

# HOUSE BILL No. 5363

October 29, 2001, Introduced by Reps. Kolb, Howell, Julian and Gilbert and referred to the Committee on Commerce.

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 11, 213, 216, 217, 217c, 222, 226, 226a, 233b, 244, 248, 249, 251, and 251a (MCL 257.11, 257.213, 257.216, 257.217, 257.217c, 257.222, 257.226, 257.226a, 257.233b, 257.244, 257.248, 257.249, 257.251, and 257.251a), section 11 as amended by 1990 PA 154, section 216 as amended by 1996 PA 141, sections 217, 222, and 251 as amended by 2000 PA 397, sections 217c and 249 as amended by 1993 PA 300, section 226 as amended by 2000 PA 36, section 226a as amended by 1998 PA 384, section 233b as added by 1994 PA 305, section 244 as amended by 2000 PA 369, section 248 as amended by 1999 PA 172, and section 251a as added by 1990 PA 265.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 11. (1) ~~"Dealer"~~ EXCEPT AS PROVIDED IN  
2 SUBSECTION (3), "DEALER" means a person ~~engaged~~ WHO IS 1 OR  
3 MORE OF THE FOLLOWING:

4           (A) A PERSON WHO IN A 12-MONTH PERIOD DID 1 OR MORE OF THE  
5 FOLLOWING:

6           (i) ENGAGED in the business of purchasing, selling, exchang-  
7 ing, brokering, LEASING, or dealing in vehicles of a type  
8 required to be titled under this act. ~~or parts of those vehi-~~  
9 ~~cles, a person who negotiates the purchase, sale, deal, or~~  
10 ~~exchange of those vehicles and who has an established place of~~  
11 ~~business for those purposes in this state, a person is engaged in~~  
12 ~~the actual remanufacturing of engines or transmissions, or both,~~  
13 ~~or a person engaged~~

14           (ii) ENGAGED IN THE BUSINESS OF PURCHASING, SELLING,  
15 EXCHANGING, BROKERING, OR DEALING IN SALVAGEABLE PARTS OF 5 OR  
16 MORE VEHICLES.

17           (iii) ENGAGED in the business of buying 5 OR MORE vehicles  
18 to sell vehicle parts or ~~buying vehicles to~~ process into scrap  
19 metal.

20           (B) A PERSON ENGAGED IN THE ACTUAL REMANUFACTURING OF  
21 ENGINES, TRANSMISSIONS, OR SALVAGEABLE VEHICLE PARTS.

22           (2) THERE IS A REBUTTABLE PRESUMPTION THAT A PERSON WHO IN A  
23 12-MONTH PERIOD BUYS, SELLS, EXCHANGES, BROKERS, LEASES, OR DEALS  
24 IN 5 OR MORE VEHICLES, OR BUYS, SELLS, EXCHANGES, BROKERS, OR  
25 DEALS IN SALVAGEABLE PARTS FOR 5 OR MORE VEHICLES, OR BUYS 5 OR

1 MORE VEHICLES TO SELL VEHICLE PARTS OR TO PROCESS INTO SCRAP  
2 METAL IS ENGAGED IN A BUSINESS DESCRIBED IN SUBSECTION (1).

3 (3) Dealer does not include ~~a~~ ANY OF THE FOLLOWING:

4 (A) A BANK, CREDIT UNION, OR SAVINGS AND LOAN ASSOCIATION.

5 (B) A person who buys or sells remanufactured vehicle engine  
6 and transmission salvageable vehicle parts or who receives in  
7 exchange used engines or transmissions if the primary business of  
8 the person is the selling of new vehicle parts and the person is  
9 not engaged in any other activity that requires a dealer license  
10 under this act.

11 (C) A PERSON WHO NEGOTIATES THE LEASE OF A VEHICLE OF A TYPE  
12 REQUIRED TO BE TITLED UNDER THIS ACT FOR A LEASE TERM OF LESS  
13 THAN 120 DAYS.

14 (D) A PERSON WHOSE PRIMARY BUSINESS IS THE FINANCING OF THE  
15 PURCHASE, SALE, OR LEASE OF VEHICLES OF A TYPE REQUIRED TO BE  
16 TITLED UNDER THIS ACT.

17 (E) AN EMPLOYEE OR AGENT OF A DEALER ACTING IN THE SCOPE OF  
18 HIS OR HER EMPLOYMENT OR AGENCY.

19 Sec. 213. The secretary of state and ~~such~~ THE officers  
20 and investigators of the department ~~as he shall designate shall~~  
21 ~~have the power~~ WHOM HE OR SHE DESIGNATES HAVE THE FOLLOWING  
22 POWERS:

23 (A) ~~i.~~ To inspect any vehicle of a type required to be  
24 registered ~~hereunder~~ UNDER THIS ACT AND THE SALVAGEABLE PARTS  
25 OF A VEHICLE OF A TYPE REQUIRED TO BE REGISTERED UNDER THIS ACT  
26 in any public garage or repair shop or in any place where ~~such~~  
27 vehicles are held for sale, LEASE, DISMANTLING, or wrecking, for

1 the purpose of locating stolen vehicles AND PARTS OF STOLEN  
2 VEHICLES and investigating the title and registration ~~thereof,~~  
3 ~~and in~~ OF VEHICLES. IN enforcing the provisions of this  
4 subdivision, ~~shall~~ THE SECRETARY OF STATE AND THE OFFICERS AND  
5 INVESTIGATORS have the ~~power~~ POWERS of peace officers.

6 (B) ~~2.~~ To examine the books and records of all persons  
7 licensed under this act pertaining to the selling, buying,  
8 LEASING, DISMANTLING, BROKERING, or wrecking of vehicles of a  
9 type required to be registered ~~hereunder~~ UNDER THIS ACT, and  
10 the payment and collection of tax ~~thereon as hereinafter~~ pro-  
11 vided FOR IN THIS ACT.

12 (C) ~~3. Of~~ THE POWERS OF peace officers for the purpose of  
13 enforcing the provisions of chapter 5. ~~of this act.~~

14 Sec. 216. Every motor vehicle, pickup camper, trailer  
15 coach, trailer, semitrailer, and pole trailer, when driven or  
16 moved upon a highway, is subject to the registration and certifi-  
17 cate of title provisions of this act except the following:

18 (a) A vehicle driven or moved upon a highway in conformance  
19 with the provisions of this act relating to manufacturers, trans-  
20 porters, dealers, or nonresidents.

21 (b) A vehicle that is driven or moved upon a highway only  
22 for the purpose of crossing that highway from 1 property to  
23 another.

24 (c) An implement of husbandry.

25 (d) Special mobile equipment for which the secretary of  
26 state may issue a special registration to an individual,  
27 partnership, corporation, or association not licensed as a dealer

1 to identify the equipment when being moved over the streets and  
2 highways upon payment of the required fee.

3 (e) A vehicle that is propelled exclusively by electric  
4 power obtained from overhead trolley wires though not operated  
5 upon rails.

6 (f) Any vehicle subject to registration, but owned by the  
7 government of the United States.

8 (g) A certificate of title need not be obtained for a trail-  
9 er, semitrailer, or pole trailer weighing less than 2,500 pounds.  
10 ~~respectively.~~

11 (h) A vehicle driven or moved upon the highway only for the  
12 purpose of securing a weight receipt from a weighmaster as is  
13 required in section 801, or for obtaining a vehicle inspection by  
14 a law enforcement agency before titling or registration, and then  
15 only by the most direct route.

16 (i) A certificate of title need not be obtained for a vehi-  
17 cle owned by a manufacturer or dealer and held for sale OR LEASE,  
18 even though incidentally moved on the highway or used for pur-  
19 poses of testing or demonstration.

20 (j) A bus or school bus, as defined in section 4b or 57,  
21 that is not self-propelled and used exclusively as a construction  
22 shanty.

23 (k) A certificate of title need not be obtained for a  
24 moped.

25 (l) For 3 days immediately following the date of a properly  
26 assigned title OR SIGNED LEASE AGREEMENT from any person other  
27 than a vehicle dealer, a registration need not be obtained for a

1 vehicle driven or moved upon the highway for the sole purpose of  
2 transporting the vehicle in the most direct route from the place  
3 of purchase OR LEASE to a place of storage if the driver has in  
4 his or her possession the assigned title showing the date of sale  
5 OR LEASE AGREEMENT SHOWING THE DATE OF THE LEASE.

6 (m) A certificate of registration need not be obtained for a  
7 pickup camper,  ~~. However,~~ BUT a certificate of title shall be  
8 obtained.  ~~for a pickup camper purchased after January 1, 1991.~~

9 (n) A new motor vehicle driven or moved upon the highway  
10 only for the purpose of moving the vehicle from an accident site  
11 to a storage location if the vehicle was being transported on a  
12 railroad car or semitrailer that was involved in a disabling  
13 accident.

14 Sec. 217. (1) An owner of a vehicle that is subject to reg-  
15 istration under this act shall apply to the secretary of state,  
16 upon an appropriate form furnished by the secretary of state, for  
17 the registration of the vehicle and issuance of a certificate of  
18 title for the vehicle.  ~~Effective January 1, 1994, a~~ A vehicle  
19 brought into this state from another state or jurisdiction that  
20 has a rebuilt, salvage, scrap, or comparable certificate of title  
21 issued by that other state or jurisdiction shall be issued a  
22 rebuilt, salvage, or scrap certificate of title by the secretary  
23 of state. The application shall be accompanied by the required  
24 fee. An application for a certificate of title shall bear the  
25 signature of the owner. The application shall contain all of the  
26 following:

1 (a) The owner's name, the owner's bona fide residence, and  
2 either of the following:

3 (i) ~~The owner's mailing address, if~~ IF the owner is an  
4 individual, THE OWNER'S MAILING ADDRESS.

5 (ii) ~~The owner's business address, if~~ IF the owner is a  
6 firm, association, PARTNERSHIP, LIMITED LIABILITY COMPANY, or  
7 corporation, THE OWNER'S BUSINESS ADDRESS.

8 (b) A description of the vehicle including the make or name,  
9 style of body, and model year; the number of miles, not including  
10 the tenths of a mile, registered on the vehicle's odometer at the  
11 time of transfer; whether the vehicle is to be or has been used  
12 as a taxi or police vehicle, or by a political subdivision of  
13 this state, unless the vehicle is owned by a dealer and loaned or  
14 leased to a political subdivision of this state for use as a  
15 driver education vehicle; whether the vehicle has previously been  
16 issued a salvage or rebuilt certificate of title from this state  
17 or a comparable certificate of title from any other state or  
18 jurisdiction; vehicle identification number; and the vehicle's  
19 weight fully equipped, if a passenger vehicle registered in  
20 accordance with section 801(1)(a), and, if a trailer coach or  
21 pickup camper, in addition to the weight, the manufacturer's  
22 serial number, or in the absence of the serial number, a number  
23 assigned by the secretary of state. A number assigned by the  
24 secretary of state shall be permanently placed on the trailer  
25 coach or pickup camper in the manner and place designated by the  
26 secretary of state.

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

4 (d) Further information that the secretary of state reason-  
5 ably requires to enable the secretary of state to determine  
6 whether the vehicle is lawfully entitled to registration and the  
7 owner entitled to a certificate of title. If the secretary of  
8 state is not satisfied as to the ownership of a late model vehi-  
9 cle or other vehicle having a value over \$2,500.00, before regis-  
10 tering the vehicle and issuing a certificate of title, the secre-  
11 tary of state may require the applicant to file a properly exe-  
12 cuted surety bond in a form prescribed by the secretary of state  
13 and executed by the applicant and a company authorized to conduct  
14 a surety business in this state. The bond shall be in an amount  
15 equal to twice the value of the vehicle as determined by the sec-  
16 retary of state and shall be conditioned to indemnify or reim-  
17 burse the secretary of state, any prior owner, and any subsequent  
18 purchaser OR LESSEE of the vehicle and their successors in inter-  
19 est against any expense, loss, or damage, including reasonable  
20 attorney's fees, by reason of the issuance of a certificate of  
21 title for the vehicle or on account of any defect in the right,  
22 title, or interest of the applicant in the vehicle. An inter-  
23 ested person has a right of action to recover on the bond for a  
24 breach of the conditions of the bond, but the aggregate liability  
25 of the surety to all persons shall not exceed the amount of the  
26 bond. The bond shall be returned at the end of 3 years, or  
27 before 3 years if the vehicle is no longer registered in this



1 state and the currently valid certificate of title is surrendered  
2 to the secretary of state, unless the secretary of state has  
3 received notification of the pendency of an action to recover on  
4 the bond. If the secretary of state is not satisfied as to the  
5 ownership of a vehicle that is valued at \$2,500.00 or less and  
6 that is not a late model vehicle, the secretary of state shall  
7 require the applicant to certify that the applicant is the owner  
8 of the vehicle and entitled to register and title the vehicle.

