

HOUSE BILL No. 5868

June 11, 1990, Introduced by Reps. Gubow, DeBeaussaert,
Hertel and Kosteva and referred to the Committee on Transportation.

A bill to amend section 217 of Act No. 300 of the Public
Acts of 1949, entitled as amended
"Michigan vehicle code,"

as amended by Act No. 136 of the Public Acts of 1989, being sec-
tion 257.217 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 217 of Act No. 300 of the Public Acts of
2 1949, as amended by Act No. 136 of the Public Acts of 1989, being
3 section 257.217 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 217. (1) An owner of a vehicle subject to registration
6 under this act shall apply to the secretary of state, upon an
7 appropriate form furnished by the secretary of state, for the
8 registration of the vehicle and issuance of a certificate of
9 title for the vehicle. The application shall be accompanied by

1 the required fee. An application for a certificate of title
2 shall bear the signature of the owner written with pen and ink.
3 The application shall contain all of the following:

4 (a) The name, bona fide residence, and mailing address of
5 the owner or business address of a firm, association, or
6 corporation.

7 (b) A description of the vehicle including the make or name,
8 style of body, and model year; if the vehicle is a motor vehicle,
9 the number of miles, not including the tenths of a mile, regis-
10 tered on the vehicle's odometer at the time of transfer; whether
11 the vehicle is to be or has been used as a taxi or police vehi-
12 cle, or by a political subdivision of this state; whether the
13 vehicle has previously been issued a salvage or rebuilt certifi-
14 cate of title; vehicle identification number; and the vehicle's
15 weight fully equipped, if a passenger vehicle registered pursuant
16 to section 801(1)(a), and, if a trailer coach, in addition to the
17 weight the manufacturer's serial number, or in the absence of the
18 serial number, a number assigned by the secretary of state. A
19 number assigned by the secretary of state shall be permanently
20 placed on the trailer coach in the manner and place designated by
21 the secretary of state.

22 (c) A statement of the applicant's title and the names and
23 addresses of the holders of security interests in the vehicle and
24 in an accessory to the vehicle, in the order of their priority.

25 (D) A STATEMENT ON THE BACK OF THE FORM EXPLAINING THE LEGAL
26 REQUIREMENTS TO SELL OR TRANSFER REGISTRATION OF A VEHICLE. THE
27 SECRETARY OF STATE SHALL FURNISH, OR MAIL WITH THE APPLICATION

1 FOR RENEWAL OF A CERTIFICATE OF TITLE, A STANDARD BILL OF SALE
2 FORM.

3 (E) ~~(d)~~ Further information which the secretary of state
4 reasonably requires to enable the secretary of state to determine
5 whether the vehicle is lawfully entitled to registration and the
6 owner entitled to a certificate of title. If the secretary of
7 state is not satisfied as to the ownership of a late model vehi-
8 cle or other vehicle having a value over \$1,500.00, before regis-
9 tering the vehicle and issuing a certificate of title, the secre-
10 tary of state may require the applicant to file a properly exe-
11 cuted surety bond in a form prescribed by the secretary of state
12 and executed by the applicant and a company authorized to conduct
13 a surety business in this state. The bond shall be in an amount
14 equal to twice the value of the vehicle as determined by the sec-
15 retary of state and shall be conditioned to indemnify or reim-
16 burse the secretary of state, any prior owner, and any subsequent
17 purchaser of the vehicle, and their successors in interest,
18 against any expense, loss, or damage, including reasonable
19 attorney's fees, by reason of the issuance of a certificate of
20 title to the vehicle or on account of any defect in the right,
21 title, or interest of the applicant in the vehicle. An inter-
22 ested person has a right of action to recover on the bond for a
23 breach of the conditions of the bond, but the aggregate liability
24 of the surety to all persons shall not exceed the amount of the
25 bond. The bond shall be returned at the end of 3 years, or
26 before 3 years if the vehicle is no longer registered in this
27 state and the currently valid certificate of title is surrendered

1 to the secretary of state, unless the secretary of state has
2 received notification of the pendency of an action to recover on
3 the bond. If the secretary of state is not satisfied as to the
4 ownership of a vehicle which is not a late model vehicle and
5 whose value does not exceed \$1,500.00, the secretary of state
6 shall require the applicant to certify that the applicant is the
7 owner of the vehicle and entitled to register and title the
8 vehicle.

9 (F) ~~(e)~~ Except as provided in subdivision ~~(f)~~ (G), an
10 application for a commercial vehicle shall also have attached a
11 scale weight receipt of the motor vehicle fully equipped as of
12 the time the application is made. A scale weight receipt may not
13 be necessary if there is presented with the application a regis-
14 tration receipt of the previous year that shows on its face the
15 empty weight of the motor vehicle as registered with the secre-
16 tary of state, that is accompanied by a statement of the appli-
17 cant that there has not been structural change in the motor vehi-
18 cle which has increased the empty weight, and that the previous
19 registered weight is the true weight.

20 (G) ~~(f)~~ An application for registration of a vehicle on
21 the basis of elected gross weight shall include a declaration by
22 the applicant specifying the elected gross weight for which
23 application is being made.

