

**MICHIGAN VEHICLE CODE (EXCERPT)**  
**Act 300 of 1949**

CHAPTER II

ADMINISTRATION, REGISTRATION, CERTIFICATE OF TITLE AND ANTI-THEFT

**257.201 Reference to “division”.**

Sec. 201. When a reference is made in this act to “division”, the reference is to the secretary of state or an authorized representative of the secretary of state.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1953, Act 215, Eff. Oct. 2, 1953;—Am. 1978, Act 139, Eff. May 1, 1979.

**257.202 Secretary of state as exclusive state agent.**

Sec. 202. Except as provided in this act, the secretary of state is the exclusive state agent for the administration of the driver license provisions of this act.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1953, Act 215, Eff. Oct. 2, 1953;—Am. 1978, Act 139, Eff. May 1, 1979.

**257.203 Appointment of employees.**

Sec. 203. Subject to the civil service laws of this state, the secretary of state shall appoint deputies, subordinate officers, clerks, investigators, and other employees as necessary to administer this act.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1953, Act 215, Eff. Oct. 2, 1953;—Am. 1978, Act 139, Eff. May 1, 1979.

**257.203a Meaning of “commissioner” in MCL 257.301 to 257.327; effect of MCL 257.201 to 257.203a.**

Sec. 203a. (1) As used in sections 301 to 327, “commissioner” means the secretary of state or an authorized representative of the secretary of state.

(2) Sections 201 to 203a shall not alter, modify, or amend the functions, duties, and responsibilities of an elected or appointed state or local official under this act.

**History:** Add. 1953, Act 215, Eff. Oct. 2, 1953;—Am. 1978, Act 139, Eff. May 1, 1979.

**257.204 Administration and enforcement of act; establishment of highway patrol prohibited; rules; official seal.**

Sec. 204. (1) Except as provided in this act, the secretary of state shall observe, enforce, and administer this act. The secretary of state shall not establish a highway patrol.

(2) The secretary of state may promulgate rules pursuant to Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.315 of the Michigan Compiled Laws, necessary to administer this act.

(3) The secretary of state may adopt an official seal.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1953, Act 215, Eff. Oct. 2, 1953;—Am. 1966, Act 247, Eff. Mar. 10, 1967;—Am. 1978, Act 139, Eff. May 1, 1979.

**Administrative rules:** R 257.21 et seq.; R 257.31 et seq.; R 257.181 et seq.; R 257.301 et seq.; R 257.351 et seq.; and R 257.801 et seq. of the Michigan Administrative Code.

**257.204a Central file of individual driving records; certified copies as evidence; electronic certification; use of computer-generated certified information; persons who may receive information contained in records maintained by secretary of state.**

Sec. 204a. (1) The secretary of state shall create and maintain a computerized central file that provides an individual historical driving record for a natural person with respect to all of the following:

(a) A license issued to the person under chapter III.

(b) A conviction, civil infraction determination, or other licensing action that is entered against the person for a violation of this act or a local ordinance substantially corresponding to a provision of this act, or that is reported to the secretary of state by another jurisdiction.

(c) A failure of the person, including a nonresident, to comply with a suspension issued pursuant to section 321a.

(d) A cancellation, denial, revocation, suspension, or restriction of the person's operating privilege, a failure to pay a department of state driver responsibility fee, or other licensing action regarding that person, under this act or that is reported to the secretary of state by another jurisdiction. This subdivision also applies to nonresidents.

(e) An accident in which the person is involved.

(f) A conviction of the person for an offense described in section 319e.

(g) Any driving record requested and received by the secretary of state under section 307.

(h) Any notice given by the secretary of state and the information provided in that notice under section 317(3) or (4).

(i) Any other information received by the secretary of state regarding the person that is required to be maintained as part of the person's driving record as provided by law.

(2) A secretary of state certified computer-generated or paper copy of an order, record, or paper maintained in the computerized central file of the secretary of state is admissible in evidence in the same manner as the original and is prima facie proof of the contents of and the facts stated in the original.

(3) An order, record, or paper generated by the computerized central file of the secretary of state may be certified electronically by the generating computer. The certification shall be a certification of the order, record, or paper as it appeared on a specific date.

(4) A court or the office of the clerk of a court of this state which is electronically connected by a terminal device to the computerized central file of the secretary of state may receive into and use as evidence in any case the computer-generated certified information obtained by the terminal device from the file. A duly authorized employee of a court of record of this state may order a record for an individual from a secretary of state computer terminal device located in, and under the control of, the court, and certify in writing that the document was produced from the terminal and that the document was not altered in any way.

(5) After receiving a request for information contained in records maintained under this section, the secretary of state shall provide the information, in a form prescribed by the secretary of state, to any of the following:

(a) Another state.

(b) The United States secretary of transportation.

(c) The person who is the subject of the record.

(d) A motor carrier employer or prospective motor carrier employer, but only if the person who is the subject of the record is first notified of the request as prescribed by the secretary of state.

(e) An authorized agent of a person or entity listed in subdivisions (a) to (d).

**History:** Add. 1953, Act 215, Eff. Oct. 2, 1953;—Am. 1968, Act 278, Imd. Eff. July 1, 1968;—Am. 1978, Act 510, Eff. Aug. 1, 1979;—Am. 1993, Act 359, Eff. Sept. 1, 1994;—Am. 1996, Act 102, Imd. Eff. Mar. 5, 1996;—Am. 1998, Act 346, Eff. Oct. 1, 1999;—Am. 1999, Act 73, Eff. Oct. 1, 1999;—Am. 2004, Act 362, Imd. Eff. Oct. 4, 2004;—Am. 2016, Act 332, Imd. Eff. Dec. 9, 2016.

#### **257.204b Conviction of attempted violation; effect.**

Sec. 204b. (1) When assessing points, taking licensing or registration actions, or imposing other sanctions under this act for a conviction of an attempted violation of a law of this state, a local ordinance substantially corresponding to a law of this state, or a law of another state substantially corresponding to a law of this state, the secretary of state or the court shall treat the conviction the same as if it were a conviction for the completed offense.

(2) The court shall impose a criminal penalty for a conviction of an attempted violation of this act or a local ordinance substantially corresponding to a provision of this act in the same manner as if the offense had been completed.

**History:** Add. 1998, Act 347, Eff. Oct. 1, 1999.

#### **257.205 Secretary of state; office and branch offices; establishment; employees; bond; liability for loss of money; person appointed to conduct branch office; compensation and expenses.**

Sec. 205. (1) The secretary of state shall maintain an office in the state capitol complex, and in other places in the state as the secretary of state considers necessary to carry out the powers and duties vested in the secretary of state. At least 1 office shall be established in each county of the state and in each city of the state having a population of 10,000 or more, but not within a radius of 5 miles from a county office location. This subsection does not apply in a county having a population of 300,000 or more, nor to contiguous cities having a combined population of 10,000 or more. A person licensed under section 248, is not eligible for appointment to conduct, manage, or be an employee of a branch or fee office of the secretary of state.

(2) A bond may be required of a person in an office established under subsection (1) in an amount that the secretary of state prescribes to cover the safe handling of money received under this act. The secretary of state shall not be held personally liable for a loss of money because of armed robbery, larceny, embezzlement, riot, act of God, or other act of a person resulting in a loss of money which is within the authority and responsibility of the secretary of state as the administrator of this act.

(3) A person appointed to conduct a branch office shall receive compensation fixed by the secretary of state, and necessary expenses of the office. The compensation and expenses shall be paid out of the Michigan transportation fund and shall be deducted from the fund before the fund is certified to the state treasurer.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1961, Act 210, Eff. Sept. 8, 1961;—Am. 1969, Act 47, Imd. Eff. July 17, 1969;—Am. 1970, Act 177, Imd. Eff. Aug. 3, 1970;—Am. 1980, Act 398, Eff. Mar. 31, 1981.

#### **257.206 Forms.**

Sec. 206. The secretary of state may prescribe and provide suitable forms of applications, certificates of title, registration certificates, operators' and chauffeurs' licenses, and all other forms requisite or deemed necessary to carry out the provisions of this act, the enforcement and administration of which are vested in the department.

**History:** 1949, Act 300, Eff. Sept. 23, 1949.

#### **257.207 Administering oaths and acknowledging signatures without fee; certified copy of record; fee; evidence; electronic certification; use of computer-generated certified information.**

Sec. 207. (1) An officer or employee designated by the secretary of state for the purpose of administering the motor vehicle laws shall administer oaths and acknowledge signatures without fee.

(2) The secretary of state and the officers designated by the secretary of state may prepare under the seal of the secretary of state and deliver upon request, a certified copy of a record maintained under this act and charge a fee as set forth in this act.

(3) A certified computer-generated or paper copy of a record maintained under this act shall be admissible in a proceeding in a court in the same manner as the original record and shall be prima facie evidence of the contents of and the facts stated on the record.

(4) An order, record, or paper generated by the computerized central file of the secretary of state may be certified electronically by the generating computer. The certification shall be a certification of the order, record, or paper as it appeared on a specific date.

(5) A court or the office of the clerk of a court of this state that is electronically connected by a terminal device to the computerized central file of the secretary of state may receive into and use as evidence in any case the computer-generated certified information obtained by the terminal device from the file. A duly authorized employee of a court of record of this state may order a record for an individual from a secretary of state computer terminal device located in, and under the control of, the court, and certify in writing that the document was produced from the terminal and that the document was not altered in any way.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1968, Act 278, Imd. Eff. July 1, 1968;—Am. 1980, Act 398, Eff. Mar. 31, 1981;—Am. 1996, Act 102, Imd. Eff. Mar. 5, 1996.

#### **257.207a Electronic driver license status check; request by approved agency; maintenance of written permission by organization; compliance with safeguards; fee.**

Sec. 207a. (1) The secretary of state may provide an electronic driver license status check of a person who transports clients or provides medical or other health, human, or social services for an organization exempt from taxation under section 501(c)(3) of the internal revenue code. The electronic driver license status check provided by the secretary of state shall identify the person's driver license type and status and shall indicate whether the driver has any points on his or her driving record.

(2) The secretary of state shall process an electronic driver license status check under subsection (1) only if the request is submitted by an agency serving an organization described in subsection (1) that is approved by the secretary of state. An organization exempt from taxation under section 501(c)(3) of the internal revenue code shall provide an approved agency with the driver identification information as prescribed by the secretary of state and certify that the organization has the written permission of the driver to obtain his or her driver license status check under section 208c(3)(m). The written permission shall be maintained by the organization for a period of not less than 5 years.

(3) The secretary of state may require both the organization and the agency to comply with any safeguards the secretary of state considers reasonable or necessary to protect the rights of a driver for whom a status check is requested. Safeguards may include a bond requirement and written designation authorizing disclosure executed under section 208c(3)(m).

(4) The secretary of state shall not charge a fee for an electronic driver license status check submitted by an approved agency. An organization that requests an actual copy of a record shall pay the same fee as any other requester of a record copy.

**History:** Add. 1998, Act 105, Eff. Mar. 23, 1999.

#### **257.208 Destruction of certain records; maintaining of records involving operation of commercial motor vehicles.**

Sec. 208. (1) Except as otherwise specified in this section, the secretary of state may destroy any department records maintained on file for 7 years, including the information contained in the central file maintained under section 204a.

(2) Except as otherwise provided in this section, records of convictions of any offense for which points are provided under section 320a(1)(a), (b), (c), or (g) or section 320a(8) may be destroyed after being maintained on file for 10 years. However, if a person is convicted of violating section 625, the record of that conviction shall be maintained for the life of the person.

(3) If a person who is a commercial license holder or a noncommercial license holder who operates a commercial motor vehicle is convicted under a law of this state, a local ordinance substantially corresponding to a law of this state, or a law of another state substantially corresponding to a law of this state of any of the following violations, the record of that conviction shall be maintained for the life of the person or until the person moves to another jurisdiction:

(a) Operating a vehicle in violation of section 625.

(b) Operating a commercial motor vehicle in violation of section 625m.

(c) Leaving the scene of an accident.

(d) Using a vehicle to commit a felony.

(e) Refusing to take an alcohol or controlled substance test required under this act.

(f) Operating a commercial motor vehicle when the person's operator's or chauffeur's license or vehicle group designation is suspended, revoked, or canceled as a result of prior violations committed while operating a commercial motor vehicle.

(g) Operating a commercial motor vehicle when the person is disqualified from operating a commercial motor vehicle.

(h) Causing any fatality through the negligent operation of a commercial motor vehicle.

(4) Records of stolen vehicles reported in section 253 may be destroyed after being maintained on file for the year of entry plus 4 years.

(5) Except as otherwise specified in this act, records the secretary of state considers obsolete and of no further service in carrying out the department's powers and duties may be destroyed upon that determination.

(6) If a record of suspension under section 321a does not contain a conviction for a violation of section 904 or a local ordinance substantially corresponding to section 904 during the period of suspension, the secretary of state may destroy the record 180 days after the suspension terminates or as provided in subsections (1) to (5).

(7) The secretary of state may destroy a record of receipt of the notice provided for in section 321a(7) after the court involved informs the secretary of state that all outstanding matters regarding section 321a(7) have been resolved.

(8) The secretary of state may destroy a record maintained pursuant to section 204a 180 days after the nonresident driver against whom a civil infraction determination is entered complies with an order or judgment issued pursuant to section 907.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1966, Act 247, Eff. Mar. 10, 1967;—Am. 1978, Act 391, Eff. Jan. 15, 1979;—Am. 1980, Act 460, Imd. Eff. Jan. 15, 1981;—Am. 1980, Act 518, Eff. Mar. 31, 1981;—Am. 1982, Act 310, Eff. Mar. 30, 1983;—Am. 1994, Act 449, Eff. May 1, 1995;—Am. 1996, Act 471, Eff. Apr. 1, 1997;—Am. 1997, Act 100, Imd. Eff. Aug. 7, 1997;—Am. 2004, Act 362, Imd. Eff. Oct. 4, 2004;—Am. 2006, Act 565, Eff. Oct. 31, 2010.

**Compiler's note:** Section 2 of Act 310 of 1982 provides: "All proceedings pending and all rights and liabilities existing, acquired, or incurred at the time this amendatory act takes effect are saved and may be consummated according to the law in force when they are commenced. This amendatory act shall not be construed to affect any prosecution pending or initiated before the effective date of this amendatory act, or initiated after the effective date of this amendatory act for an offense committed before that effective date."

### **257.208a Availability of records to the public.**

Sec. 208a. Records maintained under this act, other than those declared to be confidential by law or which are restricted by law from disclosure to the public, shall be available to the public in accordance with procedures prescribed in this act, the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, or other applicable laws.

**History:** Add. 1997, Act 100, Imd. Eff. Aug. 7, 1997.

### **257.208b Commercial look-up service; records and information maintained by driver education provider or limo carrier of passengers; disposition of fees; providing file to nongovernmental person or entity; failure to provide information; fines; definitions.**

Sec. 208b. (1) The secretary of state may provide a commercial look-up service of records maintained under this act. For each individual record looked up, the secretary of state shall charge a fee specified

annually by the legislature, or if the legislature does not specify a fee, a market-based price established by the secretary of state. The secretary of state shall process a commercial look-up request only if the request is in a form or format prescribed by the secretary of state. Fees collected under this subsection on and after October 1, 2005 through October 1, 2019 shall be credited to the transportation administration collection fund created in section 810b.

(2) A driver education provider shall subscribe to the commercial look-up service maintained by the secretary of state.

(3) A driver education provider shall maintain on its premises the most current copy of all nonpersonal information related to his or her driving record and the driving record of each instructor employed by the driver education provider for review by any prospective customer or the parent or guardian of a prospective customer.

(4) A prospective customer or the parent or guardian of a prospective customer may review a copy of all nonpersonal information related to the driving record of the driver education provider or an instructor employed by the driver education provider.

(5) A driver education provider shall include in its contract with each client, as prescribed by the secretary of state, a notice that nonpersonal information related to the driving record of each individual instructor is available for review by the general public. A driver education provider who fails to include the information required by this subsection is subject to a fine of not more than \$500.00.

(6) Each limo carrier of passengers shall subscribe to the commercial look-up service maintained by the secretary of state.

(7) A person who drives a limousine for hire for a limo carrier of passengers shall maintain a most current copy of all nonpersonal information related to the person's driving record in the limousine available for review by any prospective passenger.

(8) A prospective passenger may review a copy of all nonpersonal information related to the driving record of the driver of a limousine from a limo carrier of passengers or from the driver of the limousine.

(9) The secretary of state shall not provide an entire computerized central file or other file of records maintained under this act to a nongovernmental person or entity, unless the person or entity pays the prescribed fee for each individual record contained within the computerized file.

(10) A driver training school operator who fails to provide the information required to be maintained by this section is subject to a fine of not more than \$500.00. Each failure to provide information constitutes a separate offense.

(11) A limo carrier of passengers who fails to provide the information required to be maintained by this section is subject to a fine of not more than \$500.00. Each failure to provide information constitutes a separate offense.

(12) The driver of a limousine who fails to provide the information required by this section is subject to a fine of not more than \$500.00. Each failure to provide information constitutes a separate offense.

(13) As used in this section:

(a) "Driver education provider" means that term as defined in section 5 of the driver education provider and instructor act, 2006 PA 384, MCL 256.625.

(b) "Limo carrier of passengers" and "limousine" mean those terms as defined in section 3 of the limousine transportation act, 1990 PA 271, MCL 257.1903.

**History:** Add. 1997, Act 100, Imd. Eff. Aug. 7, 1997;—Am. 1998, Act 12, Eff. June 1, 1998;—Am. 1998, Act 329, Eff. Oct. 1, 1998;—Am. 2000, Act 159, Imd. Eff. June 14, 2000;—Am. 2005, Act 173, Imd. Eff. Oct. 12, 2005;—Am. 2009, Act 99, Imd. Eff. Sept. 30, 2009;—Am. 2011, Act 159, Imd. Eff. Sept. 30, 2011;—Am. 2015, Act 73, Eff. Oct. 1, 2015.

### **257.208c Disclosure of personal information; uses.**

Sec. 208c. (1) Except as provided in this section and in section 232, personal information in a record maintained under this act shall not be disclosed, unless the person requesting the information furnishes proof of identity satisfactory to the secretary of state and certifies that the personal information requested will be used for a permissible purpose identified in this section or in section 232. However, highly restricted personal information shall be used and disclosed only as expressly permitted in section 307 or as otherwise expressly provided by law.

(2) Personal information in a record maintained under this act shall be disclosed by the secretary of state if required to carry out the purposes of federal law or federal regulations.

(3) Personal information in a record maintained under this act may be disclosed by the secretary of state as follows:

(a) For use by a federal, state, or local governmental agency, including a court or law enforcement agency, in carrying out the agency's functions, or by a private person or entity acting on behalf of a governmental

agency in carrying out the agency's functions.

(b) For use in connection with matters of motor vehicle and driver safety or auto theft; motor vehicle emissions; motor vehicle product alterations, recalls, or advisories; performance monitoring of motor vehicles; motor vehicle market research activities, including survey research; and the removal of nonowner records from the original records of motor vehicle manufacturers.

(c) For use in the normal course of business by a legitimate business, including the agents, employees, and contractors of the business, but only to verify the accuracy of personal information submitted by an individual to the business or its agents, employees, or contractors, and if the information as so submitted is no longer correct, to obtain the correct information, for the sole purpose of preventing fraud by pursuing legal remedies against, or recovering on a debt against, the individual.

(d) For use in connection with a civil, criminal, administrative, or arbitration proceeding in a federal, state, or local court or governmental agency or before a self-regulatory body, including use for service of process, investigation in anticipation of litigation, and the execution or enforcement of judgments and orders, or pursuant to an order of a federal, state, or local court, an administrative agency, or a self-regulatory body.

(e) For use in legitimate research activities and in preparing statistical reports for commercial, scholarly, or academic purposes by a bona fide research organization, if the personal information is not published, redisclosed, or used to contact individuals.

(f) For use by an insurer or insurance support organization, or by a self-insured entity, or its agents, employees, or contractors, in connection with claims investigating activity, antifraud activity, rating, or underwriting.

(g) For use in providing notice to the owner of an abandoned, towed, or impounded vehicle or for use by the custodian of a vehicle that is considered an abandoned vehicle as defined in sections 252a, 252b, and 252d.

(h) For use either by a private detective or private investigator licensed under the professional investigator licensure act, 1965 PA 285, MCL 338.821 to 338.851, or by a private security guard agency or alarm system contractor licensed under the private security business and security alarm act, 1968 PA 330, MCL 338.1051 to 338.1083, only for a purpose permitted under this section.

(i) For use by an employer, or the employer's agent or insurer, to obtain or verify information relating either to the holder of a commercial driver license that is required under federal law or to the holder of a chauffeur's license that is required under chapter 3.

(j) For use by a car rental business, or its employees, agents, contractors, or service firms, for the purpose of making rental decisions.

(k) For use in connection with the operation of private toll transportation facilities.

(l) For use by a news medium in the preparation and dissemination of a report related in part or in whole to the operation of a motor vehicle or public safety. "News medium" includes a newspaper, a magazine or periodical published at regular intervals, a news service, a broadcast network, a television station, a radio station, a cablecaster, or an entity employed by any of the foregoing.

(m) For any use by an individual requesting information pertaining to himself or herself or requesting in writing that the secretary of state provide information pertaining to himself or herself to the individual's designee. A request for disclosure to a designee, however, may be submitted only by the individual.

(4) Medical and disability information in a record maintained under this act may be used and disclosed for purposes of subsection (3)(a), (d), or (m).

**History:** Add. 1997, Act 100, Imd. Eff. Aug. 7, 1997;—Am. 2004, Act 362, Imd. Eff. Oct. 4, 2004;—Am. 2008, Act 539, Imd. Eff. Jan. 13, 2009.

#### **257.208d Resale or redisclosure of personal information; duties of recipient.**

Sec. 208d. (1) An authorized recipient of personal information disclosed under section 208c may resell or redisclose the information only for a use permitted under section 208c.

(2) An authorized recipient of personal information disclosed under section 208c who resells or rediscloses the information shall do both of the following:

(a) Make and keep for a period of not less than 5 years records identifying each person who received personal information from the authorized recipient and the permitted use for which it was obtained.

(b) Allow a representative of the secretary of state, upon request, to inspect and copy records identifying each person who received personal information from the authorized recipient and the permitted use for which it was obtained.

**History:** Add. 1997, Act 101, Imd. Eff. Aug. 7, 1997.

#### **257.209 Application for registration; certificate of title; operator's or other license,**

### **investigation.**

Sec. 209. The department shall examine and determine the genuineness, regularity, and legality of every application for registration of a vehicle, for a certificate of title therefor, and for an operator's or chauffeur's license and of any other application lawfully made to the department, and may in all cases make investigation as may be deemed necessary or require additional information, and shall reject any such application if not satisfied of the genuineness, regularity, or legality thereof or the truth of any statement contained therein, or for any other reason, when authorized by law.

**History:** 1949, Act 300, Eff. Sept. 23, 1949.

### **257.210 Title, registration certificate, permit, license or plate; seizure; possession and custody of plate; security interest.**

Sec. 210. The department is hereby authorized to take possession of any certificate of title, registration certificate, permit, license or registration plate issued by it upon expiration, revocation, cancellation or suspension thereof, or which is fictitious, or which has been unlawfully or erroneously issued, and the department or any agent thereof is authorized to take possession and custody of any registration plate found attached to any motor vehicle for which it was not issued, or when any other unlawful use is being made thereof. Expiration, revocation, cancellation or suspension of a certificate of title does not, in itself, affect the validity of a security interest noted on it.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1951, Act 270, Eff. Sept. 28, 1951;—Am. 1964, Act 248, Eff. Jan. 1, 1965.

### **257.211 Synopsis, summary, or compilation of laws relating to vehicles; selling price of compilation; disposition and use of money collected.**

Sec. 211. (1) The secretary of state may publish a synopsis or summary of the laws of this state regulating the operation of vehicles and may deliver a copy without charge as the secretary of state may deem necessary.

(2) The secretary of state may publish a compilation of the laws of this state relating to the ownership and operation of vehicles and other laws relative to the department of state. The secretary of state shall establish a selling price for the compilation and may raise or lower the selling price of the compilation to reflect changes in preparation, printing and distribution costs.

(3) Money collected from the sale of the compilation shall be credited to a revolving fund created by this act, known as the "Michigan department of state publications fund". Money in the fund shall be used to pay preparation, printing and distribution costs incurred by the department in connection with the publication. Money in the fund at the close of a fiscal year shall remain in the fund.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1980, Act 137, Imd. Eff. May 29, 1980.

### **257.212 Notice; methods.**

Sec. 212. (1) If the secretary of state is authorized or required to give notice under this act or other law regulating the operation of a vehicle, unless a different method of giving notice is otherwise expressly prescribed, notice shall be given either by personal delivery to the person to be notified or by first-class United States mail addressed to the person at the address shown by the record of the secretary of state. The giving of notice by mail is complete upon the expiration of 5 days after mailing the notice.

(2) Any notice required to be provided under this act may be provided by electronic means.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1980, Act 398, Eff. Mar. 31, 1981;—Am. 2002, Act 534, Eff. Oct. 1, 2002;—Am. 2015, Act 11, Eff. July 8, 2015;—Am. 2016, Act 32, Eff. June 6, 2016.

**Compiler's note:** Enacting section 1 of Act 32 of 2016 provides:  
"Enacting section 1. R 257.1005 and R 257.1006 of the Michigan Administrative Code are rescinded."

### **257.213 Officers and investigators; powers.**

Sec. 213. The secretary of state and the officers and investigators of the department whom he or she designates have the following powers:

(a) To inspect any vehicle of a type required to be registered under this act and the salvageable parts of a vehicle of a type required to be registered under this act in any public garage or repair shop or in any place where vehicles are held for sale, lease, dismantling, or wrecking, for the purpose of locating stolen vehicles and parts of stolen vehicles and investigating the title and registration of vehicles. In enforcing the provisions of this subdivision, the secretary of state and the officers and investigators have the powers of peace officers.

(b) To examine the books and records of all persons licensed under this act pertaining to the selling, buying, leasing, dismantling, brokering, or wrecking of vehicles of a type required to be registered under this act, and the payment and collection of tax provided for in this act.

(c) The powers of peace officers for the purpose of enforcing the provisions of chapter 5.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1953, Act 215, Eff. Oct. 2, 1953;—Am. 1955, Act 159, Imd. Eff. June 7, 1955;—Am. 2002, Act 642, Eff. Jan. 1, 2003.

#### **257.214 Badge of authority.**

Sec. 214. (a) The secretary of state shall issue to each person named under section 213 of this act a proper badge of authority designating the position held by the person to whom issued. Every such badge shall display a distinctive serial number.

(b) Neither the secretary of state nor any other person shall issue any such badge to any person who is not a duly employed and acting officer or investigator of said department.

**History:** 1949, Act 300, Eff. Sept. 23, 1949.

#### **257.215 Vehicle unregistered or without certificate of title; operation; misdemeanor, exception.**

Sec. 215. It is a misdemeanor for any person to drive or move or for an owner knowingly to permit to be driven or moved upon any highway any vehicle of a type required to be registered hereunder which is not registered or for which a certificate of title has not been applied for or for which the appropriate fee has not been paid when and as required hereunder, except as provided in subsection (b) of section 217.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1964, Act 51, Eff. Aug. 28, 1964.

#### **257.216 Vehicles subject to registration and certificate of title provisions; exceptions.**

Sec. 216. Every motor vehicle, recreational vehicle, trailer, semitrailer, and pole trailer, when driven or moved on a street or highway, is subject to the registration and certificate of title provisions of this act except the following:

(a) A vehicle driven or moved on a street or highway in conformance with the provisions of this act relating to manufacturers, transporters, dealers, or nonresidents.

(b) A vehicle that is driven or moved on a street or highway only for the purpose of crossing that street or highway from 1 property to another.

(c) An implement of husbandry.

(d) Special mobile equipment. The secretary of state may issue a special registration to an individual, partnership, corporation, or association not licensed as a dealer that pays the required fee, to identify special mobile equipment that is driven or moved on a street or highway.

(e) A vehicle that is propelled exclusively by electric power obtained from overhead trolley wires though not operated on rails.

(f) Any vehicle subject to registration, but owned by the government of the United States.

(g) A certificate of title is not required for a trailer, semitrailer, or pole trailer that weighs less than 2,500 pounds.

(h) A vehicle driven or moved on a street or highway, by the most direct route, only for the purpose of securing a scale weight receipt from a weighmaster for purposes of section 801 or obtaining a vehicle inspection by a law enforcement agency before titling or registration of that vehicle.

(i) A certificate of title is not required for a vehicle owned by a manufacturer or dealer and held for sale or lease, even though incidentally moved on a street or highway or used for purposes of testing or demonstration.

(j) A bus or a school bus that is not self-propelled and is used exclusively as a construction shanty.

(k) A certificate of title is not required for a moped.

(l) For 3 days immediately following the date of a properly assigned title or signed lease agreement from any person other than a dealer, a registration is not required for a vehicle driven or moved on a street or highway for the sole purpose of transporting the vehicle by the most direct route from the place of purchase or lease to a place of storage if the driver has in his or her possession the assigned title showing the date of sale or a lease agreement showing the date of the lease.