9 (e) Except as provided in subdivision (f), an application  
10 for a commercial vehicle shall also have attached a scale weight  
11 receipt of the motor vehicle fully equipped as of the time the  
12 application is made. A scale weight receipt is not necessary if  
13 there is presented with the application a registration receipt of  
14 the previous year that shows on its face the empty weight of the  
15 motor vehicle as registered with the secretary of state that is  
16 accompanied by a statement of the applicant that there has not  
17 been structural change in the motor vehicle that has increased  
18 the empty weight and that the previous registered weight is the  
19 true weight.

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

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

1 secretary of state shall publish a list of the manufacturer's  
2 suggested base list price for each vehicle being manufactured.  
3 Once a base list price is published by the secretary of state for  
4 a model year for a vehicle, the base list price shall not be  
5 affected by subsequent increases in the manufacturer's suggested  
6 base list price but shall remain the same throughout the model  
7 year unless changed in the annual list published by the secretary  
8 of state. If the secretary of state's list has not been pub-  
9 lished for that vehicle by the time of the application for regis-  
10 tration, the base list price shall be the manufacturer's sug-  
11 gested retail price as shown on the label required to be affixed  
12 to the vehicle under section 3 of the automobile information dis-  
13 closure act, Public Law 85-506, 15 U.S.C. 1232. If the  
14 manufacturer's suggested retail price is unavailable, the appli-  
15 cation shall list the purchase price of the vehicle as defined in  
16 section 801(4).

17 (2) ~~Beginning October 1, 1999, the secretary of state shall~~  
18 ~~require an~~ AN applicant for registration of a leased pickup  
19 truck or passenger vehicle that is subject to registration under  
20 this act, except a vehicle that is subject to registration tax  
21 under section 801g, ~~to~~ SHALL disclose in writing the lessee's  
22 name, the lessee's bona fide residence, and either of the  
23 following:

24 (a) ~~The~~ IF THE LESSEE IS AN INDIVIDUAL, THE lessee's  
25 Michigan driver license number or Michigan personal identifica-  
26 tion number or, if the lessee does not have a Michigan driver

1 license or Michigan personal identification number, the lessee's  
2 mailing address. ~~if the lessee is an individual.~~

3 (b) ~~The lessee's business address, if~~ IF the lessee is a  
4 firm, association, PARTNERSHIP, LIMITED LIABILITY COMPANY, or  
5 corporation, THE LESSEE'S BUSINESS ADDRESS.

6 (3) The secretary of state shall maintain the information  
7 described in subsection (2) on the secretary of state's computer  
8 records.

9 (4) A dealer selling, LEASING, or exchanging vehicles  
10 required to be titled, within 15 days after delivering a vehicle  
11 to the purchaser OR LESSEE, and a person engaged in the sale of  
12 vessels required to be numbered by part 801 of the natural  
13 resources and environmental protection act, 1994 PA 451, MCL  
14 324.80101 to 324.80199, within 15 days after delivering a boat  
15 trailer weighing less than 2,500 pounds to the purchaser OR  
16 LESSEE, shall apply to the secretary of state for a new title, if  
17 required, and transfer or secure registration plates and secure a  
18 certificate of registration for the vehicle or boat trailer, in  
19 the name of the purchaser OR LESSEE. The dealer's license may be  
20 suspended or revoked in accordance with section 249 for failure  
21 to apply for a title when required or for failure to transfer or  
22 secure registration plates and certificate of registration within  
23 the 15 days required by this section. If the dealer or person  
24 fails to apply for a title when required, and to transfer or  
25 secure registration plates and secure a certificate of registra-  
26 tion and pay the required fees within 15 days of delivery of the  
27 vehicle or boat trailer, a title and registration for the vehicle

1 or boat trailer may subsequently be acquired only upon the  
2 payment of a transfer fee of \$15.00 in addition to the fees spec-  
3 ified in section 806. The purchaser OR LESSEE of the vehicle or  
4 THE PURCHASER OF THE boat trailer shall sign the application,  
5 including, when applicable, the declaration specifying the maxi-  
6 mum elected gross weight, as required by subsection (1)(f), and  
7 other necessary papers to enable the dealer or person to secure  
8 the title, registration plates, and transfers from the secretary  
9 of state.

10 (5) If a vehicle is delivered to a purchaser OR LESSEE who  
11 has valid Michigan registration plates that are to be transferred  
12 to the vehicle, and an application for title, if required, and  
13 registration for the vehicle is not made before delivery of the  
14 vehicle to the purchaser OR LESSEE, the registration plates shall  
15 be affixed to the vehicle immediately, and the dealer shall pro-  
16 vide the purchaser OR LESSEE with an instrument in writing, on a  
17 form prescribed by the secretary of state, which shall serve as a  
18 temporary registration for the vehicle for a period of 15 days  
19 from the date the vehicle is delivered.

20 (6) An application for a certificate of title that indicates  
21 the existence of a security interest in the vehicle or in an  
22 accessory to the vehicle, if requested by the security interest  
23 holder, shall be accompanied by a copy of the security agreement  
24 which need not be signed. The request may be made of the seller  
25 on an annual basis. The secretary of state shall indicate on the  
26 copy the date and place of filing of the application and return  
27 the copy to the person submitting the application who shall

1 forward it to the holder of the security interest named in the  
2 application.

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

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

1 (8) In the absence of actual malice proved independently and  
2 not inferred from lack of probable cause, a person who in any  
3 manner causes a prosecution for larceny of a motor vehicle; for  
4 embezzlement of a motor vehicle; for any crime an element of  
5 which is the taking of a motor vehicle without authority; or for  
6 buying, receiving, possessing, LEASING, or aiding in the conceal-  
7 ment of a stolen, embezzled, or converted motor vehicle knowing  
8 that the motor vehicle has been stolen, embezzled, or converted,  
9 is not liable for damages in a civil action for causing the  
10 prosecution. This subsection does not relieve a person from  
11 proving any other element necessary to sustain his or her cause  
12 of action.

13 Sec. 217c. ~~(1) An insurance company licensed to conduct~~  
14 ~~business in this state that determines that a late model vehicle~~  
15 ~~that the company insures has become a distressed vehicle shall~~  
16 ~~proceed under either of the following:~~

17 ~~(a) If the insurance company acquires ownership of the vehi-~~  
18 ~~cle through payment of a claim, the owner of the vehicle shall~~  
19 ~~assign the certificate of title to the insurance company which~~  
20 ~~shall do all of the following:~~

21 ~~(i) Surrender a properly assigned certificate of title to~~  
22 ~~the secretary of state.~~

23 ~~(ii) Apply for a salvage certificate of title. The insur-~~  
24 ~~ance company shall not sell the vehicle without first receiving a~~  
25 ~~salvage certificate of title which shall be assigned to the~~  
26 ~~buyer.~~

1       ~~(b) If after payment of a claim the insurance company~~  
2 ~~permits the owner of the vehicle to retain ownership, the~~  
3 ~~insurance company shall do all of the following:~~

4       ~~(i) Require each owner of the vehicle to sign an application~~  
5 ~~for a salvage certificate of title.~~

6       ~~(ii) Attach the owner's certificate of title to the applica-~~  
7 ~~tion for a salvage certificate of title or have the owner certify~~  
8 ~~that the certificate of title is lost.~~

9       ~~(iii) On behalf of the owner, apply to the secretary of~~  
10 ~~state for a salvage certificate of title in the name of the~~  
11 ~~owner. The owner shall not sell or otherwise dispose of the~~  
12 ~~vehicle without first receiving a salvage certificate of title,~~  
13 ~~which shall be assigned to the buyer.~~

14       ~~(2) If an insurance company acquires ownership of a vehicle~~  
15 ~~other than a late model vehicle through payment of damages due to~~  
16 ~~an accident, the company shall surrender a properly assigned~~  
17 ~~title to the buyer upon delivery.~~

18       ~~(3) If a dealer, other than a vehicle scrap metal processor,~~  
19 ~~acquires ownership of a late model vehicle that is a distressed~~  
20 ~~vehicle from an owner and receives an assigned certificate of~~  
21 ~~title, the dealer shall surrender the assigned certificate of~~  
22 ~~title to the secretary of state and apply for a salvage certifi-~~  
23 ~~cate of title within 5 days after the dealer receives the~~  
24 ~~assigned certificate of title. The dealer may sell the vehicle~~  
25 ~~to another dealer by assigning the salvage certificate of title~~  
26 ~~to the buyer. If the vehicle is sold to a buyer other than a~~  
27 ~~dealer, application shall be made for a salvage certificate in~~

~~1 the name of the buyer. A vehicle scrap metal processor shall  
2 surrender an assigned certificate of title to the secretary of  
3 state within 30 days after acquiring a vehicle for which a cer-  
4 tificate of title was received. A vehicle scrap metal processor  
5 shall surrender an assigned salvage certificate of title to the  
6 secretary of state within 30 days after acquiring a vehicle for  
7 which a salvage certificate of title was received and report that  
8 the vehicle was destroyed or scrapped.~~

~~9 (4) If a person, other than a dealer or insurance company  
10 that is subject to subsection (1) or (3), acquires ownership of a  
11 late model vehicle that is a distressed vehicle, the person shall  
12 surrender the title or assigned certificate of title to the sec-  
13 retary of state and apply for a salvage certificate of title,  
14 before the vehicle may be transported. If an owner retains  
15 ownership of a late model vehicle that should be a distressed  
16 vehicle, the owner shall surrender the title or assigned certifi-  
17 cate of title to the owner's insurance company who, before pay-  
18 ment of a claim, shall apply for a salvage certificate of title  
19 in the name of the owner.~~

~~20 (5) An application for a salvage certificate of title shall  
21 be made on a form prescribed by the secretary of state accom-  
22 panied by a fee of \$10.00. The application shall contain all of  
23 the following:~~

~~24 (a) The complete name and current address of the owner.~~

~~25 (b) A description of the vehicle, including its make, style  
26 of body, model year, weight, color, and vehicle identification  
27 number.~~



1 ~~(c) A description of the damage to the vehicle.~~

2 ~~(d) Until July 1, 1994, a listing of each major component~~  
3 ~~part that was not salvageable.~~

4 ~~(e) Further information as may reasonably be required by the~~  
5 ~~secretary of state.~~

6 ~~(6) The secretary of state shall issue the salvage certifi-~~  
7 ~~cate within 5 business days after the time the application is~~  
8 ~~received at the secretary of state's office in Lansing. Until~~  
9 ~~July 1, 1994, each salvage certificate of title shall include a~~  
10 ~~listing of each major component part that was not salvageable.~~

11 ~~(7) A salvage certificate of title shall authorize the~~  
12 ~~holder of the title to possess, transport, but not drive upon a~~  
13 ~~highway, and transfer ownership in, a vehicle. A certificate of~~  
14 ~~title or registration plates shall not be issued for a vehicle~~  
15 ~~for which a salvage certificate of title was issued unless a spe-~~  
16 ~~cially trained police officer certifies that the vehicle identi-~~  
17 ~~fication numbers and parts identification numbers have been~~  
18 ~~examined as to their accuracy, the applicant has proof of owner-~~  
19 ~~ship of repair parts used, the vehicle complies with the equip-~~  
20 ~~ment standards of this act, and that certification accompanies~~  
21 ~~the application for a certificate of title. Until January 1,~~  
22 ~~1994, an application for a certificate of title shall contain a~~  
23 ~~description of each salvageable part used to repair the vehicle~~  
24 ~~and any identification number affixed to or inscribed upon the~~  
25 ~~part as required by federal law. A fee of \$25.00 through June~~  
26 ~~30, 1994 shall be received by the police agency for inspection of~~  
27 ~~the vehicle. Upon the satisfactory completion of the examination~~

1 and other requirements for application, a certificate of title,  
2 in the same form as the original, shall be issued for the  
3 vehicle.

