

SENATE BILL NO. 528

May 22, 1997, Introduced by Senators BENNETT, ROGERS, STILLE, STEIL, HOFFMAN, GOUGEON, CISKY, BULLARD and SHUGARS and referred to the Committee on Local, Urban and State Affairs.

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 217 (MCL 257.217), as amended by 1996 PA 59.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 217. (1) An owner of a vehicle subject to registration
2 under this act shall apply to the secretary of state, upon an
3 appropriate form furnished by the secretary of state, for the
4 registration of the vehicle and issuance of a certificate of
5 title for the vehicle. Effective January 1, 1994, a vehicle
6 brought into this state from another state or jurisdiction that
7 has a rebuilt, salvage, scrap, or comparable certificate of title
8 issued by that other state or jurisdiction shall be issued a
9 rebuilt, salvage, or scrap certificate of title by the secretary
10 of state. ~~The~~ EXCEPT AS PROVIDED IN SUBSECTION (2), THE
11 application shall be accompanied by the required fee. An

1 application for a certificate of title shall bear the signature
2 of the owner written with pen and ink. The application shall
3 contain all of the following:

4 (a) The name, bona fide residence, and mailing address of
5 the owner or business address of a firm, association, or
6 corporation.

7 (b) A description of the vehicle including the make or name,
8 style of body, and model year; if the vehicle is a motor vehicle,
9 the number of miles, not including the tenths of a mile, regis-
10 tered on the vehicle's odometer at the time of transfer; whether
11 the vehicle is to be or has been used as a taxi or police vehi-
12 cle, or by a political subdivision of this state; whether the
13 vehicle has previously been issued a salvage or rebuilt certifi-
14 cate of title from this state or a comparable certificate of
15 title from any other state or jurisdiction; vehicle identifica-
16 tion number; and the vehicle's weight fully equipped, if a pas-
17 senger vehicle registered pursuant to section 801(1)(a), and, if
18 a trailer coach or pickup camper, in addition to the weight the
19 manufacturer's serial number, or in the absence of the serial
20 number, a number assigned by the secretary of state. A number
21 assigned by the secretary of state shall be permanently placed on
22 the trailer coach or pickup camper in the manner and place desig-
23 nated by the secretary of state.

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

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

1 secretary of state is not satisfied as to the ownership of a
2 vehicle that is not a late model vehicle and whose value does not
3 exceed \$2,500.00, the secretary of state shall require the appli-
4 cant to certify that the applicant is the owner of the vehicle
5 and entitled to register and title the vehicle.

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

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

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

SB 528, As Passed Senate, February 19, 1998

SB 528 as amended February 18, 1998

5

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

13 (2) A QUALIFIED POLICE OFFICER IS NOT REQUIRED TO PAY A REG-
14 ISTRATION FEE. AS USED IN THIS SUBSECTION:

15 (A) "HIGH-CRIME AREA" MEANS AN AREA WITHIN A MUNICIPALITY
16 THAT THE DEPARTMENT OF STATE POLICE DETERMINES IS A HIGH-CRIME AREA
17 BASED ON THE STATE POLICE UNIFORM CRIME REPORTING PROGRAM STATISTICS
18 AND OTHER RELEVANT FACTORS AFTER CONSULTATION WITH THE MUNICIPALITY.

19 (B) "MUNICIPALITY" MEANS A COUNTY, CITY, VILLAGE, OR
20 TOWNSHIP.

21 (C) "QUALIFIED POLICE OFFICER" MEANS A PERSON WHO MEETS ALL OF
22 THE FOLLOWING CONDITIONS:

23 (i) IS EMPLOYED AS A POLICE OFFICER BY THIS STATE OR A
24 MUNICIPALITY IN THIS STATE.

(ii) LIVES IN A HIGH-CRIME AREA.

(iii) WORKS AS A POLICE OFFICER IN THE HIGH-CRIME AREA IN
WHICH HE OR SHE LIVES.

(iv) MEETS ANY OTHER CONDITIONS AS DETERMINED BY THE
MUNICIPALITY IN WHICH HE OR SHE LIVES.