(m) A certificate of registration is not required for a pickup camper, but a certificate of title is required.

(n) A new motor vehicle driven or moved on a street or highway only for the purpose of moving the vehicle from an accident site to a storage location if the vehicle was being transported on a railroad car or semitrailer that was involved in a disabling accident.

(o) A boat lift used for transporting vessels between a marina or a body of water and a place of inland storage.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1951, Act 69, Eff. Sept. 28, 1951;—Am. 1953, Act 110, Eff. Oct. 2, 1953;—Am. 1957, Act 110, Imd. Eff. May 24, 1957;—Am. 1959, Act 155, Eff. Mar. 19, 1960;—Am. 1964, Act 248, Eff. Jan. 1, 1965;—Am. 1968, Act 139, Imd. Eff. June 11, 1968;—Am. 1974, Act 70, Eff. Apr. 1, 1975;—Am. 1976, Act 74, Imd. Eff. Apr. 11, 1976;—Am. 1976, Act 439, Imd. Eff. Jan. 13, 1977;—Am. 1981, Act 75, Imd. Eff. June 30, 1981;—Am. 1983, Act 186, Imd. Eff. Oct. 25, 1983;—Am. 1985,



Act 32, Imd. Eff. June 13, 1985;—Am. 1988, Act 214, Imd. Eff. June 30, 1988;—Am. 1989, Act 286, Imd. Eff. Dec. 26, 1989;—Am. 1990, Act 98, Eff. Jan. 1, 1991;—Am. 1992, Act 102, Imd. Eff. June 25, 1992;—Am. 1996, Act 141, Imd. Eff. Mar. 25, 1996;—Am. 2002, Act 642, Eff. Jan. 1, 2003;—Am. 2008, Act 539, Imd. Eff. Jan. 13, 2009;—Am. 2009, Act 32, Eff. Dec. 1, 2009.

**257.217 Application for registration and certificate of title; out-of-state vehicle; form; fee; signature of owner; contents; leased pickup truck or vehicle; duties of dealer and person selling or leasing certain vehicles; off lease or buy back vehicle; temporary registration; service fee; imprint on back side of check or bank draft; liability for damages; perfection of security interest.**

Sec. 217. (1) An owner of a vehicle that is subject to registration under this act shall apply to the secretary of state, upon 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 shall be issued a rebuilt, salvage, scrap, or flood certificate of title by the secretary of state. The application shall be accompanied by the required fee. An application for a certificate of title shall bear the signature or verification and certification of the owner. The application shall 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; 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 shall 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 shall be in an amount equal to twice the value of the vehicle as determined by the secretary of state and shall 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's fees, by reason 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 shall 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 shall 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 face 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 shall 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 shall include the manufacturer's suggested base list price for the model year of the vehicle. The base list price shall 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 shall list the purchase price of the vehicle 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 subsection (5), a dealer selling, leasing, or exchanging vehicles required to be titled, within 15 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 15 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. 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 15 days required by this section. 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 15 days of delivery of the vehicle or boat trailer, a title and registration for the vehicle or boat trailer may subsequently be acquired only upon the payment of a late transfer fee of \$15.00 for an individual or a dealer other than a dealer subject to section 235b in addition to the fees specified in section 806. 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 more 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 title to the owner of a vehicle or lienholder if the title is subject to a security interest.

(5) 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 15 days after it 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. 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 15-day period. 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 15-day time period, a title and registration for the vehicle may subsequently be acquired only upon the payment of a late transfer fee of \$15.00 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. 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 more 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 title to the owner of a vehicle if the title is subject to a security interest.

(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 shall 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 shall serve as a temporary registration for the vehicle for a period of 15 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 shall be paid from the finance charges and shall not be charged to the buyer in addition to the finance charges. The holder, finance company, credit union, or banking institution shall issue its check or bank draft for the principal amount financed, payable jointly to the buyer and seller, and there shall be imprinted on the back side of the check or bank draft the following:

"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 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 shall 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 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 his or her 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, with respect to the vehicle. When a security interest in a vehicle is perfected, it has priority over the rights of a lien creditor as lien creditor is defined in section 9102 of the uniform commercial code, 1962 PA 174, MCL 440.9102.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1951, Act 270, Eff. Sept. 28, 1951;—Am. 1954, Act 112, Eff. Aug. 13, 1954;—Am. 1962, Act 166, Eff. Mar. 28, 1963;—Am. 1964, Act 51, Eff. Aug. 28, 1964;—Am. 1964, Act 248, Eff. Jan. 1, 1965;—Am. 1967, Ex. Sess., Act 3, Imd. Eff. Nov. 15, 1967;—Am. 1968, Act 66, Eff. Aug. 1, 1968;—Am. 1969, Act 256, Eff. Mar. 20, 1970;—Am. 1978, Act 507, Eff. July 1, 1979;—Am. 1980, Act 398, Eff. Mar. 31, 1981;—Am. 1981, Act 75, Imd. Eff. June 30, 1981;—Am. 1983, Act 165, Eff. Oct. 1, 1983;—Am. 1987, Act 238, Imd. Eff. Dec. 28, 1987;—Am. 1988, Act 470, Eff. Apr. 1, 1989;—Am. 1989, Act 136, Imd. Eff. June 29, 1989;—Am. 1990, Act 98, Eff. Jan. 1, 1991;—Am. 1992, Act 117, Imd. Eff. June 26, 1992;—Am. 1993, Act 300, Eff. Jan. 1, 1994;—Am. 1996, Act 59, Imd. Eff. Feb. 26, 1996;—Am. 1998, Act 247, Imd. Eff. July 8, 1998;—Am. 2000, Act 397, Imd. Eff. Jan. 8, 2001;—Am. 2002, Act 552, Eff. Oct. 1, 2002;—Am. 2002, Act 642, Eff. Jan. 1, 2003;—Am. 2002, Act 652, Eff. Jan. 1, 2003;—Am. 2005, Act 36, Imd. Eff. June 7, 2005;—Am. 2012, Act 498, Eff. Mar. 28, 2013;—Am. 2014, Act 290, Eff. Mar. 31, 2015.

**Compiler's note:** For effective date of increases in certain fees, charges or taxes provided by this section, see MCL 257.817(1).

**257.217a Registration plate inscribed with official amateur radio call letters; application; proof; fees; issuance of plate for vehicle bearing registration issued pursuant to MCL 257.801(1)(a) or (p); use on other vehicle as misdemeanor; surrender of registration plate; submission of application; expiration date.**

Sec. 217a. (1) A person who holds an unexpired technician, general, conditional, advanced, or extra class amateur radio license issued by the Federal Communications Commission may make application directly to the secretary of state for a registration plate inscribed with the official amateur radio call letters of the applicant as assigned by the Federal Communications Commission.

(2) The applicant shall prove to the satisfaction of the secretary of state that the applicant holds an unexpired amateur radio license. In addition to the regular registration fee, the applicant shall pay a service fee of \$2.00. The \$2.00 fee shall be credited to the transportation administration collection fund created under section 810b through October 1, 2019. A registration plate may be issued under this section for a motor vehicle that bears a registration taxed under section 801(1)(a) or (p).

(3) If a registration plate issued under this section is used on a vehicle other than the vehicle for which the registration plate was issued, the owner of the registration plate is guilty of a misdemeanor and the

registration plate shall be surrendered to the secretary of state. A holder of a registration plate whose amateur radio license is not in full force and effect shall immediately surrender the registration plate issued under this section to the secretary of state and obtain a regular registration plate.

(4) An application for a registration plate issued under this section shall be submitted to the secretary of state under section 217. The expiration date for plates issued under this section is the date determined under section 226.

**History:** Add. 1953, Act 142, Eff. Oct. 2, 1953;—Am. 1955, Act 182, Eff. Oct. 14, 1955;—Am. 1960, Act 97, Eff. Aug. 17, 1960;—Am. 1966, Act 171, Eff. Mar. 10, 1967;—Am. 1978, Act 548, Imd. Eff. Dec. 22, 1978;—Am. 1980, Act 476, Eff. Mar. 31, 1981;—Am. 1988, Act 419, Eff. Mar. 30, 1989;—Am. 2003, Act 152, Eff. Oct. 1, 2003;—Am. 2009, Act 99, Imd. Eff. Sept. 30, 2009;—Am. 2011, Act 159, Imd. Eff. Sept. 30, 2011;—Am. 2015, Act 73, Eff. Oct. 1, 2015.

#### **257.217b Moped; manufacturer's identification number.**

Sec. 217b. A moped and a low-speed vehicle shall have permanently affixed to their frame a manufacturer's identification number.

**History:** Add. 1976, Act 439, Imd. Eff. Jan. 13, 1977;—Am. 2000, Act 82, Eff. July 1, 2000.

#### **257.217c Acquisition of salvage, distressed, or older model vehicles; issuance of salvage or scrap certificates of title; salvage vehicle inspections; sale of vehicles; notice of designation as salvage vehicle; removal of scrap vehicle from state; determination of repair and labor costs; vehicle inspection fee; audit; "actual cash value" defined.**

Sec. 217c. (1) The secretary of state may conduct periodic reviews of the records of a dealer to determine whether adequate notice is given to a transferee or lessee of a rebuilt salvage vehicle of that vehicle's prior designation as a salvage vehicle. The secretary of state may request an insurance company to provide copies of salvage title documents and claims reports involving major component parts to assist the secretary of state in monitoring compliance with this act.

(2) Except for a late model vehicle that has been stolen and recovered and that has no major component part removed, missing, or destroyed, or damaged and not salvageable, an insurance company licensed to conduct business in this state that acquires ownership of a late model vehicle through the payment of a claim shall proceed under either of the following:

(a) If the insurance company acquires ownership of the vehicle through payment of a claim, the owner of the vehicle must assign the certificate of title to the insurance company which shall do all of the following:

(i) Surrender a properly assigned certificate of title to the secretary of state.

(ii) If the estimated cost of repair, including parts and labor, is equal to or more than 75% but less than 91% of the predamaged actual cash value of the vehicle, apply for a salvage certificate of title, and if the estimated cost of repair, including parts and labor, is equal to or greater than 91% of the predamaged actual cash value of the vehicle, apply for a scrap certificate of title. The insurance company shall not sell the vehicle without first receiving a salvage or scrap certificate of title, which shall be assigned to the buyer. An insurance company may assign a salvage or scrap certificate of the title only to an automotive recycler, used or secondhand vehicle parts dealer, foreign salvage vehicle dealer, or vehicle scrap metal processor.

(b) If after payment of a total loss claim the insurance company permits the owner of the vehicle to retain ownership, the insurance company shall do all of the following:

(i) If the estimated cost of repair, including parts and labor, is equal to or greater than 75% but less than 91% of the predamaged actual cash value of the vehicle, require each owner of the vehicle to sign an application for a salvage certificate of title, or if the estimated cost of repair, including parts and labor, is equal to or greater than 91% of the predamaged actual cash value of the vehicle, require each owner of the vehicle to sign an application for a scrap vehicle certificate of title.

(ii) Attach the owner's certificate of title to the application for a salvage or scrap certificate of title or have the owner certify that the certificate of title is lost.

(iii) On behalf of the owner, apply to the secretary of state for a salvage or scrap certificate of title in the name of the owner. The owner shall not sell or otherwise dispose of the vehicle without first receiving a salvage or scrap certificate of title, which shall be assigned to the buyer. An insurance company may assign a salvage or scrap certificate of title only to an automotive recycler, used or secondhand vehicle parts dealer, foreign salvage vehicle dealer, or vehicle scrap metal processor.

(3) If an insurance company pays a claim for total loss to the owner or lienholder of record as kept by the secretary of state, or both, if applicable, of a vehicle but the owner or lienholder of record as kept by the secretary of state fails to surrender the certificate of title or other document necessary for the transfer of ownership of the vehicle to the insurance company within the expiration of 30 days after the claim payment, the insurance company, without having obtained the surrender of the title or other document otherwise

necessary for the transfer of ownership for the vehicle from the owner or lienholder of record as kept by the secretary of state, or both, if applicable, may apply to the secretary of state for a title as provided under this section. The insurance company shall, at the time of application, provide proof of the payment and that the insurance company has requested in writing, by certified mail or by another commercially available delivery service providing proof of delivery, on at least 2 separate occasions that the owner or lienholder of record as kept by the secretary of state surrender to the insurance company the certificate of title or other document necessary for the transfer of ownership to the insurance company. The application shall be signed under the penalty of perjury. Subject to subsection (2)(a)(ii), upon meeting the requirements of this subsection, the secretary of state shall issue to the insurance company the appropriate certificate of title free of all liens and shall notify the prior vehicle owner and lienholder of record as kept by the secretary of state, if any, of that action in writing. Proof of payment of the claim is satisfied only by 1 of the following:

(a) In the case of payment by check, either of the following:

(i) A copy of the front and back of the endorsed check.

(ii) Evidence that the check has cleared the account of the payer.

(b) In the case of payment by electronic transfer, evidence that the payment was charged to the account of the payer.

(4) Except as provided in subsection (3), if an insurance company acquires ownership of a vehicle other than a late model vehicle through payment of damages due to an accident, the company shall surrender a properly assigned title to the buyer upon delivery.

(5) If a dealer acquires ownership of a late model vehicle that is a distressed vehicle from an owner, the dealer shall receive an assigned certificate of title. If the assigned certificate of title is not a salvage or scrap certificate of title, the dealer, other than a vehicle scrap metal processor, shall surrender the assigned certificate of title to the secretary of state, and if the estimated cost of repair, including parts and labor, is equal to or greater than 75% but less than 91% of the predamaged actual cash value of the vehicle, apply for a salvage certificate of title, or if the estimated cost of repair, including parts and labor, is equal to or greater than 91% of the predamaged actual cash value of the vehicle, apply for a scrap certificate of title within 5 days after the dealer receives the assigned certificate of title. The dealer may sell a salvage vehicle to another automotive recycler, used or secondhand vehicle parts dealer, foreign salvage vehicle dealer, or vehicle scrap metal processor by assigning the salvage certificate of title to the buyer. Unless the vehicle is rebuilt, inspected, and recertified under this section, if the vehicle is sold to a buyer other than a dealer, application shall be made for a salvage certificate in the name of the buyer in the manner provided in this act. The dealer may sell a scrap vehicle only to a vehicle scrap metal processor. A vehicle scrap metal processor shall surrender an assigned certificate of title to the secretary of state within 30 days after acquiring a vehicle for which a certificate of title was received. A vehicle scrap metal processor shall surrender an assigned salvage or scrap certificate of title to the secretary of state within 30 days after acquiring a vehicle for which a salvage or scrap certificate of title was received and report that the vehicle was destroyed or scrapped.

(6) An application for a scrap certificate of title shall be made on a form prescribed by the secretary of state accompanied by a fee of \$15.00. The application shall contain all of the following:

(a) The complete name and current address of the owner.

(b) A description of the vehicle, including its make, style of body, model year, fee category or weight, color, and vehicle identification number.

(c) If the vehicle is a late model vehicle, a listing of each major component part that was not salvageable.

(d) Further information as may reasonably be required by the secretary of state.

(7) The scrap certificate of title shall authorize the holder of the document to transport but not drive upon a highway the vehicle or parts of a vehicle, and assign ownership to a vehicle scrap metal processor, automotive recycler, used or secondhand vehicle parts dealer, or foreign salvage vehicle dealer. A certificate of title shall not again be issued for this vehicle. A person shall not rebuild or repair a scrap vehicle and allow it to retain the original vehicle identification number.

(8) If a person, other than a dealer or insurance company that is subject to subsection (2) or (5), acquires ownership of a distressed, late model vehicle, the person must surrender the title or assigned certificate of title to the secretary of state, and if the estimated cost of repair, including parts and labor, is equal to or greater than 75% but less than 91% of the predamaged actual cash value of the vehicle, apply for a salvage certificate of title, or if the estimated cost of repair, including parts and labor, is equal to or greater than 91% of the predamaged actual cash value of the vehicle, apply for a scrap certificate of title before the vehicle may be transported.

(9) An owner of a vehicle may determine that a vehicle is a scrap vehicle or a salvage vehicle without making any determination as to the actual cash value of the vehicle.

(10) If a leasing company, vehicle manufacturer, insurance company not licensed to do business in this

state, association, repossession company, self-insured owner, financial institution, governmental entity, or other company, institution, or entity, owns a distressed, late model vehicle, the titleholder shall surrender the title or assigned certificate of title to the secretary of state and apply for a salvage certificate of title if the retail cost of repair, including parts and labor, is equal to or greater than 75% but less than 91% of the predamaged actual cash value of the vehicle, or if the retail cost of repair, including parts and labor, is equal to or greater than 91% of the predamaged actual cash value of the vehicle, apply for a scrap certificate of title, before the vehicle may be transported or sold. If ownership is transferred, the owner must sell the vehicle only to a dealer who is eligible to buy a salvage or scrap vehicle in this state unless the owner complies with subsection (13). When a leasing company, vehicle manufacturer, insurance company not licensed to do business in this state, association, repossession company, self-insured owner, financial institution, governmental entity, or other company, institution, or entity, estimates the repair of a distressed, late model vehicle for the purpose of determining whether to apply for a salvage or scrap certificate of title, a complete record of the estimate and, if the vehicle is repaired before a transfer of ownership, a complete record of the actual cost of the repairs performed and by whom shall be maintained for a minimum of 5 years by the leasing company, vehicle manufacturer, insurance company not licensed to do business in this state, association, repossession company, self-insured owner, financial institution, governmental entity, or other company, institution, or entity. The estimates and repair records required by this subsection shall be available for unannounced inspections by a law enforcement agency or a representative of the secretary of state. The secretary of state may request a leasing company, vehicle manufacturer, insurance company not licensed to do business in this state, association, repossession company, self-insured owner, financial institution, governmental entity, or other company, institution, or entity to provide copies of title documents, repair estimates, claims reports involving major component parts, and actual cash value determination documents to assist the secretary of state in monitoring compliance with this act.

(11) An application for a salvage certificate of title shall be made on a form prescribed by the secretary of state accompanied by a fee of \$10.00. The application shall contain all of the following:

- (a) The complete name and current address of the owner.
- (b) A description of the vehicle, including its make, style of body, model year, fee category or weight, color, and vehicle identification number.
- (c) An estimate of the cost repair, including parts and labor, and an estimate of the predamaged actual cash value of the vehicle.
- (d) If the vehicle is a late model vehicle, a listing of each major component part that was not salvageable.
- (e) Further information as may reasonably be required by the secretary of state.

(12) The secretary of state shall issue and mail the salvage certificate within 5 business days after the time the application is received at the secretary of state's office in Lansing. Each salvage certificate of title shall include a listing of each major component part that was not salvageable.

(13) A salvage certificate of title authorizes the holder of the title to possess, transport, but not drive upon a highway, and transfer ownership in, a vehicle. The secretary of state shall not issue a certificate of title or registration plates for a vehicle for which a salvage certificate of title was issued unless a specially trained officer described in subsection (15) certifies all of the following:

- (a) That the vehicle identification numbers and parts identification numbers are correct.
- (b) That the applicant has proof of ownership of repair parts used.
- (c) That the vehicle complies with the equipment standards of this act.
- (d) That any repairs performed on the vehicle were done in a workmanlike manner, as certified on a form provided by the department by a properly licensed mechanic in the appropriate specialty. A properly licensed mechanic described in this subdivision shall not be the same individual as the specially trained officer making the certification of the vehicle as required under this subsection.

(14) The certification required by subsection (13) shall be made on a form prescribed and furnished by the secretary of state in conjunction with the department of state police and shall accompany the application that is submitted to the secretary of state for a certificate of title. An application for a certificate of title shall contain a description of each salvageable part used to repair the vehicle and any identification number affixed to or inscribed upon the part as required by state or federal law. Upon satisfactory completion of the inspection as required by the secretary of state and other requirements for application, the secretary of state shall issue a certificate of title for the vehicle bearing the legend "rebuilt salvage".

(15) An officer specially trained as provided by the secretary of state and authorized by the secretary of state to conduct a salvage vehicle inspection is any of the following:

- (a) An employee of the department of state.
- (b) An on-duty or off-duty police officer.
- (c) A previously certified police officer who is appointed by the local police agency as a limited

enforcement officer to conduct salvage vehicle inspections. The local police agency shall give this officer access to the agency's law enforcement information network system and the authority to confiscate any stolen vehicle or vehicle parts discovered during an inspection. The local police agency may give the officer the authority to arrest a person suspected of having unlawful possession of a stolen vehicle or vehicle parts. The local police agency shall not appoint a previously certified police officer whose certificate has been suspended, revoked, or denied under subsection (16).

(16) The secretary of state shall issue a certificate to an officer who is specially trained as provided by the secretary of state to conduct salvage vehicle inspections. Only a person who has a valid certification from the secretary of state may perform salvage inspections. The secretary of state on his or her own initiative or in response to complaints shall make reasonable and necessary public or private investigations within or outside of this state and gather evidence against an officer who was issued a certificate and who violated or is about to violate this act or a rule promulgated under this act. Subject to subsection (17), the secretary of state may suspend, revoke, or deny a certificate after an investigation if the secretary of state determines that the officer committed 1 or more of the following:

- (a) Violated this act or a rule promulgated under this act.
- (b) Was, after an investigation, found responsible for a fraudulent act in connection with the inspection, purchase, sale, lease, or transfer of a salvage vehicle.
- (c) Was found guilty of the theft, embezzlement, or misappropriation of salvage vehicle inspection fees.
- (d) Performed improper, careless, or negligent salvage vehicle inspections.
- (e) Ceased to function as a police officer because of suspension, retirement, dismissal, disability, or termination of employment.
- (f) Was convicted of a violation or attempted violation of 1986 PA 119, MCL 257.1351 to 257.1355.
- (g) Made a false statement of a material fact in his or her certification of a salvage vehicle inspection or any record concerning a salvage vehicle inspection.
- (h) Charged a fee in excess of the fee described in subsection (26).

(17) If the secretary of state revokes, suspends, or denies a certificate under subsection (16)(a), (d), (g), or (h), the secretary of state shall, at the time of revocation, suspension, or denial, notify the officer and the law enforcement agency on behalf of which the officer is performing inspections of the law enforcement agency's right to appeal the revocation, suspension, or denial. The notification shall include a statement that a request for an appeal under this subsection shall be made no later than 30 days after the revocation, suspension, or denial. An agency making an appeal under this subsection may request a hearing at the time the appeal is made. The secretary of state or any person designated by the secretary of state to act in his or her place shall deny or grant an appeal made under this subsection within a reasonable period, in writing or stated in the record if a hearing is held. If the secretary of state revokes a certificate under subsection (16)(a), (d), (g), or (h) and denies an appeal of the revocation under this subsection, the officer may apply for a new certificate no earlier than 5 years after the revocation.

(18) Upon receipt of the appropriate abstract of conviction from a court and without any investigation, the secretary of state shall immediately revoke the certificate of an officer who has been convicted of a violation or attempted violation of section 413, 414, 415, 535, 535a, or 536a of the Michigan penal code, 1931 PA 328, MCL 750.413, 750.414, 750.415, 750.535, 750.535a, and 750.536a, or has been convicted in federal court or in another state of a violation or attempted violation of a law substantially corresponding to 1 of those sections.

(19) If a dealer acquires ownership of an older model vehicle from an owner, the dealer shall receive an assigned certificate of title and shall retain it as long as he or she retains the vehicle. A vehicle scrap metal processor shall surrender an assigned certificate of title to the secretary of state within 30 days after the vehicle is destroyed or scrapped.

(20) A dealer selling or assigning a vehicle to a vehicle scrap metal processor shall make a record in triplicate on a form to be provided by the secretary of state in substantially the following form:

Scrap Vehicle Inventory:

SELLER: Dealer name \_\_\_\_\_  
Dealer address \_\_\_\_\_  
Dealer license number \_\_\_\_\_

PURCHASER: Conveyed to: \_\_\_\_\_ Date \_\_\_\_\_  
(Vehicle scrap metal processor)  
Dealer address \_\_\_\_\_  
Dealer license number \_\_\_\_\_

Vehicles

Dealer's

Model Year	Vehicle Make	VIN	Title Number	Stock Number	Color
1. _____	_____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____	_____
etc.					

One copy shall be retained as a permanent record by the dealer, 1 copy shall be forwarded with the vehicle to be retained by the vehicle scrap metal processor, and 1 copy shall be forwarded to the secretary of state.

(21) A person, other than an automotive recycler, used or secondhand vehicle parts dealer, or a foreign salvage dealer, receiving a salvage certificate of title shall not sell the vehicle to anyone other than 1 of the following:

- (a) The vehicle's former owner.
- (b) A used or secondhand vehicle parts dealer.
- (c) A vehicle scrap metal processor.
- (d) A foreign salvage vehicle dealer licensed under this act.
- (e) An automotive recycler.

(22) A person receiving a scrap certificate of title shall not sell the vehicle to anyone other than 1 of the following:

- (a) An automotive recycler.
- (b) A vehicle scrap metal processor.
- (c) A foreign salvage vehicle dealer licensed under this act.
- (d) A used or secondhand vehicle parts dealer.

(23) The secretary of state may conduct periodic reviews of the records of a dealer to determine whether adequate notice is given to a transferee or lessee of a rebuilt salvage vehicle of that vehicle's prior designation as a salvage vehicle. The secretary of state may request an insurance company to provide copies of salvage title documents and claims reports involving major component parts to assist the secretary of state in monitoring compliance with this act.

(24) A licensed automotive recycler, used or secondhand vehicle parts dealer, vehicle scrap metal processor, vehicle salvage pool operator, distressed vehicle transporter, foreign salvage vehicle dealer, or broker who has removed a scrap vehicle from this state for the purpose of rebuilding the vehicle or selling or leasing the vehicle to a person other than a vehicle scrap metal processor, shall receive an automatic suspension of its dealer license and of any salvage vehicle agent's license assigned to that dealer for a period of 30 days. Upon receipt by the secretary of state of a written request from the dealer, the dealer shall have the right to an immediate hearing on the matter within that 30-day period.

(25) For the purpose of this section, the estimated costs of the repair parts shall be determined by using the current published retail cost of original manufacturer equipment parts or an estimate of the actual cost of the repair parts. The estimated labor costs shall be computed by using the hourly rate and time allocations which are reasonable and commonly assessed in the repair industry in the community where the repairs are performed.

(26) A police agency shall charge a fee for an inspection of a vehicle under subsection (13). Each local authority with a police agency shall determine the amount of the fee for inspections by that police agency, which shall not exceed \$100.00. Except as otherwise provided in this subsection, a fee collected under this subsection shall be deposited with the local authority for that police agency. The records of the local authority regarding the collection and disposition of inspection fees is subject to review or audit by the local unit of government and shall be made available upon request to the department. If an inspection was conducted by an employee of the department of state, the fee shall be deposited with the department of state. A fee collected by a local authority shall be used solely for law enforcement purposes related to stolen vehicles, including, but not limited to, equipment and road patrol services that increase the likelihood of recovering stolen vehicles or stolen vehicle parts, and salvage vehicle inspections. A fee collected by the department of state shall be used by the department for the administration of the salvage vehicle inspection program and shall not lapse to the general fund. A local police agency may compensate an off-duty and limited enforcement police officer for a salvage vehicle inspection.

(27) For the purpose of this section, "actual cash value" means the retail dollar value of a vehicle as determined by an objective vehicle evaluation using local market resources such as dealers or want ads or by an independent vehicle evaluation or vehicle appraisal service or by a current issue of a nationally recognized used vehicle guide for financial institution appraisal purposes in this state.

**History:** Add. 1978, Act 507, Eff. July 1, 1979;—Am. 1987, Act 238, Imd. Eff. Dec. 28, 1987;—Am. 1988, Act 255, Eff. Oct. 1, 1989;—Am. 1990, Act 96, Eff. Jan. 1, 1991;—Am. 1992, Act 118, Imd. Eff. June 26, 1992;—Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992.



1992;—Am. 1993, Act 300, Eff. Jan. 1, 1994;—Am. 2002, Act 642, Eff. Jan. 1, 2003;—Am. 2015, Act 48, Eff. Sept. 7, 2015;—Am. 2016, Act 369, Eff. Mar. 22, 2017;—Am. 2018, Act 108, Eff. July 4, 2018.

**Compiler's note:** For effective date of increases in certain fees, charges or taxes provided by this section, see MCL 257.817(1).

#### **257.217d Special congressional medal of honor registration plate.**

Sec. 217d. (1) The secretary of state shall design and may issue a special congressional medal of honor registration plate for residents of this state awarded the congressional medal of honor.

(2) A special congressional medal of honor registration plate shall be issued only for 1 vehicle intended for personal use by the applicant.

(3) A person who is a recipient of the congressional medal of honor may apply to the secretary of state for a special registration plate under this section on a form prescribed by the secretary of state, which shall be accompanied by any proof of the applicant having been a congressional medal of honor recipient that the secretary of state may require. The secretary of state shall waive the \$5.00 service fee requirement under section 804.

(4) A person who qualifies to be issued a special registration plate under this section is entitled to only 1 special registration plate issued under subsection (1) that is exempt from payment of the tax provided in section 801.

(5) A person with disabilities who applies for a special registration plate under this section shall be issued a tab for persons with disabilities as provided in section 803f for his or her special registration plate. The secretary of state shall require the same proof that the applicant is disabled as is required for issuance of a permanent windshield placard under section 675.

