



SENATE BILL No. 1008

May 7, 1996, Introduced by Senator DUNASKISS and referred to the Committee on Technology and Energy.

A bill to amend section 217 of Act No. 300 of the Public Acts of 1949, entitled as amended "Michigan vehicle code," as amended by Act No. 59 of the Public Acts of 1996, being section 257.217 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 217 of Act No. 300 of the Public Acts of
2 1949, as amended by Act No. 59 of the Public Acts of 1996, being
3 section 257.217 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 217. (1) An owner of a vehicle subject to registration
6 under this act shall apply to the secretary of state, upon an
7 appropriate form furnished by the secretary of state, for the
8 registration of the vehicle and issuance of a certificate of
9 title for the vehicle. Effective January 1, 1994, a vehicle

1 brought into this state from another state or jurisdiction that
2 has a rebuilt, salvage, scrap, or comparable certificate of title
3 issued by that other state or jurisdiction shall be issued a
4 rebuilt, salvage, or scrap certificate of title by the secretary
5 of state. The application shall be accompanied by the required
6 fee. An application for a certificate of title shall bear the
7 signature of the owner written with pen and ink. The application
8 shall contain all of the following:

9 (a) The name, bona fide residence, and mailing address of
10 the owner or business address of a firm, association, or
11 corporation.

12 (b) A description of the vehicle including the make or name,
13 style of body, and model year; if the vehicle is a motor vehicle,
14 the number of miles, not including the tenths of a mile, regis-
15 tered on the vehicle's odometer at the time of transfer; whether
16 the vehicle is to be or has been used as a taxi or police vehi-
17 cle, or by a political subdivision of this state; whether the
18 vehicle has previously been issued a salvage or rebuilt certifi-
19 cate of title from this state or a comparable certificate of
20 title from any other state or jurisdiction; vehicle identifica-
21 tion number; WHETHER THE VEHICLE USES AN ALTERNATIVE FUEL AS
22 DEFINED IN SECTION 2 OF ACT NO. 150 OF THE PUBLIC ACTS OF 1927,
23 BEING SECTION 207.102 OF THE MICHIGAN COMPILED LAWS, AS ITS FUEL
24 SOURCE; and the vehicle's weight fully equipped, if a passenger
25 vehicle registered pursuant to 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 desig-
4 nated 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 reason-
9 ably requires to enable the secretary of state to determine
10 whether the vehicle is lawfully entitled to registration and the
11 owner entitled to a certificate of title. If the secretary of
12 state is not satisfied as to the ownership of a late model vehi-
13 cle or other vehicle having a value over \$2,500.00, before regis-
14 tering the vehicle and issuing a certificate of title, the secre-
15 tary of state may require the applicant to file a properly exe-
16 cuted surety bond in a form prescribed by the secretary of state
17 and executed by the applicant and a company authorized to conduct
18 a surety business in this state. The bond shall be in an amount
19 equal to twice the value of the vehicle as determined by the sec-
20 retary of state and shall be conditioned to indemnify or reim-
21 burse the secretary of state, any prior owner, and any subsequent
22 purchaser of the vehicle and their successors in interest against
23 any expense, loss, or damage, including reasonable attorney's
24 fees, by reason of the issuance of a certificate of title to the
25 vehicle or on account of any defect in the right, title, or
26 interest of the applicant in the vehicle. An interested person
27 has a right of action to recover on the bond for a breach of the

1 conditions of the bond, but the aggregate liability of the surety
2 to all persons shall not exceed the amount of the bond. The bond
3 shall be returned at the end of 3 years, or before 3 years if the
4 vehicle is no longer registered in this state and the currently
5 valid certificate of title is surrendered to the secretary of
6 state, unless the secretary of state has received notification of
7 the pendency of an action to recover on the bond. If the secre-
8 tary of state is not satisfied as to the ownership of a vehicle
9 that is not a late model vehicle and whose value does not exceed
10 \$2,500.00, the secretary of state shall require the applicant to
11 certify that the applicant is the owner of the vehicle and enti-
12 tled to register and title the vehicle.