4       ~~(8) If a dealer other than a vehicle scrap metal processor~~  
5 ~~acquires ownership of an older model vehicle from an owner and~~  
6 ~~receives an assigned certificate of title, the dealer shall~~  
7 ~~retain the assigned certificate of title as long as the dealer~~  
8 ~~retains the vehicle. A vehicle scrap metal processor shall sur-~~  
9 ~~render an assigned certificate of title to the secretary of state~~  
10 ~~within 30 days after the vehicle is destroyed or scrapped.~~

11       ~~(9) A dealer other than a vehicle scrap metal processor~~  
12 ~~selling or assigning a vehicle to a vehicle scrap metal processor~~  
13 ~~shall make a record in triplicate on a form to be provided by the~~  
14 ~~secretary of state in substantially the following form:~~

15

16

~~Scrap Vehicle Inventory:~~

17 Dealer name \_\_\_\_\_

18 Dealer address \_\_\_\_\_

19 Dealer license number \_\_\_\_\_

20 Conveyed to: \_\_\_\_\_ Date \_\_\_\_\_

21                   ~~(Vehicle scrap metal processor)~~

<RO> 1

Vehicles

2 Model Year \_\_\_\_\_ Vehicle Make \_\_\_\_\_ VIN \_\_\_\_\_

3 1. \_\_\_\_\_

4 2. \_\_\_\_\_

5 3. \_\_\_\_\_

6 etc.

7 ~~One copy shall be retained as a permanent record by the dealer, 1~~  
8 ~~copy shall be forwarded with the vehicle to be retained by the~~  
9 ~~vehicle scrap metal processor, and 1 copy shall be forwarded to~~  
10 ~~the secretary of state along with an assigned certificate of~~  
11 ~~title or a salvage certificate.~~

12 ~~(10) A person, other than a used or secondhand vehicle parts~~  
13 ~~dealer or a foreign salvage dealer, or an insurance company~~  
14 ~~admitted to conduct business in this state, receiving a salvage~~  
15 ~~certificate of title shall not sell the vehicle to anyone other~~  
16 ~~than 1 of the following:~~

17 ~~(a) The vehicle's former owner.~~

18 ~~(b) A used or secondhand vehicle parts dealer.~~

19 ~~(c) A vehicle scrap metal processor.~~

20 ~~(d) A foreign salvage vehicle dealer licensed under this~~

21 ~~act.~~

1       ~~(e) A registered motor vehicle repair facility engaging in~~  
2 ~~body work.~~

3       ~~(11) Subsections (1) through (10) shall apply until July 1,~~  
4 ~~1994.~~

5       (1) ~~(12)~~ The secretary of state may conduct periodic  
6 reviews of the records of a dealer to determine whether adequate  
7 notice is given to a transferee OR LESSEE of a rebuilt salvage  
8 vehicle of that vehicle's prior designation as a salvage  
9 vehicle. The secretary of state may request an insurance company  
10 to provide copies of salvage title documents and claims reports  
11 involving major component parts to assist the secretary of state  
12 in monitoring compliance with this act.

13       ~~(13) Subsections (14) through (36) shall apply on and after~~  
14 ~~July 1, 1994.~~

15       (2) ~~(14)~~ Except for a late model vehicle that has been  
16 stolen and recovered and that has no major component part  
17 removed, missing, or destroyed, or damaged and not salvageable,  
18 an insurance company licensed to conduct business in this state  
19 that acquires ownership of a late model vehicle through the pay-  
20 ment of a claim shall proceed under either of the following:

21       (a) If the insurance company acquires ownership of the vehi-  
22 cle through payment of a claim, the owner of the vehicle shall  
23 assign the certificate of title to the insurance company which  
24 shall do all of the following:

25       (i) Surrender a properly assigned certificate of title to  
26 the secretary of state.

1           (ii) If the estimated cost of repair, including parts and  
2 labor, is equal to or more than 75% but less than 91% of the  
3 predamaged actual cash value of the vehicle, apply for a salvage  
4 certificate of title, and if the estimated cost of repair,  
5 including parts and labor, is equal to or greater than 91% of the  
6 predamaged actual cash value of the vehicle, apply for a scrap  
7 certificate of title. The insurance company shall not sell the  
8 vehicle without first receiving a salvage or scrap certificate of  
9 title, which shall be assigned to the buyer. An insurance com-  
10 pany may assign a salvage or scrap certificate of the title only  
11 to an automotive recycler, used or secondhand vehicle parts  
12 dealer, foreign salvage vehicle dealer, or vehicle scrap metal  
13 processor.

14           (b) If after payment of a total loss claim the insurance  
15 company permits the owner of the vehicle to retain ownership, the  
16 insurance company shall do all of the following:

17           (i) If the estimated cost of repair, including parts and  
18 labor, is equal to or greater than 75% but less than 91% of the  
19 predamaged actual cash value of the vehicle, require each owner  
20 of the vehicle to sign an application for a salvage certificate  
21 of title, or if the estimated cost of repair, including parts and  
22 labor, is equal to or greater than 91% of the predamaged actual  
23 cash value of the vehicle, require each owner of the vehicle to  
24 sign an application for a scrap vehicle certificate of title.

25           (ii) Attach the owner's certificate of title to the applica-  
26 tion for a salvage or scrap certificate of title or have the  
27 owner certify that the certificate of title is lost.

1           (iii) On behalf of the owner, apply to the secretary of  
2 state for a salvage or scrap certificate of title in the name of  
3 the owner. The owner shall not sell or otherwise dispose of the  
4 vehicle without first receiving a salvage or scrap certificate of  
5 title, which shall be assigned to the buyer. An insurance com-  
6 pany may assign a salvage or scrap certificate of title only to  
7 an automotive recycler, used or secondhand vehicle parts dealer,  
8 foreign salvage vehicle dealer, or vehicle scrap metal  
9 processor.

10           (3) ~~(15)~~ If an insurance company acquires ownership of a  
11 vehicle other than a late model vehicle through payment of dam-  
12 ages due to an accident, the company shall surrender a properly  
13 assigned title to the buyer upon delivery.

14           (4) ~~(16)~~ If a dealer acquires ownership of a late model  
15 vehicle that is a distressed vehicle from an owner, the dealer  
16 shall receive an assigned certificate of title. If the assigned  
17 certificate of title is not a salvage or scrap certificate of  
18 title, the dealer, other than a vehicle scrap metal processor,  
19 shall surrender the assigned certificate of title to the secre-  
20 tary of state, and if the estimated cost of repair, including  
21 parts and labor, is equal to or greater than 75% but less than  
22 91% of the predamaged actual cash value of the vehicle, apply for  
23 a salvage certificate of title, or if the estimated cost of  
24 repair, including parts and labor, is equal to or greater than  
25 91% of the predamaged actual cash value of the vehicle, apply for  
26 a scrap certificate of title within 5 days after the dealer  
27 receives the assigned certificate of title. The dealer may sell

1 a salvage vehicle to another automotive recycler, used or  
2 secondhand vehicle parts dealer, foreign salvage vehicle dealer,  
3 or vehicle scrap metal processor by assigning the salvage certifi-  
4 cate of title to the buyer. Unless the vehicle is rebuilt,  
5 inspected, and recertified pursuant to this section, if the vehi-  
6 cle is sold to a buyer other than a dealer, application shall be  
7 made for a salvage certificate in the name of the buyer in the  
8 manner provided in this act. The dealer may sell a scrap vehicle  
9 only to a vehicle scrap metal processor. A vehicle scrap metal  
10 processor shall surrender an assigned certificate of title to the  
11 secretary of state within 30 days after acquiring a vehicle for  
12 which a certificate of title was received. A vehicle scrap metal  
13 processor shall surrender an assigned salvage or scrap certifi-  
14 cate of title to the secretary of state within 30 days after  
15 acquiring a vehicle for which a salvage or scrap certificate of  
16 title was received and report that the vehicle was destroyed or  
17 scrapped.

18 (5) ~~(17)~~ An application for a scrap certificate of title  
19 shall be made on a form prescribed by the secretary of state  
20 accompanied by a fee of \$15.00. The application shall contain  
21 all of the following:

22 (a) The complete name and current address of the owner.

23 (b) A description of the vehicle, including its make, style  
24 of body, model year, fee category or weight, color, and vehicle  
25 identification number.

26 (c) If the vehicle is a late model vehicle, a listing of  
27 each major component part that was not salvageable.

1 (d) Further information as may reasonably be required by the  
2 secretary of state.

3 (6) ~~(18)~~ The scrap certificate of title shall authorize  
4 the holder of the document to transport but not drive upon a  
5 highway the vehicle or parts of a vehicle, and assign ownership  
6 to a vehicle scrap metal processor, automotive recycler, used or  
7 secondhand vehicle parts dealer, or foreign salvage vehicle  
8 dealer. A certificate of title shall not again be issued for  
9 this vehicle. A person shall not rebuild or repair a scrap vehi-  
10 cle and allow it to retain the original vehicle identification  
11 number.

12 (7) ~~(19)~~ If a person, other than a dealer or insurance  
13 company that is subject to subsection ~~(14)~~ (2) or ~~(16)~~ (4),  
14 acquires ownership of a distressed, late model vehicle, the  
15 person shall surrender the title or assigned certificate of title  
16 to the secretary of state, and if the estimated cost of repair,  
17 including parts and labor, is equal to or greater than 75% but  
18 less than 91% of the predamaged actual cash value of the vehicle,  
19 apply for a salvage certificate of title, or if the estimated  
20 cost of repair, including parts and labor, is equal to or greater  
21 than 91% of the predamaged actual cash value of the vehicle,  
22 apply for a scrap certificate of title before the vehicle may be  
23 transported.

24 (8) ~~(20)~~ An owner of a vehicle may determine that A vehi-  
25 cle ~~to be~~ IS a scrap vehicle or a salvage vehicle without  
26 making any determination as to the actual cash value of the  
27 vehicle.



1           (9) ~~(21)~~ If a leasing company, vehicle manufacturer,  
2 insurance company not licensed to do business in this state,  
3 association, repossession company, self-insured owner, financial  
4 institution, governmental entity, or other company, institution,  
5 or entity, owns a distressed, late model vehicle, the titleholder  
6 shall surrender the title or assigned certificate of title to the  
7 secretary of state and apply for a salvage certificate of title  
8 if the retail cost of repair, including parts and labor, is equal  
9 to or greater than 75% but less than 91% of the predamaged actual  
10 cash value of the vehicle, or if the retail cost of repair,  
11 including parts and labor, is equal to or greater than 91% of the  
12 predamaged actual cash value of the vehicle, apply for a scrap  
13 certificate of title, before the vehicle may be transported or  
14 sold. If ownership is transferred, the owner shall sell the  
15 vehicle only to a dealer who is eligible to buy a salvage or  
16 scrap vehicle in this state unless the owner complies with sub-  
17 section ~~(24)~~ (12). When a leasing company, vehicle manufactur-  
18 er, insurance company not licensed to do business in this state,  
19 association, repossession company, self-insured owner, financial  
20 institution, governmental entity, or other company, institution,  
21 or entity, estimates the repair of a distressed, late model vehi-  
22 cle for the purpose of determining whether to apply for a salvage  
23 or scrap certificate of title, a complete record of the estimate  
24 and, if the vehicle is repaired before a transfer of ownership, a  
25 complete record of the actual cost of the repairs performed and  
26 by whom shall be maintained for a minimum of 5 years by the  
27 leasing company, vehicle manufacturer, insurance company not

1 licensed to do business in this state, association, repossession  
2 company, self-insured owner, financial institution, governmental  
3 entity, or other company, institution, or entity. The estimates  
4 and repair records required by this subsection shall be available  
5 for unannounced inspections by a law enforcement agency or a rep-  
6 resentative of the secretary of state. The secretary of state  
7 may request a leasing company, vehicle manufacturer, insurance  
8 company not licensed to do business in this state, association,  
9 repossession company, self-insured owner, financial institution,  
10 governmental entity, or other company, institution, or entity to  
11 provide copies of title documents, repair estimates, claims  
12 reports involving major component parts, and actual cash value  
13 determination documents to assist the secretary of state in moni-  
14 toring compliance with this act.