(6) A special registration plate issued under subsection (1) expires on the birthday of the vehicle owner in a year in which new plates are issued by the secretary of state.

(7) The secretary of state shall deliver or cause to be delivered 1 or more special registration plates issued under this section to the home address of the applicant at no additional cost to the applicant.

**History:** Add. 1980, Act 124, Imd. Eff. May 21, 1980;—Am. 2000, Act 78, Imd. Eff. Apr. 7, 2000;—Am. 2003, Act 152, Eff. Oct. 1, 2003;—Am. 2006, Act 562, Eff. Jan. 1, 2007.

#### **257.217e Certificate of title for school bus; condition to issuance.**

Sec. 217e. A certificate of title for a school bus shall be issued to a school board that has purchased the school bus by the secretary of state only after a manufacturer's statement of origin has been provided to the secretary of state. If the body and chassis of a school bus are not built by the same manufacturer, a certificate of title for the school bus shall be issued to a school board by the secretary of state only after a manufacturer's statement of origin has been provided by the body dealer and chassis dealer to the secretary of state.

**History:** Add. 1986, Act 39, Imd. Eff. Mar. 17, 1986.

#### **257.217f Sale, assignment, or other disposition of vehicle for which salvage certificate of title required.**

Sec. 217f. Except as provided in section 248c, a vehicle salvage pool operator or broker shall not sell, assign, or otherwise dispose of a vehicle for which a salvage certificate of title is required, unless a salvage or scrap certificate of title has been issued for the vehicle by the department.

**History:** Add. 1988, Act 255, Eff. Oct. 1, 1989;—Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992;—Am. 1993, Act 300, Eff. Jan. 1, 1994;—Am. 2015, Act 48, Eff. Sept. 7, 2015.

#### **257.217g Pickup camper; manufacturer's identification number.**

Sec. 217g. A pickup camper manufactured for sale in this state after January 1, 1991 shall have a manufacturer's identification number permanently affixed to its door.

**History:** Add. 1990, Act 98, Eff. Jan. 1, 1991.

#### **257.217h Liability of motor vehicle manufacturer.**

Sec. 217h. A motor vehicle manufacturer shall not be liable for any claims or causes of action arising with respect to a vehicle for which a salvage, rebuilt, or scrap certificate of title has been issued.

**History:** Add. 1993, Act 300, Eff. Jan. 1, 1994.

#### **257.217m, 257.217n Repealed. 2006, Act 562, Eff. Jan. 1, 2007.**

**Compiler's note:** The repealed sections pertained to "Proud to be an American" registration, collector plate, and fund.

#### **257.217o Repealed. 2012, Act 55, Eff. June 30, 2012.**

**Compiler's note:** The repealed section pertained to organ and tissue donation education fund.

**257.218 Specially constructed, reconstructed, or foreign vehicle; application for registration; fees.**

Sec. 218. (1) If a vehicle to be registered is a specially constructed, reconstructed, or foreign vehicle, that fact shall be stated in the application. With reference to each foreign vehicle which has been previously registered in another state, the owner shall surrender to the secretary of state all registration plates, registration certificates, and certificates of title or other evidence of foreign registration, as are in the owner's possession or under the owner's control, except as provided in subsections (2) and (3).

(2) If the owner in the course of interstate operation of a vehicle desires to retain registration of a vehicle in another state, the owner shall not be required to surrender, but shall submit for inspection, evidence of the foreign registration and the secretary of state, upon a proper showing and upon application and payment of the registration fee, shall register the vehicle in this state.

(3) If the owner of a vehicle previously registered in another state in which the certificate of title or other proof of ownership of a vehicle is in the possession of a holder of a security interest in the vehicle, the owner of the vehicle may apply to the secretary of state for registration of the vehicle for this state after payment of all fees required by this act and submission of proof of ownership of the vehicle to the secretary of state.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1980, Act 337, Imd. Eff. Dec. 23, 1980;—Am. 1983, Act 242, Imd. Eff. Dec. 1, 1983.

**257.219 Refusal of registration, transfer of registration, certificate of title, or salvage certificate of title; grounds; temporary registration plate.**

Sec. 219. (1) The secretary of state shall refuse issuance of a registration or a transfer of registration upon any of the following grounds:

(a) The application contains a false or fraudulent statement, the applicant has failed to furnish required information or reasonable additional information requested by the secretary of state, or the applicant is not entitled to the registration of the vehicle under this act.

(b) The secretary of state has reasonable ground to believe that the vehicle is a stolen or embezzled vehicle, or that the granting of registration would constitute a fraud against the rightful owner or other person having a valid lien upon the vehicle.

(c) The registration of the vehicle is suspended or revoked for any reason provided in the motor vehicle laws of this state.

(d) At the time of the application, the operator's or chauffeur's license of the owner or co-owner or lessee or co-lessee is suspended, revoked, or denied, except for an applicant who has been issued a license under section 304, or the operator has never been licensed by this state for a third or subsequent violation of section 625 or 625m, a local ordinance substantially corresponding to section 625 or 625m, or a law of another state substantially corresponding to section 625 or 625m, or for a fourth or subsequent suspension or revocation under section 904.

(e) The required fee has not been paid.

(f) The applicant, at the time of applying for registration or a transfer of registration other than a temporary registration issued under section 226b, fails to present a certificate of compliance or waiver for a motor vehicle as required under either part 63 or part 65 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.6301 to 324.6321 and 324.6501 to 324.6539.

(g) The application for registration of a vehicle with an elected gross weight of 55,000 pounds or more is not accompanied with proof of payment of the federal highway use tax levied under the surface transportation assistance act of 1982, Public Law 97-424.

(h) The applicant is a motor carrier subject to an out-of-service order, the applicant has applied for a registration or transfer registration as a subterfuge for a person subject to an out-of-service order, or the applicant's business is operated, managed, controlled by, or affiliated with a person that is ineligible for registration, including, but not limited to, the applicant, a relative or family member of the applicant, or a corporate officer or shareholder of the applicant. As used in this subdivision, "out-of-service order" means that term as defined in 49 CFR 390.5, and also includes an out-of-service order issued under 49 CFR 386.73.

(2) The secretary of state shall refuse issuance of a certificate of title or a salvage certificate of title upon any of the following grounds:

(a) The application contains a false or fraudulent statement, the applicant has failed to furnish required information or reasonable additional information requested by the secretary of state, or the applicant is not entitled to the issuance of a certificate of title or salvage certificate of title under this act.

(b) The secretary of state has reasonable ground to believe that the vehicle is a stolen or embezzled vehicle or that the issuance of a certificate of title or a salvage certificate of title would constitute a fraud against the

rightful owner or other person having a valid security interest upon the vehicle.

(c) The required fee has not been paid.

(3) The secretary of state shall not issue a registration for a vehicle for which a temporary registration plate was issued under section 904c until the violation resulting in the issuance of the plate is adjudicated or the vehicle is transferred to a person who is subject to payment of a use tax under section 3 of the use tax act, 1937 PA 94, MCL 205.93.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1980, Act 84, Imd. Eff. Apr. 7, 1980;—Am. 1982, Act 19, Imd. Eff. Mar. 4, 1982;—Am. 1985, Act 67, Imd. Eff. July 1, 1985;—Am. 1998, Act 346, Eff. Oct. 1, 1999;—Am. 1999, Act 73, Eff. Oct. 1, 1999;—Am. 1999, Act 267, Imd. Eff. Dec. 29, 1999;—Am. 2005, Act 317, Imd. Eff. Dec. 27, 2005;—Am. 2010, Act 155, Eff. Jan. 1, 2011;—Am. 2018, Act 74, Eff. June 17, 2018.

### **257.220 Application for original registration or certificate of title; examination of indexes and stolen car records.**

Sec. 220. The department upon receiving application for original registration of a vehicle or any certificate of title shall first check the engine and serial number or vehicle number shown in the application against the indexes of registered motor vehicles and against the index of stolen and recovered motor vehicles required to be maintained by this act.

**History:** 1949, Act 300, Eff. Sept. 23, 1949.

### **257.221 Application for registration; creation and maintenance of computerized central file; records; preservation; availability.**

Sec. 221. (1) The secretary of state shall create and maintain a computerized central file of all applications for registration of motor vehicles and is not required to retain any other record of the application. The computerized central file shall be interfaced with the law enforcement information network as provided in the L.E.I.N. policy council act of 1974, 1974 PA 163, MCL 28.211 to 28.216.

(2) The secretary of state shall preserve the records described in subsection (1) for 3 years after the date of registration. The records shall be available to state and federal agencies and the friend of the court as provided under section 4 of the L.E.I.N. policy council act of 1974, 1974 PA 163, MCL 28.214, and rules promulgated under that section, and to the public through the secretary of state's commercial look-up service.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1997, Act 101, Imd. Eff. Aug. 7, 1997;—Am. 1998, Act 64, Eff. May 13, 1998.

### **257.222 Registration certificate; issuance; flood, rebuilt, salvage, or scrap certificate of title issued by another state or jurisdiction; delivery; manufacture; contents; coat of arms of state; conduct constituting misdemeanor; penalties; certificate of title for certain vehicles to be different in color; contents of legend.**

Sec. 222. (1) Except as otherwise provided in this act, the secretary of state shall issue a registration certificate when registering a vehicle upon receipt of the required fees. Except as otherwise provided in this act, the secretary of state shall issue a certificate of title, unless a security interest is entered electronically under section 238, upon receipt of the required fees. The secretary of state shall issue a flood, rebuilt, rebuilt salvage, salvage, or scrap certificate of title for a vehicle brought into this state from another state or jurisdiction that has a flood, rebuilt, salvage, or scrap certificate of title issued by that other state or jurisdiction.

(2) The secretary of state shall deliver the registration certificate to the owner. The certificate shall contain on its face the date issued, the name and address of the owner, the registration number assigned to the vehicle, and a description of the vehicle as determined by the secretary of state.

(3) The certificate of title shall be manufactured in a manner to prohibit as nearly as possible the ability to reproduce, alter, counterfeit, forge, or duplicate the certificate of title without ready detection. The certificate shall contain all of the following on its face:

(a) The identical information required on the face of the registration certificate.

(b) If the vehicle is a motor vehicle, the number of miles, not including the tenths of a mile, registered on the vehicle's odometer at the time of transfer.

(c) Whether the vehicle is to be used or has been used as a taxi, as a 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.

(d) Whether the vehicle is a salvage vehicle.

(e) If the vehicle has previously been issued a rebuilt certificate of title from this state or a comparable certificate of title from any other state or jurisdiction.

(f) Whether the vehicle has been issued a scrap certificate of title from this state or a comparable certificate

of title from any other state or jurisdiction.

(g) Whether the vehicle is a flood vehicle or has previously been issued a flood certificate of title from this state or any other state or jurisdiction.

(h) Whether the owner or co-owner or lessee or co-lessee of the vehicle is subject to registration denial under section 219(1)(d).

(i) A statement of the owner's title and of all security interests in the vehicle or in an accessory on the vehicle as set forth in the application.

(j) The date that the application was filed.

(k) Any other information that the secretary of state may require.

(4) The certificate of title shall contain a form for assignment of title or interest and warranty of title by the owner with space for the notation of a security interest in the vehicle and in an accessory on the vehicle, which at the time of a transfer shall be certified and signed, and space for a written odometer mileage statement that is required upon transfer under section 233a. The certificate of title shall include a description of the proper procedure for transferring the title of a motor vehicle and for maintaining records of that transfer as provided under this act, including, but not limited to, the electronic lien title system established under section 241. The certificate of title may also contain other forms that the secretary of state considers necessary to facilitate the effective administration of this act. The certificate shall bear the coat of arms of this state.

(5) The secretary of state shall mail or deliver the certificate of title to the owner or other person as the owner may direct in a separate instrument, in a form prescribed by the secretary of state. However, as provided under section 238, the secretary of state is not required to issue a title to the owner of a vehicle if the title is subject to a security interest.

(6) A person who intentionally reproduces, alters, counterfeits, forges, or duplicates a certificate of title or a document releasing a security interest or who uses a reproduced, altered, counterfeited, forged, or duplicated certificate of title or document releasing a security interest shall be punished as follows:

(a) If the intent of reproduction, alteration, counterfeiting, forging, duplication, or use was to commit or aid in the commission of an offense punishable by imprisonment for 1 or more years, the person committing the reproduction, alteration, counterfeiting, forging, duplication, or use is guilty of a misdemeanor, punishable by imprisonment for a period equal to that which could be imposed for the commission of the offense the person had the intent to aid or commit. The court may also assess a fine of not more than \$10,000.00 against the person.

(b) If the intent of the reproduction, alteration, counterfeiting, forging, duplication, or use was to commit or aid in the commission of an offense punishable by imprisonment for not more than 1 year, the person committing the reproduction, alteration, counterfeiting, forging, duplication, or use is guilty of a misdemeanor, punishable by imprisonment for not more than 1 year, or a fine of not more than \$1,000.00, or both.

(7) The certificate of title for a police vehicle, a vehicle owned by a political subdivision of this state, a salvage vehicle, a rebuilt vehicle, a scrap vehicle, or a flood vehicle shall be different in color from the certificate of title for all other vehicles unless the vehicle is loaned or leased to a political subdivision of this state for use as a driver education vehicle.

(8) A scrap certificate of title shall contain a legend that the vehicle is not to be titled or registered and is to be used for parts or scrap metal only.

(9) A certificate of title shall not be issued for a vehicle that has had a salvage certificate of title unless the certificate of title contains the legend "rebuilt salvage".

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1954, Act 112, Eff. Aug. 13, 1954;—Am. 1958, Act 99, Eff. Sept. 13, 1958;—Am. 1964, Act 248, Eff. Jan. 1, 1965;—Am. 1968, Act 66, Eff. Aug. 1, 1968;—Am. 1977, Act 287, Eff. Mar. 30, 1978;—Am. 1980, Act 398, Eff. Mar. 31, 1981;—Am. 1988, Act 470, Eff. Apr. 1, 1989;—Am. 1990, Act 265, Imd. Eff. Oct. 17, 1990;—Am. 1993, Act 300, Eff. July 1, 1994;—Am. 1999, Act 267, Imd. Eff. Dec. 29, 1999;—Am. 2000, Act 397, Imd. Eff. Jan. 8, 2001;—Am. 2002, Act 485, Eff. Oct. 1, 2002;—Am. 2002, Act 642, Eff. Jan. 1, 2003;—Am. 2004, Act 493, Eff. Oct. 1, 2005;—Am. 2014, Act 290, Eff. Mar. 31, 2015.

### **257.223 Registration certificate; carrying; electronic accessibility; display; viewing on electronic device; digital photograph; violation as civil infraction.**

Sec. 223. (1) A registration certificate shall at all times be carried in the vehicle to which it refers or shall be carried by or electronically accessible to the person driving or in control of the vehicle, who shall display a paper or electronic copy of the registration certificate upon demand of a police officer.

(2) If a person displays an electronic copy of his or her registration certificate using an electronic device, the police officer shall only view the electronic copy of the registration certificate and shall not manipulate the electronic device to view any other information on the electronic device. A person who displays an electronic copy of his or her registration certificate using an electronic device as provided in this subsection shall not be

presumed to have consented to a search of the electronic device. A police officer may require the person to electronically forward the electronic copy of the registration certificate to a specified location provided by the police officer. The police officer may then view the electronic copy of the registration certificate in a setting in which it is safe for the officer to verify that the information contained in the electronic copy of the registration certificate is valid and accurate. This state, a law enforcement agency, or an employee of this state or a law enforcement agency is not liable for damage to or loss of an electronic device that occurs as a result of a police officer's viewing an electronic copy of a registration certificate in the manner provided in this section, regardless of whether the police officer or the owner or operator of the vehicle was in possession of the electronic device at the time the damage or loss occurred.

(3) A digital photograph of a valid registration certificate satisfies the requirements of subsection (1).

(4) A person who violates this section is responsible for a civil infraction.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1978, Act 510, Eff. Aug. 1, 1979;—Am. 2007, Act 143, Imd. Eff. Nov. 19, 2007;—Am. 2017, Act 59, Eff. Sept. 26, 2017.

\*\*\*\*\* 257.224 THIS SECTION IS AMENDED EFFECTIVE JANUARY 14, 2019: See 257.224.amended  
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### **257.224 Registration plate; issuance; design; display; limitation on renewal; replacement; move to digital printing of registration plates; report.**

Sec. 224. (1) Except as otherwise provided in this act regarding tabs or stickers, upon registering a vehicle, the secretary of state shall issue to the owner 1 registration plate.

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

(3) A registration plate issued for motor vehicles owned and operated by this state; a state institution; a municipality; a privately incorporated, nonprofit volunteer fire department; or a nonpublic, nonprofit college or university of this state shall not expire at any particular time but shall be renewed when the registration plate is worn out or is illegible. This registration plate shall be assigned upon proper application and payment of the applicable fee and may be used on any eligible vehicle titled to the applicant if a written record is kept of the vehicles upon which the registration plate is used. The written record shall state the time the registration plate is used on a particular vehicle. The record shall be open to inspection by a law enforcement officer or a representative of the secretary of state.

(4) A registration plate issued for a vehicle owned by the civil air patrol as organized under 36 USC 201 to 208; a vehicle owned by a nonprofit organization and used to transport equipment for providing dialysis treatment to children at camp; an emergency support vehicle used exclusively for emergencies and owned and operated by a federally recognized nonprofit charitable organization; a vehicle owned and operated by a nonprofit veterans center; a motor vehicle having a truck chassis and a locomotive or ship's body which is owned by a nonprofit veterans organization and used exclusively in parades and civic events; a vehicle owned and operated by a nonprofit recycling center or a federally recognized nonprofit conservation organization until December 31, 2000; a motor vehicle owned and operated by a senior citizen center; and a registration plate issued for buses including station wagons, carryalls, or similarly constructed vehicles owned and operated by a nonprofit parents' transportation corporation used for school purposes, parochial school, society, church Sunday school, or other grammar school, or by a nonprofit youth organization or nonprofit rehabilitation facility shall be issued upon proper application and payment of the applicable tax provided in section 801(1)(g) or (h) to the applicant for the vehicle identified in the application. The vehicle shall be used exclusively for activities of the school or organization and shall be designated by proper signs showing the school or organization operating the vehicle. The registration plate shall expire on December 31 in the fifth year following the date of issuance. The registration plate may be transferred to another vehicle upon proper application and payment of a \$10.00 transfer fee.

(5) The department shall offer a standard design registration plate that complies with the requirements of this act. The standard design registration plate shall be of a common color scheme and design that is made of fully reflectorized material and shall be clearly visible at night.

(6) The department may use the Pure Michigan brand or a successor or similar brand that is used in conjunction with this state's promotion, travel, and tourism campaigns or marketing efforts as part of the standard design for registration plates.

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

(8) The secretary of state shall issue for every passenger motor vehicle rented without a driver the same type of registration plate as the type of registration plate issued for private passenger vehicles.

(9) A person shall not operate a vehicle on the public highways or streets of this state displaying a registration plate other than the registration plate issued for the vehicle by the secretary of state, except as provided in this chapter for nonresidents, or by assignment as provided in subsection (3).

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

(11) Beginning on January 1, 2015, a registration plate issued by the department under this section shall not be renewed 10 years after the date that registration plate was issued. The owner of a vehicle whose registration plate is no longer eligible for renewal under this subsection shall obtain a replacement registration plate upon payment of the fee required under section 804. For any alphanumeric series that the department has retired from circulation, upon request of the owner of a vehicle whose registration plate is no longer eligible for renewal under this subsection, the department may issue a new registration plate with the same registration number as was displayed on the expired registration plate as provided under section 803b.

(12) The secretary of state, in conjunction with the department of corrections, the Michigan state police, the Michigan sheriffs' association, 1 individual appointed by the speaker of the house of representatives, and 1 individual appointed by the senate majority leader, shall prepare a report analyzing the viability of moving from the current registration plate production process to a digital printing of registration plates. The secretary of state shall submit the report to the standing committees of the senate and house of representatives with primary responsibility for transportation issues no later than December 31, 2013.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1959, Act 247, Eff. Mar. 19, 1960;—Am. 1961, Act 25, Imd. Eff. May 11, 1961;—Am. 1965, Act 184, Imd. Eff. July 15, 1965;—Am. 1967, Ex. Sess., Act 3, Imd. Eff. Nov. 15, 1967;—Am. 1970, Act 106, Imd. Eff. July 23, 1970;—Am. 1976, Act 114, Imd. Eff. May 14, 1976;—Am. 1976, Act 439, Imd. Eff. Jan. 13, 1977;—Am. 1980, Act 46, Imd. Eff. Mar. 19, 1980;—Am. 1980, Act 153, Imd. Eff. June 11, 1980;—Am. 1980, Act 270, Imd. Eff. Oct. 1, 1980;—Am. 1980, Act 476, Eff. Mar. 31, 1981;—Am. 1982, Act 350, Imd. Eff. Dec. 21, 1982;—Am. 1984, Act 173, Imd. Eff. June 29, 1984;—Am. 1987, Act 238, Imd. Eff. Dec. 28, 1987;—Am. 1990, Act 181, Imd. Eff. July 18, 1990;—Am. 1994, Act 395, Eff. Mar. 30, 1995;—Am. 1995, Act 129, Imd. Eff. June 30, 1995;—Am. 2006, Act 177, Imd. Eff. June 6, 2006;—Am. 2012, Act 491, Imd. Eff. Dec. 28, 2012;—Am. 2013, Act 179, Eff. Dec. 1, 2013.

**Compiler's note:** For effective date of increases in certain fees, charges or taxes provided by this section, see MCL 257.817(1).

\*\*\*\*\* 257.224.amended THIS AMENDED SECTION IS EFFECTIVE JANUARY 14, 2019 \*\*\*\*\*

### **257.224.amended Registration plate; issuance; design; display; limitation on renewal; replacement.**

Sec. 224. (1) Except as otherwise provided in this act regarding tabs or stickers, upon registering a vehicle, the secretary of state shall issue to the owner 1 registration plate.

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

(3) A registration plate issued for motor vehicles owned and operated by this state; a state institution; a municipality; a privately incorporated, nonprofit volunteer fire department; or a nonpublic, nonprofit college or university of this state shall not expire at any particular time but shall be renewed when the registration plate is worn out or is illegible. This registration plate shall be assigned upon proper application and payment of the applicable fee and may be used on any eligible vehicle titled to the applicant if a written record is kept of the vehicles upon which the registration plate is used. The written record shall state the time the registration plate is used on a particular vehicle. The record shall be open to inspection by a law enforcement officer or a representative of the secretary of state.

(4) A registration plate issued for a vehicle owned by the civil air patrol as organized under 36 USC 201 to 208; a vehicle owned by a nonprofit organization and used to transport equipment for providing dialysis treatment to children at camp; an emergency support vehicle used exclusively for emergencies and owned and operated by a federally recognized nonprofit charitable organization; a vehicle owned and operated by a nonprofit veterans center; a motor vehicle having a truck chassis and a locomotive or ship's body which is owned by a nonprofit veterans organization and used exclusively in parades and civic events; a vehicle owned and operated by a nonprofit recycling center or a federally recognized nonprofit conservation organization until December 31, 2000; a motor vehicle owned and operated by a senior citizen center; and a registration plate issued for buses including station wagons, carryalls, or similarly constructed vehicles owned and operated by a nonprofit parents' transportation corporation used for school purposes, parochial school, society, church Sunday school, or other grammar school, or by a nonprofit youth organization or nonprofit

rehabilitation facility shall be issued upon proper application and payment of the applicable tax provided in section 801(1)(g) or (h) to the applicant for the vehicle identified in the application. The vehicle shall be used exclusively for activities of the school or organization and shall be designated by proper signs showing the school or organization operating the vehicle. The registration plate shall expire on December 31 in the fifth year following the date of issuance. The registration plate may be transferred to another vehicle upon proper application and payment of a \$10.00 transfer fee.

(5) The department shall offer a standard design registration plate that complies with the requirements of this act. The standard design registration plate shall be of a common color scheme and design that is made of fully reflectorized material and shall be clearly visible at night.

(6) The department may use the Pure Michigan brand or a successor or similar brand that is used in conjunction with this state's promotion, travel, and tourism campaigns or marketing efforts as part of the standard design for registration plates.

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

(8) Except as otherwise provided in this subsection, the secretary of state shall issue for every passenger motor vehicle rented without a driver the same type of registration plate as the type of registration plate issued for private passenger vehicles. This subsection does not apply to a special registration plate issued for a vehicle in a fleet under section 801h.

(9) A person shall not operate a vehicle on the public highways or streets of this state displaying a registration plate other than the registration plate issued for the vehicle by the secretary of state, except as provided in this chapter for nonresidents, or by assignment as provided in subsection (3).

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

(11) Beginning on January 1, 2015, a registration plate issued by the department under this section shall not be renewed 10 years after the date that registration plate was issued. The owner of a vehicle whose registration plate is no longer eligible for renewal under this subsection shall obtain a replacement registration plate upon payment of the fee required under section 804. For any alphanumeric series that the department has retired from circulation, upon request of the owner of a vehicle whose registration plate is no longer eligible for renewal under this subsection, the department may issue a new registration plate with the same registration number as was displayed on the expired registration plate as provided under section 803b.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1959, Act 247, Eff. Mar. 19, 1960;—Am. 1961, Act 25, Imd. Eff. May 11, 1961;—Am. 1965, Act 184, Imd. Eff. July 15, 1965;—Am. 1967, Ex. Sess., Act 3, Imd. Eff. Nov. 15, 1967;—Am. 1970, Act 106, Imd. Eff. July 23, 1970;—Am. 1976, Act 114, Imd. Eff. May 14, 1976;—Am. 1976, Act 439, Imd. Eff. Jan. 13, 1977;—Am. 1980, Act 46, Imd. Eff. Mar. 19, 1980;—Am. 1980, Act 153, Imd. Eff. June 11, 1980;—Am. 1980, Act 270, Imd. Eff. Oct. 1, 1980;—Am. 1980, Act 476, Eff. Mar. 31, 1981;—Am. 1982, Act 350, Imd. Eff. Dec. 21, 1982;—Am. 1984, Act 173, Imd. Eff. June 29, 1984;—Am. 1987, Act 238, Imd. Eff. Dec. 28, 1987;—Am. 1990, Act 181, Imd. Eff. July 18, 1990;—Am. 1994, Act 395, Eff. Mar. 30, 1995;—Am. 1995, Act 129, Imd. Eff. June 30, 1995;—Am. 2006, Act 177, Imd. Eff. June 6, 2006;—Am. 2012, Act 491, Imd. Eff. Dec. 28, 2012;—Am. 2013, Act 179, Eff. Dec. 1, 2013;—Am. 2018, Act 342, Eff. Jan. 14, 2019.

**Compiler's note:** For effective date of increases in certain fees, charges or taxes provided by this section, see MCL 257.817(1).

### **257.225 Registration plate; attachment to vehicle; legibility; color; distinctive registration plates; name plate, insignia, or advertising device; limitation; historic military vehicle; violation as civil infraction.**

Sec. 225. (1) Except as otherwise provided in this subsection and subsection (6), a registration plate issued for a vehicle shall be attached to the rear of the vehicle. A registration plate issued for a truck tractor or road tractor shall be attached to the front of the vehicle.

(2) A registration plate shall at all times be securely fastened in a horizontal position to the vehicle for which the plate is issued so as to prevent the plate from swinging. The plate shall be attached at a height of not less than 12 inches from the ground, measured from the bottom of the plate, in a place and position that is clearly visible. The plate shall be maintained free from foreign materials that obscure or partially obscure the registration information and in a clearly legible condition. The attachment to the rear of a vehicle of a tow ball, bicycle rack, removable hitch, or any other device designed to carry an object on the rear of a vehicle, including the object being carried, does not violate this subsection.

(3) A registration plate or an expiration tab on the registration plate shall be of a different color designated by the secretary of state with a marked contrast between the color of the registration plate and the numerals or letters on the plate. The secretary of state may provide a distinctive registration plate as a replacement for a standard plate. To honor a special or historical event, the secretary of state may provide a commemorative

plate as a replacement for a standard plate.

(4) A person shall not attach a name plate, insignia, or advertising device to a registration plate in a manner that obscures or partially obscures the registration information.

(5) A person shall not operate a motor vehicle that has a name plate, insignia, or advertising device attached to a registration plate in a manner that obscures or partially obscures the registration information.

(6) A registration plate issued for a historic military vehicle that is authorized to be operated on the roads of this state is not required to be attached to the rear or the front of the historic military vehicle unless the historic military vehicle was originally manufactured with lighting and mounting provisions for a registration plate. However, if the registration plate is not attached to the exterior of the historic military vehicle, it shall be present in the historic military vehicle to which it refers and shall be made available upon demand of a police officer. As used in this subsection, "historic military vehicle" means a vehicle, including a trailer, regardless of the vehicle's size, weight, or year of manufacture, that was manufactured for use in any country's military forces and is maintained to represent its military design and markings accurately.