24 (H) ~~(g)~~ If the application is for a certificate of title
25 of a motor vehicle registered pursuant to section 801(1)(q), the
26 application shall include the manufacturer's suggested base list
27 price for the model year of the vehicle. Annually, the secretary

1 of state shall publish a list of the manufacturer's suggested
2 base list price for each vehicle being manufactured. Once a base
3 list price is published by the secretary of state for a model
4 year for a vehicle, the base list price shall not be affected by
5 subsequent increases in the manufacturer's suggested base list
6 price but shall remain the same throughout the model year unless
7 changed in the annual list published by the secretary of state.
8 If the secretary of state's list has not been published for that
9 vehicle by the time of the application for registration, the base
10 list price shall be the manufacturer's suggested retail price as
11 shown on the label required to be affixed to the vehicle under
12 section 3 of the automobile information disclosure act,
13 15 U.S.C. 1232. If the manufacturer's suggested retail price is
14 unavailable, the application shall list the purchase price of the
15 vehicle as defined in section 801(4).

16 (2) A dealer selling or exchanging vehicles required to be
17 titled, within 15 days after delivering a vehicle to the purchas-
18 er, and a person engaged in the sale of vessels required to be
19 numbered by the marine safety act, Act No. 303 of the Public Acts
20 of 1967, being sections 281.1001 to 281.1199 of the Michigan
21 Compiled Laws, within 15 days after delivering a boat trailer
22 weighing less than 2,500 pounds to the purchaser, shall apply to
23 the secretary of state for a new title, if required, and transfer
24 or secure registration plates and secure a certificate of regis-
25 tration for the vehicle or boat trailer, in the name of the
26 purchaser. The dealer's license may be suspended or revoked as
27 provided in section 249, for failure to apply for a title when

1 required, or for failure to transfer or secure registration
2 plates and certificate of registration within the 15 days
3 provided. If the dealer or person fails to apply for a title
4 when required, and to transfer or secure registration plates and
5 secure a certificate of registration and pay the required fees
6 within 15 days of delivery of the vehicle or boat trailer, a
7 title and registration for the vehicle or boat trailer may be
8 acquired thereafter only upon the payment of a transfer fee of
9 \$15.00 in addition to the fees provided for in section 806. The
10 purchaser of the vehicle or boat trailer shall sign the applica-
11 tion, including, when applicable, the declaration specifying the
12 maximum elected gross weight as required by subsection ~~(1)(f)~~
13 (1)(G), and other necessary papers to enable the dealer or person
14 to secure the title, registration plates, and transfers from the
15 secretary of state.

16 (3) If a vehicle is delivered to a purchaser who has valid
17 Michigan registration plates which are to be transferred to the
18 vehicle, and an application for title, if required, and registra-
19 tion for the vehicle is not made before delivery of the vehicle
20 to the purchaser, the registration plates shall be affixed to the
21 vehicle immediately, and the dealer shall provide the purchaser
22 with an instrument in writing, on a form prescribed by the secre-
23 tary of state, which shall serve as a temporary registration for
24 the vehicle for a period of 15 days from the date the vehicle is
25 delivered.

26 (4) An application for a certificate of title which
27 indicates the existence of a security interest in the vehicle or

1 in an accessory to the vehicle shall, if requested by the
2 security interest holder, be accompanied by a copy of the secur-
3 ity agreement which need not be signed. The request may be made
4 of the seller on an annual basis. The secretary of state shall
5 indicate on the copy the date and place of filing of the applica-
6 tion and return the copy to the person submitting the application
7 who shall forward it to the holder of the security interest named
8 in the application.

9 (5) If the seller does not prepare the credit information,
10 contract, note, and mortgage, and the holder, finance company,
11 credit union, or banking institution requires the installment
12 seller to record the lien on the title, the holder, finance com-
13 pany, credit union, or banking institution shall pay the seller a
14 service fee of not more than \$10.00. The service fee shall be
15 paid from the finance charges and shall not be charged to the
16 buyer in addition to the finance charges. The holder, finance
17 company, credit union, or banking institution shall issue its
18 check or bank draft for the principal amount financed, payable
19 jointly to the buyer and seller, and there shall be imprinted on
20 the back side of the check or bank draft the following:

21 "Under Michigan law, the seller must record a first lien in
22 favor of (name of lender) on the vehicle with vehicle identifica-
23 tion number and title the vehicle only in the name(s) shown on
24 the reverse side. On the front of the sales check or draft, the
25 holder, finance company, credit union or banking institution
26 shall note the name(s) of the prospective owner(s)."

1 Failure of the holder, finance company, credit union, or banking
2 institution to comply with these requirements shall free the
3 seller from any obligation to record the lien or from any and all
4 liability that may arise as a result of the failure to record the
5 lien. A service fee shall not be charged to the buyer.

6 (6) In the absence of actual malice proved independently and
7 not inferred from lack of probable cause, a person who in any
8 manner causes a prosecution for larceny of a motor vehicle; for
9 embezzlement of a motor vehicle; for any crime an element of
10 which is the taking of a motor vehicle without authority; or for
11 buying, receiving, possessing, or aiding in the concealment of a
12 stolen, embezzled, or converted motor vehicle knowing the motor
13 vehicle has been stolen, embezzled, or converted, shall not be
14 liable for damages in a civil action for causing the
15 prosecution. This subsection shall not be construed to relieve a
16 person from proving any other element necessary to sustain his or
17 her cause of action.