

SENATE BILL NO. 613

June 24, 1997, Introduced by Senators BULLARD, ROGERS,
CISKY and HOFFMAN and referred to the Committee on
Transportation and Tourism.

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending sections 217 and 222 (MCL 257.217 and 257.222), sec-
tion 217 as amended by 1996 PA 59 and section 222 as amended by
1993 PA 300.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 217. (1) An owner of a vehicle THAT IS subject to reg-
2 istration under this act shall apply to the secretary of state,
3 upon an appropriate form furnished by the secretary of state, for
4 the registration of the vehicle and issuance of a certificate of
5 title for the vehicle. Effective January 1, 1994, a vehicle
6 brought into this state from another state or jurisdiction that
7 has a rebuilt, salvage, scrap, or comparable certificate of title
8 issued by that other state or jurisdiction shall be issued a
9 rebuilt, salvage, or scrap certificate of title by the secretary

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

5 (a) The OWNER'S name, THE OWNER'S bona fide residence, and
6 EITHER OF THE FOLLOWING:

7 (i) THE OWNER'S mailing address, ~~of the owner or~~ IF THE
8 OWNER IS AN INDIVIDUAL.

9 (ii) THE OWNER'S business address, ~~of~~ IF THE OWNER IS a
10 firm, association, or corporation.

11 (B) IF THE VEHICLE IS LEASED, THE DATES THE LEASE BEGINS AND
12 TERMINATES, THE LESSEE'S NAME, THE LESSEE'S BONA FIDE RESIDENCE,
13 AND EITHER OF THE FOLLOWING:

14 (i) THE LESSEE'S MAILING ADDRESS, IF THE LESSEE IS AN
15 INDIVIDUAL.

16 (ii) THE LESSEE'S BUSINESS ADDRESS, IF THE LESSEE IS A FIRM,
17 ASSOCIATION, OR CORPORATION.

18 (C) ~~(b)~~ A description of the vehicle including the make or
19 name, style of body, and model year; if the vehicle is a motor
20 vehicle, the number of miles, not including the tenths of a mile,
21 registered on the vehicle's odometer at the time of transfer;
22 whether the vehicle is to be or has been used as a taxi or police
23 vehicle, or by a political subdivision of this state; whether the
24 vehicle has previously been issued a salvage or rebuilt certifi-
25 cate of title from this state or a comparable certificate of
26 title from any other state or jurisdiction; vehicle
27 identification number; and the vehicle's weight fully equipped,

1 if a passenger vehicle registered ~~pursuant to~~ IN ACCORDANCE
2 WITH section 801(1)(a), and, if a trailer coach or pickup camper,
3 in addition to the weight, the manufacturer's serial number, or
4 in the absence of the serial number, a number assigned by the
5 secretary of state. A number assigned by the secretary of state
6 shall be permanently placed on the trailer coach or pickup camper
7 in the manner and place designated by the secretary of state.

8 (D) ~~(c)~~ A statement of the applicant's title and the names
9 and addresses of the holders of security interests in the vehicle
10 and in an accessory to the vehicle, in the order of their
11 priority.

12 (E) ~~(d)~~ Further information that the secretary of state
13 reasonably requires to enable the secretary of state to determine
14 whether the vehicle is lawfully entitled to registration and the
15 owner entitled to a certificate of title. If the secretary of
16 state is not satisfied as to the ownership of a late model vehi-
17 cle or other vehicle having a value over \$2,500.00, before regis-
18 tering the vehicle and issuing a certificate of title, the secre-
19 tary of state may require the applicant to file a properly exe-
20 cuted surety bond in a form prescribed by the secretary of state
21 and executed by the applicant and a company authorized to conduct
22 a surety business in this state. The bond shall be in an amount
23 equal to twice the value of the vehicle as determined by the sec-
24 retary of state and shall be conditioned to indemnify or reim-
25 burse the secretary of state, any prior owner, and any subsequent
26 purchaser of the vehicle and their successors in interest against
27 any expense, loss, or damage, including reasonable attorney's