(7) A person who violates this section is responsible for a civil infraction.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1978, Act 510, Eff. Aug. 1, 1979;—Am. 1978, Act 548, Imd. Eff. Dec. 22, 1978;—Am. 1980, Act 46, Imd. Eff. Mar. 19, 1980;—Am. 1980, Act 476, Eff. Mar. 31, 1981;—Am. 1984, Act 132, Imd. Eff. June 1, 1984;—Am. 1995, Act 129, Imd. Eff. June 30, 1995;—Am. 2014, Act 26, Imd. Eff. Mar. 4, 2014;—Am. 2018, Act 147, Eff. Aug. 14, 2018.

\*\*\*\*\* 257.226 THIS SECTION IS AMENDED EFFECTIVE JANUARY 14, 2019: See 257.226.amended \*\*\*\*\*

**257.226 Expiration of vehicle or motorcycle registration; duties of secretary of state; issuance of registration; tax; validity of certificate of title; special registration; certification; registration of commercial vehicle, trailer, or semitrailer; assignment or reassignment of expiration date under international registration plan; leased vehicle multiyear registration.**

Sec. 226. (1) A vehicle registration issued by the secretary of state expires on the owner's birthday, unless another expiration date is provided for under this act or unless the registration is for the following vehicles, in which case registration expires on the last day of February:

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

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

(2) The expiration date for a registration issued for a motorcycle is the motorcycle owner's birthday.

(3) The expiration date for a registration bearing the letters "SEN" or "REP" is February 1.

(4) In the case of a vehicle owned by a business, corporation, or an owner other than an individual, the secretary of state may assign or reassign the expiration date of the registration.

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

(a) After the October 1 immediately preceding the year designated on the registration, issue a registration upon application and payment of the proper fee for a commercial vehicle, other than a pickup or van owned by an individual; or a trailer owned by a business, corporation, or person other than an individual.

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

(c) Beginning 45 days before the owner's birthday and 120 days before the expiration date assigned by the secretary of state, issue a registration for a vehicle other than those designated in subsection (1)(a) or (b). However, if an owner whose registration period begins 45 days before his or her birthday will be out of the state during the 45 days immediately preceding expiration of a registration or for other good cause shown cannot apply for a renewal registration within the 45-day period, application for a renewal registration may be made not more than 6 months before expiration.

(6) Except as otherwise provided in this subsection, the secretary of state, upon application and payment of the proper fee, shall issue a registration for a vehicle or a motorcycle to a resident that shall expire on the owner's birthday. If the owner's next birthday is at least 6 months but not more than 12 months in the future, the owner shall receive a registration valid until the owner's next birthday. If the owner's next birthday is less than 6 months in the future, the owner shall receive a registration valid until the owner's birthday following the owner's next birthday. The tax required under this act for a registration described in this subsection shall be either of the following:

(a) For an original registration, the tax shall bear the same relationship to the tax required under section



801 for a 12-month registration as the length of the registration bears to 12 months.

(b) For a renewal of a registration, either of the following:

(i) For a registration that is for at least 6 months but not more than 12 months, the same amount as for 12 months.

(ii) For a renewal of a registration that is for more than 12 months, 2 times the amount for 12 months.

Partial months shall be considered as whole months in the calculation of the required tax and in the determination of the length of time between the application for a registration and the owner's next birthday. The tax required for that registration shall be rounded off to whole dollars as provided in section 801.

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

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

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

(a) A new vehicle purchased or leased outside of this state and delivered in this state to the purchaser or lessee by the manufacturer of that vehicle for removal to a place outside of this state, if a certification is made that the vehicle will be primarily used, stored, and registered outside of this state and will not be returned to this state by the purchaser or lessee for use or storage.

(b) A vehicle purchased or leased in this state and delivered to the purchaser or lessee by a dealer or by the owner of the vehicle for removal to a place outside of this state, if a certification is made that the vehicle will be primarily used, stored, and registered outside of this state and will not be returned to this state by the purchaser or lessee for use or storage.

(10) A special registration issued under subsection (9) is valid for not more than 30 days after the date of issuance, and a fee shall be collected for each special registration as provided in section 802(3). The special registration may be in the form determined by the secretary of state. If a dealer makes a retail sale or lease of a vehicle to a purchaser or lessee who is qualified and eligible to obtain a special registration, the dealer shall apply for the special registration for the purchaser or lessee. If a person other than a dealer sells or leases a vehicle to a purchaser or lessee who is qualified and eligible to obtain a special registration, the purchaser or lessee shall appear in person, or by a person exercising the purchaser's or lessee's power of attorney, at an office of the secretary of state and furnish a certification that the person is the bona fide purchaser or lessee or that the person has granted the power of attorney, together with other forms required for the issuance of the special registration and provide the secretary of state with proof that the vehicle is covered by a Michigan no-fault insurance policy issued pursuant to section 3101 of the insurance code of 1956, 1956 PA 218, MCL 500.3101, or proof that the vehicle is covered by a policy of insurance issued by an insurer pursuant to section 3163 of the insurance code of 1956, 1956 PA 218, MCL 500.3163. The certification required in this subsection shall contain all of the following:

(a) The address of the purchaser or lessee.

(b) A statement that the vehicle is purchased or leased for registration outside of this state.

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

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

(e) Other information requested by the secretary of state.

(11) In the case of a commercial vehicle, trailer, or semitrailer issued a registration under the international registration plan, the secretary of state in mutual agreement with the owner may assign or reassign the expiration date of the registration. However, the expiration date agreed to shall be either March 31, June 30, September 30, or December 31. Renewals expiring on or after September 30, 1993 shall be for a minimum of at least 12 months if there is a change in the established expiration date.

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

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1952, Act 153, Imd. Eff. Apr. 24, 1952;—Am. 1953, Act 179, Imd. Eff. June 8, 1953;—Am. 1955, Act 77, Imd. Eff. May 26, 1955;—Am. 1957, Act 33, Eff. Sept. 27, 1957;—Am. 1958, Act 55, Eff. July 1, 1958;—Am. 1960, Act 85, Imd. Eff. Apr. 25, 1960;—Am. 1962, Act 80, Imd. Eff. Apr. 24, 1962;—Am. 1966, Act 180, Imd. Eff. July 1, 1966;—Am. 1966, Act 348, Imd. Eff. Dec. 21, 1966;—Am. 1967, Ex. Sess., Act 3, Imd. Eff. Nov. 15, 1967;—Am. 1978, Act 78, Imd. Eff. Mar. 22, 1978;—Am. 1978, Act 391, Imd. Eff. Aug. 1, 1978;—Am. 1978, Act 548, Imd. Eff. Dec. 22, 1978;—Am. 1979, Act 25, Imd. Eff. June 6, 1979;—Am. 1980, Act 46, Imd. Eff. Mar. 19, 1980;—Am. 1980, Act 84, Imd. Eff. Apr. 7, 1980;—Am. 1980, Act 398, Eff. Mar. 31, 1981;—Am. 1982, Act 254, Imd. Eff. Sept. 30, 1982;—Am. 1983, Act 165, Eff. Oct. 1, 1983;—Am. 1984, Act 324, Imd. Eff. Dec. 26, 1984;—Am. 1986, Act 311, Imd. Eff. Dec. 23, 1986;—Am. 1987, Act 142, Eff. Oct. 1, 1987;—Am. 1989, Act 136, Imd. Eff. June 29, 1989;—Am. 1989, Act 280, Imd. Eff. Dec. 26, 1989;—Am. 1989, Act 286, Imd. Eff. Dec. 26, 1989;—Am. 1989, Act 299, Imd. Eff. Jan. 3, 1990;—Am. 1992, Act 29, Eff. Jan. 1, 1993;—Am. 1992, Act 297, Eff. Jan. 1, 1993;—Am. 2000, Act 36, Eff. Apr. 1, 2001;—

\*\*\*\*\* 257.226.amended THIS AMENDED SECTION IS EFFECTIVE JANUARY 14, 2019 \*\*\*\*\*

**257.226.amended Expiration of vehicle or motorcycle registration; duties of secretary of state; issuance of registration; tax; validity of certificate of title; special registration; certification; registration of commercial vehicle, trailer, or semitrailer; assignment or reassignment of expiration date under international registration plan; leased vehicle multiyear registration.**

Sec. 226. (1) A vehicle registration issued by the secretary of state expires on the owner's birthday, unless another expiration date is provided for under this act or unless the registration is for the following vehicles, in which case registration expires on the last day of February:

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

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

(2) The expiration date for a registration issued for a motorcycle is the motorcycle owner's birthday.

(3) The expiration date for a registration bearing the letters "SEN" or "REP" is February 1.

(4) In the case of a vehicle owned by a business, corporation, or an owner other than an individual, the secretary of state may assign or reassign the expiration date of the registration.

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

(a) After the October 1 immediately preceding the year designated on the registration, issue a registration upon application and payment of the proper fee for a commercial vehicle, other than a pickup or van owned by an individual; or a trailer owned by a business, corporation, or person other than an individual.

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

(c) Beginning 45 days before the owner's birthday and 120 days before the expiration date assigned by the secretary of state, issue a registration for a vehicle other than those designated in subsection (1)(a) or (b). However, if an owner whose registration period begins 45 days before his or her birthday will be out of the state during the 45 days immediately preceding expiration of a registration or for other good cause shown cannot apply for a renewal registration within the 45-day period, application for a renewal registration may be made not more than 6 months before expiration.

(6) Except as otherwise provided in this subsection, the secretary of state, upon application and payment of the proper fee, shall issue a registration for a vehicle or a motorcycle to a resident that shall expire on the owner's birthday. If the owner's next birthday is at least 6 months but not more than 12 months in the future, the owner shall receive a registration valid until the owner's next birthday. If the owner's next birthday is less than 6 months in the future, the owner shall receive a registration valid until the owner's birthday following the owner's next birthday. The tax required under this act for a registration described in this subsection shall be either of the following:

(a) For an original registration, the tax shall bear the same relationship to the tax required under section 801 for a 12-month registration as the length of the registration bears to 12 months.

(b) For a renewal of a registration, either of the following:

(i) For a registration that is for at least 6 months but not more than 12 months, the same amount as for 12 months.

(ii) For a renewal of a registration that is for more than 12 months, 2 times the amount for 12 months.

Partial months shall be considered as whole months in the calculation of the required tax and in the determination of the length of time between the application for a registration and the owner's next birthday. The tax required for that registration shall be rounded off to whole dollars as provided in section 801.

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

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

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

(a) A new vehicle purchased or leased outside of this state and delivered in this state to the purchaser or lessee by the manufacturer of that vehicle for removal to a place outside of this state, if a certification is made

that the vehicle will be primarily used, stored, and registered outside of this state and will not be returned to this state by the purchaser or lessee for use or storage.

(b) A vehicle purchased or leased in this state and delivered to the purchaser or lessee by a dealer or by the owner of the vehicle for removal to a place outside of this state, if a certification is made that the vehicle will be primarily used, stored, and registered outside of this state and will not be returned to this state by the purchaser or lessee for use or storage.

(10) A special registration issued under subsection (9) is valid for not more than 30 days after the date of issuance, and a fee shall be collected for each special registration as provided in section 802(3). The special registration may be in the form determined by the secretary of state. If a dealer makes a retail sale or lease of a vehicle to a purchaser or lessee who is qualified and eligible to obtain a special registration, the dealer shall apply for the special registration for the purchaser or lessee. If a person other than a dealer sells or leases a vehicle to a purchaser or lessee who is qualified and eligible to obtain a special registration, the purchaser or lessee shall appear in person, or by a person exercising the purchaser's or lessee's power of attorney, at an office of the secretary of state and furnish a certification that the person is the bona fide purchaser or lessee or that the person has granted the power of attorney, together with other forms required for the issuance of the special registration and provide the secretary of state with proof that the vehicle is covered by a Michigan no-fault insurance policy issued under section 3101 of the insurance code of 1956, 1956 PA 218, MCL 500.3101, or proof that the vehicle is covered by a policy of insurance issued by an insurer under section 3163 of the insurance code of 1956, 1956 PA 218, MCL 500.3163. The certification required in this subsection shall contain all of the following:

- (a) The address of the purchaser or lessee.
- (b) A statement that the vehicle is purchased or leased for registration outside of this state.
- (c) A statement that the vehicle shall be primarily used, stored, and registered outside of this state.
- (d) The name of the jurisdiction in which the vehicle is to be registered.
- (e) Other information requested by the secretary of state.

(11) In the case of a commercial vehicle, trailer, or semitrailer issued a registration under the international registration plan, the secretary of state in mutual agreement with the owner may assign or reassign the expiration date of the registration. However, the expiration date agreed to shall be either March 31, June 30, September 30, or December 31 or beginning on February 19, 2019, the last day of a calendar month. Renewals expiring on or after June 30, 2020 shall be for a minimum of at least 12 months if there is a change in the established expiration date.

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

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1952, Act 153, Imd. Eff. Apr. 24, 1952;—Am. 1953, Act 179, Imd. Eff. June 8, 1953;—Am. 1955, Act 77, Imd. Eff. May 26, 1955;—Am. 1957, Act 33, Eff. Sept. 27, 1957;—Am. 1958, Act 55, Eff. July 1, 1958;—Am. 1960, Act 85, Imd. Eff. Apr. 25, 1960;—Am. 1962, Act 80, Imd. Eff. Apr. 24, 1962;—Am. 1966, Act 180, Imd. Eff. July 1, 1966;—Am. 1966, Act 348, Imd. Eff. Dec. 21, 1966;—Am. 1967, Ex. Sess., Act 3, Imd. Eff. Nov. 15, 1967;—Am. 1978, Act 78, Imd. Eff. Mar. 22, 1978;—Am. 1978, Act 391, Imd. Eff. Aug. 1, 1978;—Am. 1978, Act 548, Imd. Eff. Dec. 22, 1978;—Am. 1979, Act 25, Imd. Eff. June 6, 1979;—Am. 1980, Act 46, Imd. Eff. Mar. 19, 1980;—Am. 1980, Act 84, Imd. Eff. Apr. 7, 1980;—Am. 1980, Act 398, Eff. Mar. 31, 1981;—Am. 1982, Act 254, Imd. Eff. Sept. 30, 1982;—Am. 1983, Act 165, Eff. Oct. 1, 1983;—Am. 1984, Act 324, Imd. Eff. Dec. 26, 1984;—Am. 1986, Act 311, Imd. Eff. Dec. 23, 1986;—Am. 1987, Act 142, Eff. Oct. 1, 1987;—Am. 1989, Act 136, Imd. Eff. June 29, 1989;—Am. 1989, Act 280, Imd. Eff. Dec. 26, 1989;—Am. 1989, Act 286, Imd. Eff. Dec. 26, 1989;—Am. 1989, Act 299, Imd. Eff. Jan. 3, 1990;—Am. 1992, Act 29, Eff. Jan. 1, 1993;—Am. 1992, Act 297, Eff. Jan. 1, 1993;—Am. 2000, Act 36, Eff. Apr. 1, 2001;—Am. 2002, Act 642, Eff. Jan. 1, 2003;—Am. 2003, Act 152, Eff. Oct. 1, 2003;—Am. 2004, Act 163, Imd. Eff. June 23, 2004;—Am. 2016, Act 425, Eff. Apr. 4, 2017;—Am. 2018, Act 342, Eff. Jan. 14, 2019.

## **257.226a Temporary registration plates or markers.**

Sec. 226a. (1) Temporary registration plates or markers may be issued to licensed dealers in vehicles and to persons 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, upon application accompanied by the proper fee, for use by purchasers or lessees of vehicles, for not to exceed 15 days pending receipt of regular registration plates from the dealer or person. Only 1 temporary plate or marker may be issued to a purchaser or lessee of a vehicle. If a dealer or person requires a purchaser or lessee of a vehicle or purchaser or lessee of a vessel to pay for a temporary plate or marker, the dealer or person shall not charge the purchaser or lessee more than the dealer or person was charged by the secretary of state for the individual plate or marker. The secretary of state shall determine the composition and design of the temporary registration plates or markers.

(2) A temporary registration plate or marker shall show in ink the date of issue, a description of the vehicle

for which issued, and any other information required by the secretary of state. A dealer or person shall immediately notify the secretary of state of each temporary registration plate or marker issued by the dealer or person, on a form prescribed by the secretary of state. Upon the attachment of the regular plate to a vehicle for which a temporary registration plate or marker has been issued, the temporary plate shall be destroyed.

(3) All temporary registration plates or markers shall be serially numbered and upon issuance the number shall be noted on the statement of vehicle sale form or in the case of a boat trailer on a form prescribed by the secretary of state.

(4) A dealer or person, upon demand, shall immediately surrender any temporary registration plates or markers in his or her possession if the secretary of state finds, after investigation, that the dealer or person has violated this section, and the dealer or person shall immediately forfeit any right to the temporary registration plates or markers.

(5) The secretary of state may issue a registration plate upon application and payment of the proper fee to an individual, partnership, corporation, or association who in the ordinary course of business has occasion to legally repossess a vehicle in which a security interest is held. A registration plate issued pursuant to this subsection shall be used to move and dispose of a vehicle.

(6) The secretary of state may issue a registration plate upon application and payment of the proper fee to an individual, partnership, corporation, or association who in the ordinary course of business has occasion to legally pick up or deliver a vehicle not required to be titled under this act, to legally pick up or deliver a commercial motor vehicle being driven to a facility to undergo aftermarket modification, or to repair or service a vehicle, or to persons defined as dealers under part 801 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80101 to 324.80199, for the purpose of delivering a vessel or trailer to a customer or to and from a boat show or exposition. A registration plate issued under this subsection shall be used to move the vehicle.

(7) The secretary of state may issue a registration plate upon application and payment of the proper fee to an individual, partnership, corporation, or association who in the ordinary course of business operates an auto auction, and who in the ordinary course of business has occasion to legally pick up a vehicle which will be offered for sale at the auction, or deliver a vehicle which has been offered for sale at the auction. The registration plate shall be used only to move vehicles as provided in this subsection. Auto auctions that make application for a registration plate under this subsection shall furnish a surety bond as required by the secretary of state.

**History:** Add. 1957, Act 33, Eff. Sept. 27, 1957;—Am. 1958, Act 55, Eff. July 1, 1958;—Am. 1962, Act 166, Eff. Mar. 28, 1963;—Am. 1968, Act 278, Imd. Eff. July 1, 1968;—Am. 1973, Act 150, Imd. Eff. Nov. 28, 1973;—Am. 1984, Act 227, Imd. Eff. July 30, 1984;—Am. 1989, Act 136, Imd. Eff. June 29, 1989;—Am. 1994, Act 183, Imd. Eff. June 20, 1994;—Am. 1996, Act 59, Imd. Eff. Feb. 26, 1996;—Am. 1998, Act 384, Eff. Jan. 1, 1999;—Am. 2002, Act 642, Eff. Jan. 1, 2003;—Am. 2006, Act 516, Imd. Eff. Dec. 29, 2006.

#### **257.226b Temporary registration; duration; form; fee; use of vehicle.**

Sec. 226b. (1) A temporary registration may be issued to an owner of a vehicle. The registration shall be valid for either 30 days or 60 days from date of issue, at the discretion of the owner, and shall be in a form as determined by the secretary of state. A fee shall be collected for each temporary registration as provided in section 802.

(2) A vehicle which has a temporary registration shall not be used for the transportation of passengers for hire or for the transportation of goods, wares, or merchandise or draw other vehicles transporting goods, wares, or merchandise.

**History:** Add. 1957, Act 33, Eff. Sept. 27, 1957;—Am. 1976, Act 47, Imd. Eff. Mar. 18, 1976;—Am. 1982, Act 19, Imd. Eff. Mar. 4, 1982;—Am. 1989, Act 299, Imd. Eff. Jan. 3, 1990;—Am. 2003, Act 152, Eff. Oct. 1, 2003.

#### **257.226c Reflectorized reflector plates, tabs, and stickers.**

Sec. 226c. Beginning with the registration plates manufactured in the year 1970 and succeeding years they shall be treated with an effective and dependable reflective material according to specifications promulgated by the department of administration in conjunction with the department of state highways, the department of state and the department of corrections. In any year during which registration plates are not furnished, the department shall furnish for each annual registration a reflective tab or sticker designating the year of registration.

**History:** Add. 1969, Act 44, Imd. Eff. July 17, 1969.

#### **257.227 Application for renewal of vehicle registration; fee; presentation of certificate of title; waiver; proof of vehicle insurance; transmission of vehicle policy information; disclosure.**

Sec. 227. (1) Application for renewal of a vehicle registration shall be made by the owner upon proper

application and by payment of the registration fee for the vehicle, as provided by law.

(2) Every application shall be accompanied by the certificate of title pertaining to the vehicle, showing ownership in the person applying for registration at the time of the application. The secretary of state may waive the presentation of the certificate of title.

(3) Every application for renewal of a motor vehicle registration shall be accompanied by proof of vehicle insurance in a form determined by the secretary of state.

(4) Notwithstanding subsection (3), the secretary of state shall accept as proof of vehicle insurance a transmission of the applicant's vehicle policy information for an insured vehicle for which vehicle registration is sought. The secretary of state may determine in what format and on what timeline the secretary of state will receive vehicle policy information, which shall not be required more frequently than every 14 days. In determining the format under this subsection, the secretary of state shall consult with insurers. The transmission to the secretary of state of the vehicle policy information is proof of insurance to the secretary of state for motor vehicle registration purposes only and is not evidence that a policy of insurance actually exists between an insurer and an individual. Vehicle policy information submitted by an insurer and received by the secretary of state under this subsection is confidential, is not subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, and shall not be disclosed to any person except the department of community health for purposes of 2006 PA 593, MCL 550.281 to 550.289, or under an order by a court of competent jurisdiction in connection with a claim or fraud investigation or prosecution.

(6) As used in this section, "policy information" means the information an automobile insurer is required to supply to the secretary of state under section 3101a of the insurance code of 1956, 1956 PA 218, MCL 500.3101a.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1964, Act 248, Eff. Jan. 1, 1965;—Am. 1968, Act 66, Eff. Aug. 1, 1968;—Am. 1980, Act 459, Imd. Eff. Jan. 15, 1981;—Am. 1982, Act 19, Imd. Eff. Mar. 4, 1982;—Am. 1995, Act 287, Imd. Eff. Jan. 9, 1996;—Am. 2011, Act 92, Eff. Dec. 30, 2011.

**257.227a Vehicle involved in violation; renewal, replacement, or transfer of registration plate; appearance of owner or representative at branch office required; cancellation of registration; circumstances; notice and opportunity to be heard.**

Sec. 227a. (1) If a court has notified the secretary of state of a vehicle registration number as provided in section 328(4) and the owner has not secured proof that the vehicle involved in the violation is currently insured under chapter 31 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being sections 500.3101 to 500.3179 of the Michigan Compiled Laws, the secretary of state shall not renew, replace, or transfer the registration plate of the vehicle involved in the violation or allow the purchase of a new registration plate for the vehicle involved in the violation, until the owner or the owner's representative appears at a branch office and does both of the following:

(a) Shows a certified statement from an automobile insurer on a standard form prescribed by the commissioner of insurance that the vehicle involved in the violation is currently insured under a prepaid noncancelable policy for a period of not less than 6 months under chapter 31 of Act No. 218 of the Public Acts of 1956.

(b) Pays a fee of \$50.00 in addition to any other fee required by law, of which \$25.00 shall be allocated to the secretary of state to defray the costs of administering this section.

(2) The secretary of state may cancel the registration of a motor vehicle under either of the following circumstances:

(a) The secretary of state receives notice that a court has determined that a vehicle involved in the violation was not insured as required by chapter 31 of Act No. 218 of the Public Acts of 1956, at the time of registration.

(b) The secretary of state receives notice that a court has determined that the owner or the owner's representative presented a certificate of insurance that was forged, altered, fraudulent, or counterfeit when insurance was required by this act.

(3) Before a cancellation occurs under subsection (2), the person who will be affected by the cancellation shall be given notice and an opportunity to be heard.

**History:** Add. 1995, Act 287, Imd. Eff. Jan. 9, 1996.

**257.227b Repealed. 2011, Act 92, Eff. Dec. 30, 2011.**

**Compiler's note:** The repealed section pertained to private insurance verification board.

**257.228 Notification of old and new addresses; violation as civil infraction.**

Sec. 228. (1) If a person, after making application for or obtaining the registration of a vehicle or a

certificate of title, moves from the address named in the application as shown upon a registration certificate or certificate of title, the person within 10 days after moving shall notify the secretary of state in writing of the old and new addresses.

(2) A person who violates this section is responsible for a civil infraction.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1978, Act 510, Eff. Aug. 1, 1979.

### **257.229 Duplicate registration certificate, registration plate, certificate of title, or duplicate certificate of title.**

Sec. 229. (1) If a registration certificate, registration plate, certificate of title, or duplicate certificate of title is lost, mutilated, or becomes illegible, the person entitled to possession of a registration certificate, registration plate, certificate of title, or duplicate certificate of title or the legal representative or successor in interest of that person as shown by the records of the department shall immediately make application for and may obtain a duplicate or a new registration under a new registration number, as determined to be most advisable by the department, upon the applicant furnishing information satisfactory to the department and upon payment of the required fee. Every duplicate certificate of title shall contain the legend: "This is a duplicate certificate and may be subject to the rights of a person under the original certificate", and shall be delivered to the person entitled to possession of a registration certificate or certificate of title under section 222. Upon issuance of a duplicate registration certificate or plate, the previous registration certificate or plate last issued shall be void.

(2) If a certificate of title is lost at the time that ownership of the vehicle is to be transferred to another person, the secretary of state need not issue a duplicate certificate of title if all of the following are met:

(a) The person from whom ownership of the vehicle is to be transferred appears in person at a secretary of state office and supplies evidence satisfactory to the secretary of state of his or her identity and his or her ownership of the vehicle and pays the fee required under section 806.

(b) The person to whom the vehicle is to be transferred, or his or her legal representative, accompanies the person described under subdivision (a) and makes application for an original certificate of title, supplies evidence satisfactory to the secretary of state of his or her identity, and pays the fee required under section 806.

(3) If the secretary of state does not issue a duplicate certificate of title under subsection (2), the secretary of state's records shall indicate the transfer of the vehicle without a surrender of the certificate of title.

(4) As provided under section 238, the secretary of state is not required to issue a duplicate title to the owner of a vehicle if the duplicate title is subject to a security interest.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1964, Act 248, Eff. Jan. 1, 1965;—Am. 1988, Act 276, Eff. Jan. 1, 1989;—Am. 2014, Act 290, Eff. Mar. 31, 2015.

### **257.230 Special identifying number after alteration or defacement of serial number; record.**

Sec. 230. (a) The owner of a vehicle, the engine, serial or vehicle number of which has been altered, removed or defaced, may make application accompanied by the required fee in such form as may be prescribed by the secretary of state for a special identifying number. He shall furnish such information as will satisfy the secretary of state that he is the owner, whereupon the secretary of state shall assign a special number for the vehicle, preceded by a symbol indicating this state. A record of special numbers so assigned shall be maintained by the secretary of state.

The owner shall cause said number to be stamped upon the engine or otherwise as directed by the secretary of state, and upon receipt by the secretary of state of a certificate by a peace officer that he has inspected and found said number affixed upon the motor vehicle as directed in a workmanlike manner, together with application for a certificate of title such special number shall be regarded as the identifying number of said vehicle.

(b) This section is not intended to prohibit the restoration by the owner of the identifying number of the vehicle for which the certificate of title has been issued by this state, nor to prevent any manufacturer or importer, or agents, thereof, other than a dealer, from placing or stamping in the ordinary course of business, numbers on vehicles or parts thereof removed or changed and replacing the numbered parts.

**History:** 1949, Act 300, Eff. Sept. 23, 1949.

### **257.230a Motorcycle without visible vehicle identification number; seizure; procedure; "person" defined.**

Sec. 230A. (1) A police officer who finds a motorcycle that does not have a visible vehicle identification number may seize the motorcycle to determine if the motorcycle is stolen or otherwise in violation of law.

(2) A police officer who seizes a motorcycle under subsection (1) shall do all of the following:

- (a) Secure and transport the motorcycle in a manner and to a place that will protect it from damage.
  - (b) Determine, if possible, whether or not the motorcycle is stolen.
  - (c) If necessary, facilitate an examination of the motorcycle by a forensic laboratory specialist or other trained specialist to determine if the vehicle identification number can be restored or otherwise located.
  - (d) Unless otherwise required by law, return the motorcycle to the person from whom it was seized or to the lawful owner, within 30 calendar days after the date of the seizure.
- (3) A police agency holding a motor vehicle unlawfully beyond the 30 calendar days prescribed in subsection (2) is liable for damages.
- (4) A person may enforce the provisions of this section by filing a civil action in the district court that has jurisdiction of the place where the motorcycle was seized. The district court shall conduct a hearing on the action within 10 days from the date of the filing in a manner prescribed in the revised judicature act of 1961, 1961 PA 236, MCL 600.101 to 600.9948.
- (5) A person who prevails in an action authorized under subsection (4) shall be awarded costs and actual attorney fees.
- (6) As used in this section, "person" means an individual, partnership, corporation, association, governmental entity, or other legal entity.

**History:** Add. 2000, Act 408, Eff. Mar. 28, 2001.

**Compiler's note:** Section number "Sec. 230A." at the beginning of this section evidently should read "Sec. 230a."

### **257.231 Registration of replacement engines.**

Sec. 231. The secretary of state is authorized to adopt and enforce such registration rules and regulations as may be deemed necessary and compatible with the public interest with respect to the change or substitution of 1 engine in place of another in any motor vehicle.

