancock and Members of the Senate Committee on Water, Agriculture, and Rural Affairs,

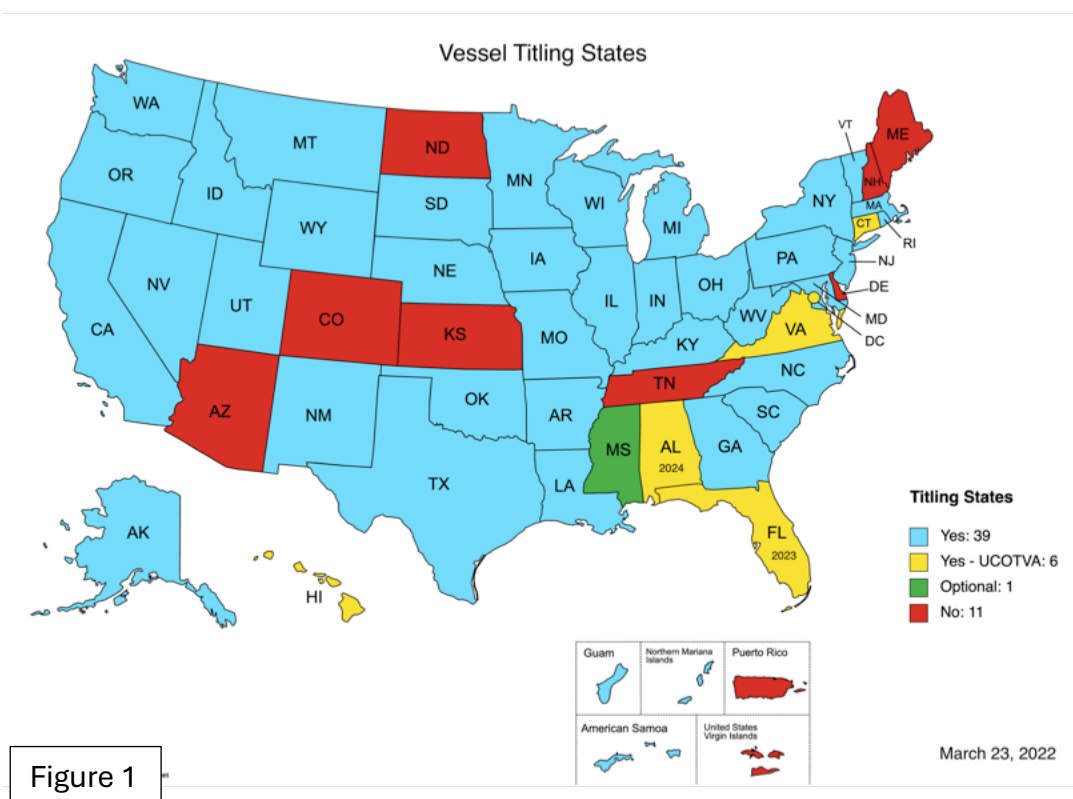
I am writing to express the Marine Retailers Association of the Americas (MRAA) support for S.B. 1267, an important legislative measure that will modernize vessel and outboard motor titling and registration within the Texas Parks and Wildlife Code. This bill will modernize an outdated system, streamlining administrative processes, strengthening consumer protections, and aligning Texas with best practices in vessel documentation.

The Marine Retailers Association of the Americas (MRAA) is the leading trade association for North American small businesses involved in selling and servicing new and used recreational boats, as well as operating marinas, boatyards, and accessory stores.

Boasting a variety of both freshwater and saltwater recreational boating and fishing opportunities, it is no secret that the Lone Star State boasts an impressive, \$11.8 billion recreational boating economy supported by the more than 1,834 the small boating businesses throughout the state. In Texas, boating means businesses and the recreational boating industry supports nearly 38,200 jobs

within the state. The provision put forth in S.B. 1267 will ensure that this important industry can continue to flourish by providing both Texas based marine retailers and boaters' certainty and security regarding their recreational vessel.