15       (10) ~~(22)~~ An application for a salvage certificate of  
16 title shall be made on a form prescribed by the secretary of  
17 state accompanied by a fee of \$10.00. The application shall con-  
18 tain all of the following:

19       (a) The complete name and current address of the owner.

20       (b) A description of the vehicle, including its make, style  
21 of body, model year, fee category or weight, color, and vehicle  
22 identification number.

23       (c) An estimate of the cost repair, including parts and  
24 labor, and an estimate of the predamaged actual cash value of the  
25 vehicle.

26       (d) If the vehicle is a late model vehicle, a listing of  
27 each major component part that was not salvageable.

1 (e) Further information as may reasonably be required by the  
2 secretary of state.

3 (11) ~~(23)~~ The secretary of state shall issue and mail the  
4 salvage certificate within 5 business days after the time the  
5 application is received at the secretary of state's office in  
6 Lansing. Each salvage certificate of title shall include a list-  
7 ing of each major component part that was not salvageable.

8 (12) ~~(24)~~ A salvage certificate of title ~~shall authorize~~  
9 AUTHORIZES the holder of the title to possess, transport, but not  
10 drive upon a highway, and transfer ownership in, a vehicle. ~~A~~  
11 THE SECRETARY OF STATE SHALL NOT ISSUE A certificate of title or  
12 registration plates ~~shall not be issued~~ for a vehicle for which  
13 a salvage certificate of title was issued unless a specially  
14 trained officer described in subsection ~~(25)~~ (14) certifies all  
15 of the following:

16 (a) That the vehicle identification numbers and parts iden-  
17 tification numbers ~~have been examined as to their accuracy~~ ARE  
18 CORRECT.

19 (b) That the applicant has proof of ownership of repair  
20 parts used.

21 (c) That the vehicle complies with the equipment standards  
22 of this act.

23 (13) The certification required by ~~this~~ subsection (12)  
24 shall be made on a form prescribed and furnished by the secretary  
25 of state in conjunction with the department of state police and  
26 shall accompany the application that is submitted to the  
27 secretary of state for a certificate of title. An application

1 for a certificate of title shall contain a description of each  
2 salvageable part used to repair the vehicle and any identifica-  
3 tion number affixed to or inscribed upon the part as required by  
4 state or federal law. ~~Through June 30, 1994, a fee of \$25.00~~  
5 ~~shall be received by the police agency for inspection of the~~  
6 ~~vehicle and shall be expended by that police agency as provided~~  
7 ~~in this subsection.~~ Upon satisfactory completion of the inspec-  
8 tion as required by the secretary of state and other requirements  
9 for application, THE SECRETARY OF STATE SHALL ISSUE a certificate  
10 of title FOR THE VEHICLE bearing ~~an indicator of its previous~~  
11 ~~THE LEGEND "REBUILT salvage".~~ ~~status shall be issued for the~~  
12 ~~vehicle.~~ ~~The salvage vehicle inspection fees collected by a~~  
13 ~~local police agency under this subsection shall be credited to~~  
14 ~~the budget of that police agency for law enforcement purposes~~  
15 ~~that affect stolen vehicles, stolen vehicle parts, and salvage~~  
16 ~~vehicle inspections.~~ ~~A local police agency shall compensate an~~  
17 ~~off-duty and limited enforcement police officer for a salvage~~  
18 ~~vehicle inspection.~~

19 (14) ~~(25)~~ An officer specially trained as provided by the  
20 secretary of state and authorized by the secretary of state to  
21 conduct a salvage vehicle inspection is either of the following:

22 (a) An on-duty or off-duty police officer.

23 (b) A previously certified police officer who is appointed  
24 by the local police agency as a limited enforcement officer to  
25 conduct salvage vehicle inspections. The local police agency  
26 shall give this officer access to the agency's law enforcement  
27 information network system and the authority to confiscate any

1 stolen vehicle or vehicle parts discovered during an inspection.  
2 The local police agency may give the officer the authority to  
3 arrest a person suspected of having unlawful possession of a  
4 stolen vehicle or vehicle parts.

5       (15) ~~-(26)-~~ The secretary of state shall issue a certificate  
6 to an officer who is specially trained as provided by the secre-  
7 tary of state to conduct salvage vehicle inspections. Only a  
8 person who has a valid certification from the secretary of state  
9 may perform salvage inspections. The secretary of state on his  
10 or her own initiative or in response to complaints shall make  
11 reasonable and necessary public or private investigations within  
12 or outside of this state and gather evidence against an officer  
13 who was issued a certificate and who violated or is about to vio-  
14 late this act or a rule promulgated under this act. The secre-  
15 tary of state may suspend, revoke, or deny a certificate after an  
16 investigation if the secretary of state determines that the offi-  
17 cer committed 1 or more of the following:

18       (a) Violated this act or a rule promulgated under this act.

19       (b) Was found guilty of a fraudulent act in connection with  
20 the inspection, purchase, sale, LEASE, or transfer of a salvage  
21 vehicle.

22       (c) Was found guilty of the theft, embezzlement, or misap-  
23 propriation of salvage vehicle inspection fees.

24       (d) Performed improper, careless, or negligent salvage vehi-  
25 cle inspections.

1 (e) Ceased to function as a police officer because of  
 2 suspension, retirement, dismissal, disability, or termination of  
 3 employment.

4 (f) Was convicted of a violation or attempted violation of  
 5 ~~Act No. 119 of the Public Acts of 1986, being sections 257.1351~~  
 6 ~~to 257.1355 of the Michigan Compiled Laws~~ 1986 PA 119,  
 7 MCL 257.1351 TO 257.1355.

8 (g) Made a false statement of a material fact in his or her  
 9 certification of a salvage vehicle inspection or any record con-  
 10 cerning a salvage vehicle inspection.

11 (16) Upon receipt of the appropriate abstract of conviction  
 12 from a court and without any investigation, the secretary of  
 13 state shall immediately revoke the certificate of an officer who  
 14 has been convicted of a violation or attempted violation of  
 15 section 413, 414, 415, 535, 535a, or 536a of the Michigan penal  
 16 code, ~~Act No. 328 of the Public Acts of 1931, being~~  
 17 ~~sections 750.413, 750.414, 750.415, 750.535, 750.535a, and~~  
 18 ~~750.536a of the Michigan Compiled Laws~~ 1931 PA 328, MCL 750.413,  
 19 750.414, 750.415, 750.535, 750.535A, AND 750.536A, or has been  
 20 convicted in federal court or in another state of a violation or  
 21 attempted violation of a law substantially corresponding to  
 22 ~~section 413, 414, 415, 535, 535a, or 536a of the Michigan penal~~  
 23 ~~code, Act No. 328 of the Public Acts of 1931~~ 1 OF THOSE  
 24 SECTIONS.

25 (17) ~~(27)~~ If a dealer acquires ownership of an older model  
 26 vehicle from an owner, the dealer shall receive an assigned  
 27 certificate of title and shall retain it as long as he or she

1 retains the vehicle. A vehicle scrap metal processor shall  
2 surrender an assigned certificate of title to the secretary of  
3 state within 30 days after the vehicle is destroyed or scrapped.

4 (18) ~~(28)~~ A dealer selling or assigning a vehicle to a  
5 vehicle scrap metal processor shall make a record in triplicate  
6 on a form to be provided by the secretary of state in substan-  
7 tially the following form:

8

9

Scrap Vehicle Inventory:

10 SELLER: Dealer name \_\_\_\_\_

11 Dealer address \_\_\_\_\_

12 Dealer license number \_\_\_\_\_

13 PURCHASER: Conveyed to: \_\_\_\_\_ Date \_\_\_\_\_

14 (Vehicle scrap metal processor)

15 Dealer address \_\_\_\_\_

16 Dealer license number \_\_\_\_\_

Vehicles

	Model Year	Vehicle Make	VIN	Title Number	Dealer's Stock Number	Color
1						
2						
3						
4						
5	1. _____	_____	_____	_____	_____	_____
6	2. _____	_____	_____	_____	_____	_____
7	3. _____	_____	_____	_____	_____	_____

8 etc.

9 One copy shall be retained as a permanent record by the dealer, 1  
10 copy shall be forwarded with the vehicle to be retained by the  
11 vehicle scrap metal processor, and 1 copy shall be forwarded to  
12 the secretary of state.

13 (19) ~~(29)~~ A person, other than an automotive recycler,  
14 used or secondhand vehicle parts dealer, or a foreign salvage  
15 dealer, receiving a salvage certificate of title shall not sell  
16 the vehicle to anyone other than 1 of the following:

- 17 (a) The vehicle's former owner.
- 18 (b) A used or secondhand vehicle parts dealer.
- 19 (c) A vehicle scrap metal processor.
- 20 (d) A foreign salvage vehicle dealer licensed under this
- 21 act.



1 (e) An automotive recycler.

2 (20) ~~(30)~~ A person receiving a scrap certificate of title  
3 shall not sell the vehicle to anyone other than 1 of the  
4 following:

5 (a) An automotive recycler.

6 (b) A vehicle scrap metal processor.

7 (c) A foreign salvage vehicle dealer licensed under this  
8 act.

9 (d) A used or secondhand vehicle parts dealer.

10 (21) ~~(31)~~ The secretary of state may conduct periodic  
11 reviews of the records of a dealer to determine whether adequate  
12 notice is given to a transferee OR LESSEE of a rebuilt salvage  
13 vehicle of that vehicle's prior designation as a salvage  
14 vehicle. The secretary of state may request an insurance company  
15 to provide copies of salvage title documents and claims reports  
16 involving major component parts to assist the secretary of state  
17 in monitoring compliance with this act.

18 (22) ~~(32)~~ A licensed automotive recycler, used or second-  
19 hand vehicle parts dealer, vehicle scrap metal processor, vehicle  
20 salvage pool operator, distressed vehicle transporter, foreign  
21 salvage vehicle dealer, or broker who has removed a scrap vehicle  
22 from this state for the purpose of rebuilding the vehicle or  
23 selling OR LEASING the vehicle to a person other than a vehicle  
24 scrap metal processor, shall receive an automatic suspension of  
25 ~~their~~ ITS dealer license and of any salvage vehicle agent's  
26 license assigned to that dealer for a period of 30 days. Upon  
27 receipt by the secretary of state of a written request from the

1 dealer, the dealer shall have the right to an immediate hearing  
2 on the matter within that 30-day period.

3       (23) ~~-(33)-~~ For the purpose of this section, the estimated  
4 costs of the repair parts shall be determined by using the cur-  
5 rent published retail cost of original manufacturer equipment  
6 parts or an estimate of the actual cost of the repair parts. The  
7 estimated labor costs shall be computed by using the hourly rate  
8 and time allocations which are reasonable and commonly assessed  
9 in the repair industry in the community where the repairs are  
10 performed.

11       (24) ~~-(34) Beginning July 1, 1994, a fee of \$50.00 shall be~~  
12 ~~received by a~~ A police agency SHALL CHARGE A FEE OF \$50.00 for  
13 an inspection of a vehicle pursuant to subsection ~~-(24)-~~ (12).  
14 The ~~fee shall be credited~~ POLICE AGENCY SHALL CREDIT THE FEE to  
15 the budget of that police agency and ~~used~~ USE THE FEE for law  
16 enforcement purposes that affect stolen vehicles, stolen vehicle  
17 parts, and salvage vehicle inspections. A local police agency  
18 shall compensate an off-duty and limited enforcement police offi-  
19 cer for a salvage vehicle inspection.