**History:** 1949, Act 300, Eff. Sept. 23, 1949.

### **257.232 Furnishing list of information to federal, state, or local governmental agency; contract for sale of lists of driver and motor vehicle records; records maintained in bulk; surveys, marketing, or solicitations; insertion of safeguard in agreement or contract; duties of recipient of personal information; disclosure of list based on driving behavior or sanctions.**

Sec. 232. (1) Upon request, the secretary of state may furnish a list of information from the records of the department maintained under this act to a federal, state, or local governmental agency for use in carrying out the agency's functions, or to a private person or entity acting on behalf of a governmental agency for use in carrying out the agency's functions. The secretary of state may charge the requesting agency a preparation fee to cover the cost of preparing and furnishing a list provided under this subsection if the cost of preparation exceeds \$25.00, and use the revenues received from the service to defray necessary expenses. If the secretary of state sells a list of information under this subsection to a member of the state legislature, the secretary of state shall charge the same fee as the fee for the sale of information under subsection (2) unless the list of information is requested by the member of the legislature to carry out a legislative function. The secretary of state may require the requesting agency to furnish 1 or more blank computer tapes, cartridges, or other electronic media and may require the agency to execute a written memorandum of agreement as a condition of obtaining a list of information under this subsection.

(2) The secretary of state may contract for the sale of lists of driver and motor vehicle records and other records maintained under this act in bulk, in addition to those lists distributed at cost or at no cost under this section for purposes permitted by and described in section 208c(3). The secretary of state shall require each purchaser of records in bulk to execute a written purchase contract. The secretary of state shall fix a market-based price for the sale of such lists or other records maintained in bulk, which may include personal information. The proceeds from each sale made under this subsection on and after October 1, 2005 through October 1, 2019 shall be credited to the transportation administration collection fund created in section 810b.

(3) The secretary of state or any other state agency shall not sell or furnish any list of information under subsection (2) for the purpose of surveys, marketing, or solicitations. The secretary of state shall ensure that personal information disclosed in bulk will be used, rented, or sold solely for uses permitted under this act.

(4) The secretary of state may insert any safeguard the secretary considers reasonable or necessary, including a bond requirement, in a memorandum of agreement or purchase contract executed under this section, to ensure that the information provided or sold is used only for a permissible purpose and that the rights of individuals and of the department are protected.

(5) An authorized recipient of personal information disclosed under this section who resells or rediscloses the information for any of the purposes permitted by and described in section 208c(3) shall do both of the

following:

(a) Make and keep for a period of not less than 5 years records identifying each person who received personal information from the authorized recipient and the permitted purpose for which it was obtained.

(b) Allow a representative of the secretary of state, upon request, to inspect and copy records identifying each person who received personal information from the authorized recipient and the permitted purpose for which it was obtained.

(6) The secretary of state shall not disclose a list based on driving behavior or sanctions to a nongovernmental agency, including an individual.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1956, Act 230, Eff. Aug. 11, 1956;—Am. 1997, Act 101, Imd. Eff. Aug. 7, 1997;—Am. 2000, Act 192, Eff. Jan. 1, 2001;—Am. 2005, Act 173, Imd. Eff. Oct. 12, 2005;—Am. 2009, Act 99, Imd. Eff. Sept. 30, 2009;—Am. 2011, Act 159, Imd. Eff. Sept. 30, 2011;—Am. 2015, Act 73, Eff. Oct. 1, 2015.

### **257.232a Furnishing name and address of lessee of vehicle to secretary of state or police officer.**

Sec. 232a. A person in the business of leasing or renting a vehicle registered under this act shall furnish, upon request, the name and address of the lessee of the vehicle to the secretary of state or a police officer when needed by the secretary of state or the police officer in the course of an investigation or proceeding for a violation of this act or other felony or misdemeanor.

**History:** Add. 1977, Act 13, Imd. Eff. May 11, 1977.

## TRANSFERS OF TITLE OR INTEREST

### **257.233 Transfer or assignment of title to, or interest in, registered vehicle; disposition of plates; application for new registration certificate; penalty; indorsement on certificate of title; effective date of transfer; submission of secured receipt.**

Sec. 233. (1) If the owner of a registered vehicle transfers or assigns the title or interest in the vehicle, the registration plates issued for the vehicle shall be removed and transferred to the owner's spouse, mother, father, sister, brother, or child to whom title or interest in the vehicle is transferred, or retained and preserved by the owner for transfer to another vehicle upon application and payment of the required fees. A person shall not transfer the plates to a vehicle without applying for a proper certificate of registration describing the vehicle to which the plates are being transferred, except as provided in section 217(4). If the owner of a registered vehicle acquires another vehicle without transferring or assigning the title or interest in the vehicle for which the plates were issued, the owner may have the plates transferred to the subsequently acquired vehicle upon application and payment of the required fees.

(2) A person shall not purchase or lease another vehicle or an interest in another vehicle with the intent to circumvent the restrictions created by immobilization of a vehicle under this act.

(3) A person shall not transfer or attempt to transfer ownership or right of possession of a vehicle subject to forfeiture or ordered forfeited under this act with the intent to avoid the forfeiture of that vehicle.

(4) During the time a vehicle is subject to a temporary registration plate, vehicle forfeiture, immobilization, registration denial, or the period from adjudication to immobilization or forfeiture under this act, a person shall not without a court order transfer or assign the title or an interest in the vehicle to a person who is not subject to payment of a use tax under section 3 of the use tax act, 1937 PA 94, MCL 205.93.

(5) A person who violates subsection (2), (3), or (4) is guilty of a misdemeanor punishable by imprisonment for not more than 1 year or a fine of not more than \$1,000.00, or both.

(6) A person whose operator's or chauffeur's license is suspended, revoked, or denied for, or who has never been licensed by this state and was convicted for, a third or subsequent violation of section 625 or 625m, of a local ordinance substantially corresponding to section 625 or 625m, or of a law of another state substantially corresponding to section 625 or 625m, or for a fourth or subsequent suspension or revocation under section 904 shall not purchase, lease, or otherwise acquire a motor vehicle during the suspension, revocation, or denial period. A person who violates this subsection is guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a fine of not more than \$100.00, or both.

(7) If the assigned holder of registration plates applies for a new registration certificate, the application shall be accompanied either by the old registration certificate or by a certificate of title showing the person to be the assigned holder of the registration plates for which the old registration certificate had been issued. A person who fails or neglects to fulfill the requirements of this subsection is guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a fine of not more than \$100.00, or both.

(8) The owner shall indorse on the certificate of title as required by the secretary of state an assignment of the title with warranty of title in the form printed on the certificate with a statement of all security interests in



the vehicle or in accessories on the vehicle and deliver or cause the certificate to be mailed or delivered to the purchaser or transferee at the time of the delivery to the purchaser or transferee of the vehicle. The certificate shall show the payment or satisfaction of any security interest as shown on the original title. However, as provided under section 238, the secretary of state is not required to issue a title to the owner of a vehicle if the title is subject to a security interest.

(9) Upon the delivery of a motor vehicle and the transfer, sale, or assignment of the title or interest in a motor vehicle by a person, including a dealer, the effective date of the transfer of title or interest in the vehicle is the date of signature on either the application for title or the assignment of the certificate of title by the purchaser, transferee, or assignee.

(10) A secured receipt that is in a form approved by the department and produced at the time the secured interest is presented with payment in satisfaction of the security interest may be submitted to the department in lieu of the title for purposes of transferring ownership in the vehicle.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1957, Act 90, Eff. Sept. 27, 1957;—Am. 1958, Act 104, Imd. Eff. Apr. 14, 1958;—Am. 1959, Act 250, Imd. Eff. Aug. 21, 1959;—Am. 1964, Act 51, Eff. Aug. 28, 1964;—Am. 1964, Act 248, Eff. Jan. 1, 1965;—Am. 1973, Act 190, Imd. Eff. Jan. 8, 1974;—Am. 1974, Act 111, Imd. Eff. May 21, 1974;—Am. 1980, Act 398, Eff. Mar. 31, 1981;—Am. 1998, Act 346, Eff. Oct. 1, 1999;—Am. 1999, Act 73, Eff. Oct. 1, 1999;—Am. 1999, Act 267, Imd. Eff. Dec. 29, 1999;—Am. 2005, Act 317, Imd. Eff. Dec. 27, 2005;—Am. 2006, Act 599, Imd. Eff. Jan. 3, 2007;—Am. 2014, Act 290, Eff. Mar. 31, 2015.

### **257.233a Transfer of title or interest in vehicle; disclosure of odometer mileage.**

Sec. 233a. (1) When the owner of a registered motor vehicle transfers his or her title or interest in that vehicle, the transferor shall present to the transferee before delivery of the vehicle, written disclosure of odometer mileage by means of the certificate of title or a written statement signed by the transferor including the transferor's printed name, containing all of the following:

- (a) The odometer reading at the time of transfer not to include the tenths of a mile or kilometer.
- (b) The date of transfer.
- (c) The transferor's name and current address.
- (d) The transferee's name and current address.
- (e) The identity of the vehicle, including its make, model, body type, year, and vehicle identification number.
- (f) A reference to this section and comparable federal law, and a statement that failing to complete the title or form or providing false information may result in civil liability and civil or criminal penalties being imposed on the transferor.
- (g) One of the following:
  - (i) A statement by the transferor certifying that to the best of his or her knowledge the odometer reading reflects the actual mileage of the vehicle.
  - (ii) If the transferor knows that the odometer reading reflects the amount of mileage in excess of the designed mechanical odometer limit, a statement to that effect.
  - (iii) If the transfer knows that the odometer reading differs from the mileage and the difference is greater than that caused by odometer calibration error, a statement that the odometer reading does not reflect the actual mileage and should not be relied upon. This notice shall include a warning notice to alert the transferee that a discrepancy exists between the odometer and the actual mileage.
- (h) Space for the signature and printed name of the transferee, and the date of presentation to the transferee.

(2) A certificate of title and a dealer reassignment form shall contain a place for the information required by subsection (1)(a) to (h). If the vehicle is not titled or the title does not contain a space for the required information, a written statement shall be provided as a separate document.

(3) A dealer selling or exchanging vehicles required to be titled under this act shall present the certificate of title or written statement and any reassigned titles in his or her possession to the transferee. The transferee or the transferee's agent shall inspect, print his or her name, sign, and date the certificate or statement and return it to the transferor for submission to the secretary of state. If neither the transferee nor transferor is a dealer licensed under this act, completing the odometer information on the certificate of title shall be considered to comply with subsection (1). A person shall not sign an odometer disclosure statement as both the transferor and transferee in the same transaction.

(4) A new or used vehicle dealer shall obtain from the transferor a completed odometer mileage statement which meets the requirements of subsection (1) with each motor vehicle acquired by the dealer. The dealer shall not accept nor provide an odometer mileage statement or a title which contains a place for odometer information which has not been completely filled in by the transferor.

(5) The odometer information described in subsection (1) shall not be required for any of the following:

- (a) Vehicles having a gross vehicle weight rating of more than 16,000 pounds.
- (b) A vehicle that is not self-propelled.
- (c) A vehicle that is 10 years old, or older.
- (d) A new vehicle transferred from a manufacturer to a dealer.
- (e) A vehicle sold directly by the manufacturer to an agency of the United States in conformity with contractual specifications.

(f) A low-speed vehicle.

(6) A person shall not alter, set back, or disconnect an odometer; cause or allow an odometer to be altered, set back, or disconnected; or advertise for sale, sell, use, install, or cause or allow to be installed a device which causes an odometer to register other than the actual mileage driven. This subsection does not prohibit the service, repair, or replacement of an odometer if the mileage indicated on the odometer remains the same as before the service, repair, or replacement. If the odometer is incapable of registering the same mileage as before the service, repair, or replacement, the odometer shall be adjusted to read zero and a notice in writing shall be attached to the left door frame of the vehicle by the owner or his or her agent specifying the mileage prior to service, repair, or replacement of the odometer and the date on which it was serviced, repaired, or replaced. A person shall not remove, deface, or alter any notice affixed to a motor vehicle pursuant to this subsection.

(7) A person who violates subsection (6) is guilty of a felony.

(8) Before executing a transfer of ownership document, a lessor of a leased vehicle shall notify the lessee in writing that ownership of the vehicle is being transferred and that the lessee is required to provide a written statement to the lessor regarding the mileage of the vehicle. This notice shall inform the lessee of the penalties for failure to comply with the requirement.

(9) Upon receiving notification from the lessor of a leased vehicle that ownership of the vehicle is to be transferred, the lessee shall furnish to the lessor a written statement regarding the mileage of the vehicle. This statement shall be signed by the lessee and shall contain all of the following:

(a) The printed name of the person making the statement.

(b) The current odometer reading, not including tenths of miles.

(c) The date of the statement.

(d) The lessee's name and current address.

(e) The lessor's name and current address.

(f) The identity of the vehicle, including its make, model, year, body type, and vehicle identification number.

(g) The date that the lessor notified the lessee of the requirements of this subsection.

(h) The date that the completed disclosure statement was received by lessor.

(i) The signature of the lessor.

(j) One of the following:

(i) A statement by the lessee certifying that to the best of his or her knowledge the odometer reading reflects the actual mileage of the vehicle.

(ii) If the lessee knows that the odometer reading reflects the amount of mileage in excess of the designed mechanical odometer limit, a statement to that effect.

(iii) If the lessee knows that the odometer reading differs from the mileage and that the difference is greater than that caused by odometer calibration error, a statement that the odometer reading is not the actual mileage and should not be relied upon.

(10) If the lessor transfers a leased vehicle without obtaining possession of the vehicle, the lessor may indicate on the certificate of title the mileage disclosed by the lessee under subsection (9), unless the lessor has reason to believe that the mileage disclosed by the lessee does not reflect the actual mileage of the vehicle.

(11) A dealer who is required by this section to execute an odometer mileage statement shall retain for 5 years a photostatic, carbon, or other facsimile copy of each odometer mileage statement the dealer issues or receives. The dealer shall retain the odometer mileage statements at his or her primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.

(12) A lessor shall retain for 5 years following the date of transfer of ownership of each leased vehicle, the odometer mileage statement received from the lessee. The lessor shall retain the odometer mileage statements at his or her primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.

(13) An auction dealer or vehicle salvage pool operator shall establish and retain at his or her primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval, for 5 years following the date of sale of each motor vehicle, the following records:

- (a) The name and the most recent owner, other than the auction dealer or salvage pool operator.
- (b) The name of the buyer.
- (c) The vehicle identification number.
- (d) The odometer reading, not including the tenths of a mile, on the date the auction dealer or salvage pool operator took possession of the motor vehicle.

(14) A violation of subsection (1) or (6) by any dealer licensed under this act is prima facie evidence of a fraudulent act as provided in section 249.

(15) A person who, with intent to defraud, violates any requirement under subsection (1) or (6), or a dealer who fails to retain for 5 years each odometer mileage statement the dealer receives and each odometer mileage statement furnished by the dealer upon the sale of a vehicle, is liable in an amount equal to 3 times the amount of actual damages sustained or \$1,500.00 whichever is greater, and in the case of a successful recovery of damages, the costs of the action together with reasonable attorney's fees.

**History:** Add. 1974, Act 367, Eff. Apr. 1, 1975;—Am. 1988, Act 470, Eff. Apr. 1, 1989;—Am. 2000, Act 82, Eff. July 1, 2000.

**Compiler's note:** In subsection (1)(g)(iii), the term "transfer" evidently should read "transferor."

### **257.233b Definitions; disclosure by dealer of damage or repair; exception; grounds for revocation.**

Sec. 233b. (1) As used in this section:

- (a) "Distributor" means that term as defined in section 3(1) of 1981 PA 118, MCL 445.1563.
- (b) "Manufacturer" means that term as defined in section 4(2) of 1981 PA 118, MCL 445.1564.
- (c) "Program vehicle" means a motor vehicle from either the current model year or the immediately preceding model year, that was repurchased by a manufacturer or distributor from a rental car company.

(2) Except as provided in this subsection, a new motor vehicle dealer shall disclose in writing to a purchaser or lessee of a new motor vehicle, demonstrator, executive or manufacturer's vehicle, or program vehicle before entering into a sales contract or lease agreement that, after the vehicle completed the manufacturing process, the vehicle was damaged and repaired, including an itemization of repairs, if the dealer has knowledge of the damage and repairs and if the cost of the cumulative repairs, as calculated at the rate of the dealer's authorized warranty rate for labor and parts exceeds either 1 of the following:

- (a) Five percent of the manufacturer's suggested retail price of the vehicle.
- (b) Seven hundred fifty dollars in surface coating repairs or corrosion protection restoration or a combination of these items. If a new motor vehicle dealer fails to comply with this subsection, the purchaser or lessee shall retain all applicable remedies available under article 2 of the uniform commercial code, 1962 PA 174, MCL 440.2101 to 440.2725.

(3) A dealer in new motor vehicles is not required to disclose to a purchaser or lessee under this act that any glass, tires, wheels, bumpers, audio equipment, in-dash components, or components contained in the living quarters of a motor home that are not required for the operation of the motor home as a motor vehicle were damaged at any time if the damaged item has been replaced with original manufacturer's parts and material.

(4) Repaired damage to a motor vehicle, subject to this section, not exceeding the cost of cumulative repairs as determined pursuant to subsection (2) shall not constitute grounds for revocation of acceptance by the purchaser or lessee. The right of revocation ceases upon the purchaser's or lessee's acceptance of delivery of the vehicle.

**History:** Add. 1994, Act 305, Eff. Jan. 2, 1995;—Am. 2002, Act 642, Eff. Jan. 1, 2003.

### **257.234 Presentation of certificate of title and registration certificate to secretary of state; fees; issuance of new certificate of title and registration certificate; mail or delivery; repossession of license plates; payment of transfer fee; compliance with MCL 257.238.**

Sec. 234. (1) The purchaser or transferee, unless the person is a licensed dealer, shall present or cause to be presented the certificate of title and registration certificate if plates are being transferred to another vehicle, assigned as provided in this act, to the secretary of state accompanied by the fees as provided by law, whereupon a new certificate of title and registration certificate shall be issued to the assignee. The certificate of title shall be mailed or delivered to the owner or another person the owner may direct in a separate instrument in a form the secretary of state shall prescribe.

(2) If the secretary of state mails or delivers a purchaser's or transferee's certificate of title to a dealer, the dealer shall mail or deliver that certificate of title to the purchaser or transferee not more than 5 days after receiving the certificate of title from the secretary of state.

(3) Unless the transfer is made and the fee paid within 15 days, the vehicle is considered to be without

registration, the secretary of state may repossess the license plates, and transfer of the vehicle ownership may be effected and a valid registration acquired thereafter only upon payment of a transfer fee of \$15.00 in addition to the fee provided for in section 806.

(4) If a security interest is reserved or created at the time of the transfer, the parties shall comply with the requirements of section 238.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1957, Act 90, Eff. Sept. 27, 1957;—Am. 1959, Act 250, Imd. Eff. Aug. 21, 1959;—Am. 1962, Act 166, Eff. Mar. 28, 1963;—Am. 1964, Act 248, Eff. Jan. 1, 1965;—Am. 1968, Act 66, Eff. Aug. 1, 1968;—Am. 1987, Act 238, Imd. Eff. Dec. 28, 1987;—Am. 2000, Act 151, Imd. Eff. June 12, 2000;—Am. 2002, Act 552, Eff. Oct. 1, 2002.

**Compiler's note:** For effective date of increases in certain fees, charges or taxes provided by this section, see MCL 257.817(1).

### **257.235 Dealer as transferee of vehicle; requirements; duties; liability of dealer or transferee; transfer of title or interest to another dealer; duties of dealer; dealer reassignment of title form; buy back or off lease vehicle.**

Sec. 235. (1) If the transferee of a vehicle is a new motor vehicle dealer or a used or secondhand vehicle dealer that acquires the vehicle for resale, the dealer is not required to obtain a new registration of the vehicle or forward the certificate of title to the secretary of state, but shall retain and have in the dealer's immediate possession the assigned certificate of title with the odometer information properly completed, except as otherwise provided in section 235b. A dealer shall obtain a certificate of title for a vehicle having a salvage certificate of title before the dealer may operate the vehicle under dealer's license plates. Upon transferring title or interest to another person that is not a dealer, the dealer shall complete an assignment and warranty of title upon the certificate of title, salvage certificate of title, or dealer reassignment of title form and make an application for registration and a new title as provided in section 217(4).

(2) The dealer or transferee is liable for all damages arising from the operation of the vehicle while the vehicle is in the dealer's or transferee's possession.

(3) Upon transferring title or interest to another dealer, the dealer shall complete an assignment and warranty of title upon the certificate of title, salvage certificate of title, or dealer reassignment of title form and deliver it to the licensed dealer to which the transfer is made.

(4) The secretary of state shall prescribe the dealer reassignment of title form. The form shall contain the title number of the accompanying title; the name, address, and, if applicable, dealer license number of the transferee; the year, make, model, body type, and vehicle identification number of the vehicle; the name, address, dealer number, and signature of the transferor; an odometer mileage statement as prescribed under section 233a; and any other information the secretary of state requires.

(5) This section does not prohibit a dealer from selling a buy back vehicle while the certificate of title is in the possession of a manufacturer that obtained the certificate of title under the manufacturer's buy back vehicle program. The manufacturer shall mail the certificate of title to the dealer within 5 business days after the manufacturer's receipt of a signed statement from the purchaser of the vehicle acknowledging he or she was informed by the dealer that the manufacturer acquired title to the vehicle as the result of an arbitration proceeding, under a customer satisfaction policy adopted by the manufacturer, or under 1986 PA 87, MCL 257.1401 to 257.1410, or a similar law of another state.

(6) This section does not prohibit a dealer from selling an off lease vehicle while the certificate of title is in the possession of a lessor. The lessor shall mail the certificate of title to the dealer within 21 days after the lessor receives the purchase price of the vehicle and any other fees and charges due under the lease.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1951, Act 270, Eff. Sept. 28, 1951;—Am. 1957, Act 90, Eff. Sept. 27, 1957;—Am. 1964, Act 248, Eff. Jan. 1, 1965;—Am. 1978, Act 507, Eff. July 1, 1979;—Am. 1980, Act 398, Eff. Mar. 31, 1981;—Am. 1988, Act 470, Eff. Apr. 1, 1989;—Am. 2002, Act 652, Eff. Jan. 1, 2003;—Am. 2012, Act 498, Eff. Mar. 28, 2013.

### **257.235a Licensed dealer or junk dealer purchasing vehicle for purpose of destroying or junking vehicle; acceptance and disposition of certificate of title; fee.**

Sec. 235a. Notwithstanding any other provision of this act or of the use tax act, 1937 PA 94, MCL 205.91 to 205.111, a licensed dealer or junk dealer who purchases a vehicle for the purpose of destroying or junking the vehicle may accept a certificate of title that has been assigned to the transferor by a properly indorsed assignment on the certificate of title as required by the secretary of state. The dealer shall write the word "junk" on the face of the certificate of title above the signature of the dealer or an authorized agent of the dealer and forward the certificate to the secretary of state, together with a fee of \$5.00 instead of a fee or tax otherwise applicable. This section does not apply to a transfer unless the fee and certificate of title are received by the secretary of state within 10 days after the date of the vehicle's purchase by the dealer. A certificate of title shall not again be issued for the vehicle.

**History:** Add. 1960, Act 79, Eff. Aug. 17, 1960;—Am. 1980, Act 398, Eff. Mar. 31, 1981;—Am. 1987, Act 238, Imd. Eff. Dec. 28, 2018  
Rendered Thursday, November 15, 2018

**Compiler's note:** For effective date of increases in certain fees, charges or taxes provided by this section, see MCL 257.817(1).

**257.235b Possession of certificate of title by inventory lender for vehicle subject to inventory loan; written agreement; release of certificate of title by used or secondhand vehicle dealer's inventory lender; limitation; failure to release vehicle title; registration with secretary of state; applicability of section to certain licensed dealers; applicability of MCL 257.235; definitions.**

Sec. 235b. (1) A used or secondhand vehicle dealer may voluntarily enter into a written agreement with an inventory lender allowing the inventory lender to retain in its possession the certificate of title for a vehicle that is subject to an inventory loan if all of the following conditions have been met:

(a) The used or secondhand vehicle dealer posts a notice on the used or secondhand vehicle window disclosing the existence of the used or secondhand vehicle dealer's inventory loan for the vehicle. The notice under this subdivision shall include the name, address, telephone number, and internet address of the used or secondhand vehicle inventory lender in a manner and of a size sufficient to alert potential buyers of the existence of inventory loan, contact information for the holder of that inventory loan, and that the inventory lender holds the title to the vehicle in its possession. The notice under this subdivision shall be in a form and manner as prescribed by the secretary of state.

(b) The used or secondhand vehicle dealer maintains a color copy of the certificate of title, either in paper or electronic form, at the used or secondhand vehicle dealer's place of business. The color copy of the certificate of title shall indicate on its face that it is a copy. The color copy of the title and a disclosure or notice of the vehicle inventory lender's possession of the title shall be presented to the buyer at the time of purchase in paper or electronic form.

(c) The used or secondhand vehicle dealer maintains a paper or electronic copy of the inventory loan agreement between the used or secondhand vehicle dealer and the vehicle inventory lender, along with the inventory list, which shall be not more than 5 days old. These documents shall be made available to the secretary of state upon the request of the secretary of state.

(2) A used or secondhand vehicle dealer's inventory lender shall release the certificate of title to the used or secondhand vehicle dealer, the used or secondhand vehicle dealer's designee, or the secretary of state, as applicable, not more than 2 banking business days after the used or secondhand vehicle dealer's inventory lender receives 1 of the following:

(a) The outstanding principal balance and any other fees and charges due on the vehicle under the inventory loan.

(b) A written request from the used or secondhand vehicle dealer with proof of full payment evidencing that the vehicle has been sold to a buyer in the ordinary course of business under section 9320 of the uniform commercial code, 1962 PA 174, MCL 440.9320, or a substantially similar law of another state.

(c) A written request from the purchaser and proof of full payment evidencing that the purchaser's status as a buyer in ordinary course of business under section 9320 of the uniform commercial code, 1962 PA 174, MCL 440.9320, or a substantially similar law of another state.

(d) A written request from the secretary of state.

(3) A used or secondhand vehicle dealer's inventory lender that fails to release a vehicle title as required under subsection (2) may be ordered to pay an administrative fine of \$500.00.

(4) A used or secondhand vehicle inventory lender that holds a certificate of title for a vehicle shall register with the secretary of state in a form and manner as prescribed by the secretary of state to provide its location and contact information. No fee shall be charged for registration under this subsection.

(5) This section applies only to dealers licensed under this act that solely sell used or secondhand vehicles and does not apply to a dealer licensed under this act that sells new motor vehicles or both new motor vehicles and used or secondhand vehicles.

(6) Section 235 applies to used or secondhand vehicle dealers under this section only to the extent that section 235 does not conflict with this section.

(7) As used in this section:

(a) "Inventory lender" means a third party engaged in the business of providing financing to a used or secondhand vehicle dealer for the acquisition or retention of vehicles that are held for sale or lease by the used or secondhand vehicle dealer in the ordinary course of the used or secondhand vehicle dealer's business and has filed a financing statement with the secretary of state evidencing the third party's security interest in the used or secondhand vehicle dealer's inventory and the proceeds of that inventory.

(b) "License" means the applicable license under section 248.

**History:** Add. 2012, Act 498, Eff. Mar. 28, 2013.

**257.236 Procuring title to vehicle acquired by operation of law; validity of registration upon death of owner; application for title by surviving spouse or heir; proof of death; certification; petition.**

Sec. 236. (1) If ownership of a vehicle passes by operation of law, upon furnishing satisfactory proof of that ownership to the secretary of state, the person acquiring the vehicle may procure a title to the vehicle regardless of whether a certificate of title has ever been issued. Upon death of an owner of a registered vehicle, the license plate assigned to the vehicle, unless the vehicle is destroyed, is a valid registration until the end of the registration year or until the personal representative of the owner's estate transfers ownership of the vehicle.

(2) If an owner of 1 or more vehicles, which vehicles do not have a total value of more than \$60,000.00, dies and the owner does not leave other property that requires issuance of letters as provided in section 3103 of the estates and protected individuals code, 1998 PA 386, MCL 700.3103, the owner's surviving spouse, or an heir of the owner in the order specified in section 2103 of the estates and protected individuals code, 1998 PA 386, MCL 700.2103, may apply for a title, after furnishing the secretary of state with proper proof of the death of the registered owner, attaching to the proof a certification setting forth the fact that the applicant is the surviving spouse or an heir. Upon proper petition, the secretary of state shall furnish the applicant with a certificate of title.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1957, Act 90, Eff. Sept. 27, 1957;—Am. 1961, Act 60, Eff. Sept. 8, 1961;—Am. 1962, Act 72, Eff. Mar. 28, 1963;—Am. 1976, Act 110, Imd. Eff. May 2, 1976;—Am. 1978, Act 544, Eff. July 1, 1979;—Am. 1980, Act 398, Eff. Mar. 31, 1981;—Am. 1989, Act 189, Imd. Eff. Aug. 24, 1989;—Am. 1990, Act 181, Imd. Eff. July 18, 1990;—Am. 2000, Act 64, Eff. Apr. 1, 2000.