1 fees, by reason of the issuance of a certificate of title ~~to~~
2 FOR the vehicle or on account of any defect in the right, title,
3 or interest of the applicant in the vehicle. An interested
4 person has a right of action to recover on the bond for a breach
5 of the conditions of the bond, but the aggregate liability of the
6 surety to all persons shall not exceed the amount of the bond.
7 The bond shall be returned at the end of 3 years, or before 3
8 years if the vehicle is no longer registered in this state and
9 the currently valid certificate of title is surrendered to the
10 secretary of state, unless the secretary of state has received
11 notification of the pendency of an action to recover on the
12 bond. If the secretary of state is not satisfied as to the
13 ownership of a vehicle that is not a late model vehicle ~~and~~
14 ~~whose value does not exceed~~ VALUED AT \$2,500.00 OR LESS, the
15 secretary of state shall require the applicant to certify that
16 the applicant is the owner of the vehicle and entitled to regis-
17 ter and title the vehicle.

18 (F) ~~(e)~~ Except as provided in subdivision ~~(f)~~ (G), an
19 application for a commercial vehicle shall also have attached a
20 scale weight receipt of the motor vehicle fully equipped as of
21 the time the application is made. A scale weight receipt ~~may~~
22 IS not ~~be~~ necessary if there is presented with the application
23 a registration receipt of the previous year that shows on its
24 face the empty weight of the motor vehicle as registered with the
25 secretary of state that is accompanied by a statement of the
26 applicant that there has not been structural change in the motor

1 vehicle ~~which~~ THAT has increased the empty weight and that the
2 previous registered weight is the true weight.

3 (G) ~~(f)~~ An application for registration of a vehicle on
4 the basis of elected gross weight shall include a declaration by
5 the applicant specifying the elected gross weight for which
6 application is being made.

7 (H) ~~(g)~~ If the application is for a certificate of title
8 of a motor vehicle registered ~~pursuant to~~ IN ACCORDANCE WITH
9 section 801(1)(q), the application shall include the
10 manufacturer's suggested base list price for the model year of
11 the vehicle. Annually, the secretary of state shall publish a
12 list of the manufacturer's suggested base list price for each
13 vehicle being manufactured. Once a base list price is published
14 by the secretary of state for a model year for a vehicle, the
15 base list price shall not be affected by subsequent increases in
16 the manufacturer's suggested base list price but shall remain the
17 same throughout the model year unless changed in the annual list
18 published by the secretary of state. If the secretary of state's
19 list has not been published for that vehicle by the time of the
20 application for registration, the base list price shall be the
21 manufacturer's suggested retail price as shown on the label
22 required to be affixed to the vehicle under section 3 of the
23 automobile information disclosure act, Public Law 85-506,
24 15 U.S.C. 1232. If the manufacturer's suggested retail price is
25 unavailable, the application shall list the purchase price of the
26 vehicle as defined in section 801(4).

1 (2) A dealer selling or exchanging vehicles required to be
2 titled, within 15 days after delivering a vehicle to the
3 purchaser, and a person engaged in the sale of vessels required
4 to be numbered by part 801 ~~(marine safety)~~ of the natural
5 resources and environmental protection act, ~~Act No. 451 of the~~
6 ~~Public Acts of 1994, being sections 324.80101 to 324.80199 of the~~
7 ~~Michigan Compiled Laws~~ 1994 PA 451, MCL 324.80101 TO 324.80199,
8 within 15 days after delivering a boat trailer weighing less than
9 2,500 pounds to the purchaser, shall apply to the secretary of
10 state for a new title, if required, and transfer or secure regis-
11 tration plates and secure a certificate of registration for the
12 vehicle or boat trailer, in the name of the purchaser. The
13 dealer's license may be suspended or revoked ~~as provided~~ in
14 ACCORDANCE WITH section 249 for failure to apply for a title when
15 required or for failure to transfer or secure registration plates
16 and certificate of registration within the 15 days required by
17 this section. If the dealer or person fails to apply for a title
18 when required, and to transfer or secure registration plates and
19 secure a certificate of registration and pay the required fees
20 within 15 days of delivery of the vehicle or boat trailer, a
21 title and registration for the vehicle or boat trailer may subse-
22 quently be acquired only upon the payment of a transfer fee of
23 \$15.00 in addition to the fees ~~provided for~~ SPECIFIED in sec-
24 tion 806. The purchaser of the vehicle or boat trailer shall
25 sign the application, including, when applicable, the declaration
26 specifying the maximum elected gross weight, as required by
27 subsection ~~(i)(f)~~ (1)(G), and other necessary papers to enable

1 the dealer or person to secure the title, registration plates,
2 and transfers from the secretary of state.