20       (25) ~~-(35)-~~ For the purpose of this section, "actual cash  
21 value" means the retail dollar value of a vehicle as determined  
22 by an objective vehicle evaluation using local market resources  
23 such as dealers or want ads or by an independent vehicle evalu-  
24 ation or vehicle appraisal service or by a current issue of a  
25 nationally recognized used vehicle guide for financial institu-  
26 tion appraisal purposes in this state.

1       ~~(36) The secretary of state shall convene a task force in a~~  
2 ~~timely manner to develop standards for police to use in~~  
3 ~~performing inspections. The task force shall include representa-~~  
4 ~~tives of the Michigan sheriffs association, the chiefs of police~~  
5 ~~association, the Michigan state police, the insurance industry, a~~  
6 ~~used vehicle parts dealer, the automobile theft prevention~~  
7 ~~authority, and an automotive recycler. Inspections may continue~~  
8 ~~to be performed under existing standards until the task force~~  
9 ~~approves new standards. Inspections under this act must be~~  
10 ~~according to these standards and the standards shall be reported~~  
11 ~~to the legislature.~~

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  
15 receipt of the required fees. ~~A~~ THE SECRETARY OF STATE SHALL  
16 ISSUE A REBUILT SALVAGE, SALVAGE, OR SCRAP CERTIFICATE OF TITLE  
17 FOR A vehicle brought into this state from another state or  
18 jurisdiction that has a rebuilt, salvage, or scrap certificate of  
19 title issued by that other state or jurisdiction. ~~shall be~~  
20 ~~issued a rebuilt, salvage, or scrap certificate of title by the~~  
21 ~~secretary of state.~~

22       (2) The SECRETARY OF STATE SHALL DELIVER THE registration  
23 certificate ~~shall be delivered~~ to the owner. ~~and~~ THE  
24 CERTIFICATE shall contain on its face the date issued, the name  
25 and address of the owner, the registration number assigned to the  
26 vehicle, and a description of the vehicle as determined by the  
27 secretary of state.

1 (3) The certificate of title shall be manufactured in a  
2 manner to prohibit as nearly as possible the ability to repro-  
3 duce, alter, counterfeit, forge, or duplicate the certificate of  
4 title without ready detection. ~~and~~ THE CERTIFICATE SHALL con-  
5 tain on its face ~~the~~ ALL OF THE FOLLOWING:

6 (A) THE identical information required on the face of the  
7 registration certificate. ~~if~~

8 (B) IF the vehicle is a motor vehicle, the number of miles,  
9 not including the tenths of a mile, registered on the vehicle's  
10 odometer at the time of transfer. ~~whether~~

11 (C) WHETHER the vehicle is to be used or has been used as a  
12 taxi, as a police vehicle, or by a political subdivision of this  
13 state, unless the vehicle is owned by a dealer and loaned or  
14 leased to a political subdivision of this state for use as a  
15 driver education vehicle. ~~whether~~

16 (D) WHETHER the vehicle is a salvage vehicle. ~~if~~

17 (E) IF the vehicle has previously been issued a rebuilt cer-  
18 tificate of title from this state or a comparable certificate of  
19 title from any other state or jurisdiction. ~~if~~

20 (F) IF the vehicle has been issued a scrap certificate of  
21 title from this state or a comparable certificate of title from  
22 any other state or jurisdiction. ~~if~~

23 (G) IF the owner or co-owner or lessee or co-lessee of the  
24 vehicle is subject to registration denial under  
25 section 219(1)(d). ~~a~~

1 (H) A statement of the owner's title and of all security  
2 interests in the vehicle or in an accessory on the vehicle as set  
3 forth in the application. ~~the~~

4 (I) THE date that the application was filed. ~~and any~~

5 (J) ANY other information that the secretary of state may  
6 require.

7 (4) The certificate of title shall contain a form for  
8 assignment of title or interest and warranty of title by the  
9 owner with space for the notation of a security interest in the  
10 vehicle and in an accessory on the vehicle, which at the time of  
11 a transfer shall be certified and signed, and space for a written  
12 odometer mileage statement that is required upon transfer pursu-  
13 ant to section 233a. The certificate of title may also contain  
14 other forms that the secretary of state considers necessary to  
15 facilitate the effective administration of this act. The certif-  
16 icate shall bear the coat of arms of this state.

17 (5) The SECRETARY OF STATE SHALL MAIL OR DELIVER THE certif-  
18 icate of title ~~shall be mailed or delivered~~ to the owner or  
19 other person the owner may direct in a separate instrument, in a  
20 form PRESCRIBED BY the secretary of state. ~~shall prescribe.~~

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

25 (a) If the intent of reproduction, alteration, counterfeit-  
26 ing, forging, duplication, or use was to commit or aid in the  
27 commission of an offense punishable by imprisonment for 1 or more

1 years, the person committing the reproduction, alteration,  
2 counterfeiting, forging, duplication, or use is guilty of a mis-  
3 demeanor, punishable by imprisonment for a period equal to that  
4 which could be imposed for the commission of the offense the  
5 person had the intent to aid or commit. The court may also  
6 assess a fine of not more than \$10,000.00 against the person.

7 (b) If the intent of the reproduction, alteration, counter-  
8 feiting, forging, duplication, or use was to commit or aid in the  
9 commission of an offense punishable by imprisonment for not more  
10 than 1 year, the person committing the reproduction, alteration,  
11 counterfeiting, forging, duplication, or use is guilty of a mis-  
12 demeanor, punishable by imprisonment for not more than 1 year, or  
13 a fine of not more than \$1,000.00, or both.

14 (7) The certificate of title for a police vehicle, a vehicle  
15 owned by a political subdivision of this state, a salvage vehi-  
16 cle, a rebuilt vehicle, and a scrap vehicle shall be different in  
17 color from the certificate of title for all other vehicles unless  
18 the vehicle is loaned or leased to a political subdivision of  
19 this state for use as a driver education vehicle.

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

23 (9) A certificate of title shall not be issued for a vehicle  
24 ~~which~~ THAT has had a salvage certificate of title unless the  
25 certificate of title contains ~~a~~ THE legend ~~that discloses the~~  
26 ~~vehicle's former condition to consumers and potential purchasers~~  
27 "REBUILT SALVAGE".

1           Sec. 226. (1) A vehicle registration issued by the  
2 secretary of state expires on the owner's birthday, unless  
3 another expiration date is provided for under this act or unless  
4 the registration is for the following vehicles, in which case  
5 registration expires on the last day of February:

6           (a) A commercial vehicle except for a commercial vehicle  
7 issued a registration under the international registration plan  
8 or a pickup truck or van owned by an individual.

9           (b) Except for a trailer or semitrailer issued a registra-  
10 tion under the international registration plan, a trailer or  
11 semitrailer owned by a business, corporation, or person other  
12 than an individual; or a pole trailer.

13           (2) The expiration date for a registration issued for a  
14 motorcycle is March 31.

15           (3) The expiration date for a registration bearing the let-  
16 ters "SEN" or "REP" is February 1.

17           (4) In the case of a vehicle owned by a business, corpora-  
18 tion, or an owner other than an individual, the secretary of  
19 state may assign or reassign the expiration date of the  
20 registration.

21           (5) The secretary of state shall do all of the following:

22           (a) After the October 1 immediately preceding the year des-  
23 ignated on the registration, issue a registration upon applica-  
24 tion and payment of the proper fee for a commercial vehicle,  
25 other than a pickup or van owned by an individual; or a trailer  
26 owned by a business, corporation, or person other than an  
27 individual.

1 (b) Beginning 60 days before the expiration date assigned on  
2 an international registration plan registration plate, issue a  
3 registration under section 801g upon application and payment of  
4 the proper apportioned fee for a commercial vehicle engaged in  
5 interstate commerce.

6 (c) After the February 14 immediately preceding the year  
7 designated on a registration, issue a registration upon applica-  
8 tion and payment of the proper fee for a motorcycle.

9 (d) Beginning 45 days before the owner's birthday and 120  
10 days before the expiration date assigned by the secretary of  
11 state, issue a registration for a vehicle other than those desig-  
12 nated in subsection (1)(a) or (b). However, if an owner whose  
13 registration period begins 45 days before his or her birthday  
14 will be out of the state during the 45 days immediately preceding  
15 expiration of a registration or for other good cause shown cannot  
16 apply for a renewal registration within the 45-day period, appli-  
17 cation for a renewal registration may be made not more than 6  
18 months before expiration.

19 (6) Except as otherwise provided in this subsection, the  
20 secretary of state, upon application and payment of the proper  
21 fee, shall issue a registration for a vehicle to a resident that  
22 shall expire on the owner's birthday. If the owner's next birth-  
23 day is at least 6 months but not more than 12 months in the  
24 future, the owner shall receive a registration valid until the  
25 owner's next birthday. If the owner's next birthday is less than  
26 6 months in the future, the owner shall receive a registration  
27 valid until the owner's birthday following the owner's next



1 birthday. The tax required under this act for a registration  
2 described in this subsection shall bear the same relationship to  
3 the tax required under section 801 for a 12-month registration as  
4 the length of time of the registration bears to 12 months.  
5 Partial months shall be considered as whole months in the calcu-  
6 lation of the required tax and in the determination of the length  
7 of time between the application for a registration and the  
8 owner's next birthday. The tax required for that registration  
9 shall be rounded off to whole dollars as provided in section  
10 801.

11 (7) A certificate of title shall remain valid until canceled  
12 by the secretary of state for cause or upon a transfer of an  
13 interest shown on the certificate of title.

14 (8) The secretary of state, upon request, shall issue spe-  
15 cial registration for commercial vehicles, valid for 6 months  
16 after the date of issue, if the full registration fee exceeds  
17 \$50.00, on the payment of 1/2 the full registration fee and a  
18 service charge as enumerated in section 802(1).

19 (9) The secretary of state may issue a special registration  
20 for each of the following:

21 (a) A new vehicle purchased OR LEASED outside of this state  
22 and delivered in this state to the purchaser OR LESSEE by the  
23 manufacturer of that vehicle for removal to a place outside of  
24 this state, if a certification is made that the vehicle will be  
25 primarily used, stored, and registered outside of this state and  
26 will not be returned to this state by the purchaser OR LESSEE for  
27 use or storage.

1 (b) A vehicle purchased OR LEASED in this state and  
2 delivered to the purchaser OR LESSEE by a dealer or by the owner  
3 of the vehicle for removal to a place outside of this state, if a  
4 certification is made that the vehicle will be primarily used,  
5 stored, and registered outside of this state and will not be  
6 returned to this state by the purchaser OR LESSEE for use or  
7 storage.

8 (10) A special registration issued under subsection (9) is  
9 valid for not more than 14 days after the date of issuance, and a  
10 fee shall be collected for each special registration as provided  
11 in section 802(3). The special registration may be in the form  
12 determined by the secretary of state. If a dealer makes a retail  
13 sale OR LEASE of a vehicle to a purchaser OR LESSEE who is quali-  
14 fied and eligible to obtain a special registration, the dealer  
15 shall apply for the special registration for the purchaser OR  
16 LESSEE. If a person other than a dealer sells OR LEASES a vehi-  
17 cle to a purchaser OR LESSEE who is qualified and eligible to  
18 obtain a special registration, the purchaser OR LESSEE shall  
19 appear in person, or by a person exercising the purchaser's OR  
20 LESSEE'S power of attorney, at an office of the secretary of  
21 state and furnish a certification that the person is the bona  
22 fide purchaser OR LESSEE or that the person has granted the power  
23 of attorney, together with other forms required for the issuance  
24 of the special registration and provide the secretary of state  
25 with proof that the vehicle is covered by a Michigan no-fault  
26 insurance policy issued pursuant to section 3101 of the insurance  
27 code of 1956, 1956 PA 218, MCL 500.3101, or proof that the

1 vehicle is covered by a policy of insurance issued by an insurer  
2 pursuant to section 3163 of the insurance code of 1956, 1956  
3 PA 218, MCL 500.3163. The certification required in this subsec-  
4 tion shall contain all of the following:

5 (a) The address of the purchaser OR LESSEE.

6 (b) A statement that the vehicle is purchased OR LEASED for  
7 registration outside of this state.