25 (3) ~~(2)~~ A dealer selling or exchanging vehicles required
26 to be titled, within 15 days after delivering a vehicle to the
27 purchaser, and a person engaged in the sale of vessels required

1 to be numbered by part 801 (marine safety) of the natural
2 resources and environmental protection act ~~, Act No. 451 of the~~
3 ~~Public Acts of 1994, being sections 324.80101 to 324.80199 of the~~
4 ~~Michigan Compiled Laws~~ 1994 PA 451, MCL 324.80101 TO 324.80199,
5 within 15 days after delivering a boat trailer weighing less than
6 2,500 pounds to the purchaser, shall apply to the secretary of
7 state for a new title, if required, and transfer or secure regis-
8 tration plates and secure a certificate of registration for the
9 vehicle or boat trailer, in the name of the purchaser. The
10 dealer's license may be suspended or revoked as provided in sec-
11 tion 249 for failure to apply for a title when required or for
12 failure to transfer or secure registration plates and certificate
13 of registration within the 15 days required by this section. If
14 the dealer or person fails to apply for a title when required,
15 and to transfer or secure registration plates and secure a cer-
16 tificate of registration and pay the required fees within 15 days
17 of delivery of the vehicle or boat trailer, a title and registra-
18 tion for the vehicle or boat trailer may subsequently be acquired
19 only upon the payment of a transfer fee of \$15.00 in addition to
20 the fees provided for in section 806. The purchaser of the vehi-
21 cle or boat trailer shall sign the application, including, when
22 applicable, the declaration specifying the maximum elected gross
23 weight, as required by subsection (1)(f), and other necessary
24 papers to enable the dealer or person to secure the title, regis-
25 tration plates, and transfers from the secretary of state.

26 (4) ~~(3)~~ If a vehicle is delivered to a purchaser who has
27 valid Michigan registration plates that are to be transferred to

1 the vehicle, and an application for title, if required, and
2 registration for the vehicle is not made before delivery of the
3 vehicle to the purchaser, the registration plates shall be
4 affixed to the vehicle immediately, and the dealer shall provide
5 the purchaser with an instrument in writing, on a form prescribed
6 by the secretary of state, which shall serve as a temporary reg-
7 istration for the vehicle for a period of 15 days from the date
8 the vehicle is delivered.

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

19 (6) ~~-(5)-~~ If the seller does not prepare the credit informa-
20 tion, contract note, and mortgage, and the holder, finance com-
21 pany, credit union, or banking institution requires the install-
22 ment seller to record the lien on the title, the holder, finance
23 company, credit union, or banking institution shall pay the
24 seller a service fee of not more than \$10.00. The service fee
25 shall be paid from the finance charges and shall not be charged
26 to the buyer in addition to the finance charges. The holder,
27 finance company, credit union, or banking institution shall issue

1 its check or bank draft for the principal amount financed,
2 payable jointly to the buyer and seller, and there shall be
3 imprinted on the back side of the check or bank draft the
4 following:

5 "Under Michigan law, the seller must record a first lien in
6 favor of (name of lender) _____ on the vehicle with
7 vehicle identification number _____ and title the vehi-
8 cle only in the name(s) shown on the reverse side." On the front
9 of the sales check or draft, the holder, finance company, credit
10 union, or banking institution shall note the name(s) of the pro-
11 spective owner(s). Failure of the holder, finance company,
12 credit union, or banking institution to comply with these
13 requirements frees the seller from any obligation to record the
14 lien or from any liability that may arise as a result of the
15 failure to record the lien. A service fee shall not be charged
16 to the buyer.

17 (7) ~~(6)~~ In the absence of actual malice proved indepen-
18 dently and not inferred from lack of probable cause, a person who
19 in any manner causes a prosecution for larceny of a motor vehi-
20 cle; for embezzlement of a motor vehicle; for any crime an ele-
21 ment of which is the taking of a motor vehicle without authority;
22 or for buying, receiving, possessing, or aiding in the conceal-
23 ment of a stolen, embezzled, or converted motor vehicle knowing
24 the motor vehicle has been stolen, embezzled, or converted, is
25 not liable for damages in a civil action for causing the
26 prosecution. This subsection shall not be construed to relieve a

1 person from proving any other element necessary to sustain his or
2 her cause of action.