3 (3) If a vehicle is delivered to a purchaser who has valid
4 Michigan registration plates that are to be transferred to the
5 vehicle, and an application for title, if required, and registra-
6 tion for the vehicle is not made before delivery of the vehicle
7 to the purchaser, the registration plates shall be affixed to the
8 vehicle immediately, and the dealer shall provide the purchaser
9 with an instrument in writing, on a form prescribed by the secre-
10 tary of state, which shall serve as a temporary registration for
11 the vehicle for a period of 15 days from the date the vehicle is
12 delivered.

13 (4) An application for a certificate of title that indicates
14 the existence of a security interest in the vehicle or in an
15 accessory to the vehicle, if requested by the security interest
16 holder, shall be accompanied by a copy of the security agreement
17 which need not be signed. The request may be made of the seller
18 on an annual basis. The secretary of state shall indicate on the
19 copy the date and place of filing of the application and return
20 the copy to the person submitting the application who shall for-
21 ward it to the holder of the security interest named in the
22 application.

23 (5) If the seller does not prepare the credit information,
24 contract note, and mortgage, and the holder, finance company,
25 credit union, or banking institution requires the installment
26 seller to record the lien on the title, the holder, finance
27 company, credit union, or banking institution shall pay the

1 seller a service fee of not more than \$10.00. The service fee
2 shall be paid from the finance charges and shall not be charged
3 to the buyer in addition to the finance charges. The holder,
4 finance company, credit union, or banking institution shall issue
5 its check or bank draft for the principal amount financed, pay-
6 able jointly to the buyer and seller, and there shall be
7 imprinted on the back side of the check or bank draft the
8 following:

9 "Under Michigan law, the seller must record a first lien in
10 favor of (name of lender) _____ on the vehicle with
11 vehicle identification number _____ and title the vehi-
12 cle only in the name(s) shown on the reverse side." On the front
13 of the sales check or draft, the holder, finance company, credit
14 union, or banking institution shall note the name(s) of the pro-
15 spective owner(s). Failure of the holder, finance company,
16 credit union, or banking institution to comply with these
17 requirements frees the seller from any obligation to record the
18 lien or from any liability that may arise as a result of the
19 failure to record the lien. A service fee shall not be charged
20 to the buyer.

21 (6) In the absence of actual malice proved independently and
22 not inferred from lack of probable cause, a person who in any
23 manner causes a prosecution for larceny of a motor vehicle; for
24 embezzlement of a motor vehicle; for any crime an element of
25 which is the taking of a motor vehicle without authority; or for
26 buying, receiving, possessing, or aiding in the concealment of a
27 stolen, embezzled, or converted motor vehicle knowing THAT the

1 motor vehicle has been stolen, embezzled, or converted, is not
2 liable for damages in a civil action for causing the
3 prosecution. This subsection ~~shall not be construed to~~ DOES
4 NOT relieve a person from proving any other element necessary to
5 sustain his or her cause of action.

6 (7) THE OWNER OF A LEASED VEHICLE SHALL NOTIFY THE SECRETARY
7 OF STATE IN WRITING OF ANY CHANGE IN THE INFORMATION REQUIRED
8 UNDER SUBSECTION (1)(B) WITHIN 30 DAYS AFTER THAT CHANGE. THE
9 SECRETARY OF STATE MAY REQUIRE THE ISSUANCE OF A NEW REGISTRATION
10 CERTIFICATE FOR A VEHICLE THAT IS LEASED TO A PERSON NOT IDENTI-
11 FIED ON AN EXISTING REGISTRATION CERTIFICATE.