8 (c) A statement that the vehicle shall be primarily used,  
9 stored, and registered outside of this state.

10 (d) The name of the jurisdiction in which the vehicle is to  
11 be registered.

12 (e) Other information ~~desired~~ REQUESTED by the secretary  
13 of state.

14 (11) Upon request, the secretary of state may issue a regis-  
15 tration valid for 6 months after the date of issuance for use on  
16 a trailer or semitrailer weighing 1,500 pounds or less and that  
17 is used for recreational purposes, upon payment of 1/2 the full  
18 registration fee imposed under section 801(1)(1).

19 (12) In the case of a commercial vehicle, trailer, or semi-  
20 trailer issued a registration under the international registra-  
21 tion plan, the secretary of state in mutual agreement with the  
22 owner may assign or reassign the expiration date of the  
23 registration. However, the expiration date agreed to shall be  
24 either March 31, June 30, September 30, or December 31. Renewals  
25 expiring on or after September 30, 1993 shall be for a minimum of  
26 at least 12 months if there is a change in the established  
27 expiration date.

1 (13) The expiration date for a multiyear registration issued  
2 for a leased vehicle shall be the date the lease expires but  
3 shall not be for a period longer than 24 months.

4 Sec. 226a. (1) Temporary registration plates or markers may  
5 be issued to licensed dealers in vehicles and to persons engaged  
6 in the sale of vessels required to be numbered by part 801 of the  
7 natural resources and environmental protection act, 1994 PA 451,  
8 MCL 324.80101 to 324.80199, upon application accompanied by the  
9 proper fee, for use by purchasers OR LESSEES of vehicles, for not  
10 to exceed 15 days pending receipt of regular registration plates  
11 from the dealer or person.

12 Only 1 temporary plate or marker may be issued to a pur-  
13 chaser OR LESSEE of a vehicle. If a dealer or person requires a  
14 purchaser OR LESSEE of a vehicle or PURCHASER OR LESSEE OF A  
15 vessel to pay for a temporary plate or marker, the dealer or  
16 person shall not charge the purchaser OR LESSEE more than the  
17 dealer or person was charged by the secretary of state for the  
18 individual plate or marker. The SECRETARY OF STATE SHALL DETER-  
19 MINE THE COMPOSITION AND DESIGN OF THE temporary registration  
20 plates or markers. ~~shall be made of such material and design as~~  
21 ~~the secretary of state shall determine.~~

22 (2) A temporary registration plate or marker shall show in  
23 ink the date of issue, a description of the vehicle for which  
24 issued, and ~~such~~ ANY other information ~~as~~ REQUIRED BY the  
25 secretary of state. ~~may require.~~ A dealer or person shall imme-  
26 diately notify the secretary of state of each temporary  
27 registration plate or marker issued by the dealer or person, on a

1 form prescribed by the secretary of state. Upon the attachment  
2 of the regular plate to a vehicle for which a temporary registra-  
3 tion plate or marker has been issued, the temporary plate shall  
4 be destroyed.

5 (3) All temporary registration plates or markers shall be  
6 serially numbered and upon issuance the number shall be noted on  
7 the statement of vehicle sale form or in the case of a boat  
8 trailer on a form prescribed by the secretary of state.

9 (4) A dealer or person, upon demand, shall immediately sur-  
10 render any temporary registration plates or markers in his or her  
11 possession if the secretary of state finds, after investigation,  
12 that the dealer or person has violated this section, and the  
13 dealer or person shall immediately forfeit any right to the tem-  
14 porary registration plates or markers.

15 (5) ~~Registration plates may be issued~~ THE SECRETARY OF  
16 STATE MAY ISSUE A REGISTRATION PLATE upon application and payment  
17 of the proper fee to an individual, partnership, corporation, or  
18 association who in the ordinary course of business has occasion  
19 to legally repossess a vehicle in which a security interest is  
20 held. A registration plate issued pursuant to this subsection  
21 shall be used to move and dispose of a vehicle.

22 (6) ~~Registration plates may be issued~~ THE SECRETARY OF  
23 STATE MAY ISSUE A REGISTRATION PLATE upon application and payment  
24 of the proper fee to an individual, partnership, corporation, or  
25 association who in the ordinary course of business has occasion  
26 to legally pick up or deliver a vehicle not required to be titled  
27 under this act, or to repair or service a vehicle, or to persons

1 defined as dealers under part 801 of ~~Act No. 451 of the Public~~  
2 ~~Acts of 1994~~ THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION  
3 ACT, 1994 PA 451, MCL 324.80101 TO 324.80199, for the purpose of  
4 delivering a vessel or trailer to a customer or to and from a  
5 boat show or exposition. A registration plate issued under this  
6 subsection shall be used to move ~~such a~~ THE vehicle.

7 (7) ~~Registration plates may be issued~~ THE SECRETARY OF  
8 STATE MAY ISSUE A REGISTRATION PLATE upon application and payment  
9 of the proper fee to an individual, partnership, corporation, or  
10 association who in the ordinary course of business operates an  
11 auto auction, and who in the ordinary course of business has  
12 occasion to legally pick up a vehicle which will be offered for  
13 sale at the auction, or deliver a vehicle which has been offered  
14 for sale at the auction. ~~Such~~ THE registration ~~plates~~ PLATE  
15 shall be used only to move vehicles as provided in this  
16 subsection. Auto auctions that make application for ~~such~~ A  
17 registration ~~plates~~ PLATE UNDER THIS SUBSECTION shall furnish a  
18 surety bond as ~~may be~~ required by the secretary of state.

19 Sec. 233b. (1) As used in this section:

20 (a) "Distributor" means that term as defined in section 3(1)  
21 of ~~Act No. 118 of the Public Acts of 1981, being~~  
22 ~~section 445.1563 of the Michigan Compiled Laws~~ 1981 PA 118,  
23 MCL 445.1563.

24 (b) "Manufacturer" means that term as defined in  
25 section 4(2) of ~~Act No. 118 of the Public Acts of 1981, being~~  
26 ~~section 445.1564 of the Michigan Compiled Laws~~ 1981 PA 118,  
27 MCL 445.1564.

1 (c) "Program vehicle" means a motor vehicle from either the  
2 current model year or the immediately preceding model year, that  
3 was repurchased by a manufacturer or distributor from a rental  
4 car company.

5 (2) Except as provided in this subsection, a new motor vehi-  
6 cle dealer shall disclose in writing to a purchaser OR LESSEE of  
7 a new motor vehicle, demonstrator, executive or manufacturer's  
8 vehicle, or program vehicle before entering into a sales contract  
9 OR LEASE AGREEMENT that, after the vehicle completed the manufac-  
10 turing process, the vehicle was damaged and repaired, including  
11 an itemization of repairs, if the dealer has knowledge of the  
12 damage and repairs and if the cost of the cumulative repairs, as  
13 calculated at the rate of the dealer's authorized warranty rate  
14 for labor and parts exceeds either 1 of the following:

15 (a) Five percent of the manufacturer's suggested retail  
16 price of the vehicle.

17 (b) Seven hundred fifty dollars in surface coating repairs  
18 or corrosion protection restoration or a combination of these  
19 items. If a new motor vehicle dealer fails to comply with this  
20 subsection, the purchaser OR LESSEE shall retain all applicable  
21 remedies available under article 2 of the uniform commercial  
22 code, ~~Act No. 174 of the Public Acts of 1962, being~~  
23 ~~sections 440.2101 to 440.2725 of the Michigan Compiled Laws 1962~~  
24 PA 174, MCL 440.2101 TO 440.2725.

25 (3) A dealer in new motor vehicles is not required to dis-  
26 close to a purchaser OR LESSEE under this act that any glass,  
27 tires, wheels, bumpers, audio equipment, in-dash components, or

1 components contained in the living quarters of a motor home that  
2 are not required for the operation of the motor home as a motor  
3 vehicle were damaged at any time if the damaged item has been  
4 replaced with original manufacturer's parts and material.

5 (4) Repaired damage to a motor vehicle, subject to this sec-  
6 tion, not exceeding the cost of cumulative repairs as determined  
7 pursuant to subsection (2) shall not constitute grounds for revo-  
8 cation of acceptance by the purchaser OR LESSEE. The right of  
9 revocation ceases upon the purchaser's OR LESSEE'S acceptance of  
10 delivery of the vehicle.

11 Sec. 244. (1) A manufacturer owning ~~any~~ A vehicle of a  
12 type otherwise required to be registered under this act may oper-  
13 ate or move the vehicle upon a street or highway solely for the  
14 purposes of transporting or testing or in connection with a golf  
15 tournament or a public civic event, if the vehicle displays, in  
16 the manner prescribed in section 225, 1 special plate approved by  
17 the secretary of state.

18 (2) A producer of a vehicle subcomponent system essential to  
19 the operation of the vehicle or the safety of an occupant may  
20 operate or move a motor vehicle upon a street or highway solely  
21 to transport or test the subcomponent system if the motor vehicle  
22 displays, in the manner prescribed in section 225, 1 special  
23 plate approved by the secretary of state. To be eligible for the  
24 special plate, the subcomponent system producer must be either a  
25 recognized subcomponent system producer or must be a subcomponent  
26 system producer under contract with a vehicle manufacturer.



1           (3) A dealer owning ~~any~~ A vehicle of a type otherwise  
2 required to be registered under this act may operate or move the  
3 vehicle upon a street or highway without registering the vehicle  
4 if the vehicle displays, in the manner prescribed in section 225,  
5 1 special plate issued to the owner by the secretary of state.  
6 As used in this subsection, "dealer" includes ~~any~~ AN employee,  
7 servant, or agent of the dealer.

8           (4) A transporter may operate or move ~~any~~ A vehicle of  
9 ~~like type~~ A TYPE OTHERWISE REQUIRED TO BE REGISTERED UNDER THIS  
10 ACT upon a street or highway solely to deliver the vehicle ~~upon~~  
11 ~~displaying~~ IF THE VEHICLE DISPLAYS, IN THE MANNER PRESCRIBED IN  
12 SECTION 225, a special plate issued to him or her as provided in  
13 this chapter.

14           (5) ~~The plates~~ A LICENSEE SHALL NOT USE A SPECIAL PLATE  
15 described in this section ~~shall not be used~~ on service cars or  
16 wreckers ~~which are being~~ operated as an adjunct of a licensee's  
17 business. A manufacturer, transporter, or dealer ~~,~~ making or  
18 permitting any unauthorized use of a special plate ISSUED under  
19 this chapter ~~is considered to have forfeited its license under~~  
20 ~~this chapter~~ FORFEITS THE RIGHT TO USE SPECIAL PLATES and the  
21 secretary of state, after notice and a hearing, may suspend or  
22 cancel the right to use ~~the~~ SPECIAL plates and ~~cause the~~  
23 REQUIRE THAT THE SPECIAL plates ~~to~~ be surrendered to ~~and~~ OR  
24 repossessed by the state.

25           (6) ~~Transporters~~ A TRANSPORTER shall furnish a sufficient  
26 surety bond or policy of insurance as protection for public

1 liability and property damage as may be required by the secretary  
2 of state.

3 (7) The secretary of state shall determine the number of  
4 SPECIAL plates a manufacturer, dealer, or transporter reasonably  
5 needs in his or her business.

6 (8) ~~Upon the sale of~~ IF a vehicle ~~otherwise~~ THAT IS  
7 required to be registered under this act IS LEASED OR SOLD, the  
8 vendee ~~shall be~~ OR LESSEE IS permitted to operate the vehicle  
9 upon a street or highway for not more than 72 hours after taking  
10 possession ~~, but during that time~~ IF the vehicle ~~shall have~~  
11 ~~the~~ HAS A dealer plate attached as provided in this section.  
12 The application for registration shall be made in the name of the  
13 vendee OR LESSEE before the vehicle is used. The dealer and the  
14 vendee ~~shall be~~ OR LESSEE ARE jointly responsible for the  
15 return of the dealer plate to the dealer within 72 hours, and the  
16 failure of the vendee OR LESSEE to return or the vendor OR LESSOR  
17 to use due diligence to procure the dealer plate ~~shall~~  
18 ~~constitute~~ IS a misdemeanor, and in addition the license of the  
19 dealer may be revoked. ~~The vendee, while~~ WHILE using ~~the~~ A  
20 dealer's plate, A VENDEE OR LESSEE shall have in his or her pos-  
21 session proof that clearly indicates the date of sale OR LEASE of  
22 the motor vehicle.