**257.236a Termination of owner's interest by enforcement of security agreement; application for new certificate; certification; holding vehicle for resale; termination of owner's interest by sale pursuant to court process; issuance and contents of new certificate; outstanding certificate.**

Sec. 236a. (1) If the interest of the owner in a vehicle is terminated by the enforcement of a security agreement, the transferee of the owner's interest shall promptly mail or deliver to the secretary of state the last certificate of title if the transferee has possession of the certificate; the application for a new certificate in the form prescribed by the secretary of state; and a certification made by or on behalf of the holder of the security interest so enforced that the vehicle was repossessed, that the interest of the owner was lawfully terminated by enforcement of the security agreement, and whether the owner has delivered the last certificate of title to the transferee of the owner's interest, naming the transferee, or if not, the reason for not naming the transferee, and the location of the certificate of title as known to the owner. If the holder of the security interest succeeds to the interest of the owner and holds the vehicle for resale, the holder need not secure a new certificate of title but, upon transfer to another person, shall promptly mail or deliver to the transferee or to the secretary of state the certificate, if in the holder's possession, a certification, and other documents required to be sent to the secretary of state by the transferee.

(2) If the interest of the owner in a vehicle is terminated by sale pursuant to a levy of execution, attachment, or by other process of a court, the transferee of the owner's interest shall promptly mail or deliver to the secretary of state the last certificate of title, if the transferee has possession of the certificate, the application for a new certificate of title in the form prescribed by the secretary of state, and a certification upon a form prescribed by the secretary of state, made by the officer of the court who conducted the sale, setting forth the date of the sale, the name of the purchaser, and whether the officer of the court has delivered the certificate of title to the purchaser and if not, the reason for nondelivery and the location of the certificate of title so far as known to the officer of the court.

(3) A person holding a certificate of title in which the interest of the owner named on the certificate has been terminated in the manner provided by subsection (1) or (2), shall mail or deliver the certificate to the secretary of state upon request. The delivery of the certificate pursuant to the request of the secretary of state does not affect the rights of the person surrendering the certificate, and the action of the secretary of state in issuing a new certificate of title as provided in this act is not conclusive upon the rights of an owner or holder of a security interest named in the old certificate.

(4) The secretary of state, upon receipt of an application for a new certificate of title by a transferee in the manner provided by subsection (1) or (2), with proof of the transfer, the required fee, and other documents required by law, shall issue a new certificate of title in the name of the transferee as owner, setting forth all security interests noted on the last certificate of title as having priority over the security agreement so

enforced and shall mail or deliver the certificate to the owner. If the outstanding certificate of title is not delivered to the secretary of state, the secretary of state shall make demand for the outstanding certificate of title from the holder.

**History:** Add. 1964, Act 248, Eff. Jan. 1, 1965;—Am. 1968, Act 66, Eff. Aug. 1, 1968;—Am. 1980, Act 398, Eff. Mar. 31, 1981.

**257.237 Transfer of registration; issuance of new registration certificate and certificate of title; filing surrendered certificate of title; retention of records.**

Sec. 237. (1) The secretary of state, upon receipt of a properly endorsed certificate of title and application for transfer of registration accompanied by the required fee, shall transfer the registration thereof under its registration number to the newly acquired vehicle and shall issue a new registration certificate and certificate of title as upon an original registration.

(2) The secretary of state shall retain and appropriately file every surrendered certificate of title, the file to be so maintained as to permit the tracing of title of the vehicles designated in the file for a period of 6 years, except that records of stolen vehicles reported in section 253 may be destroyed after being maintained on file for the year of entry plus 4 years.

(3) The secretary of state shall retain the records for 2 years after the date of notification that a vehicle has been processed for scrap.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1978, Act 507, Eff. July 1, 1979;—Am. 1980, Act 460, Imd. Eff. Jan. 15, 1981.

**257.238 Security interest in vehicle; certificate of title; assignment; termination statement; electronic transactions.**

Sec. 238. (1) When an owner named in a certificate of title creates a security interest in the vehicle described in the certificate or in any accessory on the vehicle, all of the following apply:

(a) The owner shall immediately execute an application in the form prescribed by the department to name the holder of the security interest on the certificate of title, showing the name and address of the holder and deliver the certificate of title, application and the required fee together with a copy of the application, to the holder of the security interest.

(b) The holder of the security interest shall cause the certificate of title, application and fee and the copy of the application to be mailed or delivered to the department.

(c) The department shall indicate on the copy of the application the date and place of filing of the application.

(d) Upon receipt of the certificate of title, application and the required fee, the department shall issue a new certificate in the form provided by section 222 setting forth the name and address of each holder of a security interest in the vehicle or in any accessory on the vehicle for which a termination statement has not been filed and the date on which the application first stating the security interest was filed, and mail the certificate to the owner. However, as provided under this section, the secretary of state is not required to issue a title to the owner of a vehicle if the title is subject to a security interest.

(2) A holder of any kind of a security interest may assign, absolutely or otherwise, the holder's security interest in the vehicle or any accessory thereon to a person other than the owner without affecting the interest of the owner or the validity of the security interest, but any person without notice of the assignment is protected in dealing with the holder of the security interest as the holder thereof.

(3) The assignee of a security interest may have the certificate of title indorsed with the assignee named as the holder of the security interest by providing the department with a copy of the assignment instrument, but the failure of the assignee to do so shall not affect the validity of the security interest of that assignment.

(4) If there is no outstanding obligation and no commitment to make advances, incur obligations, or otherwise give value secured or to be secured by a security interest in a vehicle or an accessory on the vehicle, for which the certificate of title is in possession of a secured party, the secured party may, not more than 14 days after satisfaction of the obligation, execute a termination statement in the form prescribed by the department and mail or deliver the termination statement to the owner or another person as the owner may direct.

(5) If there is no outstanding obligation and no commitment to make advances, incur obligations, or otherwise give value secured or to be secured by a security interest in a vehicle or an accessory on the vehicle, for which the certificate of title is in the possession of another person, the secured party shall, within 14 days after demand but not more than 30 days after demand, execute a termination statement in the form prescribed by the department and mail or deliver the termination statement to the owner or another person as the owner may direct.

(6) The department may require that all transactions concerning vehicle title liens and security interests be conducted by electronic means, as determined by the department. After all liens have been terminated, or for

purposes of retitling the vehicle in another state or any other purpose deemed appropriate by the department, the department may issue a paper copy of the vehicle title to the vehicle's owner.

(7) A vehicle sale transaction in which a security interest is entered by electronic means shall include a document recording entry of the electronic security interest and information regarding the financial institution that holds the security interest. At the time a security interest is presented with payment in satisfaction of the security interest, a secured receipt in a form approved by the department and produced at the time the security interest is presented with payment in satisfaction of the security interest may be submitted to the department in lieu of the title for purposes of transferring ownership in the vehicle.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1964, Act 248, Eff. Jan. 1, 1965;—Am. 1968, Act 66, Eff. Aug. 1, 1968;—Am. 2014, Act 291, Eff. Mar. 31, 2015.

#### **257.239 Certificate of title; failure to endorse or deliver, penalty.**

Sec. 239. It is a misdemeanor for any person to fail or neglect to properly endorse and deliver a certificate of title to a transferee or owner lawfully entitled thereto.

**History:** 1949, Act 300, Eff. Sept. 23, 1949.

#### **257.240 Liability for use or ownership of vehicle after transfer of endorsed certificate of title; conditions; violation of subsection (2); civil infraction; fine; towing and storage fees.**

Sec. 240. (1) The owner of a motor vehicle who has made a bona fide sale by transfer of his or her title or interest and who has delivered possession of the vehicle and the certificate of title to that vehicle properly endorsed to the purchaser or transferee is not liable for any damages or a violation of law that subsequently results from the use or ownership of the vehicle by another, if the owner, other than a licensed dealer, satisfies the conditions prescribed under subsection (2).

(2) The owner of a motor vehicle, other than a licensed dealer, shall satisfy 1 of the following conditions:

(a) Accompany the purchaser of the vehicle to a secretary of state branch office to assure that the title of the vehicle being sold is transferred.

(b) Maintain a record of the sale for not less than 18 months. As used in this subdivision, "record of the sale" means either a photocopy of the reassigned title or a form or document that includes the name, address, driver license number, and signature of the person to whom the vehicle is sold and the purchase price and date of sale of the vehicle.

(3) A person who violates subsection (2) is responsible for a civil infraction and shall be ordered to pay a civil fine of \$15.00.

(4) A person who violates subsection (2) is presumed to be the last titled owner and to be liable for towing fees and daily storage fees for an abandoned motor vehicle.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1999, Act 267, Imd. Eff. Dec. 29, 1999;—Am. 2004, Act 493, Eff. Oct. 1, 2005.

#### **257.241 Electronic lien title system; establishment, implementation, and operation; contracts; participation of secured parties; inclusion of secured interest or other information in electronic file; execution of release; delivery; assignment of ownership by vehicle dealer; admissibility as evidence of security interest; determination of requirements by secretary of state; establishment, implementation, and operation by July 1, 2016; information to be entered beginning October 1, 2016; definitions.**

Sec. 241. (1) The secretary of state may enter into 1 or more contracts under this section to establish, implement, and operate an electronic lien title system to process the notification and release of security interests through electronic file transfers, or as otherwise determined by the secretary of state, in lieu of the issuance and maintenance of paper documents otherwise required by law. The contract shall contain language that requires the protection of proprietary information contained in the electronic lien title system, and shall ensure that the contract provides for the protection of a competitive free market.

(2) Except for persons who are not normally engaged in the business or practice of financing vehicles, all secured parties are required to participate in the electronic lien title system.

(3) For the purposes of this act, any requirement that a security interest or other information appear on a certificate of title is satisfied by the inclusion of that information in an electronic file maintained in an electronic lien title system. The satisfaction of a security interest may be electronically transmitted to the secretary of state. A secured party shall execute a release of its security interest in a motor vehicle in a manner prescribed by the department not more than 14 days after the secured party receives the payment in satisfaction of the security interest in a motor vehicle. If the certificate of title is in the possession of the motor vehicle owner, the secured party shall deliver the release to the owner of the motor vehicle or as otherwise directed by the owner. However, if the certificate of title is held electronically as provided under section 238,



the secured party shall deliver the release of security interest to the department, and the department shall cancel the security interest. If the secured party fails to comply with these requirements for the release of a secured interest, the secured party is liable to the vehicle owner for all damages sustained by the owner due to the failure to comply. The electronic lien title system shall provide a mechanism by which a vehicle dealer may assign ownership of a motor vehicle without proof that the prior security interest was satisfied existing on the electronic lien title system. However, the dealer warrants that the title is free and clear of all liens and assumes responsibility for the satisfaction of the security interest.

(4) A certified copy of the secretary of state's electronic record of a security interest is admissible in any civil, criminal, or administrative proceeding in this state as evidence of the existence of the security interest. If a certificate of title is maintained electronically in the electronic lien title system, a certified copy of the secretary of state's electronic record of the certificate of title is admissible in any civil, criminal, or administrative proceeding in this state as evidence of the existence and contents of the certificate of title.

(5) The secretary of state may determine any requirements necessary to carry out the provisions of this section, including, but not limited to, 1 or more of the following:

(a) Monitoring the reasonable fees charged by service providers or a contractor for the establishment and maintenance of the electronic lien title system.

(b) The qualifications of service providers for participation in the electronic lien title system.

(c) The qualifications for a contractor to enter into a contract with the secretary of state to establish, implement, and operate the electronic lien title system.

(d) Program specifications that a contractor must adhere to in establishing, implementing, and operating the electronic lien title system.

(6) The electronic lien title system shall be established, implemented, and operational no later than July 1, 2016.

(7) The department may require a person to enter evidence of security interests and any related information into the electronic lien title system in lieu of paper documents beginning October 1, 2016.

(8) As used in this section:

(a) "Contractor" means a person who enters into a contract with the secretary of state to establish, implement, and operate the electronic lien title system described in this section.

(b) "Electronic lien title system" means a system to process the notification and release of security interests through electronic file transfers that is established and implemented under this section.

(c) "Service provider" means a person who provides secured parties with software to manage electronic lien and title data as provided under this section.

**History:** Add. 2014, Act 292, Eff. Mar. 31, 2015.

**Compiler's note:** Former MCL 257.241 which pertained to cancellation of certificate of title for dismantled or wrecked car was repealed by Act 507 of 1978, Eff. July 1, 1979.

### **257.242 Sale of vehicle for salvage.**

Sec. 242. An owner may sell a vehicle to a dealer for salvage by writing on the face of the certificate of title in bold print the word, scrap, along with the signature of the owner or authorized agent, and by then assigning the certificate of title to the dealer purchasing the vehicle. A certificate of title shall not again be issued for the vehicle.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1958, Act 100, Eff. Sept. 13, 1958;—Am. 1960, Act 142, Eff. Aug. 17, 1960;—Am. 1978, Act 507, Eff. July 1, 1979.

### **257.242a Regrooved or recut motor vehicle or motorcycle tires; sale or possession with intent to sell prohibited; exception; misdemeanor.**

Sec. 242a. No person shall regroove or recut motor vehicle or motorcycle tires or knowingly sell, offer or expose for sale or have in his possession with intent to sell any motor vehicle or motorcycle tire or any motor vehicle or motorcycle equipped with one or more tires which have been recut or regrooved, except that there shall be no prohibition against the regrooving or recutting of commercial vehicle tires or the sale of regrooved or recut commercial vehicle tires or commercial vehicles equipped with such commercial vehicle tires which are designed and constructed in such a manner that regrooving or recutting is an acceptable and safe practice. A violation of this section shall constitute a misdemeanor.

**History:** Add. 1966, Act 133, Eff. Jan. 1, 1967.

## PERMITS TO NONRESIDENT OWNERS

### **257.243 Nonresident owner of foreign vehicle; registration; exemption; transportation for compensation; temporary permit; agent for secretary of state; pleasure vehicle; business**

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**vehicle.**

Sec. 243. (1) A nonresident owner, except as otherwise provided in this section, owning any foreign vehicle of a type otherwise subject to registration under this act may operate or permit the operation of the vehicle within this state without registering the vehicle in, or paying any fees to, this state if the vehicle at all times when operated in this state is duly registered in, and displays upon it a valid registration certificate and registration plate or plates issued for the vehicle in the place of residence of the owner.

(2) A nonresident owner of a foreign vehicle operated within this state for the transportation of persons or property for compensation shall register the vehicle and pay the same fees for its registration as is required with reference to like vehicles owned by residents of this state, except that the department may issue to the nonresident owner a temporary permit authorizing the operation of the foreign vehicle within this state for a period of 72 hours, without registering the vehicle, on the payment of a fee as provided in section 802a of this act. The temporary permit shall be in a form as prescribed by, and shall be displayed on a foreign vehicle in a manner determined by the secretary of state. Each request for a temporary permit under this subsection shall be based on emergency or infrequent need for the permit. The secretary of state may refuse to issue a permit if he or she has reason to believe the applicant has previously forged or misused a permit, has attempted to circumvent the registration laws of this state, or has not demonstrated an emergency or infrequent use.

(3) The secretary of state may designate an owner or registrant having a fleet of motor vehicles currently registered under this act to act as an agent for the secretary of state for the purpose of issuing to himself or herself a temporary registration under this section.

(4) A nonresident owner of a pleasure vehicle otherwise subject to registration under this act shall not operate the vehicle for a period exceeding 90 days without securing registration in this state.

(5) Every nonresident, including any foreign corporation carrying on business within this state and owning and operating in that business any vehicle subject to registration as provided in this chapter, shall register the vehicle and pay the same fee for the registration as is required with reference to like vehicles owned by residents of this state, except as otherwise provided by law.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1960, Act 98, Imd. Eff. Apr. 26, 1960;—Am. 1989, Act 299, Imd. Eff. Jan. 3, 1990.

**SPECIAL PLATES TO MANUFACTURERS, TRANSPORTERS, DEALERS**

**257.244 Operation of vehicle by manufacturer, subcomponent system producer, manufacturer of automated technology, dealer, or transporter with special plate; unauthorized use of special plate; penalties; surety bond or insurance; number of plates; operation of vehicle with dealer plate by vendee or prospective purchaser; issuance of registration plate to move vehicle, vessel, or trailer.**

Sec. 244. (1) A manufacturer owning a vehicle of a type otherwise required to be registered under this act may operate or move the vehicle upon a street or highway primarily for the purposes of transporting or testing or in connection with a golf tournament or a public civic event, if the vehicle displays, in the manner prescribed in section 225, 1 special plate approved by the secretary of state.

(2) A producer of a vehicle subcomponent system essential to the operation of the vehicle or the safety of an occupant may operate or move a motor vehicle upon a street or highway solely to transport or test the subcomponent system if the motor vehicle displays, in the manner prescribed in section 225, 1 special plate approved by the secretary of state. To be eligible for the special plate, the subcomponent system producer must be either a recognized subcomponent system producer or must be a subcomponent system producer under contract with a vehicle manufacturer.

(3) Subject to section 665, a manufacturer of automated technology may operate or otherwise move a motor vehicle or an automated motor vehicle upon a street or highway solely to transport or test automated technology if the motor vehicle or automated motor vehicle displays, in the manner prescribed in section 225, a special plate approved by the secretary of state.

(4) A dealer owning a vehicle of a type otherwise required to be registered under this act may operate or move the vehicle upon a street or highway without registering the vehicle if the vehicle displays, in the manner prescribed in section 225, 1 special plate issued to the owner by the secretary of state. As used in this subsection, "dealer" includes an employee, servant, or agent of the dealer.

(5) Solely to deliver the vehicle, a transporter may operate or move a vehicle of a type otherwise required to be registered under this act upon a street or highway if the vehicle displays, in the manner prescribed in section 225, a special plate issued to the transporter under this chapter.

(6) A licensee shall not use a special plate described in this section on service cars or wreckers operated as an adjunct of a licensee's business. A manufacturer, transporter, or dealer making or permitting any

unauthorized use of a special plate under this chapter forfeits the right to use special plates and the secretary of state, after notice and a hearing, may suspend or cancel the right to use special plates and require that the special plates be surrendered to or repossessed by the state.

(7) A transporter shall furnish a sufficient surety bond or policy of insurance as protection for public liability and property damage as may be required by the secretary of state.

(8) The secretary of state shall determine the number of plates a manufacturer, dealer, or transporter reasonably needs in his or her business.

(9) If a vehicle that is required to be registered under this act is leased or sold, the vendee or lessee is permitted to operate the vehicle upon a street or highway for not more than 72 hours after taking possession if the vehicle has a dealer plate attached as provided in this section. The application for registration shall be made in the name of the vendee or lessee before the vehicle is used. The dealer and the vendee or lessee are jointly responsible for the return of the dealer plate to the dealer within 72 hours, and the failure of the vendee or lessee to return or the vendor or lessor to use due diligence to procure the dealer plate is a misdemeanor, and in addition the license of the dealer may be revoked. While using a dealer's plate, a vendee or lessee shall have in his or her possession proof that clearly indicates the date of sale or lease of the motor vehicle.

(10) A vehicle owned by a dealer and bearing the dealer's plate may be driven upon a street or highway for demonstration purposes by a prospective buyer or lessee for a period of 72 hours.

(11) The secretary of state may issue a registration plate upon application and payment of the proper fee to an individual, partnership, corporation, or association that in the ordinary course of business has occasion to legally pick up or deliver a commercial motor vehicle being driven to a facility to undergo aftermarket modification, or to repair or service a vehicle, or to persons defined as watercraft dealers under part 801 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80101 to 324.80199, or to the owner of a marina for the purpose of delivering a vessel or trailer to a purchaser, to transport a vessel between a body of water and a place of storage, to transport a vessel or trailer to and from a boat show or exposition, to repair, service, or store a vessel or trailer, or to return a vessel or trailer to the customer after repair, service, or storage. A registration plate issued under this subsection shall be used to move the vehicle or trailer.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1952, Act 67, Eff. Sept. 18, 1952;—Am. 1957, Act 90, Eff. Sept. 27, 1957;—Am. 1960, Act 107, Eff. Aug. 17, 1960;—Am. 1992, Act 306, Eff. Mar. 31, 1993;—Am. 2000, Act 369, Imd. Eff. Jan. 2, 2001;—Am. 2002, Act 485, Eff. Oct. 1, 2002;—Am. 2002, Act 642, Eff. Jan. 1, 2003;—Am. 2008, Act 539, Imd. Eff. Jan. 13, 2009;—Am. 2013, Act 231, Eff. Mar. 27, 2014.

#### **257.244a Motorcycle dealer license plates; size.**

Sec. 244a. Plates furnished to dealers in motorcycles shall be the same size as otherwise furnished for use on motorcycles.

**History:** Add. 1961, Act 34, Eff. Sept. 8, 1961.

#### **257.245 General distinguishing number and special plates for manufacturer, transporter, or dealer; application; proof; issuance; duration; fee.**

Sec. 245. (1) Any manufacturer, transporter, or dealer may make application to the department upon the appropriate form for a general distinguishing number and for 1 or more special plates. The applicant shall also submit proof of his status as a bona fide manufacturer, transporter, or dealer as may reasonably be required by the department.

(2) The department, upon granting the application, shall issue a special plate with a general distinguishing number assigned to the applicant and displayed on the special plate. The distinguishing number for a special plate shall be different from every other special plate.

(3) A manufacturer or transporter may make application on a form prescribed by the secretary of state for 1 or more special plates, which special plates shall be valid for 3 years. Upon approval of the application, the fee for 1 or more special plates shall be 3 times the annual fee assessed under section 803.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1988, Act 276, Eff. Jan. 1, 1989.

#### **257.246 Special plates; expiration.**

Sec. 246. Every special plate issued hereunder shall expire on the last day of February of each calendar year.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1960, Act 107, Eff. Aug. 17, 1960;—Am. 1965, Act 277, Imd. Eff. July 21, 1965.

#### **257.247 Special plates; manufacturers and transporters, record of uses; inspection by peace officers.**

Sec. 247. Every manufacturer or transporter shall keep a written record of the vehicles upon which such

special plates are used and the time during which each set of plates is used on a particular vehicle, which record shall be open to inspection by any peace officer.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1958, Act 55, Eff. July 1, 1958.

**257.247a, 257.247b Repealed. 1992, Act 306, Eff. Mar. 31, 1993.**

**Compiler's note:** The repealed sections pertained to special plates for operation of vehicles in connection with public civic events and official commemorative civic events plates.

**DEALERS AND WRECKERS MUST BE LICENSED**

**257.248 Dealer license; investigation; report; bond or bond renewal certificate; dealer plates; stipulation as to service of process; prohibited conduct; application; supplemental dealer license; classification; requirements applicable to issuance, renewal, and expiration; conduct not requiring separate or supplemental license.**

Sec. 248. (1) The secretary of state shall not grant a dealer license under this section until the secretary conducts an investigation of the applicant's qualifications under this act, except that this subsection does not apply to a license renewal. The secretary of state shall conduct the investigation within 15 days after receiving the application and prepare a report on the investigation.

(2) An applicant for a new vehicle dealer or a used or secondhand vehicle dealer or broker license shall include a properly executed bond or a bond renewal certificate, approved by the secretary of state, with the license application. If a renewal certificate is used, the bond is considered renewed for each succeeding year in the same amount and with the same effect as an original bond. The bond shall be in the amount of \$10,000.00. The bond shall indemnify or reimburse a purchaser, seller, lessee, financing agency, or governmental agency for monetary loss caused through fraud, cheating, or misrepresentation in the conduct of the vehicle business whether the fraud, cheating, or misrepresentation was made by the dealer or by an employee, agent, or salesperson of the dealer. The surety shall make indemnification or reimbursement for a monetary loss only after a judgment based on fraud, cheating, or misrepresentation is entered in a court of record against the licensee or a final order that the licensee has engaged in fraud, cheating, or misrepresentation is issued by the secretary of state after an administrative hearing. The bond shall also indemnify or reimburse the state for any sales tax deficiency as provided in the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, or use tax deficiency as provided in the use tax act, 1937 PA 94, MCL 205.91 to 205.111, for the year in which the bond is in force. The surety shall make indemnification or reimbursement only after a final judgment is entered in a court of record against the licensee or a final order is issued by the secretary of state after an administrative hearing. A dealer or applicant that provides proof that is satisfactory to the secretary of state that a bond similar to the bond required by this subsection is executed and in force is exempt from the bond requirements of this subsection. The aggregate liability of the surety shall not exceed the sum of the bond. The surety on the bond may cancel the bond by giving notice in writing to the secretary of state of the cancellation at least 30 days before the effective date of the cancellation and is not liable for a breach of condition occurring after the effective date of the cancellation.

(3) An applicant for a new vehicle dealer or a used or secondhand vehicle dealer license shall apply for not less than 2 dealer plates under section 245 and shall include with the application the proper fee for those plates under section 803.

(4) As a condition precedent to the granting of a license, a dealer shall file with the secretary of state an irrevocable written stipulation, authenticated by the applicant, stipulating and agreeing that legal process affecting the dealer, served on the secretary of state or a deputy of the secretary of state, has the same effect as if personally served on the dealer. This appointment remains in force as long as the dealer has any outstanding liability within this state.

(5) A person shall not carry on or conduct the business of buying, selling, brokering, leasing, negotiating a lease, or dealing in 5 or more vehicles of a type required to be titled under this act in a 12-month period unless the person obtains a dealer license from the secretary of state authorizing the carrying on or conducting of that business. A person shall not carry on or conduct the business of buying, selling, brokering, leasing, negotiating a lease, or dealing in 5 or more distressed, late model vehicles or salvageable parts to 5 or more of those vehicles in a 12-month period unless the person obtains a used or secondhand vehicle parts dealer, an automotive recycler, or a salvage pool license from the secretary of state or is an insurance company admitted to conduct business in this state. A person shall not carry on or conduct the business of buying 5 or more vehicles in a 12-month period to process into scrap metal or store or display 5 or more vehicles in a 12-month period as an agent or escrow agent of an insurance company unless the person obtains a dealer license from the secretary of state. A vehicle scrap metal processor that does not purchase vehicles or salvageable parts

from unlicensed persons is not required to obtain a dealer license. A person from another state shall not purchase, sell, or otherwise deal in distressed, late model vehicles or salvageable parts unless the person obtains a foreign salvage vehicle dealer license from the secretary of state under section 248b. A person, including a dealer, shall not purchase or acquire a distressed, late model vehicle or a salvageable part through a salvage pool, auction, or broker without a license as a salvage vehicle agent. The secretary of state shall investigate and seek prosecution, if necessary, of persons allegedly conducting a business without a license.

(6) The application for a dealer license shall be in the form prescribed by the secretary of state and shall be signed by the applicant. In addition to other information as may be required by the secretary of state, the application shall include all of the following:

(a) The name of the applicant.

(b) The location of the applicant's established place of business in this state, together with written verification from the appropriate governing or zoning authority that the established place of business meets all applicable municipal and zoning requirements.

(c) The name under which the dealer will conduct business.

(d) If the business is a corporation, the state of incorporation.

(e) If the business is a sole proprietorship or partnership, the name, address, and date of birth of each owner or partner; if the business is a corporation, the name, address, and date of birth of each of the principal officers.

(f) The county in which the applicant will conduct business and the address of each place of business in that county.

(g) If the dealer's business is the sale of new vehicles, the make or makes of those vehicles. Each new vehicle dealer shall send with the application for license a certification that the dealer holds a bona fide contract to act as factory representative, factory distributor, or distributor representative to sell at retail ..... (the make of vehicle to be sold) and that the contract meets the requirements for a dealer agreement under 1981 PA 118, MCL 445.1561 to 445.1583.

(h) A statement of the previous history, record, and associations of the applicant and of each owner, partner, officer, or director of the applicant. The statement shall be sufficient to establish to the satisfaction of the secretary of state the business reputation and character of the applicant.

(i) A statement showing whether the applicant has previously applied for a license, the result of the application, and whether the applicant has ever been the holder of a dealer license that was revoked or suspended.

(j) If the applicant is a corporation or partnership, a statement showing whether a partner, employee, officer, or director has been refused a license or has been the holder of a license that was revoked or suspended.

(k) If the application is for a used or secondhand vehicle parts dealer or an automotive recycler, all of the following:

(i) Evidence that the applicant maintains or will maintain an established place of business.

(ii) Evidence that the applicant maintains or will maintain a police book and vehicle parts purchase and sales and lease records as required under this act.

(iii) Evidence of worker's compensation insurance coverage for employees classified under the North American industry classification system number 42114, entitled "motor vehicle parts (used) merchant wholesalers" or under the National Council on Compensation Insurance classification code number 3821, entitled "automobile dismantling", if applicable.

(l) A certification that neither the applicant nor another person named on the application is acting as the alter ego of any other person or persons in seeking the license. For the purpose of this subdivision, "alter ego" means a person that acts for and on behalf of, or in the place of, another person for purposes of obtaining a vehicle dealer license.

(m) A certification that the applicant if the applicant is an individual or sole proprietorship, the partners of the applicant if the applicant is a partnership, the principal officers of the applicant if the applicant is a corporation, or any other individual who is responsible for the daily operations of the dealership, as applicable, has reviewed and understands the requirements of this act, the rules promulgated under this act, the dealer manual published by the secretary of state, and any other applicable material provided by the department.

