

Act No. 265
Public Acts of 1990
Approved by the Governor
October 16, 1990
Filed with the Secretary of State
October 17, 1990

**STATE OF MICHIGAN
85TH LEGISLATURE
REGULAR SESSION OF 1990**

Introduced by Reps. Sparks, Stacey, Trim, Willis Bullard, Krause, DeLange, Ciaramitaro, Dunaskiss
and Honigman

ENROLLED HOUSE BILL No. 5120

AN ACT to amend sections 222 and 251 of Act No. 300 of the Public Acts of 1949, entitled as amended "An act to provide for the registration, titling, sale, transfer, and regulation of vehicles operated upon the public highways of this state or any other place open to the general public and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state agencies; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," as amended by Act No. 470 of the Public Acts of 1988, being sections 257.222 and 257.251 of the Michigan Compiled Laws; and to add section 251a.

The People of the State of Michigan enact:

Section 1. Sections 222 and 251 of Act No. 300 of the Public Acts of 1949, as amended by Act No. 470 of the Public Acts of 1988, being sections 257.222 and 257.251 of the Michigan Compiled Laws, are amended and section 251a is added to read as follows:

Sec. 222. (1) Except as otherwise provided in this act, the secretary of state shall issue a registration certificate and a certificate of title when registering a vehicle and upon receipt of the required fees.

(2) The registration certificate shall be delivered to the owner and shall contain on its face the date issued, the name and address of the owner, the registration number assigned to the vehicle, and a description of the vehicle as determined by the secretary of state.

(3) The certificate of title shall be manufactured in a manner to prohibit as nearly as possible the ability to reproduce, alter, counterfeit, forge, or duplicate the certificate of title without ready detection and contain on its face the identical information required on the face of the registration certificate; if the vehicle is a motor vehicle, the number of miles, not including the tenths of a mile, registered on the vehicle's odometer at the time of transfer; except for a vehicle owned by a dealer and loaned to a political subdivision of this state for use as a driver education vehicle, if the vehicle is to be used or has been used as a taxi, as a police vehicle, or by a political subdivision of this state; if the vehicle has been issued a salvage or a rebuilt certificate of title; a statement of the owner's title and of all security interests in the vehicle or in an accessory on the vehicle as set forth in the application; the date that the application was filed; and any other information that the secretary of state may require.

(4) The certificate of title shall contain, upon the reverse side, a form for assignment of title or interest and warranty of title by the owner with space for the notation of a security interest in the vehicle and in an accessory on the vehicle, that at the time of a transfer shall be certified and signed, and space for a written odometer mileage statement that is required upon transfer pursuant to section 233a. The reverse side of the certificate of title may also contain other forms that the secretary of state considers necessary to facilitate the effective administration of this act. The certificate shall bear the coat of arms of this state.

(5) The certificate of title shall be mailed or delivered to the owner or other person the owner may direct in a separate instrument, in a form the secretary of state shall prescribe.

(6) A person who intentionally reproduces, alters, counterfeits, forges, or duplicates a certificate of title or who uses a reproduced, altered, counterfeited, forged, or duplicated certificate of title shall be punished as follows:

(a) If the intent of reproduction, alteration, counterfeiting, forging, duplication, or use was to commit or aid in the commission of an offense punishable by imprisonment for 1 or more years, the person committing the reproduction, alteration, counterfeiting, forging, duplication, or use is guilty of a misdemeanor, punishable by imprisonment for a period equal to that which could be imposed for the commission of the offense the person had the intent to aid or commit. The court may also assess a fine of not more than \$10,000.00 against the person.

(b) If the intent of the reproduction, alteration, counterfeiting, forging, duplication, or use was to commit or aid in the commission of an offense punishable by imprisonment for not more than 1 year, the person committing the reproduction, alteration, counterfeiting, forging, duplication, or use is guilty of a misdemeanor, punishable by imprisonment for not more than 1 year, or a fine of not more than \$1,000.00, or both.

(7) The certificate of title for a police vehicle, a vehicle owned by a political subdivision of this state, a salvage vehicle, and a rebuilt vehicle shall be different in color from the certificate of title for all other vehicles.

