

**SUBSTITUTE FOR
SENATE BILL NO. 916**

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 217, 222, 229, and 233 (MCL 257.217, 257.222, 257.229, and 257.233), section 217 as amended by 2012 PA 498, section 222 as amended by 2004 PA 493, section 229 as amended by 1988 PA 276, and section 233 as amended by 2006 PA 599.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

1 flood certificate of title by the secretary of state. The
2 application shall be accompanied by the required fee. An
3 application for a certificate of title shall bear the signature or
4 verification and certification of the owner. The application shall
5 contain all of the following:

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

8 (i) If the owner is an individual, the owner's mailing address.

9 (ii) If the owner is a firm, association, partnership, limited
10 liability company, or corporation, the owner's business address.

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

1 assigned by the secretary of state shall be permanently placed on
2 the trailer coach or pickup camper in the manner and place
3 designated by the secretary of state.

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

7 (d) Further information that the secretary of state reasonably
8 requires to enable the secretary of state to determine whether the
9 vehicle is lawfully entitled to registration and the owner entitled
10 to a certificate of title. If the secretary of state is not
11 satisfied as to the ownership of a vehicle having a value over
12 \$2,500.00 or that is less than 10 years old, before registering the
13 vehicle and issuing a certificate of title, the secretary of state
14 may require the applicant to file a properly executed surety bond
15 in a form prescribed by the secretary of state and executed by the
16 applicant and a company authorized to conduct a surety business in
17 this state. The bond shall be in an amount equal to twice the value
18 of the vehicle as determined by the secretary of state and shall be
19 conditioned to indemnify or reimburse the secretary of state, any
20 prior owner, and any subsequent purchaser or lessee of the vehicle
21 and their successors in interest against any expense, loss, or
22 damage, including reasonable attorney's fees, by reason of the
23 issuance of a certificate of title for the vehicle or on account of
24 any defect in the right, title, or interest of the applicant in the
25 vehicle. An interested person has a right of action to recover on
26 the bond for a breach of the conditions of the bond, but the
27 aggregate liability of the surety to all persons shall not exceed

1 the amount of the bond. If the secretary of state is not satisfied
2 as to the ownership of a vehicle that is valued at \$2,500.00 or
3 less and that is 10 years old or older, the secretary of state
4 shall require the applicant to certify that the applicant is the
5 owner of the vehicle and entitled to register and title the
6 vehicle.

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

17 (f) An application for registration of a vehicle on the basis
18 of elected gross weight shall include a declaration by the
19 applicant specifying the elected gross weight for which application
20 is being made.

21 (g) If the application is for a certificate of title of a
22 motor vehicle registered in accordance with section 801(1)(p), the
23 application shall include the manufacturer's suggested base list
24 price for the model year of the vehicle. ~~Annually, the secretary of~~
25 ~~state shall publish a list of the manufacturer's suggested base~~
26 ~~list price for each vehicle being manufactured. Once a base list~~
27 ~~price is published by the secretary of state for a model year for a~~

1 ~~vehicle, the base list price shall not be affected by subsequent~~
2 ~~increases in the manufacturer's suggested base list price but shall~~
3 ~~remain the same throughout the model year unless changed in the~~
4 ~~annual list published by the secretary of state. If the secretary~~
5 ~~of state's list has not been published for that vehicle by the time~~
6 ~~of the application for registration, the~~ **THE** base list price shall
7 be the manufacturer's suggested retail price as shown on the label
8 required to be affixed to the vehicle under 15 USC 1232. If the
9 manufacturer's suggested retail price is unavailable, the
10 application shall list the purchase price of the vehicle as defined
11 in section 801.

12 (2) An applicant for registration of a leased pickup truck or
13 passenger vehicle that is subject to registration under this act,
14 except a vehicle that is subject to a registration fee under
15 section 801g, shall disclose in writing to the secretary of state
16 the lessee's name, the lessee's bona fide residence, and either of
17 the following:

18 (a) If the lessee is an individual, the lessee's Michigan
19 driver license number or Michigan personal identification number
20 or, if the lessee does not have a Michigan driver license or
21 Michigan personal identification number, the lessee's mailing
22 address.

23 (b) If the lessee is a firm, association, partnership, limited
24 liability company, or corporation, the lessee's business address.

25 (3) The secretary of state shall maintain the information
26 described in subsection (2) on the secretary of state's computer
27 records.