(7) A person shall apply separately for a dealer license for each county in which business is to be conducted. Before moving 1 or more places of business or opening an additional place of business, a dealer shall apply to the secretary of state for and obtain a supplemental dealer license. The secretary of state shall not charge a fee for a supplemental dealer license and shall issue a supplemental dealer license only for a location, including a tent, temporary stand, or any temporary quarters, that does not meet the definition of an

established place of business, within the county in which the dealer's established place of business is located. A dealer license entitles the dealer to conduct the business of buying, selling, leasing, and dealing in vehicles or salvageable parts in the county covered by the license. The dealer license shall also entitle the dealer to conduct at any other licensed dealer's established place of business in this state only the business of buying, selling, leasing, or dealing in vehicles at wholesale.

(8) The secretary of state shall classify and differentiate vehicle dealers according to the type of activity they perform. A dealer shall not engage in activities of a particular classification as provided in this act unless the dealer is licensed in that classification. An applicant may apply for a dealer license in 1 or more of the following classifications:

(a) New vehicle dealer.

(b) Used or secondhand vehicle dealer. A used or secondhand vehicle dealer may be eligible for a mobility dealer endorsement under section 248k.

(c) Used or secondhand vehicle parts dealer.

(d) Vehicle scrap metal processor.

(e) Vehicle salvage pool operator.

(f) Distressed vehicle transporter.

(g) Broker.

(h) Foreign salvage vehicle dealer.

(i) Automotive recycler.

(j) Beginning April 1, 2005, wholesaler.

(9) All of the following apply to the issuance, renewal, and expiration of a dealer license under this section:

(a) A dealer license that is issued before the effective date of the amendatory act that added section 248k expires on December 31 of the last year for which the license is issued.

(b) A dealer shall renew its dealer license annually. The secretary of state may renew a dealer license for a period of not more than 4 years if the secretary receives a renewal application and payment of the fee required under section 807.

(c) An initial dealer license issued on or after the effective date of the amendatory act that added this subdivision expires 1 year after the date the license is issued.

(d) To renew a dealer license, the dealer shall file an application for renewal with the secretary of state at least 30 days before the expiration of its current license.

(e) If a dealer has not renewed its dealer license on or before the expiration date of its current license, the secretary of state within 10 business days after that expiration date must notify the dealer that the secretary of state has not received its renewal application. The notice shall include the amount of the late renewal fee.

(f) A dealer may continue to operate its dealer business after the expiration of its dealer license, pending approval of the renewal application, if the renewal application is delivered in person or mailed to the secretary of state on or before the expiration date of the license. If requested by the department, a dealer that mails an application under this subdivision must provide proof of mailing of the renewal application that is satisfactory to the department.

(g) If an application to renew a dealer license is filed with the secretary of state after the expiration of that license, the dealer may operate its dealer business beginning on the date on which the application is delivered or mailed to the secretary of state, pending approval of the renewal application. If requested by the department, a dealer that mails an application under this subdivision must provide proof of mailing of the renewal application that is satisfactory to the department. A dealer shall pay a renewal fee equal to 150% of the normal renewal fee for a renewal described in this subdivision.

(h) If a dealer files an application to renew a dealer license more than 30 days after the expiration of that license, the dealer is considered a new applicant for a dealer license under this section.

(i) The secretary of state shall deposit the late renewal fees collected under subdivisions (e) and (g) in the transportation administration collection fund created in section 810b.

(10) A dealer may conduct the business of buying, selling, or dealing in motor homes, trailer coaches, trailers, or pickup campers at a recreational vehicle show conducted at a location in this state without obtaining a separate or supplemental license under subsection (7) if all of the following apply:

(a) The dealer is licensed as a new vehicle dealer or used or secondhand vehicle dealer.

(b) The duration of the recreational vehicle show is not more than 14 days.

(c) Not less than 14 days before the beginning date of the recreational vehicle show, the show producer notifies the secretary of state, in a manner and form prescribed by the secretary of state, that the recreational vehicle show is scheduled, the location, dates, and times of the recreational vehicle show, and the name, address, and dealer license number of each dealer participating in the recreational vehicle show.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1951, Act 270, Eff. Sept. 28, 1951;—Am. 1957, Act 281, Eff. Sept. 27, 1957;—Am. 1962, Act 166, Eff. Mar. 28, 1963;—Am. 1964, Act 166, Imd. Eff. Jan. 1, 1965;—Am. 1966, Act 216, Eff. Mar. 10, 1967;—Am. 1970, Act 123, Imd. Eff. July 23, 1970;—Am. 1976, Act 439, Imd. Eff. Jan. 13, 1977;—Am. 1978, Act 507, Eff. July 1, 1979;—Am. 1980, Act 398, Eff. Mar. 31, 1981;—Am. 1988, Act 255, Eff. Oct. 1, 1989;—Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992;—Am. 1993, Act 300, Eff. July 1, 1994;—Am. 1998, Act 384, Eff. Jan. 1, 1999;—Am. 1999, Act 172, Imd. Eff. Nov. 16, 1999;—Am. 2002, Act 642, Eff. Jan. 1, 2003;—Am. 2004, Act 495, Eff. Jan. 31, 2005;—Am. 2016, Act 425, Eff. Apr. 4, 2017.

### **257.248a Vehicle dealer; prohibited advertising or representations; designated business hours.**

Sec. 248a. (1) A motor vehicle dealer shall not advertise or represent a motor vehicle to be a demonstrator, executive or manufacturer's vehicle, leased vehicle, new motor vehicle, or used or secondhand vehicle unless the vehicle so described is as defined in this act.

(2) A motor vehicle dealer shall maintain and adhere to designated business hours that are filed with the secretary of state.

**History:** Add. 1975, Act 314, Imd. Eff. Dec. 22, 1975;—Am. 2012, Act 498, Eff. Mar. 28, 2013.

### **257.248b Foreign salvage vehicle dealer license; form and contents of application; division of dealer licensees into quarter segments; expiration and renewal of license; investigations; stipulation as to service of process.**

Sec. 248b. (1) A person from a foreign state shall not purchase, sell, or otherwise deal in distressed late model motor vehicles or salvageable parts unless the person first obtains a foreign salvage vehicle dealer license from the secretary of state.

(2) The application for a foreign salvage vehicle dealer license shall be in the form prescribed by the secretary of state and shall be signed by the applicant. The application shall include the following:

(a) Name of applicant.

(b) Location of applicant's established place of business in a foreign state.

(c) The name under which business is to be conducted.

(d) If the business is a corporation, the state of incorporation and a copy of the articles of incorporation filed in that state.

(e) Name, address, date of birth, and social security number of each owner or partner and, if a corporation, the name of the principal officers.

(f) A statement of the previous history, record, and associations of the applicant and of each owner, partner, officer, and director, which statement shall be sufficient to establish to the satisfaction of the secretary of state the business reputation and character of the applicant.

(g) A statement showing whether the applicant has previously applied for a license in any other state, the result of the application, and whether the applicant has ever been the holder of a license that was revoked or suspended.

(h) If the applicant is a corporation or partnership, a statement showing whether a partner, employee, officer, or director has been refused a license or has been the holder of a license that was revoked or suspended.

(i) Evidence that the applicant holds the appropriate license to buy, sell, or otherwise deal in distressed, late model vehicles or salvageable parts in a foreign state and actually engages in the business of buying, selling, or otherwise dealing in distressed, late model motor vehicles or salvageable parts in the foreign state.

(j) Evidence that the applicant maintains or will maintain an established place of business.

(k) Evidence that the applicant maintains or will maintain a police book and vehicle parts purchase and sales records as required under this act.

(l) Evidence of worker's compensation insurance coverage for employees classified under the standard industrial classification number 4015, entitled "motor vehicle parts — used" or under the national council on compensation insurance code number 3821, entitled "automobile dismantling", if applicable.

(m) Federal employer tax identification number.

(n) Certification that neither the applicant nor another person named on the application is acting as the alter ego or in the place of or on behalf of any other person or persons in seeking the license. For the purpose of this subdivision, "alter ego" means a person who acts for or on behalf of, or in the place of, another person for purposes of obtaining a vehicle dealer license.

(3) The secretary of state may divide the calendar year into quarters and the total number of dealer licensees into approximately convenient quarter segments. Each dealer license granted under subsection (1) shall expire on the last day of the month in the quarter the business year in which the license was issued, and may be renewed upon application and payment of the fee required by section 807.

(4) A license shall not be granted until an investigation is made of the applicant's qualifications under this act and a criminal history investigation of the applicant is conducted through a law enforcement informational network. This subsection does not apply to license renewals. The secretary of state shall make the investigations within 15 days after receipt of the application and make a report on the investigations.

(5) A dealer required to be licensed under this section, as a condition precedent to the granting of a license, shall file with the secretary of state an irrevocable written stipulation, authenticated by the applicant, stipulating and agreeing that legal process affecting the dealer, served on the secretary of state or a deputy of the secretary of state, has the same effect as if personally served on the dealer. This appointment remains in force as long as any liability of the dealer remains outstanding within this state.

**History:** Add. 1988, Act 255, Eff. Oct. 1, 1989;—Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992;—Am. 1993, Act 300, Eff. Jan. 1, 1994.

### **257.248c Sale, transfer, or release of distressed late model vehicle by vehicle salvage pool, auction, or broker; release of vehicle; release statement; notice to owner and lienholder; sale of vehicle for parts.**

Sec. 248c. (1) A vehicle salvage pool, auction, or broker shall not sell, transfer, or release a distressed, late model vehicle to anyone other than 1 or more of the following:

- (a) The vehicle's former owner or lienholder of record as kept by the secretary of state, as applicable.
- (b) A licensed salvage agent of an automotive recycler.
- (c) A licensed salvage agent of a foreign salvage vehicle dealer.

(2) An insurance company may direct a salvage pool that obtains possession of a vehicle to release the vehicle to the owner or lienholder of record as kept by the secretary of state, as applicable. The insurance company shall provide the salvage pool with a release statement under subsection (3) authorizing the salvage pool to release the vehicle to the vehicle's owner or lienholder of record as kept by the secretary of state, as applicable.

(3) A release statement authorizing a salvage pool to release a vehicle to a vehicle's owner or lienholder of record as kept by the secretary of state shall contain the following information:

- (a) The claim number relating to the vehicle.
- (b) The name and address of the owner of the vehicle.
- (c) The vehicle identification number and description of the vehicle.
- (d) The signature of an authorized representative of the insurance company.

(4) Upon receiving a release statement concerning a vehicle from an insurance company under subsection (2), a salvage pool shall send a notice to the owner and any lienholder of record as kept by the secretary of state of the vehicle that the vehicle is available for pickup by the owner or lienholder of record as kept by the secretary of state. The notice shall be accompanied by an invoice for any outstanding charges owed to the salvage pool. The notice shall inform the owner and any lienholder of record as kept by the secretary of state that the owner and lienholder of record as kept by the secretary of state have 30 days from the postmarked date of the notice and upon payment of applicable charges to pick up the vehicle from the salvage pool, and shall warn the owner and lienholder of record that failure to redeem the vehicle within 30 days after the postmarked date of the notice will result in the sale of the vehicle and the termination of all rights of the owner and the lienholder of record to the vehicle and the proceeds of a sale under subsection (5). A notice under this subsection shall be sent by the salvage pool to the applicable address on record with the secretary of state by certified mail or by another commercially available delivery service providing proof of delivery.

(5) If the owner or lienholder of record as kept by the secretary of state does not pick up the vehicle within the 30-day period described in subsection (4), the salvage pool may sell the vehicle for parts only to a licensed salvage agent of an automotive recycler or to a licensed salvage agent of a foreign salvage vehicle dealer if the vehicle is a distressed late-model vehicle, or to a licensed salvage agent of an automotive recycler, to a licensed salvage agent of a foreign salvage vehicle dealer, or to a vehicle scrap metal processor if the vehicle is not a distressed late-model vehicle. The salvage pool shall provide the buyer and the secretary of state with a copy of the release statement under subsection (2), proof of notice under subsection (4) to the owner and lienholder of record as kept by the secretary of state, and a bill of sale. The secretary of state shall use the documentation provided to issue the appropriate salvage or scrap certificate of title.

**History:** Add. 1988, Act 255, Eff. Oct. 1, 1989;—Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992;—Am. 1993, Act 300, Eff. Jan. 1, 1994;—Am. 2015, Act 48, Eff. Sept. 7, 2015;—Am. 2016, Act 448, Eff. Apr. 5, 2017.

### **257.248d Wholesaler; requirements.**

Sec. 248d. All of the following requirements apply to a wholesaler:

- (a) A wholesaler shall not advertise vehicles for sale on the internet or any classified listing unless the



advertisement clearly discloses the wholesaler's license classification and clearly states that any purchaser shall be a licensed vehicle dealer.

(b) A wholesaler shall buy or sell not less than 24 vehicles in this state each year to retain possession of a wholesaler license.

(c) A wholesaler shall maintain an established place of business in this state that satisfies the conditions listed in section 14(3).

(d) A wholesaler shall maintain and adhere to designated business hours that are filed with the secretary of state.

**History:** Add. 2012, Act 498, Eff. Mar. 28, 2013.

**Compiler's note:** Former MCL 257.248d, which pertained to a study pertaining to reducing auto theft and comprehensive premiums, was repealed by Act 304 of 1992, Imd. Eff. Dec. 21, 1992.

### **257.248e Salvage vehicle agent license.**

Sec. 248e. (1) Beginning January 1, 1994, a person, including a dealer, shall not purchase, acquire, sell, or otherwise deal in distressed, late model vehicles or salvageable parts through a salvage pool without a salvage vehicle agent license from the secretary of state. Only a licensed automotive recycler, licensed used or secondhand vehicle parts dealer, or a licensed foreign salvage vehicle dealer may apply to the secretary of state for a salvage vehicle agent license. A dealer shall not have more than 2 individuals, including himself or herself, licensed as a salvage vehicle agent.

(2) The application for a salvage vehicle agent license shall be in the form prescribed by the secretary of state and shall be signed by both the agent and the dealer who is appointing the individual as a salvage vehicle agent. In addition to other information as may be required by the secretary of state, the application shall include all of the following:

(a) Business name, address, and dealer license number of the dealer-applicant.

(b) Name, address, social security number, and date of birth of the agent-applicant.

(c) A statement of the previous history, record, and associations of the agent, which statement shall be sufficient to establish to the satisfaction of the secretary of state the business reputation and character of the agent.

(d) A statement showing whether the agent has previously applied for a dealer license or an agent's license, the result of the application, and whether the agent has ever been the holder of a dealer license or agent's license that was revoked or suspended in this state or any other state.

(e) A certification that the agent is not acting as the alter ego or in the place or on the behalf of any other person or persons in seeking the license. For the purpose of this subdivision, "alter ego" means a person who acts for and on behalf of, or in the place of, another person for purposes of obtaining a salvage vehicle agent license.

(3) A dealer shall make a separate application for each agent license and forward the application to the secretary of state along with the application of the dealer for a dealer license. A fee of \$50.00 shall accompany each application for an agent license. The license of an agent issues, renews, and expires with the issuance, renewal, and expiration of the license of a dealer. If necessary, a dealer may apply for the license for an agent at any time during the time period that the dealer license is valid.

(4) A license for an agent shall not be granted until an investigation is made of the agent's qualifications under this act, except that this subsection does not apply to license renewals. The secretary of state shall make the investigation within 15 days after receiving the application and make a report on the investigation.

(5) The secretary of state shall issue a license to an agent bearing a full-face photograph of the agent and the following information:

(a) Agent's name and address.

(b) Physical description.

(c) The agent's signature.

(d) The agent's license number.

(e) Name, address, and dealer license number of the dealer for whom the agent may conduct business.

(6) The secretary of state shall maintain a copy or a negative of the photograph for purposes of renewing or issuing duplicate salvage vehicle agent licenses.

(7) A dealer shall immediately notify the secretary of state in writing if there is any factual or material change in the information stated in an agent's license or application for the license.

(8) A dealer may cancel the license of an agent at any time. If a dealer cancels the license of an agent, the dealer shall notify, in writing, the secretary of state within 5 days of the cancellation and forward the canceled license to the secretary of state along with this notice. The dealer shall advise each salvage pool or salvage auction where the dealer does business of the cancellation. An agent's license is automatically canceled, by

operation of law, at the end of the employment of the agent by the dealer.

(9) Within 5 days of the cancellation, expiration, suspension, or revocation of the license of an agent, the agent shall surrender the license to the dealer or secretary of state.

(10) If an agent's license becomes lost, mutilated, or illegible, the dealer shall promptly apply to the secretary of state for the issuance of a duplicate license. Application shall be made on a form as prescribed by the secretary of state and be accompanied by a fee of \$50.00 and the mutilated or illegible license.

(11) A dealer shall indemnify the secretary of state and any member of the public who suffers or sustains any loss by reason of any violation of this act by an agent that occurs within the actual or apparent scope of the agent's authority during the period that the agent's license is valid.

(12) An agent required to be licensed under this section, as a condition precedent to the granting of a license, shall file with the secretary of state an irrevocable written stipulation, authenticated by the agent applicant, stipulating and agreeing that legal process affecting the agent, served on the secretary of state or a deputy of the secretary of state, has the same effect as if personally served on the agent. This appointment remains in force as long as any liability of the agent remains outstanding within this state.

**History:** Add. 1993, Act 300, Eff. Jan. 1, 1994.

**257.248f Vehicle dealer or salvage vehicle agent license; criminal history check; fingerprints; disclosure of information; violation of subsection (7) as misdemeanor; "criminal history record information" defined.**

Sec. 248f. (1) The secretary of state shall not license a person as a vehicle dealer or salvage vehicle agent before requesting a criminal history check of the person and receiving a criminal history report of the person from both the department of state police and federal bureau of investigation.

(2) Each criminal history check required under this section shall be requested, and a criminal history report shall be obtained, from both the department of state police and the federal bureau of investigation.

(3) Each person required to be named on an application shall submit his or her fingerprints for a criminal history check to the department of state police in a format as prescribed by the department of state police. The fees required by the department of state police or the federal bureau of investigation, as applicable, to conduct the criminal history check shall accompany a request for a criminal history check.

(4) The department of state police shall conduct a criminal history check not more than 45 days after receiving a proper request and the required fee for a criminal history check under this section. After conducting the criminal history check and within the same 45-day period, the department of state police shall provide the secretary of state with a report of the criminal history check. The report shall contain public criminal history record information concerning the person who is the subject of the request that is maintained by the department of state police.

(5) If a criminal arrest fingerprint card is subsequently submitted to the department of state police and matches against a fingerprint that was submitted under this section and stored in its automated fingerprint identification system (AFIS) database, the department of state police shall notify the department.

(6) Except as otherwise provided in this act, the secretary of state shall not approve an original vehicle dealer or salvage vehicle agent license before receiving and reviewing the applicable criminal history reports from the department of state police and the federal bureau of investigation.

(7) The secretary of state shall use criminal history record information received under this section to evaluate an applicant's qualifications to receive a vehicle dealer or salvage vehicle agent license under this act. The secretary of state may only discuss a criminal history report or its contents with the following people:

(a) Staff of the secretary of state who are involved in determining whether an applicant's vehicle dealer license or salvage vehicle agent license should be denied, suspended, or revoked.

(b) Staff of the department of state police.

(c) A person who was involved in the prosecution or defense of a criminal matter noted in a criminal history report.

(d) The applicant or his or her attorney.

(8) A person who violates subsection (7) is guilty of a misdemeanor punishable by a fine of not more than \$10,000.00.

(9) As used in this section, "criminal history record information" means that term as defined in section 1a of 1925 PA 289, MCL 28.241a.

(10) Except for subsection (5), this section does not apply to a person whose criminal history has previously been investigated by the secretary of state and who is applying for the renewal of a vehicle dealer license or salvage vehicle agent license.

**History:** Add. 1993, Act 300, Eff. July 1, 1994;—Am. 2006, Act 298, Imd. Eff. July 20, 2006.

### **257.248g Salvage vehicle agent; duties.**

Sec. 248g. A salvage vehicle agent shall comply with this act and shall do all of the following:

(a) Purchase or acquire salvage vehicles only for the dealer indicated upon his or her agent's license. A salvage vehicle agent shall not be an agent for more than 1 licensed dealer at a given time.

(b) Prominently display his or her agent's license on his or her person at all times when he or she is present at a place where salvage vehicles are purchased, sold, or offered for sale.

(c) Upon demand, immediately display his or her agent's license to a peace officer or an authorized representative of the secretary of state.

(d) Immediately contact the dealer if there is any factual or material change in the information stated in his or her agent's license or license application.

(e) Upon the cancellation, cessation, or transfer of his or her employment, immediately surrender his or her license to the dealer who shall mail the license to the secretary of state for cancellation.

**History:** Add. 1993, Act 300, Eff. July 1, 1994.

### **257.248h Persons engaged in prohibited conduct; penalties; refusal to issue or renew license; revocation or suspension of license; denial or revocation of license without hearing.**

Sec. 248h. (1) A person that engages in conduct that is prohibited under subsection (2) is subject to 1 or more of the following penalties:

(a) Placement of a limitation on the person's license.

(b) Suspension or revocation of a license.

(c) Denial of an original or renewal application.

(d) A civil fine paid to the department in an amount that does not exceed \$25,000.00.

(e) A letter of censure.

(2) The secretary of state may deny the application of a dealer after an appropriate hearing for the licensing of an individual as a salvage vehicle agent and refuse to issue or renew the license of an agent, or may suspend or revoke an agent's license that is already issued, if the secretary of state finds that the dealer, applicant agent, or licensed agent has done 1 or more of the following:

(a) Made a false statement of a material fact in the agent's application.

(b) Violated this chapter or a rule promulgated under this chapter, or assisted others in the violation of this chapter or a rule promulgated under this chapter.

(c) Purchased or acquired a salvage or scrap vehicle or salvageable part for a dealer for which the agent is not licensed, or functioned as an agent for himself or herself alone and without respect to any dealer.

(d) Committed a fraudulent act in connection with purchasing or acquiring or otherwise dealing in vehicles of a type required to be registered under this act or in salvage or scrap vehicles or in vehicle parts.

(e) Engaged in a method, act, or practice that is unfair or deceptive, including the making of an untrue statement of a material fact.

(f) Violated a condition of probation under section 250a.

(g) Failed to comply with the terms of a final cease and desist order under section 250b.

(h) Failed to pay over funds or to surrender or return property received in the course of employment to a dealer or to another person that is entitled to the funds or property.

(i) Acted as a dealer's agent by purchasing, acquiring, selling, or disposing of a vehicle while employed by a licensed dealer without reporting the purchase, acquisition, sale, or disposing of the vehicle to the dealer.

(j) Served in a managerial capacity for a dealer during the time another agent or employee of that dealer, acting under the direction and control of the dealer or licensed agent, committed a violation of this chapter or of a rule promulgated under this chapter or of a similar law in another state or jurisdiction.

(k) Acted for more than 1 party in a transaction without the knowledge of the other parties.

(l) Permitted an unlawful use of the agent's license.

(m) Accepted a commission, bonus, or other valuable consideration for the sale of a vehicle from a person other than the dealer under which the agent is licensed.

(n) Possessed a vehicle or a vehicle part that has been confiscated under section 415 of the Michigan penal code, 1931 PA 328, MCL 750.413, or of a similar law in another state or jurisdiction.

(3) If the secretary of state receives an appropriate abstract of conviction, the secretary of state shall, without providing an opportunity for a hearing, deny the application of a person for a license as a salvage vehicle agent or immediately revoke the license of a person as a salvage vehicle agent for not less than 5 years after the date of the person's last conviction if the applicant or licensee, or a stockholder, officer, director, or partner of the applicant or licensee, is convicted of a violation or attempted violation of section 254 of this act

or of section 413, 414, 415, 535, or 535a of the Michigan penal code, 1931 PA 328, MCL 750.413, 750.414, 750.415, 750.535, and 750.535a, or is convicted in federal court or in another state of a violation or attempted violation of a law substantially corresponding to section 254 of this act or of those sections of the Michigan penal code.

(4) If the secretary of state receives an appropriate abstract of conviction from the court, the secretary of state, without providing an opportunity for a hearing, shall deny the application of a person for a license as a salvage vehicle agent or immediately revoke the license of a person as a salvage vehicle agent and shall never issue the person a salvage vehicle agent license if the applicant or licensee has any combination of 2 or more convictions of a violation or attempted violation of section 254 of this act or of section 413, 414, 415, 535, or 535a of the Michigan penal code, 1931 PA 328, MCL 750.413, 750.414, 750.415, 750.535, and 750.535a, or is convicted in federal court or in another state of a violation or attempted violation of a law substantially corresponding to section 254 of this act or of those sections of the Michigan penal code.

**History:** Add. 1993, Act 300, Eff. July 1, 1994;—Am. 2016, Act 425, Eff. Apr. 4, 2017.

#### **257.248i Attending pool or auction selling salvage or scrap titled vehicles.**

Sec. 248i. Except for department of state personnel, insurance company representatives, governmental officials, or law enforcement personnel, a person shall not attend a pool or auction selling salvage or scrap titled vehicles unless the person is licensed under this act as a salvage vehicle agent.

**History:** Add. 1993, Act 300, Eff. July 1, 1994.

#### **257.248j Acting as dealer without license; warning; administrative fine; notice of assessment; actions; informal conference; administrative hearing; payment of administrative fine; reduction.**

Sec. 248j. (1) In addition to any other remedies provided by law, if the secretary of state determines that a person has acted as a dealer without a dealer license, he or she may issue the person a verbal or written warning or assess an administrative fine of not more than \$5,000.00 for a first violation, and not more than \$7,500.00 for each subsequent violation occurring within 7 years of a prior violation.

(2) If the secretary of state assesses an administrative fine under subsection (1), the secretary of state shall provide notice of the assessment in writing pursuant to section 212. At a minimum, the notice of assessment shall contain all of the following:

- (a) A unique identification number.
- (b) A description of the alleged violation that is the basis for the assessment, including the date the alleged violation occurred and a reference to the specific section or rule alleged to have been violated.
- (c) The administrative fine established for the violation.
- (d) A statement indicating that if the fine is not paid, the secretary of state may refer the fine to the department of treasury for collection.
- (e) A statement indicating that if the alleged violation is contested, the person has a right to request an informal conference before an administrative hearing, accompanied by simple instructions informing the person how to request or waive the informal conference.

(3) Not later than 20 days after receiving the written notice of assessment, the alleged violator shall do 1 of the following:

- (a) Pay the administrative fine to the secretary of state. A payment waives the person's right to an informal conference and an administrative hearing.
- (b) Request the secretary of state to conduct an informal conference.
- (c) Waive the right to an informal conference and request the secretary of state to conduct an administrative hearing.
- (d) If the person is not a licensed dealer, pay the administrative fine to the secretary of state and submit a properly completed dealer license application to the secretary of state.

(4) A person's request for an informal conference or an administrative hearing shall comply with all of the following:

- (a) Be in writing.
- (b) Be postmarked or received by the department within 20 days after the date the person received the written notice of assessment.
- (c) State the name, address, and telephone number of the person requesting the informal conference or administrative hearing.
- (d) State the written notice of assessment's unique identification number.
- (e) State the reason for the request.
- (f) If the request is for an administrative hearing without an informal conference, state the person is

waiving his or her right to an informal conference.

(5) If the secretary of state receives a request for an informal conference or an administrative hearing that meets all of the conditions prescribed in subsection (4), the secretary of state shall schedule an informal conference or an administrative hearing, as applicable. If the request fails to meet all of the conditions prescribed in subsection (4), the secretary of state may in writing deny the request. A denial shall be served on the person by first-class mail and shall do both of the following:

- (a) State the reason for the denial.
- (b) Grant the person 14 days to submit a valid request to the secretary of state.

(6) The secretary of state shall conduct an informal conference under this section within 45 days after receiving a valid request for the conference. The secretary of state shall serve upon the alleged violator, by first-class mail not less than 5 days before the conference, a written notice that includes time, place, and date of the informal conference. The notice shall state that the alleged violator may be represented by an attorney at the informal conference.

(7) After the informal conference, the secretary of state shall evaluate the validity of the assessment of the administrative fine and affirm, modify, or dismiss the assessment. In making the evaluation, the secretary of state may consider 1 or more of the following:

- (a) Whether there is reason to believe the alleged violation did in fact occur.
- (b) The severity of the alleged violation and its impact on the public.
- (c) The number of prior or related violations by the person.
- (d) The likelihood of future compliance by the person.
- (e) Any other considerations the secretary of state considers appropriate.

(8) Within 20 days after conducting the informal conference, the secretary of state shall serve upon the person by first-class mail a written statement describing whether the assessment of the administrative fine is affirmed, modified, or dismissed and the basis of the action. If the assessment is affirmed or modified, this statement shall also advise the person that he or she will receive a notice of hearing where the validity of the assessment may be contested or he or she may immediately pay the fine to the secretary of state and that payment of the fine will prevent scheduling of an administrative hearing.

