

SENATE BILL No. 916

April 29, 2014, Introduced by Senators NOFS, ROBERTSON, JONES, MARLEAU, ANANICH and MEEKHOF and referred to the Committee on Transportation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 records.

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

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

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

1 for an individual or dealer other than a used or secondhand vehicle
2 dealer subject to section 235b in addition to the fees specified in
3 section 806. The late transfer fee for a used or secondhand vehicle
4 dealer subject to section 235b is \$100.00 in addition to the fees
5 specified in section 806. The purchaser of the vehicle shall sign
6 the application, including, if applicable, the declaration
7 specifying the maximum elected gross weight as required by
8 subsection (1)(f), and other necessary papers to enable the dealer
9 or person to secure the title, registration plates, and transfers
10 from the secretary of state. If the secretary of state mails or
11 delivers a purchaser's certificate of title to a dealer, the dealer
12 shall mail or deliver the certificate of title to the purchaser not
13 more than 5 days after receiving the certificate of title from 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) If a vehicle is delivered to a purchaser or lessee who has
18 valid Michigan registration plates that are to be transferred to
19 the vehicle, and an application for title, if required, and
20 registration for the vehicle is not made before delivery of the
21 vehicle to the purchaser or lessee, the registration plates shall
22 be affixed to the vehicle immediately, and the dealer shall provide
23 the purchaser or lessee with an instrument in writing, on a form
24 prescribed by the secretary of state, which shall serve as a
25 temporary registration for the vehicle for a period of 15 days from
26 the date the vehicle is delivered.

27 ~~—— (7) An application for a certificate of title that indicates~~

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

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

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

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

1 prospective owner(s). ~~OWNERS~~. Failure of the holder, finance
2 company, credit union, or banking institution to comply with these
3 requirements frees the seller from any obligation to record the
4 lien or from any liability that may arise as a result of the
5 failure to record the lien. A service fee shall not be charged to
6 the buyer.

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

18 (10) Receipt by the secretary of state of a properly tendered
19 application for a certificate of title on which a security interest
20 in a vehicle is to be indicated is a condition of perfection of a
21 security interest in the vehicle and is equivalent to filing a
22 financing statement under the uniform commercial code, 1962 PA 174,
23 MCL 440.1101 to ~~440.11102~~, ~~440.9994~~, with respect to the vehicle.
24 When a security interest in a vehicle is perfected, it has priority
25 over the rights of a lien creditor as lien creditor is defined in
26 section 9102 of the uniform commercial code, 1962 PA 174, MCL
27 440.9102.

1 Sec. 222. (1) Except as otherwise provided in this act, the
2 secretary of state shall issue a registration certificate, and a
3 certificate of title, **UNLESS A SECURITY INTEREST IS ENTERED**
4 **ELECTRONICALLY UNDER SECTION 238**, when registering a vehicle upon
5 receipt of the required fees. The secretary of state shall issue a
6 flood, rebuilt, rebuilt salvage, salvage, or scrap certificate of
7 title for a vehicle brought into this state from another state or
8 jurisdiction that has a flood, rebuilt, salvage, or scrap
9 certificate of title issued by that other state or jurisdiction.

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

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

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

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

25 (c) Whether the vehicle is to be used or has been used as a
26 taxi, as a police vehicle, or by a political subdivision of this
27 state, unless the vehicle is owned by a dealer and loaned or leased

1 to a political subdivision of this state for use as a driver
2 education vehicle.

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

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

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

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

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

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

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

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

22 (4) The certificate of title shall contain a form for
23 assignment of title or interest and warranty of title by the owner
24 with space for the notation of a security interest in the vehicle
25 and in an accessory on the vehicle, which at the time of a transfer
26 shall be certified and signed, and space for a written odometer
27 mileage statement that is required upon transfer ~~pursuant to~~ **UNDER**

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

10 (5) The secretary of state shall mail or deliver the
11 certificate of title to the owner or other person as the owner may
12 direct in a separate instrument, in a form prescribed by 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) A person who intentionally reproduces, alters,
17 counterfeits, forges, or duplicates a certificate of title **OR A**
18 **DOCUMENT RELEASING A SECURITY INTEREST** or who uses a reproduced,
19 altered, counterfeited, forged, or duplicated certificate of title
20 **OR DOCUMENT RELEASING A SECURITY INTEREST** shall be punished as
21 follows:

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

1 for the commission of the offense the person had the intent to aid
2 or commit. The court may also assess a fine of not more than
3 \$10,000.00 against the person.

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

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

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

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

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

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

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

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

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

1 required under section 806.

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

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

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

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

27 (3) A person shall not transfer or attempt to transfer

1 ownership or right of possession of a vehicle subject to forfeiture
2 or ordered forfeited under this act with the intent to avoid the
3 forfeiture of that vehicle.

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

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

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

26 (7) If the assigned holder of registration plates applies for
27 a new registration certificate, the application shall be

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

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

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

26 (10) **A SECURED RECEIPT THAT IS IN A FORM APPROVED BY THE**
27 **DEPARTMENT AND PRODUCED AT THE TIME THE SECURED INTEREST IS**

1 PRESENTED WITH PAYMENT IN SATISFACTION OF THE SECURITY INTEREST MAY
2 BE SUBMITTED TO THE DEPARTMENT IN LIEU OF THE TITLE FOR PURPOSES OF
3 TRANSFERRING OWNERSHIP IN THE VEHICLE.

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

7 (a) Senate Bill No.917

8 .

9 (b) Senate Bill No.918

10 .