

SENATE BILL No. 176

February 8, 2001, Introduced by Senator BENNETT and referred to the Committee on Transportation and Tourism.

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending sections 217, 224, and 226 (MCL 257.217, 257.224,
and 257.226), section 217 as amended by 2000 PA 397, section 224
as amended by 1995 PA 129, and section 226 as amended by 2000 PA
36.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 217. (1) An owner of a vehicle that is subject to reg-
2 istration under this act shall apply to the secretary of state OR
3 THE DEALER FROM WHOM THE VEHICLE WAS PURCHASED, upon an appropri-
4 ate form furnished by the secretary of state, for the registra-
5 tion of the vehicle and issuance of a certificate of title for
6 the vehicle. Effective January 1, 1994, a vehicle brought into
7 this state from another state or jurisdiction that has a rebuilt,
8 salvage, scrap, or comparable certificate of title issued by that

1 other state or jurisdiction shall be issued a rebuilt, salvage,
2 or scrap certificate of title by the secretary of state. The
3 application shall be accompanied by the required fee. An appli-
4 cation for a certificate of title shall bear the signature of the
5 owner. The application shall 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) The owner's mailing address, if the owner is an
9 individual.

10 (ii) The owner's business address, if the owner is a firm,
11 association, or corporation.

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 to be or has been used
16 as a taxi or police vehicle, or by a political subdivision of
17 this state, unless the vehicle is owned by a dealer and loaned or
18 leased to a political subdivision of this state for use as a
19 driver education vehicle; whether the vehicle has previously been
20 issued a salvage or rebuilt certificate of title from this state
21 or a comparable certificate of title from any other state or
22 jurisdiction; vehicle identification number; and the vehicle's
23 weight fully equipped, if a passenger vehicle registered in
24 accordance with section 801(1)(a), and, if a trailer coach or
25 pickup camper, in addition to the weight, the manufacturer's
26 serial number, or in the absence of the serial number, a number
27 assigned by the secretary of state. A number assigned by the

1 secretary of state shall be permanently placed on the trailer
2 coach or pickup camper in the manner and place designated by the
3 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 reason-~~
8 ~~ably requires to enable the secretary of state to determine~~
9 REASONABLY REQUIRED FOR THE DETERMINATION OF whether the vehicle
10 is lawfully entitled to registration and the owner entitled to a
11 certificate of title. If the secretary of state is not satisfied
12 as to the ownership of a late model vehicle or other vehicle
13 having a value over \$2,500.00, before registering the vehicle and
14 issuing a certificate of title, the secretary of state may
15 require the applicant to file a properly executed surety bond in
16 a form prescribed by the secretary of state and executed by the
17 applicant and a company authorized to conduct a surety business
18 in this state. The bond shall be in an amount equal to twice the
19 value of the vehicle as determined by the secretary of state and
20 shall be conditioned to indemnify or reimburse the secretary of
21 state, any prior owner, and any subsequent purchaser of the vehi-
22 cle and their successors in interest against any expense, loss,
23 or damage, including reasonable attorney's fees, by reason of the
24 issuance of a certificate of title for the vehicle or on account
25 of any defect in the right, title, or interest of the applicant
26 in the vehicle. An interested person has a right of action to
27 recover on the bond for a breach of the conditions of the bond,

