HOUSE BILL NO. 6361

September 24, 2026, Introduced by Reps. Outman and Wozniak and referred to Committee on Finance.

A bill to amend 1949 PA 300, entitled

"Michigan vehicle code,"

by amending sections 58b and 217 (MCL 257.58b and 257.217), section 58b as amended by 2000 PA 353 and section 217 as amended by 2023 PA 240.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 58b. ~~"Security~~ **As used in this act, "security** interest", "security agreement", "secured party", "debtor", "financing statement", and "termination statement" ~~as used in this act~~ mean those terms as defined in the uniform commercial code, 1962 PA 174,

MCL 440.1101 to ~~440.11102.~~**440.12501.**

Sec. 217. (1) An owner of a vehicle that is subject to registration under this act shall apply to the secretary of state, on an appropriate form furnished by the secretary of state, for the registration of the vehicle and issuance of a certificate of title for the vehicle. A vehicle brought into this state from another state or jurisdiction that has a rebuilt, salvage, scrap, flood, or comparable certificate of title issued by that other state or jurisdiction must be issued a rebuilt, salvage, scrap, or flood certificate of title by the secretary of state. The application must be accompanied by the required fee. An application for a certificate of title must bear the signature or verification and certification of the owner. The application must contain all of the following:

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

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

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

(b) A description of the vehicle including the make or name, style of body, and model year; the number of miles, not including the tenths of a mile, registered on the vehicle's odometer at the time of transfer; whether the vehicle is a flood vehicle or another state previously issued the vehicle a flood certificate of title; whether the vehicle is to be or has been used as a taxi or police vehicle, or by a political subdivision of this state, unless the vehicle is owned by a dealer and loaned or leased to a political subdivision of this state for use as a driver education vehicle; whether the vehicle has previously been issued a salvage or rebuilt

certificate of title from this state or a comparable certificate of title from any other state or jurisdiction; the vehicle identification number; and the vehicle's weight fully equipped, if a passenger vehicle registered in accordance with section 801(1)(a), and, if a trailer coach or pickup camper, in addition to the weight, the manufacturer's serial number, or in the absence of the serial number, a number assigned by the secretary of state. A number assigned by the secretary of state must be permanently placed on the trailer coach or pickup camper in the manner and place designated by the secretary of state.

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

(d) Further information that the secretary of state reasonably requires to enable the secretary of state to determine whether the vehicle is lawfully entitled to registration and the owner entitled to a certificate of title. If the secretary of state is not satisfied as to the ownership of a vehicle having a value over $2,500.00 or that is less than 10 years old, before registering the vehicle and issuing a certificate of title, the secretary of state may require the applicant to file a properly executed surety bond in a form prescribed by the secretary of state and executed by the applicant and a company authorized to conduct a surety business in this state. The bond must be in an amount equal to twice the value of the vehicle as determined by the secretary of state and must be conditioned to indemnify or reimburse the secretary of state, any prior owner, and any subsequent purchaser or lessee of the vehicle and their successors in interest against any expense, loss, or damage, including reasonable attorney fees, because of the issuance

of a certificate of title for the vehicle or on account of any defect in the right, title, or interest of the applicant in the vehicle. An interested person has a right of action to recover on the bond for a breach of the conditions of the bond, but the aggregate liability of the surety to all persons must not exceed the amount of the bond. If the secretary of state is not satisfied as to the ownership of a vehicle that is valued at $2,500.00 or less and that is 10 years old or older, the secretary of state shall require the applicant to certify that the applicant is the owner of the vehicle and entitled to register and title the vehicle.

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

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

(g) If the application is for a certificate of title of a motor vehicle registered in accordance with section 801(1)(p), the application must include the manufacturer's suggested base list

price for the model year of the vehicle. The base list price must be the manufacturer's suggested retail price as shown on the label required to be affixed to the vehicle under 15 USC 1232. If the manufacturer's suggested retail price is unavailable, the application must list the purchase price of the vehicle. As used in this subdivision, "purchase price" means that term as defined in section 801.

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

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

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

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

(4) Except as provided in subsections (5), (11), and (12), a dealer selling, leasing, or exchanging vehicles required to be titled, ~~within~~ **not later than** 21 days after delivering a vehicle to the purchaser or lessee, and a person engaged in the sale of vessels required to be numbered by part 801 of the natural resources and environmental protection act, 1994 PA 451, MCL

324.80101 to 324.80199, ~~within~~ **not later than** 21 days after delivering a boat trailer weighing less than 2,500 pounds to the purchaser or lessee, shall apply to the secretary of state for a new title, if required, and transfer or secure registration plates and secure a certificate of registration for the vehicle or boat trailer, in the name of the purchaser or lessee. Subject to subsection (11), the dealer's license may be suspended or revoked in accordance with section 249 for failure to apply for a title when required or for failure to transfer or secure registration plates and certificate of registration within the 21 days required by this section. Subject to subsection (11), if the dealer or person fails to apply for a title when required, and to transfer or secure registration plates and secure a certificate of registration and pay the required fees ~~within~~ **not later than** 21 days ~~of~~ **after** delivery of the vehicle or boat trailer, a title and registration for the vehicle or boat trailer may subsequently be acquired only on the payment of a late transfer fee of $50.00 for an individual or a dealer other than a dealer subject to section 235b in addition to the fees specified in section 806. Subject to subsection (11), for a used or secondhand vehicle dealer subject to section 235b, the late transfer fee is $100.00 in addition to the fees specified in section 806. The purchaser or lessee of the vehicle or the purchaser of the boat trailer shall sign the application, including, if applicable, the declaration specifying the maximum elected gross weight as required by subsection (1)(f), and other necessary papers to enable the dealer or person to secure the title, registration plates, and transfers from the secretary of state. If the secretary of state mails or delivers a purchaser's certificate of title to a dealer, the dealer shall mail or deliver

the certificate of title to the purchaser not later than 5 days after receiving the certificate of title from the secretary of state. However, as provided under section 238, the secretary of state is not required to issue a paper title to the owner of a vehicle or lienholder if the title is subject to a security interest, and may issue an electronic title as provided under section 222.