1 (4) Except as provided in subsection (5), a dealer selling,
2 leasing, or exchanging vehicles required to be titled, within 15
3 days after delivering a vehicle to the purchaser or lessee, and a
4 person engaged in the sale of vessels required to be numbered by
5 part 801 of the natural resources and environmental protection act,
6 1994 PA 451, MCL 324.80101 to 324.80199, within 15 days after
7 delivering a boat trailer weighing less than 2,500 pounds to the
8 purchaser or lessee, shall apply to the secretary of state for a
9 new title, if required, and transfer or secure registration plates
10 and secure a certificate of registration for the vehicle or boat
11 trailer, in the name of the purchaser or lessee. The dealer's
12 license may be suspended or revoked in accordance with section 249
13 for failure to apply for a title when required or for failure to
14 transfer or secure registration plates and certificate of
15 registration within the 15 days required by this section. If the
16 dealer or person fails to apply for a title when required, and to
17 transfer or secure registration plates and secure a certificate of
18 registration and pay the required fees within 15 days of delivery
19 of the vehicle or boat trailer, a title and registration for the
20 vehicle or boat trailer may subsequently be acquired only upon the
21 payment of a late transfer fee of \$15.00 for an individual or a
22 dealer other than a dealer subject to section 235b in addition to
23 the fees specified in section 806. For a used or secondhand vehicle
24 dealer subject to section 235b, the late transfer fee is \$100.00 in
25 addition to the fees specified in section 806. The purchaser or
26 lessee of the vehicle or the purchaser of the boat trailer shall
27 sign the application, including, if applicable, the declaration

1 specifying the maximum elected gross weight as required by
2 subsection (1)(f), and other necessary papers to enable the dealer
3 or person to secure the title, registration plates, and transfers
4 from the secretary of state. If the secretary of state mails or
5 delivers a purchaser's certificate of title to a dealer, the dealer
6 shall mail or deliver the certificate of title to the purchaser not
7 more than 5 days after receiving the certificate of title from the
8 secretary of state. **HOWEVER, AS PROVIDED UNDER SECTION 238, THE**
9 **SECRETARY OF STATE IS NOT REQUIRED TO ISSUE A TITLE TO THE OWNER OF**
10 **A VEHICLE OR LIENHOLDER IF THE TITLE IS SUBJECT TO A SECURITY**
11 **INTEREST.**

12 (5) A dealer selling or exchanging an off lease or buy back
13 vehicle shall apply to the secretary of state for a new title for
14 the vehicle within 15 days after it receives the certificate of
15 title from the lessor or manufacturer under section 235 or section
16 235b and transfer or secure registration plates and secure a
17 certificate of registration for the vehicle in the name of the
18 purchaser. The dealer's license may be suspended or revoked in
19 accordance with section 249 for failure to apply for a title when
20 required or for failure to transfer or secure registration plates
21 and certificate of registration within the 15-day period. If the
22 dealer or person fails to apply for a title when required, and to
23 transfer or secure registration plates and secure a certificate of
24 registration and pay the required fees within the 15-day time
25 period, a title and registration for the vehicle may subsequently
26 be acquired only upon the payment of a late transfer fee of \$15.00
27 for an individual or dealer other than a used or secondhand vehicle

1 dealer subject to section 235b in addition to the fees specified in
2 section 806. The late transfer fee for a used or secondhand vehicle
3 dealer subject to section 235b is \$100.00 in addition to the fees
4 specified in section 806. The purchaser of the vehicle shall sign
5 the application, including, if applicable, the declaration
6 specifying the maximum elected gross weight as required by
7 subsection (1)(f), and other necessary papers to enable the dealer
8 or person to secure the title, registration plates, and transfers
9 from the secretary of state. If the secretary of state mails or
10 delivers a purchaser's certificate of title to a dealer, the dealer
11 shall mail or deliver the certificate of title to the purchaser not
12 more than 5 days after receiving the certificate of title from the
13 secretary of state. **HOWEVER, AS PROVIDED UNDER SECTION 238, THE**
14 **SECRETARY OF STATE IS NOT REQUIRED TO ISSUE A TITLE TO THE OWNER OF**
15 **A VEHICLE IF THE TITLE IS SUBJECT TO A SECURITY INTEREST.**

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

26 ~~—— (7) An application for a certificate of title that indicates~~
27 ~~the existence of a security interest in the vehicle or in an~~

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

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

20 "Under Michigan law, the seller must record a first lien in
 21 favor of (name of lender) _____ on the vehicle with
 22 vehicle identification number _____ and title the vehicle
 23 only in the name(s) shown on the reverse side."