Currently, in the United States vessel titling requirements vary from state to state, creating a patchwork of legal requirements for vessel owners as well as dealers. Figure 1, below, highlights the current patchwork. Not only do the requirements vary from state to state but currently 11 states do not even require titling. The titling of vessels provides boat owners a variety of protections and benefits such as lowering insurance premiums, access to financing options, assisting in the recovery of a stolen vessel, and lastly piece of mind they are buying a legitimately owned and structurally sound vessel. To address this patchwork and put in place a better titling system that will benefit recreational boaters and marine retailers, the MRAA and others in the recreational boating industry have supported legislation like S.B. 1267, which can be categorized as a "Uniform Certificate of Title for Vessels Act" (UCOTVA).



Currently, the National Association of State Boating Law Administrators (NASBLA), the Uniform Law Commission (ULC), and the National Marine Manufacturers Association (NMMA) are three organizations who have historically supported Uniform Certificate of Title for Vessels Act (UCOTVA) legislation like S.B. 1267. S.B. 1267 is aligned with provisions of the UCOTVA as it

requires a vessel owner to apply for a certificate of title within 20 days of purchase or within 20 days of establishing principal use of the vessel on waters in the state.

Furthermore, UCOTVA also puts in place a branding requirement if the integrity of a vessel's hull was compromised, requiring the owner or insurer to note, prior to selling the vessel, that the vessel is "hull damaged". A failure to comply will make the offender liable of either a civil or administrative penalty. This requirement ensures that marine retailers and recreational boaters know the whole history of recreational vessel and ensures them they are making a wise investment or should consider other options.

Furthermore, according to the Uniform Law Coalition, UCOTVA also solves the following issues with existing titling laws:

- 1) *Harmonization with Article 9 of the Uniform Commercial Code.* Many states have enacted the revised version of Article 9 of the UCC but have not updated their titling law for vessels. Accordingly, it is often difficult to harmonize a state's titling law with its laws governing sales of vessels and security interests in vessels. This leads to legal interpretation problems.
- 2) *Approved by U.S. Coast Guard.* As of July 6, 2022, the U.S. Coast Guard changed its regulations for certifying state titling systems for undocumented vessels. In short, states that have adopted UCOTVA can apply to the U.S. Coast Guard to certify their titling statute. Once the U.S. Coast Guard certifies the statute, and the state is participating in the Vessel Identification System, a security interest in a vessel perfected pursuant to the statute is granted the status of a preferred ship mortgage under federal law. This effectively allows preferred ship mortgages on vessels that are not documented with the U.S. Coast Guard. A preferred ship mortgage has priority over almost all other liens on a vessel. This type of lien has priority over almost all other liens on a vessel. The only exceptions will be previously perfected preferred ship mortgages, and maritime liens for damage arising out of a maritime tort, wages of a stevedore employed by the vessel owner or the owner's representative, wages of the vessel's crew, general average, or salvage. See 46 U.S.C. §§ 31326(b)(1), 31301(5).
- 3) *No Current Branding of the Title of Damaged/Salvaged Vessels.* Very few states' vessel-titling laws require branding of the title of a damaged or salvaged vessel. This means buyers could unknowingly purchase a vessel that has hidden structural damage and is, therefore, unseaworthy and unsafe. This is a particular problem after a hurricane or other natural disaster in which many recreational boats are damaged. Owners and insurers often sell the damaged boats for salvage to buyers who make cosmetic repairs and then re-sell the boats without disclosure of the casualty.

For the reasons listed above the MRAA supports S.B. 1267 and encourages the Committee to vote favorably as it will put in place a modernized and updated system that will ultimately provide recreational boaters and marine retailers' certainty around their investments. We thank you for your consideration of our request and hope that you choose to further protect the recreational boating industry in Texas by passing S.B. 1267.

Should you have any questions about S. 1267 or the positive impacts to recreational boaters and marine retailers in Texas, please do not hesitate to reach out to Chad Tokowicz, Government Relations Manager at the Marine Retailers Association of the Americas at [Chad@mraa.com](mailto:Chad@mraa.com).

Sincerely,

Chad Tokowicz  
Government Relations Manager  
Marine Retailers Association of the Americas