12 Sec. 222. (1) Except as otherwise provided in this act, the
13 secretary of state shall issue a registration certificate and a
14 certificate of title when registering a vehicle and upon receipt
15 of the required fees. A vehicle brought into this state from
16 another state or jurisdiction that has a rebuilt, salvage, or
17 scrap certificate of title issued by that other state or juris-
18 diction shall be issued a rebuilt, salvage, or scrap certificate
19 of title by the secretary of state.

20 (2) The registration certificate shall be delivered to the
21 owner and shall contain on its face the date issued, the name and
22 address of the owner, the registration number assigned to the
23 vehicle, and a description of the vehicle as determined by the
24 secretary of state. IF THE VEHICLE IS LEASED, THE REGISTRATION
25 CERTIFICATE SHALL ADDITIONALLY SPECIFY THE LESSEE'S NAME AND
26 ADDRESS.

1 (3) The certificate of title shall be manufactured in a
2 manner to prohibit as nearly as possible the ability to
3 reproduce, alter, counterfeit, forge, or duplicate the certifi-
4 cate of title without ready detection and contain on its face the
5 identical information required on the face of the registration
6 certificate; if the vehicle is a motor vehicle, the number of
7 miles, not including the tenths of a mile, registered on the
8 vehicle's odometer at the time of transfer; except for a vehicle
9 owned by a dealer and loaned to a political subdivision of this
10 state for use as a driver education vehicle, if the vehicle is to
11 be used or has been used as a taxi, as a police vehicle, or by a
12 political subdivision of this state; whether the vehicle is a
13 salvage vehicle; if the vehicle has previously been issued a
14 rebuilt certificate of title from this state or a comparable cer-
15 tificate of title from any other state or jurisdiction; if the
16 vehicle has been issued a scrap certificate of title from this
17 state or a comparable certificate of title from any other state
18 or jurisdiction; a statement of the owner's title and of all
19 security interests in the vehicle or in an accessory on the vehi-
20 cle as set forth in the application; the date that the applica-
21 tion was filed; and any other information that the secretary of
22 state may require.

23 (4) The certificate of title shall contain, upon the reverse
24 side, a form for assignment of title or interest and warranty of
25 title by the owner with space for the notation of a security
26 interest in the vehicle and in an accessory on the vehicle, that
27 at the time of a transfer shall be certified and signed, and

1 space for a written odometer mileage statement that is required
2 upon transfer ~~pursuant to~~ UNDER section 233a. The reverse side
3 of the certificate of title may also contain other forms that the
4 secretary of state considers necessary to facilitate the effec-
5 tive administration of this act. The certificate shall bear the
6 coat of arms of this state.

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

10 (6) A person who intentionally reproduces, alters, counter-
11 feits, forges, or duplicates a certificate of title or who uses a
12 reproduced, altered, counterfeited, forged, or duplicated certif-
13 icate of title shall be punished as follows:

14 (a) If the intent of reproduction, alteration, counterfeit-
15 ing, forging, duplication, or use was to commit or aid in the
16 commission of an offense punishable by imprisonment for 1 or more
17 years, the person committing the reproduction, alteration, coun-
18 terfeiting, forging, duplication, or use is guilty of a misde-
19 meanor, punishable by imprisonment for a period equal to that
20 which could be imposed for the commission of the offense the
21 person had the intent to aid or commit. The court may also
22 assess a fine of not more than \$10,000.00 against the person.

23 (b) If the intent of the reproduction, alteration, counter-
24 feiting, forging, duplication, or use was to commit or aid in the
25 commission of an offense punishable by imprisonment for not more
26 than 1 year, the person committing the reproduction, alteration,
27 counterfeiting, forging, duplication, or use is guilty of a

1 misdemeanor, punishable by imprisonment for not more than 1 year,
2 or a fine of not more than \$1,000.00, or both.

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

7 (8) A scrap certificate of title shall contain a legend that
8 the vehicle is not to be titled or registered and is to be used
9 for parts or scrap metal only.

10 (9) A certificate of title shall not be issued for a vehicle
11 ~~which~~ THAT has had a salvage certificate of title unless the
12 certificate of title contains a legend ~~which~~ THAT would dis-
13 close the vehicle's former condition to consumers and potential
14 purchasers.