24 (8) On the front of the ~~sales~~ check or draft **DESCRIBED UNDER**
 25 **SUBSECTION (7)**, the holder, finance company, credit union, or
 26 banking institution shall note the ~~name(s)~~ **NAME OR NAMES** of the
 27 prospective ~~owner(s)~~ **OWNERS**. Failure of the holder, finance

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

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

17 (10) Receipt by the secretary of state of a properly tendered
18 application for a certificate of title on which a security interest
19 in a vehicle is to be indicated is a condition of perfection of a
20 security interest in the vehicle and is equivalent to filing a
21 financing statement under the uniform commercial code, 1962 PA 174,
22 MCL 440.1101 to ~~440.11102~~, **440.9994**, with respect to the vehicle.
23 When a security interest in a vehicle is perfected, it has priority
24 over the rights of a lien creditor as lien creditor is defined in
25 section 9102 of the uniform commercial code, 1962 PA 174, MCL
26 440.9102.

27 Sec. 222. (1) Except as otherwise provided in this act, the

1 secretary of state shall issue a registration certificate ~~and a~~
2 ~~certificate of title~~ when registering a vehicle upon receipt of the
3 required fees. **EXCEPT AS OTHERWISE PROVIDED IN THIS ACT, THE**
4 **SECRETARY OF STATE SHALL ISSUE A CERTIFICATE OF TITLE, UNLESS A**
5 **SECURITY INTEREST IS ENTERED ELECTRONICALLY UNDER SECTION 238, UPON**
6 **RECEIPT OF THE REQUIRED FEES.** The secretary of state shall issue a
7 flood, rebuilt, rebuilt salvage, salvage, or scrap certificate of
8 title for a vehicle brought into this state from another state or
9 jurisdiction that has a flood, rebuilt, salvage, or scrap
10 certificate of title issued by that other state or jurisdiction.

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

16 (3) The certificate of title shall be manufactured in a manner
17 to prohibit as nearly as possible the ability to reproduce, alter,
18 counterfeit, forge, or duplicate the certificate of title without
19 ready detection. The certificate shall contain all of the following
20 on its face:

21 (a) The identical information required on the face of the
22 registration certificate.

23 (b) If the vehicle is a motor vehicle, the number of miles,
24 not including the tenths of a mile, registered on the vehicle's
25 odometer at the time of transfer.

26 (c) Whether the vehicle is to be used or has been used as a
27 taxi, as a police vehicle, or by a political subdivision of this

1 state, unless the vehicle is owned by a dealer and loaned or leased
2 to a political subdivision of this state for use as a driver
3 education vehicle.

4 (d) Whether the vehicle is a salvage vehicle.

5 (e) If the vehicle has previously been issued a rebuilt
6 certificate of title from this state or a comparable certificate of
7 title from any other state or jurisdiction.

8 (f) Whether the vehicle has been issued a scrap certificate of
9 title from this state or a comparable certificate of title from any
10 other state or jurisdiction.

11 (g) Whether the vehicle is a flood vehicle or has previously
12 been issued a flood certificate of title from this state or any
13 other state or jurisdiction.

14 (h) Whether the owner or co-owner or lessee or co-lessee of
15 the vehicle is subject to registration denial under section
16 219(1) (d) .

17 (i) A statement of the owner's title and of all security
18 interests in the vehicle or in an accessory on the vehicle as set
19 forth in the application.

20 (j) The date that the application was filed.

21 (k) Any other information that the secretary of state may
22 require.

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

1 mileage statement that is required upon transfer ~~pursuant to~~ **UNDER**
2 section 233a. The certificate of title shall include a description
3 of the proper procedure for transferring the title of a motor
4 vehicle and for maintaining records of that transfer as provided
5 under this act, **INCLUDING, BUT NOT LIMITED TO, THE ELECTRONIC LIEN**
6 **TITLE SYSTEM ESTABLISHED UNDER SECTION 241.** The certificate of
7 title may also contain other forms that the secretary of state
8 considers necessary to facilitate the effective administration of
9 this act. The certificate shall bear the coat of arms of this
10 state.