Sec. 251. (1) Each new vehicle dealer and used vehicle dealer shall maintain a record in form as prescribed by the secretary of state of each vehicle of a type subject to titling under this act that is bought, sold, or exchanged by the dealer or received or accepted by the dealer for sale or exchange.

(2) Each record shall contain the date of the purchase, sale, or exchange or receipt for the purpose of sale, a description of the vehicle, together with the name and address of the seller, of the purchaser, and of the alleged owner or other persons from whom the vehicle was purchased or received, or to whom it was sold or delivered. The record shall contain a copy of all odometer mileage statements received by the dealer upon purchasing or acquiring a vehicle and a copy of the odometer mileage statement furnished by the dealer upon sale of a vehicle as prescribed in section 233a. A dealer shall retain for not less than 5 years each odometer mileage statement the dealer receives and each odometer mileage statement furnished by the dealer upon the sale of a vehicle. The description of the vehicle, in the case of a motor vehicle, shall also include the vehicle identification number, and other numbers or identification marks as may be on the vehicle, and shall also include a statement that a number has been obliterated, defaced, or changed, if that is the fact. For a trailer or semitrailer, the record shall include the vehicle identification number, and other numbers or identification marks as may be on the trailer or semitrailer.

(3) Not more than 20 days after the delivery of the vehicle, the seller shall deliver to the buyer in person or by mail to the buyer's last known address a duplicate of a written statement, on a form prescribed by the secretary of state in conjunction with the department of treasury, describing clearly the name and address of the seller, the name and address of the buyer, the vehicle sold to the buyer, the cash sale price of the vehicle, the cash paid down by the buyer, the amount credited the buyer for a trade-in, a description of the trade-in, the amount of the finance charge, the amount charged for vehicle insurance, stating the types of insurance covered by the insurance policy, the amount of any other charge and specifying its purpose, the net balance due from the buyer, the terms of the payment of the net balance, and a summary of insurance coverage to be affected. If the vehicle sold is a new motor home, the written statement shall contain a description, including the year of manufacture, of every major component part of the vehicle that has its own manufacturer's certificate of origin.

The written statement shall disclose if the vehicle sold is a vehicle that the seller had loaned to a political subdivision of this state for use as a driver education vehicle. The written statement shall be dated, but not later than the actual date of delivery of the vehicle to the buyer. The original and all copies of the prescribed form shall contain identical information. The statement shall be furnished by the seller, shall be signed by the seller or the seller's agent and by the buyer, and shall be filed with the application for new title or registration. Failure of the seller to deliver this written statement to the buyer shall not invalidate the sale between the seller and the buyer.

(4) A retail vehicle sale shall be void unless the following conditions are met:

(a) The sale is evidenced by a written memorandum which contains the agreement of the parties and is signed by the buyer and the seller or the seller's agent.

(b) The agreement contains a place for acknowledgment, by the buyer, of the receipt of a copy of the agreement or actual delivery of the vehicle is made to the buyer.

(5) Each dealer record and inventory, including the record and inventory of a vehicle scrap metal processor not required to obtain a dealer license, shall be open to inspection by a police officer or an authorized officer or investigator of the secretary of state during reasonable or established business hours.

(6) A dealer licensed as a distressed vehicle transporter shall maintain records in a form as prescribed by the secretary of state. The records shall identify each distressed vehicle that is bought, acquired, and sold by the dealer. The record shall identify the person from whom a distressed vehicle was bought or acquired and the dealer to whom the vehicle was sold. The record shall indicate whether a certificate of title or salvage certificate of title was obtained by the dealer for each vehicle.

(7) A dealer licensed as a vehicle salvage pool operator or broker shall maintain records in a form as prescribed by the secretary of state. The records shall contain a description of each vehicle stored by the dealer, the insurance company storing the vehicle, the period of time the vehicle was stored, and the person acquiring the vehicle. In addition, a dealer licensed as a broker shall maintain a record of the odometer mileage reading of each vehicle sold pursuant to an agreement between the broker and the buyer or the broker and the seller. The record of odometer mileage shall be maintained for 5 years and shall contain all of the information required by section 233a.