(5) Except as provided in subsection (12), a dealer selling or exchanging an off lease or buy back vehicle shall apply to the secretary of state for a new title for the vehicle ~~within~~ **not later than** 21 days after ~~it~~ **the dealer** receives the certificate of title from the lessor or manufacturer under section 235 or section 235b and transfer or secure registration plates and secure a certificate of registration for the vehicle in the name of the purchaser. Subject to subsection (12), the dealer's license may be suspended or revoked in accordance with section 249 for failure to apply for a title when required or for failure to transfer or secure registration plates and certificate of registration within the 21-day period. Subject to subsection (12), if the dealer or person fails to apply for a title when required, and to transfer or secure registration plates and secure a certificate of registration and pay the required fees within the 21-day time period, a title and registration for the vehicle may subsequently be acquired only on the payment of a late transfer fee of $50.00 for an individual or dealer other than a used or secondhand vehicle dealer subject to section 235b in addition to the fees specified in section 806. Subject to subsection (12), the late transfer fee for a used or secondhand vehicle dealer subject to section 235b is $100.00 in addition to the fees specified in section 806. The purchaser of the

vehicle shall sign the application, including, if applicable, the declaration specifying the maximum elected gross weight as required by subsection (1)(f), and other necessary papers to enable the dealer or person to secure the title, registration plates, and transfers from the secretary of state. If the secretary of state mails or delivers a purchaser's certificate of title to a dealer, the dealer shall mail or deliver the certificate of title to the purchaser not later than 5 days after receiving the certificate of title from the secretary of state. However, as provided under section 238, the secretary of state is not required to issue a paper title to the owner of a vehicle if the title is subject to a security interest, and may issue an electronic title as provided under section 222.

(6) If a vehicle is delivered to a purchaser or lessee who has valid Michigan registration plates that are to be transferred to the vehicle, and an application for title, if required, and registration for the vehicle is not made before delivery of the vehicle to the purchaser or lessee, the registration plates must be affixed to the vehicle immediately, and the dealer shall provide the purchaser or lessee with an instrument in writing, on a form prescribed by the secretary of state, which serves as a temporary registration for the vehicle for a period of 30 days from the date the vehicle is delivered.

(7) If the seller does not prepare the credit information, contract note, and mortgage, and the holder, finance company, credit union, or banking institution requires the installment seller to record the lien on the title, the holder, finance company, credit union, or banking institution shall pay the seller a service fee of not more than $10.00. The service fee must be paid

from the finance charges and must not be charged to the buyer in addition to the finance charges. The holder, finance company, credit union, or banking institution shall issue ~~its~~ **a** check or bank draft for the principal amount financed, payable jointly to the buyer and seller, and the following must be imprinted on the back side of the check or bank draft:

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

(8) On the front of the check or **bank** draft described under subsection (7), the holder, finance company, credit union, or banking institution shall note the name or names of the prospective owners. Failure of the holder, finance company, credit union, or banking institution to comply with these requirements frees the seller from any obligation to record the lien or from any liability that may arise as a result of the failure to record the lien. A service fee must not be charged to the buyer.

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

(10) Receipt by the secretary of state of a properly tendered application for a certificate of title on which a security interest in a vehicle is to be indicated is a condition of perfection of a security interest in the vehicle and is equivalent to filing a financing statement under the uniform commercial code, 1962 PA 174, MCL 440.1101 to ~~440.9994,~~ **440.12501**, with respect to the vehicle. When a security interest in a vehicle is perfected, ~~it~~ **the security interest** has priority over the rights of a lien creditor as that term is defined in section 9102 of the uniform commercial code, 1962 PA 174, MCL 440.9102.

(11) Notwithstanding subsection (4), a dealer selling, leasing, or exchanging vehicles, required to be titled, after March 31, 2021 but before August 1, 2021, may apply to the secretary of state for a new title, if required, and transfer or secure registration plates and secure a certificate of registration for the vehicle in the name of the purchaser within 30 days. Both of the following apply to a dealer that complies with this subsection:

(a) The dealer's license must not be suspended or revoked in accordance with section 249 for failure to apply for a title when required or for failure to transfer or secure registration plates and certificate of registration within the 21-day period required under subsection (4).

(b) The secretary of state shall not charge any applicable late fees required under subsection (4) and shall, on the dealer's request, reimburse a late fee charged and collected after March 31, 2021 to the end of the period described under this subsection.

(12) Notwithstanding subsection (5), a dealer selling or exchanging an off lease or buy back vehicle after March 31, 2021 but before August 1, 2021 may apply to the secretary of state for a

new title for the vehicle ~~within~~ **not later than** 30 days after the dealer receives the certificate of title from the lessor or manufacturer under section 235 or 235b and transfer or secure registration plates and secure a certificate of registration for the vehicle in the name of the purchaser. Both of the following apply to a dealer that complies with this subsection:

(a) The dealer's license must not be suspended or revoked in accordance with section 249 for failure to apply for a title when required or for failure to transfer or secure registration plates and certificate of registration within the 21-day period required under subsection (5).

(b) The secretary of state shall not charge any applicable late fees required under subsection (5) and shall, on the dealer's request, reimburse a late fee charged and collected after March 31, 2021 to the end of the period described under this subsection.

Enacting section 1. This amendatory act does not take effect unless House Bill No. 6347 (request no. H02809'25) of the 103rd Legislature is enacted into law.