11 (5) The secretary of state shall mail or deliver the
12 certificate of title to the owner or other person as the owner may
13 direct in a separate instrument, in a form prescribed by the
14 secretary of state. **HOWEVER, AS PROVIDED UNDER SECTION 238, THE**
15 **SECRETARY OF STATE IS NOT REQUIRED TO ISSUE A TITLE TO THE OWNER OF**
16 **A VEHICLE IF THE TITLE IS SUBJECT TO A SECURITY INTEREST.**

17 (6) A person who intentionally reproduces, alters,
18 counterfeits, forges, or duplicates a certificate of title **OR A**
19 **DOCUMENT RELEASING A SECURITY INTEREST** or who uses a reproduced,
20 altered, counterfeited, forged, or duplicated certificate of title
21 **OR DOCUMENT RELEASING A SECURITY INTEREST** shall be punished as
22 follows:

23 (a) If the intent of reproduction, alteration, counterfeiting,
24 forging, duplication, or use was to commit or aid in the commission
25 of an offense punishable by imprisonment for 1 or more years, the
26 person committing the reproduction, alteration, counterfeiting,
27 forging, duplication, or use is guilty of a misdemeanor, punishable

1 by imprisonment for a period equal to that which could be imposed
2 for the commission of the offense the person had the intent to aid
3 or commit. The court may also assess a fine of not more than
4 \$10,000.00 against the person.

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

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

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

21 (9) A certificate of title shall not be issued for a vehicle
22 that has had a salvage certificate of title unless the certificate
23 of title contains the legend "rebuilt salvage".

24 Sec. 229. (1) If a registration certificate, registration
25 plate, certificate of title, or duplicate certificate of title is
26 lost, mutilated, or becomes illegible, the person entitled to
27 possession of a registration certificate, registration plate,

1 certificate of title, or duplicate certificate of title or the
2 legal representative or successor in interest of that person as
3 shown by the records of the department shall immediately make
4 application for and may obtain a duplicate or a new registration
5 under a new registration number, as determined to be most advisable
6 by the department, upon the applicant furnishing information
7 satisfactory to the department and upon payment of the required
8 fee. Every duplicate certificate of title shall contain the legend:
9 "This is a duplicate certificate and may be subject to the rights
10 of a person under the original certificate", and shall be delivered
11 to the person entitled to possession of a registration certificate
12 or certificate of title under section 222. Upon issuance of a
13 duplicate registration certificate or plate, the previous
14 registration certificate or plate last issued shall be void.

15 (2) If a certificate of title is lost at the time that
16 ownership of the vehicle is to be transferred to another person,
17 the secretary of state need not issue a duplicate certificate of
18 title if all of the following are met:

19 (a) The person from whom ownership of the vehicle is to be
20 transferred appears in person at a secretary of state office and
21 supplies evidence satisfactory to the secretary of state of his or
22 her identity and his or her ownership of the vehicle and pays the
23 fee required under section 806.

24 (b) The person to whom the vehicle is to be transferred, or
25 his or her legal representative, accompanies the person described
26 under subdivision (a) and makes application for an original
27 certificate of title, supplies evidence satisfactory to the

1 secretary of state of his or her identity, and pays the fee
2 required under section 806.

3 (3) If the secretary of state does not issue a duplicate
4 certificate of title ~~pursuant to~~ **UNDER** subsection (2), the
5 secretary of state's records shall indicate the transfer of the
6 vehicle without a surrender of the certificate of title.

7 **(4) AS PROVIDED UNDER SECTION 238, THE SECRETARY OF STATE IS**
8 **NOT REQUIRED TO ISSUE A DUPLICATE TITLE TO THE OWNER OF A VEHICLE**
9 **IF THE DUPLICATE TITLE IS SUBJECT TO A SECURITY INTEREST.**

10 Sec. 233. (1) If the owner of a registered vehicle transfers
11 or assigns the title or interest in the vehicle, the registration
12 plates issued for the vehicle shall be removed and transferred to
13 the owner's spouse, mother, father, sister, brother, or child to
14 whom title or interest in the vehicle is transferred, or retained
15 and preserved by the owner for transfer to another vehicle upon
16 application and payment of the required fees. A person shall not
17 transfer the plates to a vehicle without applying for a proper
18 certificate of registration describing the vehicle to which the
19 plates are being transferred, except as provided in section 217(4).
20 If the owner of a registered vehicle acquires another vehicle
21 without transferring or assigning the title or interest in the
22 vehicle for which the plates were issued, the owner may have the
23 plates transferred to the subsequently acquired vehicle upon
24 application and payment of the required fees.