23 (9) ~~Vehicles~~ A VEHICLE owned by ~~the~~ A dealer and bearing  
24 the dealer's plate may be driven upon a street or highway for  
25 demonstration purposes by ~~any~~ A prospective buyer OR LESSEE for  
26 a period of 72 hours.

1           Sec. 248. (1) ~~A~~ THE SECRETARY OF STATE SHALL NOT GRANT A  
2 dealer license ~~shall not be granted~~ under this section until an  
3 investigation is made of the applicant's qualifications under  
4 this act, except that this subsection does not apply to license  
5 renewals. The secretary of state shall make the investigation  
6 within 15 days after receiving the application and make a report  
7 on the investigation.

8           (2) An applicant for a new vehicle dealer or a used or sec-  
9 ondhand vehicle dealer or broker license shall include a properly  
10 executed bond or renewal certificate with the application. If a  
11 renewal certificate is used, the bond is considered renewed for  
12 each succeeding year in the same amount and with the same effect  
13 as an original bond. The bond shall be in the sum of \$10,000.00  
14 with good and sufficient surety to be approved by the secretary  
15 of state. The bond shall indemnify or reimburse a purchaser,  
16 seller, LESSEE, financing agency, or governmental agency for mon-  
17 etary loss caused through fraud, cheating, or misrepresentation  
18 in the conduct of the vehicle business whether the fraud, cheat-  
19 ing, or misrepresentation was made by the dealer or by an employ-  
20 ee, agent, or salesperson of the dealer. The surety shall make  
21 indemnification or reimbursement for a monetary loss only after  
22 judgment based on fraud, cheating, or misrepresentation has been  
23 entered in a court of record against the licensee. The bond  
24 shall also indemnify or reimburse the state for any sales tax  
25 deficiency as provided in the general sales tax act, 1933 PA 167,  
26 MCL 205.51 to 205.78, or use tax deficiency as provided in the  
27 use tax act, 1937 PA 94, MCL 205.91 to 205.111, for the year in

1 which the bond is in force. The surety shall make  
2 indemnification or reimbursement only after final judgment has  
3 been entered in a court of record against the licensee. A dealer  
4 or applicant who has furnished satisfactory proof that a bond  
5 similar to the bond required by this subsection is executed and  
6 in force is exempt from the bond provisions set forth in this  
7 subsection. The aggregate liability of the surety shall not  
8 exceed the sum of the bond. The surety on the bond may cancel  
9 the bond upon giving 30 days' notice in writing to the secretary  
10 of state and thereafter is not liable for a breach of condition  
11 occurring after the effective date of the cancellation.

12 (3) An applicant for a new vehicle dealer or a used or sec-  
13 ondhand vehicle dealer license shall apply for not less than 2  
14 dealer plates as provided by section 245 and shall include with  
15 the application the proper fee as provided by section 803.

16 (4) As a condition precedent to the granting of a license, a  
17 dealer shall file with the secretary of state an irrevocable  
18 written stipulation, authenticated by the applicant, stipulating  
19 and agreeing that legal process affecting the dealer, served on  
20 the secretary of state or a deputy of the secretary of state, has  
21 the same effect as if personally served on the dealer. This  
22 appointment remains in force as long as the dealer has any out-  
23 standing liability within this state.

24 (5) A person shall not carry on or conduct the business of  
25 buying, selling, brokering, LEASING, NEGOTIATING A LEASE, or  
26 dealing in 5 OR MORE vehicles of a type required to be titled  
27 under this act IN A 12-MONTH PERIOD unless the person obtains a

1 dealer license from the secretary of state authorizing the  
2 carrying on or conducting of that business. A person shall not  
3 carry on or conduct the business of buying, selling, brokering,  
4 LEASING, NEGOTIATING A LEASE, or dealing in 5 OR MORE distressed,  
5 late model vehicles or salvageable parts TO 5 OR MORE OF THOSE  
6 VEHICLES IN A 12-MONTH PERIOD unless the person obtains a used or  
7 secondhand vehicle parts dealer, an automotive recycler, or a  
8 salvage pool license from the secretary of state or is an insur-  
9 ance company admitted to conduct business in this state. A  
10 person shall not carry on or conduct the business of buying 5 OR  
11 MORE vehicles IN A 12-MONTH PERIOD to process into scrap metal or  
12 store or display 5 OR MORE vehicles IN A 12-MONTH PERIOD as an  
13 agent or escrow agent of an insurance company unless the person  
14 obtains a dealer license from the secretary of state. A vehicle  
15 scrap metal processor who does not purchase vehicles or salvagea-  
16 ble parts from unlicensed persons is not required to obtain a  
17 dealer license. A person from another state shall not purchase,  
18 sell, or otherwise deal in distressed, late model vehicles or  
19 salvageable parts unless the person obtains a foreign salvage  
20 vehicle dealer license from the secretary of state as prescribed  
21 under section 248b. A person, including a dealer, shall not pur-  
22 chase or acquire a distressed, late model vehicle or a salvagea-  
23 ble part through a salvage pool, auction, or broker without a  
24 license as a salvage vehicle agent. The secretary of state shall  
25 investigate and seek prosecution, if necessary, of persons  
26 allegedly conducting a business without a license.

1           (6) The application for a dealer license shall be in the  
2 form prescribed by the secretary of state and shall be signed by  
3 the applicant. In addition to other information as may be  
4 required by the secretary of state, the application shall include  
5 all of the following:

6           (a) Name of applicant.

7           (b) Location of applicant's established place of business in  
8 this state.

9           (c) The name under which business is to be conducted.

10          (d) If the business is a corporation, the state of  
11 incorporation.

12          (e) Name, address, date of birth, and social security number  
13 of each owner or partner and, if a corporation, the name,  
14 address, date of birth, and social security number of each of the  
15 principal officers.

16          (f) The county in which the business is to be conducted and  
17 the address of each place of business in that county.

18          (g) If new vehicles are to be sold, the make to be handled.  
19 Each new vehicle dealer shall send with the application for  
20 license a certification that the dealer holds a bona fide con-  
21 tract to act as factory representative, factory distributor, or  
22 distributor representative to sell at retail ..... (the make  
23 of vehicle to be sold).

24          (h) A statement of the previous history, record, and associ-  
25 ations of the applicant and of each owner, partner, officer, and  
26 director. ~~which~~ THE statement shall be sufficient to

1 establish to the satisfaction of the secretary of state the  
2 business reputation and character of the applicant.

3 (i) A statement showing whether the applicant has previously  
4 applied for a license, the result of the application, and whether  
5 the applicant has ever been the holder of a dealer license that  
6 was revoked or suspended.

7 (j) If the applicant is a corporation or partnership, a  
8 statement showing whether a partner, employee, officer, or direc-  
9 tor has been refused a license or has been the holder of a  
10 license that was revoked or suspended.

11 (k) If the application is for a used or secondhand vehicle  
12 parts dealer or an automotive recycler, it shall include all of  
13 the following:

14 (i) Evidence that the applicant maintains or will maintain  
15 an established place of business.

16 (ii) Evidence that the applicant maintains or will maintain  
17 a police book and vehicle parts purchase and sales AND LEASE  
18 records as required under this act.

19 (iii) Evidence of worker's compensation insurance coverage  
20 for employees classified under the North American industrial  
21 classification system number 42114, entitled "motor vehicle parts  
22 (used) wholesalers" or under the national council on compensation  
23 insurance classification code number 3821, entitled "automobile  
24 dismantling and drivers", if applicable.

25 (l) Certification that neither the applicant nor another  
26 person named on the application is acting as the alter ego of any  
27 other person or persons in seeking the license. For the purpose

1 of this subdivision, "alter ego" means a person who acts for and  
2 on behalf of, or in the place of, another person for purposes of  
3 obtaining a vehicle dealer license.

4 (7) A person shall apply separately for a dealer license for  
5 each county in which business is to be conducted. Before moving  
6 1 or more of his or her places of business or opening an addi-  
7 tional place of business, a dealer shall apply to the secretary  
8 of state for and obtain a supplemental dealer license, for which  
9 a fee shall not be charged. A dealer license entitles the dealer  
10 to conduct the business of buying, selling, LEASING, and dealing  
11 in vehicles or salvageable parts in the county covered by the  
12 license. The dealer license shall also entitle the dealer to  
13 conduct at any other licensed dealer's established place of busi-  
14 ness in this state only the business of buying, selling, LEASING,  
15 or dealing in vehicles at wholesale.

16 (8) The secretary of state shall classify and differentiate  
17 vehicle dealers according to the type of activity they perform.  
18 A dealer shall not engage in activities of a particular classifi-  
19 cation as provided in this act unless the dealer is licensed in  
20 that classification. An applicant may apply for a dealer license  
21 in 1 or more of the following classifications:

- 22 (a) New vehicle dealer.
- 23 (b) Used or secondhand vehicle dealer.
- 24 (c) Used or secondhand vehicle parts dealer.
- 25 (d) Vehicle scrap metal processor.
- 26 (e) Vehicle salvage pool operator.



1 (f) Distressed vehicle transporter.

2 (g) Broker.

3 (h) Foreign salvage vehicle dealer.

4 (i) Automotive recycler.

5 (9) A dealer license expires on December 31 of the last year  
6 for which the license is issued. The secretary of state may  
7 renew a dealer license for a period of not more than 4 years upon  
8 application and payment of the fee required by section 807.

9 (10) A dealer may conduct the business of buying, selling,  
10 or dealing in motor homes, trailer coaches, trailers, or pickup  
11 campers at a recreational vehicle show conducted at a location in  
12 this state without obtaining a separate or supplemental license  
13 under subsection (7) if all of the following apply:

14 (a) The dealer is licensed as a new vehicle dealer or used  
15 or secondhand vehicle dealer.

16 (b) The duration of the recreational vehicle show is not  
17 more than 14 days.

18 (c) Not less than 14 days before the beginning date of the  
19 recreational vehicle show, the show producer notifies the secre-  
20 tary of state, in a manner and form prescribed by the secretary  
21 of state, that the recreational vehicle show is scheduled, the  
22 location, dates, and times of the recreational vehicle show, and  
23 the name, address, and dealer license number of each dealer par-  
24 ticipating in the recreational vehicle show.

25 Sec. 249. The secretary of state may deny the application  
26 of a person for a license as a dealer and refuse to issue the  
27 person a license as a dealer, or may suspend or revoke a license

1 already issued, if the secretary of state finds that 1 or more of  
2 the following apply:

3 (a) The applicant or licensee has made a false statement of  
4 a material fact in his or her application.

5 (b) The applicant or licensee has not complied with the pro-  
6 visions of this chapter or a rule promulgated under this  
7 chapter.

8 (c) The applicant or licensee has sold OR LEASED or offered  
9 for sale OR LEASE a new vehicle of a type required to be regis-  
10 tered under this act without having authority of a contract with  
11 a manufacturer or distributor of the new vehicle.

12 (d) The applicant or licensee has been guilty of a fraudu-  
13 lent act in connection with selling, LEASING, or otherwise deal-  
14 ing in vehicles of a type required to be registered under this  
15 act.

16 (e) The applicant or licensee has entered into or is about  
17 to enter into a contract or agreement with a manufacturer or dis-  
18 tributor of vehicles of a type required to be registered under  
19 this act ~~—which—~~ THAT is contrary to any provision of this  
20 act.

21 (f) The applicant or licensee has no established place of  
22 business ~~—which—~~ THAT is used or will be used for the purpose of  
23 selling, LEASING, displaying, and offering for sale OR LEASE or  
24 dealing in vehicles of a type required to be registered, and does  
25 not have proper servicing facilities.

26 (g) The applicant or licensee is a corporation or  
27 partnership, and a stockholder, officer, director, or partner of

1 the applicant or licensee has been guilty of any act or omission  
2 that would be cause for refusing, revoking, or suspending a  
3 license issued to the stockholder, officer, director, or partner  
4 as an individual.