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

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

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

20 (2) A dealer selling or exchanging vehicles required to be
21 titled, within 15 days after delivering a vehicle to the purchas-
22 er, and a person engaged in the sale of vessels required to be
23 numbered by part 801 (marine safety) of the natural resources and
24 environmental protection act, Act No. 451 of the Public Acts of
25 1994, being sections 324.80101 to 324.80199 of the Michigan
26 Compiled Laws, within 15 days after delivering a boat trailer
27 weighing less than 2,500 pounds to the purchaser, shall apply to

1 the secretary of state for a new title, if required, and transfer
2 or secure registration plates and secure a certificate of regis-
3 tration for the vehicle or boat trailer, in the name of the
4 purchaser. The dealer's license may be suspended or revoked as
5 provided in section 249 for failure to apply for a title when
6 required or for failure to transfer or secure registration plates
7 and certificate of registration within the 15 days required by
8 this section. If the dealer or person fails to apply for a title
9 when required, and to transfer or secure registration plates and
10 secure a certificate of registration and pay the required fees
11 within 15 days of delivery of the vehicle or boat trailer, a
12 title and registration for the vehicle or boat trailer may subse-
13 quently be acquired only upon the payment of a transfer fee of
14 \$15.00 in addition to the fees provided for in section 806. The
15 purchaser of the vehicle or boat trailer shall sign the applica-
16 tion, including, when applicable, the declaration specifying the
17 maximum elected gross weight, as required by subsection (1)(f),
18 and other necessary papers to enable the dealer or person to
19 secure the title, registration plates, and transfers from the
20 secretary of state.

21 (3) If a vehicle is delivered to a purchaser who has valid
22 Michigan registration plates that are to be transferred to the
23 vehicle, and an application for title, if required, and registra-
24 tion for the vehicle is not made before delivery of the vehicle
25 to the purchaser, the registration plates shall be affixed to the
26 vehicle immediately, and the dealer shall provide the purchaser
27 with an instrument in writing, on a form prescribed by the

1 secretary of state, which shall serve as a temporary registration
2 for the vehicle for a period of 15 days from the date the vehicle
3 is delivered.

4 (4) An application for a certificate of title that indicates
5 the existence of a security interest in the vehicle or in an
6 accessory to the vehicle, if requested by the security interest
7 holder, shall be accompanied by a copy of the security agreement
8 which need not be signed. The request may be made of the seller
9 on an annual basis. The secretary of state shall indicate on the
10 copy the date and place of filing of the application and return
11 the copy to the person submitting the application who shall for-
12 ward it to the holder of the security interest named in the
13 application.

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

26 "Under Michigan law, the seller must record a first lien in
27 favor of (name of lender) _____ on the vehicle with

1 vehicle identification number _____ and title the
2 vehicle only in the name(s) shown on the reverse side." On the
3 front of the sales check or draft, the holder, finance company,
4 credit union, or banking institution shall note the name(s) of
5 the prospective owner(s). Failure of the holder, finance com-
6 pany, credit union, or banking institution to comply with these
7 requirements frees the seller from any obligation to record the
8 lien or from any liability that may arise as a result of the
9 failure to record the lien. A service fee shall not be charged
10 to the buyer.

11 (6) In the absence of actual malice proved independently and
12 not inferred from lack of probable cause, a person who in any
13 manner causes a prosecution for larceny of a motor vehicle; for
14 embezzlement of a motor vehicle; for any crime an element of
15 which is the taking of a motor vehicle without authority; or for
16 buying, receiving, possessing, or aiding in the concealment of a
17 stolen, embezzled, or converted motor vehicle knowing the motor
18 vehicle has been stolen, embezzled, or converted, is not liable
19 for damages in a civil action for causing the prosecution. This
20 subsection shall not be construed to relieve a person from prov-
21 ing any other element necessary to sustain his or her cause of
22 action.