(8) A dealer licensed as a used vehicle parts dealer shall maintain records in a form prescribed by the secretary of state. The records shall contain the date of purchase or acquisition of the vehicle, a description of the vehicle including the color, and the name and address of the person from whom the vehicle was acquired. If the vehicle is sold, the record shall contain the date of sale and the name and address of the purchaser. The record shall indicate if the certificate of title or salvage certificate of title was obtained by the dealer. In the case of a late model vehicle, a record of the purchase or sale of a major component of the vehicle shall be maintained identifying the part purchased or sold, the name and address of the seller or purchaser, the date of the purchase or sale, and the identification number assigned to the part by the dealer. The record of the purchase or sale of a part shall be maintained in or attached to the dealer's police book or hard copy of computerized data entries and reference codes and shall be accessible at the dealer's location.

(9) A dealer licensed as a vehicle scrap metal processor shall maintain records as prescribed by the secretary of state. As provided in section 217c, the records shall contain, for a vehicle purchased from a dealer, a copy of the scrap vehicle inventory, including the name and address of the dealer, a description of the vehicle acquired, and the date of acquisition. If a vehicle is purchased or acquired from a person other than a dealer the record shall contain the date of acquisition, the name and address of the person from whom the vehicle was acquired, and whether a certificate of title or salvage certificate of title was obtained by the dealer.

(10) A dealer licensed as a foreign salvage vehicle dealer shall maintain records in a form prescribed by the secretary of state. The records shall contain the date of purchase or acquisition of each distressed vehicle, a description of the vehicle including the color, and the name and address of the person from whom the vehicle was acquired. If the vehicle is sold, the record shall contain the date of sale and the name and address of the purchaser. The record shall indicate if the certificate of title or salvage certificate of title was obtained by the dealer. In the case of a late model vehicle, a record of the purchase or sale of each major component part purchased or acquired in this state shall be maintained and the record shall contain the date of purchase or acquisition of the part, a description of the part, the identification number assigned to the part, and the name and address of the person to or from whom the part was purchased or acquired or sold. The record of the sale, purchase, or acquisition of a part shall be maintained in the dealer's police book. The police book shall only contain vehicles and major component parts purchased in this state or used in the repair of a vehicle purchased in this state. The police book and the records of vehicle part sales, purchases, or acquisitions shall be made available at a location within the state for inspection by the secretary of state within 48 hours after a request by the secretary of state. This subsection shall apply until January 1, 1993.

(11) The secretary of state shall make periodic unannounced inspections of the records, facilities, and inventories of used or secondhand vehicle parts dealers. This subsection shall apply until January 1, 1993.

(12) A dealer licensed under this act shall maintain records for a period of 5 years. The records shall be made available for inspection by the secretary of state or other law enforcement officials. The secretary of state shall make inspection of a dealer once every 4 years and as determined necessary by the secretary of state or a law enforcement officer. The secretary of state may issue an order summarily suspending the license of a dealer pursuant to section 92 of the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being section 24.292 of the Michigan Compiled Laws, based on an affidavit by a person familiar with the facts set forth in the affidavit that the dealer has failed to maintain the records required by this act or failed to provide the records for inspection as requested by the secretary of state, or has otherwise hindered, obstructed, or prevented the inspection of records authorized under this section. The dealer to whom the order is directed shall comply immediately but on application to the department shall be afforded a hearing within 30 days pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969. On the basis of the hearing, the summary order shall be continued, modified, or held in obedience not later than 30 days after the hearing. This subsection shall apply until January 1, 1993.

(13) Each dealer record of the purchase, acquisition, sale, receipt, or acceptance for the purpose of sale, delivery, or exchange of a vehicle shall contain the vehicle dealer license number of the dealer from whom the vehicle was obtained and of the dealer to whom the vehicle was sold or delivered.

(14) The secretary of state may promulgate rules to implement this section pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.328 of the Michigan Compiled Laws.

Sec. 251a. At the time a document is signed, the dealer shall provide the buyer with a copy of each document signed by the buyer.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved

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Governor.