5 (h) The applicant or licensee has possessed a vehicle or a  
6 vehicle part that has been confiscated under section 415 of the  
7 Michigan penal code, ~~Act No. 328 of the Public Acts of 1931, as~~  
8 ~~amended, being section 750.415 of the Michigan Compiled Laws~~  
9 1931 PA 328, MCL 750.415. The secretary of state shall conduct a  
10 hearing pursuant to the administrative procedures act of 1969,  
11 ~~Act No. 306 of the Public Acts of 1969, as amended, being sec-~~  
12 ~~tions 24.201 to 24.328 of the Michigan Compiled Laws~~ 1969  
13 PA 306, MCL 24.201 TO 24.328, before the secretary of state takes  
14 any action under this subdivision.

15 (i) The applicant or licensee has been convicted under sec-  
16 tion 415 of ~~Act No. 328 of the Public Acts of 1931, as amended~~  
17 THE MICHIGAN PENAL CODE, 1931 PA 328, MCL 750.415.

18 (j) The applicant or licensee has been convicted of violat-  
19 ing ~~Act No. 119 of the Public Acts of 1986, being sections~~  
20 ~~257.1351 to 257.1355 of the Michigan Compiled Laws~~ 1986 PA 119,  
21 MCL 257.1351 TO 257.1355.

22 Sec. 251. (1) Each new vehicle dealer, used vehicle dealer,  
23 and broker shall maintain a record in a manner prescribed by the  
24 secretary of state of each vehicle of a type subject to titling  
25 under this act that is bought, sold, LEASED, or exchanged by the  
26 dealer or received or accepted by the dealer for sale, LEASE, or  
27 exchange.

1           (2) Each record shall contain the date of the purchase,  
2 sale, LEASE, or exchange or receipt for the purpose of sale,  
3 LEASE, OR EXCHANGE, a description of the vehicle, ~~together with~~  
4 the name and address of the seller, the purchaser OR LESSEE, and  
5 the alleged owner or other persons from whom the vehicle was pur-  
6 chased or received, or to whom it was sold, LEASED, or  
7 delivered. The record shall contain a copy of ~~all~~ ANY odometer  
8 mileage ~~statements~~ STATEMENT received by the dealer ~~upon pur-~~  
9 ~~chasing or acquiring~~ WHEN THE DEALER PURCHASED OR ACQUIRED a  
10 vehicle and a copy of the odometer mileage statement furnished by  
11 the dealer ~~upon sale of a~~ WHEN THE DEALER SOLD, LEASED, OR  
12 EXCHANGED THE vehicle as prescribed in section 233a. If the  
13 vehicle is purchased, sold, leased, or exchanged through a  
14 broker, the record shall include the broker's name and dealer  
15 license number and the amount of the broker's fee, commission,  
16 compensation, or other valuable consideration paid by the pur-  
17 chaser or lessee or paid by the dealer, or both. The records of  
18 all vehicles purchased, sold, leased, or exchanged through a  
19 broker maintained by the secretary of state shall be in an elec-  
20 tronic format determined by the secretary of state. A dealer  
21 shall retain for not less than 5 years each odometer mileage  
22 statement the dealer receives and each odometer mileage statement  
23 furnished by the dealer upon the sale, LEASE, OR EXCHANGE of a  
24 vehicle. The description of the vehicle, in the case of a motor  
25 vehicle, shall also include the vehicle identification number and  
26 other numbers or identification marks as may be on the vehicle,  
27 and shall also include a statement that a number has been

1 obliterated, defaced, or changed, if that is the fact. For a  
2 trailer or semitrailer, the record shall include the vehicle  
3 identification number and other numbers or identification marks  
4 as may be on the trailer or semitrailer.

5 (3) Not more than 20 days after the delivery of the vehicle,  
6 the seller shall deliver to the buyer in person or by mail to the  
7 buyer's last known address a duplicate of a written statement, on  
8 a form prescribed by the secretary of state in conjunction with  
9 the department of treasury, describing clearly the name and  
10 address of the seller, the name and address of the buyer, the  
11 vehicle sold to the buyer, the cash sale price of the vehicle,  
12 the cash paid down by the buyer, the amount credited the buyer  
13 for a trade-in, a description of the trade-in, the amount charged  
14 for vehicle insurance, stating the types of insurance covered by  
15 the insurance policy, the amount charged for a temporary regis-  
16 tration plate, the amount of any other charge and specifying its  
17 purpose, the net balance due from the buyer, and a summary of  
18 insurance coverage to be affected. If the vehicle sold is a new  
19 motor home, the written statement shall contain a description,  
20 including the year of manufacture, of every major component part  
21 of the vehicle that has its own manufacturer's certificate of  
22 origin. The written statement shall disclose if the vehicle sold  
23 is a vehicle that the seller had loaned or leased to a political  
24 subdivision of this state for use as a driver education vehicle.  
25 The written statement shall be dated, but not later than the  
26 actual date of delivery of the vehicle to the buyer. The  
27 original and all copies of the prescribed form shall contain

1 identical information. The statement shall be furnished by the  
2 seller, shall be signed by the seller or the seller's agent and  
3 by the buyer, and shall be filed with the application for new  
4 title or registration. Failure of the seller to deliver this  
5 written statement to the buyer does not invalidate the sale  
6 between the seller and the buyer.

7 (4) A retail vehicle sale is void unless both of the follow-  
8 ing conditions are met:

9 (a) The sale is evidenced by a written memorandum that con-  
10 tains the agreement of the parties and is signed by the buyer and  
11 the seller or the seller's agent.

12 (b) The agreement contains a place for acknowledgment by the  
13 buyer of the receipt of a copy of the agreement or actual deliv-  
14 ery of the vehicle is made to the buyer.

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

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

1 salvage certificate of title was obtained by the dealer for each  
2 vehicle.

3 (7) A dealer licensed under this act shall maintain records  
4 for a period of 5 years. The records shall be made available for  
5 inspection by the secretary of state or other law enforcement  
6 officials. The secretary of state shall inspect a dealer once  
7 every 4 years and as determined necessary by the secretary of  
8 state or a law enforcement officer. The secretary of state may  
9 issue an order summarily suspending the license of a dealer pur-  
10 suant to section 92 of the administrative procedures act of 1969,  
11 1969 PA 306, MCL 24.292, based on an affidavit by a person famil-  
12 iar with the facts set forth in the affidavit that the dealer has  
13 failed to maintain the records required by this act or failed to  
14 provide the records for inspection as requested by the secretary  
15 of state, or has otherwise hindered, obstructed, or prevented the  
16 inspection of records authorized under this section. The dealer  
17 to whom the order is directed shall comply immediately, but on  
18 application to the department shall be afforded a hearing within  
19 30 days pursuant to the administrative procedures act of 1969,  
20 1969 PA 306, MCL 24.201 to 24.328. On the basis of the hearing,  
21 the summary order shall be continued, modified, or held in abey-  
22 ance not later than 30 days after the hearing.

23 (8) A dealer licensed as a vehicle salvage pool operator or  
24 broker shall maintain records in a form as prescribed by the sec-  
25 retary of state. The records shall contain a description of each  
26 vehicle or salvageable part stored by the dealer, the name and  
27 address of the insurance company or person storing the vehicle or

1 salvageable part, the period of time the vehicle or salvageable  
2 part was stored, and the person acquiring the vehicle or salvage-  
3 able part. In the case of a late model vehicle, a record of the  
4 purchase or sale of a major component part of the vehicle shall  
5 be maintained identifying the part purchased or sold, the name  
6 and address of the seller or purchaser, the date of the purchase  
7 or sale, and the identification number assigned to the part by  
8 the dealer. The record of the purchase or sale of a part shall  
9 be maintained in or attached to the dealer's police book or hard  
10 copy of computerized data entries and reference codes and shall  
11 be accessible at the dealer's location. In addition, a dealer  
12 licensed as a broker shall maintain a record of the odometer  
13 mileage reading of each vehicle sold pursuant to an agreement  
14 between the broker and the buyer OR LESSEE or the broker and the  
15 seller. The record of odometer mileage shall be maintained for 5  
16 years and shall contain all of the information required by sec-  
17 tion 233a.

18 (9) A dealer licensed as a used vehicle parts dealer or an  
19 automotive recycler shall maintain records in a form prescribed  
20 by the secretary of state. The records shall contain the date of  
21 purchase or acquisition of the vehicle, a description of the  
22 vehicle including the color, and the name and address of the  
23 person from whom the vehicle was acquired. If the vehicle is  
24 sold, the record shall contain the date of sale and the name and  
25 address of the purchaser. The record shall indicate if the cer-  
26 tificate of title or salvage or scrap certificate of title was  
27 obtained by the dealer. In the case of a late model vehicle, a



1 record of the purchase or sale of a major component of the  
2 vehicle shall be maintained identifying the part purchased or  
3 sold, the name and address of the seller or purchaser, the date  
4 of the purchase or sale, and the identification number assigned  
5 to the part by the dealer, except that a bumper remanufacturer is  
6 not required to maintain a record of the purchase of a bumper.  
7 However, a bumper remanufacturer shall assign and attach an iden-  
8 tification number to a remanufactured bumper and maintain a  
9 record of the sale of the bumper. The record of the purchase or  
10 sale of a part shall be maintained in or attached to the dealer's  
11 police book or hard copy of computerized data entries and refer-  
12 ence codes and shall be accessible at the dealer's location.

13 (10) A dealer licensed as a vehicle scrap metal processor  
14 shall maintain records as prescribed by the secretary of state.  
15 As provided in section 217c, the records shall contain for a  
16 vehicle purchased from a dealer a copy of the scrap vehicle  
17 inventory, including the name and address of the dealer, a  
18 description of the vehicle acquired, and the date of  
19 acquisition. If a vehicle is purchased or acquired from a person  
20 other than a dealer, the record shall contain the date of acqui-  
21 sition, a description of the vehicle, including the color, the  
22 name and address of the person from whom the vehicle was  
23 acquired, and whether a certificate of title or salvage or scrap  
24 certificate of title was obtained by the dealer.

25 (11) A dealer licensed as a foreign salvage vehicle dealer  
26 shall maintain records in a form prescribed by the secretary of  
27 state. The records shall contain the date of purchase or

1 acquisition of each distressed vehicle, a description of the  
2 vehicle including the color, and the name and address of the  
3 person from whom the vehicle was acquired. If the vehicle is  
4 sold, the record shall contain the date of sale and the name and  
5 address of the purchaser. The record shall indicate if the cer-  
6 tificate of title or salvage or scrap certificate of title was  
7 obtained by the dealer. In the case of a late model vehicle, a  
8 record of the purchase or sale of each salvageable part purchased  
9 or acquired in this state shall be maintained and the record  
10 shall contain the date of purchase or acquisition of the part, a  
11 description of the part, the identification number assigned to  
12 the part, and the name and address of the person to or from whom  
13 the part was purchased, acquired, or sold. The record of the  
14 sale, purchase, or acquisition of a part shall be maintained in  
15 the dealer's police book. The police book shall only contain  
16 vehicles and salvageable parts purchased in this state or used in  
17 the repair of a vehicle purchased in this state. The police book  
18 and the records of vehicle part sales, purchases, or acquisitions  
19 shall be made available at a location within the state for  
20 inspection by the secretary of state within 48 hours after a  
21 request by the secretary of state.

22 (12) The secretary of state shall make periodic unannounced  
23 inspections of the records, facilities, and inventories of auto-  
24 motive recyclers and used or secondhand vehicle parts dealers.

25 (13) The secretary of state may promulgate rules to imple-  
26 ment this section pursuant to the administrative procedures act  
27 of 1969, 1969 PA 306, MCL 24.201 to 24.328.

1           Sec. 251a. At the time a document is signed FOR THE SALE OR  
2 LEASE OF A VEHICLE, the dealer shall provide ~~the buyer with~~ a  
3 copy of each document signed ~~by the buyer~~ TO THE PERSON WHO  
4 SIGNED THE DOCUMENT.