1 but the aggregate liability of the surety to all persons shall
2 not exceed the amount of the bond. The bond shall be returned at
3 the end of 3 years, or before 3 years if the vehicle is no longer
4 registered in this state and the currently valid certificate of
5 title is surrendered to the secretary of state, unless the secre-
6 tary of state has received notification of the pendency of an
7 action to recover on the bond. If the secretary of state is not
8 satisfied as to the ownership of a vehicle that is valued at
9 \$2,500.00 or less and that is not a late model vehicle, the sec-
10 retary of state shall require the applicant to certify that the
11 applicant is the owner of the vehicle and entitled to register
12 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 is not necessary if
17 there is presented with the application a registration receipt of
18 the previous year that shows on its face the empty weight of the
19 motor vehicle as registered with the secretary of state that is
20 accompanied by a statement of the applicant that there has not
21 been structural change in the motor vehicle that 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 in accordance with section 801(1)(q),
3 the application shall include the manufacturer's suggested base
4 list price for the model year of the vehicle. Annually, the sec-
5 retary of state shall publish a list of the manufacturer's sug-
6 gested base list price for each vehicle being manufactured. Once
7 a base list price is published by the secretary of state for a
8 model year for a vehicle, the base list price shall not be
9 affected by subsequent increases in the manufacturer's suggested
10 base list price but shall remain the same throughout the model
11 year unless changed in the annual list published by the secretary
12 of state. If the secretary of state's list has not been pub-
13 lished for that vehicle by the time of the application for regis-
14 tration, the base list price shall be the manufacturer's sug-
15 gested retail price as shown on the label required to be affixed
16 to the vehicle under section 3 of the automobile information dis-
17 closure act, Public Law 85-506, 15 U.S.C. 1232. If the
18 manufacturer's suggested retail price is unavailable, the appli-
19 cation shall list the purchase price of the vehicle as defined in
20 section 801(4).

21 (2) Beginning October 1, 1999, the secretary of state shall
22 require an applicant for registration of a leased pickup truck or
23 passenger vehicle that is subject to registration under this act,
24 except a vehicle that is subject to registration tax under sec-
25 tion 801g, to disclose in writing the lessee's name, the lessee's
26 bona fide residence, and either of the following:

1 (a) The lessee's Michigan driver license number or Michigan
2 personal identification number or, if the lessee does not have a
3 Michigan driver license or Michigan personal identification
4 number, the lessee's mailing address, if the lessee is an
5 individual.

6 (b) The lessee's business address, if the lessee is a firm,
7 association, or corporation.

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

11 (4) A dealer selling or exchanging vehicles required to be
12 titled, within 15 days after delivering a vehicle to the purchas-
13 er, and a person engaged in the sale of vessels required to be
14 numbered by part 801 of the natural resources and environmental
15 protection act, 1994 PA 451, MCL 324.80101 to 324.80199, within
16 15 days after delivering a boat trailer weighing less than 2,500
17 pounds to the purchaser, shall ~~apply to the secretary of state~~
18 ~~for~~ ISSUE a new title, if required, and transfer or secure reg-
19 istration plates ~~and~~ OR SHALL APPLY TO THE SECRETARY OF STATE
20 TO secure a certificate of registration for the vehicle or boat
21 trailer, in the name of the purchaser. The dealer's license may
22 be suspended or revoked in accordance with section 249 for fail-
23 ure to apply for a title when required or for failure to transfer
24 or secure registration plates and certificate of registration
25 within the 15 days required by this section. If the dealer or
26 person fails to ISSUE OR apply for a title when required, ~~and~~
27 OR to transfer or secure registration plates and secure a

1 certificate of registration and pay the required fees within 15
2 days of delivery of the vehicle or boat trailer, a title and reg-
3 istration for the vehicle or boat trailer may subsequently be
4 acquired only upon the payment of a transfer fee of \$15.00 in
5 addition to the fees specified in section 806. The purchaser of
6 the vehicle or boat trailer shall sign the application, includ-
7 ing, when applicable, the declaration specifying the maximum
8 elected gross weight, as required by subsection (1)(f), and other
9 necessary papers to enable the dealer or person to secure the
10 title, registration plates, and transfers from the secretary of
11 state.

12 (5) If a vehicle is delivered to a purchaser who has valid
13 Michigan registration plates that are to be transferred to the
14 vehicle, and an application for title, if required, and registra-
15 tion for the vehicle is not made before delivery of the vehicle
16 to the purchaser, the registration plates shall be affixed to the
17 vehicle immediately, and the dealer shall provide the purchaser
18 with an instrument in writing, on a form prescribed by the secre-
19 tary of state, which shall serve as a temporary registration for
20 the vehicle for a period of 15 days from the date the vehicle is
21 delivered.

