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Senate Bill 1408 (as introduced 6-29-10)  
Sponsor: Senator Jud Gilbert, II  
Committee: Transportation

Date Completed: 9-1-10

### **CONTENT**

#### **The bill would amend the Michigan Vehicle Code to revise requirements regarding a car dealer's possession of a certificate of title for a used vehicle.**

Under the Code, if a new motor vehicle dealer or a used vehicle dealer acquires a vehicle for resale, the dealer is not required to obtain a new registration for the vehicle or forward the certificate of title to the Secretary of State. The dealer must retain and have in its immediate possession the assigned certificate of title with the odometer information properly completed. Under the bill, the dealer instead would have to maintain proof of ownership and accurate odometer information for the vehicle while it was held for resale, except as otherwise provided.

The bill specifies that a dealer would not be prohibited from selling a vehicle that was subject to an inventory loan while the certificate of title was in the possession of the dealer's inventory lender. The inventory lender would have to mail or otherwise deliver the certificate of title to the dealer or the dealer's authorized designee within five days after the lender received either of the following:

- The outstanding principal balance and any other fees and charges due under the inventory loan.
- A sworn written statement from the vehicle purchaser showing his or her status as a buyer in the ordinary course of business under the Uniform Commercial Code or a similar law of another state.

MCL 257.235

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Joe Carrasco

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.