25 (2) A person shall not purchase or lease another vehicle or an
26 interest in another vehicle with the intent to circumvent the
27 restrictions created by immobilization of a vehicle under this act.

1 (3) A person shall not transfer or attempt to transfer
2 ownership or right of possession of a vehicle subject to forfeiture
3 or ordered forfeited under this act with the intent to avoid the
4 forfeiture of that vehicle.

5 (4) During the time a vehicle is subject to a temporary
6 registration plate, vehicle forfeiture, immobilization,
7 registration denial, or the period from adjudication to
8 immobilization or forfeiture under this act, a person shall not
9 without a court order transfer or assign the title or an interest
10 in the vehicle to a person who is not subject to payment of a use
11 tax under section 3 of the use tax act, 1937 PA 94, MCL 205.93.

12 (5) A person who violates subsection (2), (3), or (4) is
13 guilty of a misdemeanor punishable by imprisonment for not more
14 than 1 year or a fine of not more than \$1,000.00, or both.

15 (6) A person whose operator's or chauffeur's license is
16 suspended, revoked, or denied for, or who has never been licensed
17 by this state and was convicted for, a third or subsequent
18 violation of section 625 or 625m, of a local ordinance
19 substantially corresponding to section 625 or 625m, or of a law of
20 another state substantially corresponding to section 625 or 625m,
21 or for a fourth or subsequent suspension or revocation under
22 section 904 shall not purchase, lease, or otherwise acquire a motor
23 vehicle during the suspension, revocation, or denial period. A
24 person who violates this subsection is guilty of a misdemeanor
25 punishable by imprisonment for not more than 93 days or a fine of
26 not more than \$100.00, or both.

27 (7) If the assigned holder of registration plates applies for

1 a new registration certificate, the application shall be
2 accompanied either by the old registration certificate or by a
3 certificate of title showing the person to be the assigned holder
4 of the registration plates for which the old registration
5 certificate had been issued. A person who fails or neglects to
6 fulfill the requirements of this subsection is guilty of a
7 misdemeanor punishable by imprisonment for not more than 93 days or
8 a fine of not more than \$100.00, or both.

9 (8) The owner shall indorse on the certificate of title as
10 required by the secretary of state an assignment of the title with
11 warranty of title in the form printed on the certificate with a
12 statement of all security interests in the vehicle or in
13 accessories on the vehicle and deliver or cause the certificate to
14 be mailed or delivered to the purchaser or transferee at the time
15 of the delivery to the purchaser or transferee of the vehicle. The
16 certificate shall show the payment or satisfaction of any security
17 interest as shown on the original title. **HOWEVER, AS PROVIDED UNDER**
18 **SECTION 238, THE SECRETARY OF STATE IS NOT REQUIRED TO ISSUE A**
19 **TITLE TO THE OWNER OF A VEHICLE IF THE TITLE IS SUBJECT TO A**
20 **SECURITY INTEREST.**

21 (9) Upon the delivery of a motor vehicle and the transfer,
22 sale, or assignment of the title or interest in a motor vehicle by
23 a person, including a dealer, the effective date of the transfer of
24 title or interest in the vehicle is the date of signature on either
25 the application for title or the assignment of the certificate of
26 title by the purchaser, transferee, or assignee.

27 (10) **A SECURED RECEIPT THAT IS IN A FORM APPROVED BY THE**

1 DEPARTMENT AND PRODUCED AT THE TIME THE SECURED INTEREST IS
2 PRESENTED WITH PAYMENT IN SATISFACTION OF THE SECURITY INTEREST MAY
3 BE SUBMITTED TO THE DEPARTMENT IN LIEU OF THE TITLE FOR PURPOSES OF
4 TRANSFERRING OWNERSHIP IN THE VEHICLE.

5 Enacting section 1. This amendatory act does not take effect
6 unless both of the following bills of the 97th Legislature are
7 enacted into law:

8 (a) Senate Bill No. 917.

9 (b) Senate Bill No. 918.