22 (6) An application for a certificate of title that indicates
23 the existence of a security interest in the vehicle or in an
24 accessory to the vehicle, if requested by the security interest
25 holder, shall be accompanied by a copy of the security agreement
26 which need not be signed. The request may be made of the seller
27 on an annual basis. The secretary of state shall indicate on the

1 copy the date and place of filing of the application and return
2 the copy to the person submitting the application who shall for-
3 ward it to the holder of the security interest named in the
4 application.

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

17 "Under Michigan law, the seller must record a first lien in
18 favor of (name of lender) _____ on the vehicle with
19 vehicle identification number _____ and title the vehi-
20 cle only in the name(s) shown on the reverse side." On the front
21 of the sales check or draft, the holder, finance company, credit
22 union, or banking institution shall note the name(s) of the pro-
23 spective owner(s). Failure of the holder, finance company,
24 credit union, or banking institution to comply with these
25 requirements frees the seller from any obligation to record the
26 lien or from any liability that may arise as a result of the

1 failure to record the lien. A service fee shall not be charged
2 to the buyer.

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

15 Sec. 224. (1) Except as otherwise provided in this act
16 regarding tabs or stickers, upon registering a vehicle, the sec-
17 retary of state OR THE DEALER FROM WHOM THE VEHICLE IS PURCHASED
18 FOR THE INITIAL REGISTRATION shall issue to the owner 1 registra-
19 tion plate.

20 (2) A registration plate shall display the registration
21 number assigned to the vehicle for which the registration plate
22 is issued; the name of this state, which may be abbreviated; and
23 when the registration plate expires, which may be shown by a tab
24 or sticker furnished by the secretary of state OR THE DEALER.

25 (3) A registration plate issued for motor vehicles owned and
26 operated by this state; a state institution; a municipality; a
27 privately incorporated, nonprofit volunteer fire department; or a

1 nonpublic, nonprofit college or university of this state shall
2 not expire at any particular time but shall be renewed when the
3 registration plate is worn out or is illegible. This registra-
4 tion plate shall be assigned upon proper application and payment
5 of the applicable fee and may be used on any eligible vehicle
6 titled to the applicant if a written record is kept of the vehi-
7 cles upon which the registration plate is used. The written
8 record shall state the time the registration plate is used on a
9 particular vehicle. The record shall be open to inspection by a
10 law enforcement officer or a representative of the secretary of
11 state.

12 (4) A registration plate issued for a vehicle owned by the
13 civil air patrol as organized under sections 1 to 8, chapter 527,
14 60 Stat. 346 to 347, 36 U.S.C. 201 to 208; a vehicle owned by a
15 nonprofit organization and used to transport equipment for pro-
16 viding dialysis treatment to children at camp; an emergency sup-
17 port vehicle used exclusively for emergencies and owned and oper-
18 ated by a federally recognized nonprofit charitable organization;
19 a vehicle owned and operated by a nonprofit veterans center; a
20 motor vehicle having a truck chassis and a locomotive or ship's
21 body which is owned by a nonprofit veterans organization and used
22 exclusively in parades and civic events; a vehicle owned and
23 operated by a nonprofit recycling center or a federally recog-
24 nized nonprofit conservation organization until December 31,
25 2000; a motor vehicle owned and operated by a senior citizen
26 center; and a registration plate issued for buses including
27 station wagons, carryalls, or similarly constructed vehicles

1 owned and operated by a nonprofit parents' transportation
2 corporation used for school purposes, parochial school, society,
3 church Sunday school, or other grammar school, or by a nonprofit
4 youth organization or nonprofit rehabilitation facility shall be
5 issued upon proper application and payment of the applicable fee
6 provided in section 801(1)(g) or (h) to the applicant for the
7 vehicle identified in the application. The vehicle shall be used
8 exclusively for activities of the school or organization and
9 shall be designated by proper signs showing the school or organi-
10 zation operating the vehicle. The registration plate shall
11 expire on December 31 in the fifth year following the date of
12 issuance. The registration plate may be transferred to another
13 vehicle upon proper application and payment of a \$10.00 transfer
14 fee.

15 (5) The registration plate and the required letters and
16 numerals on the registration plate shall be of sufficient size to
17 be plainly readable from a distance of 100 feet during daylight.
18 The secretary of state may issue a tab or tabs designating the
19 month and year of expiration.

20 (6) The secretary of state shall issue for every passenger
21 motor vehicle rented without a driver the same type of registra-
22 tion plate as the type of registration plate issued for private
23 passenger vehicles.

24 (7) A person shall not operate a vehicle on the public high-
25 ways or streets of this state displaying a registration plate
26 other than the registration plate issued for the vehicle by the
27 secretary of state OR THE DEALER, except as provided in this

1 chapter for nonresidents, and by assignment provided in
2 subsection ~~-(3)-~~ (4).

3 (8) The registration plate displayed on a vehicle registered
4 on the basis of elected gross weight shall indicate the elected
5 gross weight for which the vehicle is registered.

6 Sec. 226. (1) A vehicle registration issued by the secre-
7 tary of state OR AN INITIAL REGISTRATION ISSUED BY A DEALER
8 expires on the owner's birthday, unless another expiration date
9 is provided for under this act or unless the registration is for
10 the following vehicles, in which case registration expires on the
11 last day of February:

12 (a) A commercial vehicle except for a commercial vehicle
13 issued a registration under the international registration plan
14 or a pickup truck or van owned by an individual.

15 (b) Except for a trailer or semitrailer issued a registra-
16 tion under the international registration plan, a trailer or
17 semitrailer owned by a business, corporation, or person other
18 than an individual; or a pole trailer.

19 (2) The expiration date for a registration issued for a
20 motorcycle is March 31.

21 (3) The expiration date for a registration bearing the let-
22 ters "SEN" or "REP" is February 1.

23 (4) In the case of a vehicle owned by a business, corpora-
24 tion, or an owner other than an individual, the secretary of
25 state may assign or reassign the expiration date of the
26 registration.

1 (5) The secretary of state shall do all of the following:

2 (a) After the October 1 immediately preceding the year
3 designated on the registration, issue a registration upon appli-
4 cation and payment of the proper fee for a commercial vehicle,
5 other than a pickup or van owned by an individual; or a trailer
6 owned by a business, corporation, or person other than an
7 individual.

8 (b) Beginning 60 days before the expiration date assigned on
9 an international registration plan registration plate, issue a
10 registration under section 801g upon application and payment of
11 the proper apportioned fee for a commercial vehicle engaged in
12 interstate commerce.

13 (c) After the February 14 immediately preceding the year
14 designated on a registration, issue a registration upon applica-
15 tion and payment of the proper fee for a motorcycle.

16 (d) Beginning 45 days before the owner's birthday and 120
17 days before the expiration date assigned by the secretary of
18 state, issue a registration for a vehicle other than those desig-
19 nated in subsection (1)(a) or (b). However, if an owner whose
20 registration period begins 45 days before his or her birthday
21 will be out of the state during the 45 days immediately preceding
22 expiration of a registration or for other good cause shown cannot
23 apply for a renewal registration within the 45-day period, appli-
24 cation for a renewal registration may be made not more than 6
25 months before expiration.

26 (6) Except as otherwise provided in this subsection, the
27 secretary of state OR THE DEALER FROM WHOM THE VEHICLE IS

1 PURCHASED FOR THE INITIAL REGISTRATION, upon application and
2 payment of the proper fee, shall issue a registration for a vehi-
3 cle to a resident that shall expire on the owner's birthday. If
4 the owner's next birthday is at least 6 months but not more than
5 12 months in the future, the owner shall receive a registration
6 valid until the owner's next birthday. If the owner's next
7 birthday is less than 6 months in the future, the owner shall
8 receive a registration valid until the owner's birthday following
9 the owner's next birthday. The tax required under this act for a
10 registration described in this subsection shall bear the same
11 relationship to the tax required under section 801 for a 12-month
12 registration as the length of time of the registration bears to
13 12 months. Partial months shall be considered as whole months in
14 the calculation of the required tax and in the determination of
15 the length of time between the application for a registration and
16 the owner's next birthday. The tax required for that registra-
17 tion shall be rounded off to whole dollars as provided in section
18 801.

19 (7) A certificate of title shall remain valid until canceled
20 by the secretary of state for cause or upon a transfer of an
21 interest shown on the certificate of title.

22 (8) The secretary of state, upon request, shall issue spe-
23 cial registration for commercial vehicles, valid for 6 months
24 after the date of issue, if the full registration fee exceeds
25 \$50.00, on the payment of 1/2 the full registration fee and a
26 service charge as enumerated in section 802(1).

1 (9) The secretary of state may issue a special registration
2 for each of the following:

3 (a) A new vehicle purchased outside of this state and deliv-
4 ered in this state to the purchaser by the manufacturer of that
5 vehicle for removal to a place outside of this state, if a certi-
6 fication is made that the vehicle will be primarily used, stored,
7 and registered outside of this state and will not be returned to
8 this state by the purchaser for use or storage.

9 (b) A vehicle purchased in this state and delivered to the
10 purchaser by a dealer or by the owner of the vehicle for removal
11 to a place outside of this state, if a certification is made that
12 the vehicle will be primarily used, stored, and registered out-
13 side of this state and will not be returned to this state by the
14 purchaser for use or storage.

15 (10) A special registration issued under subsection (9) is
16 valid for not more than 14 days after the date of issuance, and a
17 fee shall be collected for each special registration as provided
18 in section 802(3). The special registration may be in the form
19 determined by the secretary of state. If a dealer makes a retail
20 sale of a vehicle to a purchaser who is qualified and eligible to
21 obtain a special registration, the dealer shall apply for the
22 special registration for the purchaser. If a person other than a
23 dealer sells a vehicle to a purchaser who is qualified and eligi-
24 ble to obtain a special registration, the purchaser shall appear
25 in person, or by a person exercising the purchaser's power of
26 attorney, at an office of the secretary of state and furnish a
27 certification that the person is the bona fide purchaser or that

1 the person has granted the power of attorney, together with other
2 forms required for the issuance of the special registration and
3 provide the secretary of state with proof that the vehicle is
4 covered by a Michigan no-fault insurance policy issued pursuant
5 to section 3101 of the insurance code of 1956, 1956 PA 218, MCL
6 500.3101, or proof that the vehicle is covered by a policy of
7 insurance issued by an insurer pursuant to section 3163 of the
8 insurance code of 1956, 1956 PA 218, MCL 500.3163. The certifi-
9 cation required in this subsection shall contain all of the
10 following:

11 (a) The address of the purchaser.

12 (b) A statement that the vehicle is purchased for registra-
13 tion outside of this state.

14 (c) A statement that the vehicle shall be primarily used,
15 stored, and registered outside of this state.

16 (d) The name of the jurisdiction in which the vehicle is to
17 be registered.

18 (e) Other information desired by the secretary of state.

19 (11) Upon request, the secretary of state may issue a regis-
20 tration valid for 6 months after the date of issuance for use on
21 a trailer or semitrailer weighing 1,500 pounds or less and that
22 is used for recreational purposes, upon payment of 1/2 the full
23 registration fee imposed under section 801(1)(l).

24 (12) In the case of a commercial vehicle, trailer, or semi-
25 trailer issued a registration under the international registra-
26 tion plan, the secretary of state in mutual agreement with the
27 owner may assign or reassign the expiration date of the

1 registration. However, the expiration date agreed to shall be
2 either March 31, June 30, September 30, or December 31. Renewals
3 expiring on or after September 30, 1993 shall be for a minimum of
4 at least 12 months if there is a change in the established expi-
5 ration date.

6 (13) The expiration date for a multiyear registration issued
7 for a leased vehicle shall be the date the lease expires but
8 shall not be for a period longer than 24 months.