(9) A notice of hearing under this section shall be served on the person by first-class mail not less than 5 days before the date scheduled for the administrative hearing and, at a minimum, advise the person of all of the following:

- (a) The time, place, and date of hearing.
- (b) That an impartial hearing officer will conduct the hearing and allow the person an opportunity to examine the secretary of state's evidence and present evidence in person or in writing.
- (c) That the person has a right to be represented by an attorney at the administrative hearing.
- (d) The common reasons why the secretary of state could dismiss an assessment of an administrative fine.
- (e) That the hearing officer conducting the administrative hearing will be authorized to do all of the following:

- (i) Affirm, modify, or dismiss the assessment of an administrative fine.
- (ii) Correct any errors in the department's records that relate directly to the assessment.
- (iii) Refer or not refer the fine to the department of treasury for collection.
- (iv) Take or order any other action or resolution considered appropriate by the hearing officer.
- (f) That if the department of treasury takes enforcement action against the person, he or she may seek a review in the court of claims.

(10) The secretary of state shall conduct an administrative hearing under this section pursuant to the contested case provisions of the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. If an administrative fine assessed under this section is affirmed by the decision of the hearing officer, the hearing officer may assess the person costs of not more than \$500.00, to reimburse the secretary of state for proving the validity of the alleged violation, in addition to any other penalties, sanctions, or costs imposed as provided by law.

(11) An administrative fine assessed under this section becomes final upon the first to occur of the following:

- (a) The secretary of state does not receive a valid request for an informal conference or an administrative hearing within the time period described in subsection (4).
- (b) Twenty days after a person waives his or her right to an administrative hearing.
- (c) An administrative hearing decision is served upon the person.

(12) After a person pays the secretary of state the fine imposed, the secretary of state shall forward the money to the department of treasury for deposit in a separate fund within the general fund. Upon appropriation, this money shall be used first to defray the expense of the secretary of state in administering

this chapter.

(13) If an administrative fine assessed under this section is not paid within 60 days after it becomes final, the secretary of state may refer the matter to the department of treasury for collection as a state debt through the offset of state tax refunds and may use the services of the department of treasury to levy the salary, wages, or other income or assets of the person as provided by law.

(14) Payment of an administrative fine assessed under this section does not constitute an admission of responsibility or guilt by the person. Payment of an administrative fine assessed under this section does not prevent the secretary of state from charging a violation described in the assessment of the administrative fine in a subsequent or concurrent contested case proceeding conducted by the secretary of state pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(15) If the person submits a properly completed application and appropriate fee for a dealer license within 20 days after an administrative fine under subsection (1) is assessed, and if the secretary of state issues the person a dealer license within 45 days of receiving the properly completed application and fee, the secretary of state shall reduce the amount of the administrative fine by 50%.

(16) The secretary of state shall serve a notice, denial, decision, or statement under this section in compliance with section 212.

(17) An informal conference under this section is not a compliance conference under section 92 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.292.

**History:** Add. 2002, Act 652, Eff. Jan. 1, 2003.

### **257.248k Mobility dealer endorsement.**

Sec. 248k. (1) The secretary of state may create a mobility dealer endorsement for the purposes of this act. All of the following apply if the secretary of state creates a mobility dealer endorsement under this section:

(a) Only a licensed used or secondhand vehicle dealer is eligible for a mobility dealer endorsement.

(b) The secretary of state shall prescribe the form and content of an application for a mobility dealer endorsement and the application shall require the signature of the applicant.

(c) A mobility dealer is not prohibited from also obtaining a broker license, if that broker license is issued for the sole purpose of brokering new vehicles that are modified by the addition of permanently affixed ambulatory assistance devices.

(2) Notwithstanding any other law of this state, a mobility dealer may do any of the following:

(a) Display, hold in inventory, demonstrate, solicit the sale of, or offer for sale a mobility vehicle, regardless of the chassis make of the mobility vehicle.

(b) If the transaction occurs through or by a franchised dealer of the motor vehicle's chassis line make, arrange for the sale and delivery of a new mobility motor vehicle to a purchaser at the mobility dealer's place of business.

(c) Sell and install mobility equipment and accessories and other goods and services to meet the particular needs of disabled drivers and passengers.

(d) Provide mobility vehicle maintenance and repair services, subject to the following:

(i) Except as provided in subparagraph (ii), a mobility dealer shall not perform repairs on mobility vehicles or other motor vehicles without a license as a repair facility under the motor vehicle service and repair act, 1974 PA 300, MCL 257.1301 to 257.1340.

(ii) A mobility dealer may perform repairs on parts that are unique to a mobility vehicle, do not alter the operating condition of a mobility vehicle, and were not part of the original manufactured motor vehicle without a license as a repair facility under the motor vehicle service and repair act, 1974 PA 300, MCL 257.1301 to 257.1340.

(3) A mobility dealer shall not do any of the following:

(a) Represent that it is engaged in the sale of new motor vehicles.

(b) Sell or transfer, or offer to sell or transfer, a new motor vehicle by assigning the vehicle's certificate of origin.

(c) Sell or offer to sell an adapted vehicle that does not have proof that it has been adapted or modified in compliance with 49 CFR part 568 or 49 CFR part 595.

(4) As used in this section:

(a) "Mobility dealer" means a used or secondhand vehicle dealer that holds an endorsement as a mobility dealer from the department under this section.

(b) "Mobility equipment" means mechanical or electronic devices, parts, or accessories that are specifically designed to facilitate the use of a motor vehicle by an aging or disabled individual, in compliance with 49 CFR part 571, and that are permanently attached to or incorporated in the vehicle.

(c) "Mobility vehicle" means a motor vehicle that is specially designed and equipped to transport an

individual with a disability, in compliance with 49 CFR part 568 or 49 CFR part 595, and that meets all of the following:

(i) Is designed and built or modified to allow vehicle ingress and egress for an individual who is in a wheelchair or scooter.

(ii) Is equipped with 1 or more of the following:

(A) An electronic or mechanical wheelchair, scooter, or platform lift that enables an individual to enter or exit the vehicle while occupying a wheelchair or scooter.

(B) An electronic or mechanical wheelchair ramp.

(C) A system to secure a wheelchair or scooter that allows for safe transportation of an individual while he or she is occupying the wheelchair or scooter and that is installed as an integral part or permanent attachment to the vehicle's chassis.

**History:** Add. 2016, Act 425, Eff. Apr. 4, 2017.

### **257.249 Denial, suspension, or revocation of license as dealer; grounds.**

Sec. 249. The secretary of state may deny the application of a person for a license as a dealer and refuse to issue the person a license as a dealer, or may suspend or revoke a license already issued, if the secretary of state finds that 1 or more of the following apply:

(a) The applicant or licensee has made a false statement of a material fact in his or her application.

(b) The applicant or licensee has not complied with the provisions of this chapter or a rule promulgated under this chapter.

(c) The applicant or licensee has sold or leased or offered for sale or lease a new vehicle of a type required to be registered under this act without having authority of a contract with a manufacturer or distributor of the new vehicle.

(d) The applicant or licensee has been guilty of a fraudulent act in connection with selling, leasing, or otherwise dealing in vehicles of a type required to be registered under this act.

(e) The applicant or licensee has entered into or is about to enter into a contract or agreement with a manufacturer or distributor of vehicles of a type required to be registered under this act that is contrary to any provision of this act.

(f) The applicant or licensee has no established place of business that is used or will be used for the purpose of selling, leasing, displaying, or offering for sale or lease or dealing in vehicles of a type required to be registered, and does not have proper servicing facilities.

(g) The applicant or licensee is a corporation or partnership, and a stockholder, officer, director, or partner of the applicant or licensee has been guilty of any act or omission that would be cause for refusing, revoking, or suspending a license issued to the stockholder, officer, director, or partner as an individual.

(h) The applicant or licensee has possessed a vehicle or a vehicle part that has been confiscated under section 415 of the Michigan penal code, 1931 PA 328, MCL 750.415. The secretary of state shall conduct a hearing pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, before the secretary of state takes any action under this subdivision.

(i) The applicant or licensee has been convicted under section 415 of the Michigan penal code, 1931 PA 328, MCL 750.415.

(j) The applicant or licensee has been convicted of violating 1986 PA 119, MCL 257.1351 to 257.1355.

(k) The established place of business of the applicant or licensee is not in compliance with all applicable zoning requirements and municipal requirements.

(l) The applicant or licensee has engaged in the business of buying, selling, trading, or exchanging new, used, or secondhand motor vehicles or has offered to buy, sell, trade, or exchange, or participate in the negotiation thereof, or attempted to buy, sell, trade, or exchange any motor vehicle or interest in any motor vehicle or any written instrument pertaining to a motor vehicle on a Sunday, as prohibited by 1953 PA 66, MCL 435.251 to 435.254.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1951, Act 270, Eff. Sept. 28, 1951;—Am. 1981, Act 115, Imd. Eff. July 17, 1981;—Am. 1988, Act 255, Eff. Oct. 1, 1989;—Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992;—Am. 1993, Act 300, Eff. Jan. 1, 1994;—Am. 2002, Act 642, Eff. Jan. 1, 2003;—Am. 2004, Act 495, Eff. Jan. 31, 2005.

### **257.249a Denial, suspension, or revocation of license as automotive recycler, used or secondhand vehicle parts dealer, vehicle scrap metal processor, or foreign salvage vehicle dealer; grounds.**

Sec. 249a. (1) The secretary of state may deny the application of a person for a license as an automotive recycler, a used or secondhand vehicle parts dealer, a vehicle scrap metal processor, or a foreign salvage vehicle dealer and refuse that person a license as an automotive recycler, a used or secondhand vehicle parts

dealer, a vehicle scrap metal processor, or a foreign salvage vehicle dealer, or may suspend or revoke a license already issued, if the secretary of state finds that 1 or more of the following apply:

- (a) The applicant or licensee has made a false statement of a material fact in his or her application.
- (b) The applicant or licensee has not complied with this act or a rule promulgated under this chapter.
- (c) The applicant or licensee has been convicted of violating Act No. 119 of the Public Acts of 1986, being sections 257.1351 to 257.1355 of the Michigan Compiled Laws.
- (d) If the applicant or licensee is a foreign salvage vehicle dealer, has had his or her dealer license in another state expire, or has had his or her dealer license in another state revoked, suspended, or canceled.
- (e) If the applicant or licensee is an automotive recycler, a used or secondhand vehicle parts dealer, or a foreign salvage vehicle dealer and has no established place of business used for the purpose of selling, displaying, or offering for sale used or secondhand vehicle parts or does not have a vehicle dismantling facility or does not have evidence of worker's compensation insurance coverage for employees classified under the standard industrial classification number 4015, entitled "motor vehicle parts—used" or under the national council on compensation insurance code number 3821, entitled "automobile dismantling", if applicable.

(2) The secretary of state shall deny the application of a person for a license as an automotive recycler, a used or secondhand vehicle parts dealer, a vehicle scrap metal processor, or a foreign salvage vehicle dealer and refuse that person a license as an automotive recycler, a used or secondhand vehicle parts dealer, a vehicle scrap metal processor, or a foreign salvage vehicle dealer, or shall suspend or revoke a license already issued, if the secretary of state finds that 1 or more of the following apply:

- (a) The applicant or licensee has been guilty of a fraudulent act in connection with selling or otherwise dealing in major component parts or vehicles of a type required to be registered under this act.
- (b) The applicant or licensee has possessed a vehicle or a vehicle part which has been confiscated under section 415 of the Michigan penal code, Act No. 328 of the Public Acts of 1931, being section 750.415 of the Michigan Compiled Laws. The secretary of state shall conduct a hearing pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws, before the secretary of state takes any action under this subdivision.
- (c) The applicant or licensee has been convicted under section 413, 415, 535, 535a, or 536a of Act No. 328 of the Public Acts of 1931, being sections 750.413, 750.415, 750.535, 750.535a, and 750.536a of the Michigan Compiled Laws, or has been convicted in a foreign state of a law or a local ordinance substantially corresponding to section 413, 415, 535, 535a, or 536a of Act No. 328 of the Public Acts of 1931.
- (d) The applicant or licensee is a corporation or partnership, and a stockholder, officer, director, or partner of the applicant or licensee has been guilty of any act or omission that would be cause for refusing, revoking, or suspending a license issued to the stockholder, officer, director, or partner as an individual.
- (e) Effective July 1, 1994, the applicant or licensee has removed a scrap vehicle from this state for the purpose of rebuilding it or has sold or transferred the vehicle as a unit for purposes of rebuilding it.

**History:** Add. 1988, Act 255, Eff. Oct. 1, 1989;—Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992;—Am. 1993, Act 300, Eff. Jan. 1, 1994.

### **257.250 Vehicle dealer's licensee; procedure for denial, suspension, revocation.**

Sec. 250. (a) Before denying, revoking, suspending, or refusing to renew a dealer's license the secretary of state shall:

1. Cause an investigation of the licensee after a complaint in writing of any person has been filed in his office.
2. Set a date for hearing and give said licensee notice thereof at least 10 days in advance in the manner herein provided.
3. Cause a record to be taken of the hearing proceedings.
4. Enter a final order together with his findings.

(b) Such final order of the secretary of state shall be final unless, within 30 days after notice of such order is mailed by the secretary of state to the person whose application or license is denied, revoked, suspended or refused, such person shall claim an appeal from such order to the circuit court for the county in which such person resides or maintains a place of business or to the circuit court for the county of Ingham. On such appeal, the court shall review both law and facts as disclosed by the record, and may in its discretion receive newly discovered evidence, but shall not conduct a hearing de novo. The court may confirm, modify or set aside such order and make such further orders in respect thereto as justice may require.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1951, Act 270, Eff. Sept. 28, 1951.

### **257.250a Placement of license on probation; conditions**



Sec. 250a. As an alternative or in addition to administrative action under section 248h(1) for a violation or alleged violation of section 248h(2), section 249 for a violation or alleged violation of section 249, section 249a(1) for a violation or alleged violation of section 249a(1), or section 249a(2) for a violation or alleged violation of section 249a(2), the secretary of state may, by written agreement with a person that holds the license described in that section, place that license on probation and include conditions of probation in the agreement.

**History:** Add. 2016, Act 425, Eff. Apr. 4, 2017.

#### **257.250b Cease and desist order.**

Sec. 250b. (1) If the secretary of state determines after notice and opportunity for a hearing that a person has violated this chapter, the secretary of state may issue an order requiring the person to cease and desist from the violation or to take an affirmative action that in the judgment of the secretary of state would carry out the purposes of this act, including, but not limited to, payment of restitution to a customer.

(2) If the secretary of state makes a finding of fact in writing that the public interest will be irreparably harmed by a delay in issuing an order, the secretary of state may issue a temporary cease and desist order. Before issuing a temporary cease and desist order, the secretary of state, when possible, by telephone or otherwise, shall notify the person that violated this chapter of the secretary of state's intention to issue a temporary cease and desist order. A temporary cease and desist order shall include in its terms a provision that states that the secretary of state shall on request hold a hearing within 30 days to determine whether or not the order shall become permanent.

**History:** Add. 2016, Act 425, Eff. Apr. 4, 2017.

#### **257.250c Other lawful remedies and sanctions.**

Sec. 250c. The remedies and sanctions under this chapter are independent and cumulative. The use of a remedy or sanction under this chapter, including, but not limited to, administrative action by the secretary of state under section 248h(2), 249, or 249a(1), an agreement for probation under section 250a, or an order under section 250b, does not bar other lawful remedies and sanctions against a person and does not limit a person's criminal or civil liability under law.

**History:** Add. 2016, Act 425, Eff. Apr. 4, 2017.

#### **257.251 Dealer records; maintenance; manner; contents; odometer mileage statement; delivery of written statement to buyer; conditions to valid sale; maintenance and inspection of dealer records and inventory; inspections; summary suspension of license; order; hearing; rules.**

Sec. 251. (1) Each new vehicle dealer, used vehicle dealer, broker, and wholesaler shall maintain a record in a manner prescribed by the secretary of state of each vehicle of a type subject to titling under this act that is bought, sold, leased, or exchanged by the dealer or received or accepted by the dealer for sale, lease, or exchange.

(2) Each record shall contain the date of the purchase, sale, lease, or exchange or receipt for the purpose of sale, lease, or exchange, a description of the vehicle, the name and address of the seller, the purchaser or lessee, and the alleged owner or other persons from whom the vehicle was purchased or received, or to whom it was sold, leased, or delivered. The record shall contain a copy of any odometer mileage statement received by the dealer when the dealer purchased or acquired a vehicle and a copy of the odometer mileage statement furnished by the dealer when the dealer sold, leased, or exchanged the vehicle as prescribed in section 233a. If the vehicle is purchased, sold, leased, or exchanged through a broker, the record shall include the broker's name and dealer license number and the amount of the broker's fee, commission, compensation, or other valuable consideration paid by the purchaser or lessee or paid by the dealer, or both. The records of all vehicles purchased, sold, leased, or exchanged through a broker maintained by the secretary of state shall be in an electronic format determined by the secretary of state. A dealer shall retain for not less than 5 years each odometer mileage statement the dealer receives and each odometer mileage statement furnished by the dealer upon the sale, lease, or exchange of a vehicle. The description of the vehicle, in the case of a motor vehicle, shall also include the vehicle identification number and other numbers or identification marks as may be on the vehicle, and shall also include a statement that a number has been obliterated, defaced, or changed, if that is the fact. For a trailer or semitrailer, the record shall include the vehicle identification number and other numbers or identification marks as may be on the trailer or semitrailer.

(3) Not more than 20 days after the delivery of the vehicle, the seller shall deliver to the buyer in person or by mail to the buyer's last known address a duplicate of a written statement, on a form prescribed by the secretary of state in conjunction with the department of treasury, describing clearly the name and address of

the seller, the name and address of the buyer, the vehicle sold to the buyer, the cash sale price of the vehicle, the cash paid down by the buyer, the amount credited the buyer for a trade-in, a description of the trade-in, the amount charged for vehicle insurance, stating the types of insurance covered by the insurance policy, the amount charged for a temporary registration plate, the amount of any other charge and specifying its purpose, the net balance due from the buyer, and a summary of insurance coverage to be affected. If the vehicle sold is a new motor home, the written statement shall contain a description, including the year of manufacture, of every major component part of the vehicle that has its own manufacturer's certificate of origin. The written statement shall disclose if the vehicle sold is a vehicle that the seller had loaned or leased to a political subdivision of this state for use as a driver education vehicle. The written statement shall be dated, but not later than the actual date of delivery of the vehicle to the buyer. The original and all copies of the prescribed form shall contain identical information. The statement shall be furnished by the seller, shall be signed by the seller or the seller's agent and by the buyer, and shall be filed with the application for new title or registration. Failure of the seller to deliver this written statement to the buyer does not invalidate the sale between the seller and the buyer.

(4) A retail vehicle sale is void unless both of the following conditions are met:

(a) The sale is evidenced by a written memorandum that contains the agreement of the parties and is signed by the buyer and the seller or the seller's agent.

(b) The agreement contains a place for acknowledgment by the buyer of the receipt of a copy of the agreement or actual delivery of the vehicle is made to the buyer.

(5) Each dealer record and inventory, including the record and inventory of a vehicle scrap metal processor not required to obtain a dealer license, shall be open to inspection by a police officer or an authorized officer or investigator of the secretary of state during reasonable or established business hours.

(6) A dealer licensed as a distressed vehicle transporter shall maintain records in a form as prescribed by the secretary of state. The records shall identify each distressed vehicle that is bought, acquired, and sold by the dealer. The record shall identify the person from whom a distressed vehicle was bought or acquired and the dealer to whom the vehicle was sold. The record shall indicate whether a certificate of title or salvage certificate of title was obtained by the dealer for each vehicle.

(7) A dealer licensed under this act shall maintain records for a period of 5 years. The records shall be made available for inspection by the secretary of state or other law enforcement officials. To determine or enforce compliance with this chapter or other applicable law, the secretary of state or any law enforcement official may inspect a dealer whenever he or she determines it is necessary. The secretary of state may issue an order summarily suspending the license of a dealer under section 92 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.292, based on an affidavit by a person familiar with the facts set forth in the affidavit that the dealer has failed to maintain the records required by this act or failed to provide the records for inspection as requested by the secretary of state, or has otherwise hindered, obstructed, or prevented the inspection of records authorized under this section. The dealer to whom the order is directed shall comply immediately, but on application to the department shall be afforded a hearing within 30 days under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. On the basis of the hearing, the summary order shall be continued, modified, or held in abeyance not later than 30 days after the hearing.

(8) A dealer licensed as a vehicle salvage pool operator or broker shall maintain records in a form as prescribed by the secretary of state. The records shall contain a description of each vehicle or salvageable part stored by the dealer, the name and address of the insurance company or person storing the vehicle or salvageable part, the period of time the vehicle or salvageable part was stored, and the person acquiring the vehicle or salvageable part. In the case of a late model vehicle, a record of the purchase or sale of a major component part of the vehicle shall be maintained identifying the part purchased or sold, the name and address of the seller or purchaser, the date of the purchase or sale, and the identification number assigned to the part by the dealer. The record of the purchase or sale of a part shall be maintained in or attached to the dealer's police book or hard copy of computerized data entries and reference codes and shall be accessible at the dealer's location. In addition, a dealer licensed as a broker shall maintain a record of the odometer mileage reading of each vehicle sold pursuant to an agreement between the broker and the buyer or the broker and the seller. The record of odometer mileage shall be maintained for 5 years and shall contain all of the information required by section 233a.

(9) A dealer licensed as a used vehicle parts dealer or an automotive recycler shall maintain records in a form prescribed by the secretary of state. The records shall contain the date of purchase or acquisition of the vehicle, a description of the vehicle including the color, and the name and address of the person from whom the vehicle was acquired. If the vehicle is sold, the record shall contain the date of sale and the name and address of the purchaser. The record shall indicate if the certificate of title or salvage or scrap certificate of title was obtained by the dealer. In the case of a late model vehicle, a record of the purchase or sale of a major

component of the vehicle shall be maintained identifying the part purchased or sold, the name and address of the seller or purchaser, the date of the purchase or sale, and the identification number assigned to the part by the dealer, except that a bumper remanufacturer is not required to maintain a record of the purchase of a bumper. However, a bumper remanufacturer shall assign and attach an identification number to a remanufactured bumper and maintain a record of the sale of the bumper. The record of the purchase or sale of a part shall be maintained in or attached to the dealer's police book or hard copy of computerized data entries and reference codes and shall be accessible at the dealer's location.

(10) A dealer licensed as a vehicle scrap metal processor shall maintain records as prescribed by the secretary of state. As provided in section 217c, the records shall contain for a vehicle purchased from a dealer a copy of the scrap vehicle inventory, including the name and address of the dealer, a description of the vehicle acquired, and the date of acquisition. If a vehicle is purchased or acquired from a person other than a dealer, the record shall contain the date of acquisition, a description of the vehicle, including the color, the name and address of the person from whom the vehicle was acquired, and whether a certificate of title or salvage or scrap certificate of title was obtained by the dealer.

(11) A dealer licensed as a foreign salvage vehicle dealer shall maintain records in a form prescribed by the secretary of state. The records shall contain the date of purchase or acquisition of each distressed vehicle, a description of the vehicle including the color, and the name and address of the person from whom the vehicle was acquired. If the vehicle is sold, the record shall contain the date of sale and the name and address of the purchaser. The record shall indicate if the certificate of title or salvage or scrap certificate of title was obtained by the dealer. In the case of a late model vehicle, a record of the purchase or sale of each salvageable part purchased or acquired in this state shall be maintained and the record shall contain the date of purchase or acquisition of the part, a description of the part, the identification number assigned to the part, and the name and address of the person to or from whom the part was purchased, acquired, or sold. The record of the sale, purchase, or acquisition of a part shall be maintained in the dealer's police book. The police book shall only contain vehicles and salvageable parts purchased in this state or used in the repair of a vehicle purchased in this state. The police book and the records of vehicle part sales, purchases, or acquisitions shall be made available at a location within the state for inspection by the secretary of state within 48 hours after a request by the secretary of state.

(12) The secretary of state shall make periodic unannounced inspections of the records, facilities, and inventories of automotive recyclers and used or secondhand vehicle parts dealers.

(13) The secretary of state may promulgate rules to implement this section under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1958, Act 96, Eff. Sept. 13, 1958;—Am. 1959, Act 250, Imd. Eff. Aug. 21, 1959;—Am. 1962, Act 166, Eff. Mar. 28, 1963;—Am. 1964, Act 51, Eff. Aug. 28, 1964;—Am. 1965, Act 210, Imd. Eff. July 16, 1965;—Am. 1978, Act 507, Eff. July 1, 1979;—Am. 1988, Act 255, Eff. Oct. 1, 1989;—Am. 1988, Act 470, Eff. Apr. 1, 1989;—Am. 1990, Act 265, Imd. Eff. Oct. 17, 1990;—Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992;—Am. 1993, Act 300, Eff. July 1, 1994;—Am. 1998, Act 384, Eff. Jan. 1, 1999;—Am. 1998, Act 455, Imd. Eff. Dec. 30, 1998;—Am. 2000, Act 397, Imd. Eff. Jan. 8, 2001;—Am. 2002, Act 491, Imd. Eff. July 3, 2002;—Am. 2002, Act 642, Eff. Jan. 1, 2003;—Am. 2012, Act 498, Eff. Mar. 28, 2013.

**Administrative rules:** R 257.181 et seq. and R 257.251 et seq. of the Michigan Administrative Code.

### **257.251a Copies of documents.**

Sec. 251a. At the time a document is signed for the sale or lease of a vehicle, the dealer shall provide a copy of each document signed to the person who signed the document.

**History:** Add. 1990, Act 265, Imd. Eff. Oct. 17, 1990;—Am. 2002, Act 642, Eff. Jan. 1, 2003.

**Compiler's note:** Former MCL 257.251a, which pertained to dealer's report as to sales to out of state dealers and purchasers, was repealed by Act 166 of 1962, Eff. Mar. 28, 1963.

### **257.251b Renting, leasing, or furnishing motorcycle; license to operate required.**

Sec. 251b. A dealer shall not rent, lease, or furnish a motorcycle to a person for use on public streets and highways who is not licensed to operate a motorcycle by the state, if a resident, and by the state in which the person resides, if a nonresident.

**History:** Add. 1966, Act 207, Eff. Mar. 10, 1967;—Am. 1969, Act 134, Eff. June 1, 1970;—Am. 1976, Act 439, Imd. Eff. Jan. 13, 1977;—Am. 2008, Act 7, Imd. Eff. Feb. 15, 2008.

### **257.251c Renting, leasing, or furnishing motorcycle; duties of dealer.**

Sec. 251c. The dealer shall maintain in safe operating condition all motorcycles rented, leased, or furnished by him. The dealer, his agents, or employees shall explain the operation of the motorcycle being rented, leased, or furnished and if the dealer, his agent, or employee believes the person to whom the motorcycle is to

be rented, leased, or furnished is not competent to operate the motorcycle with competency to himself and to the safety of persons or vehicles on public streets and highways, he shall refuse to rent, lease, or furnish the motorcycle.

**History:** Add. 1966, Act 207, Eff. Mar. 10, 1967;—Am. 1976, Act 439, Imd. Eff. Jan. 13, 1977.

**257.251d Renting, leasing, or furnishing motorcycle; license to operate as condition of use by third party.**

Sec. 251d. A person to whom a motorcycle is rented, leased, or furnished, shall not rent, sublease, or otherwise authorize the use of the motorcycle on public streets and highways to a person who is not licensed to operate a motorcycle in this state, if a resident, and by the state in which the person resides, if a nonresident.

**History:** Add. 1966, Act 207, Eff. Mar. 10, 1967;—Am. 1969, Act 134, Eff. June 1, 1970;—Am. 1976, Act 439, Imd. Eff. Jan. 13, 1977;—Am. 2008, Act 7, Imd. Eff. Feb. 15, 2008.

**257.251e Renting, leasing, or furnishing motorcycle; motor vehicle liability policy.**

Sec. 251e. A dealer renting, leasing, or furnishing a motorcycle shall carry a “motor vehicle liability policy” of the same type and coverage as that outlined in section 520 for each motorcycle rented, leased, or furnished or, in the alternative, demand and be shown proof that the person renting, leasing, or being furnished a motorcycle carries a motor vehicle liability policy of at least the type and coverage as specified in section 520.

**History:** Add. 1966, Act 207, Eff. Mar. 10, 1967;—Am. 1976, Act 439, Imd. Eff. Jan. 13, 1977.

SPECIAL ANTI-THEFT LAWS

**257.252 Reports of stolen and recovered vehicles.**

Sec. 252. A police agency, upon receiving reliable information that any vehicle registered under this act has been stolen, shall immediately report the theft through the law enforcement information network. Upon receiving information that a vehicle previously reported as stolen has been recovered, the police agency shall immediately report the fact of the recovery through the law enforcement information network.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1964, Act 99, Eff. Aug. 28, 1964;—Am. 1966, Act 157, Imd. Eff. July 1, 1966;—Am. 1968, Act 170, Imd. Eff. June 17, 1968;—Am. 1972, Act 350, Eff. Mar. 1, 1973;—Am. 1980, Act 249, Imd. Eff. July 28, 1980.

\*\*\*\*\* 257.252a THIS SECTION IS AMENDED EFFECTIVE JANUARY 14, 2019: See 257.252a.amended \*\*\*\*\*

**257.252a Abandoned vehicle; presumption of responsibility; violation; penalty; "abandoned vehicle" defined; duties of police agency; contest by owner; hearing; request; fee; towing and storage charges; obtaining release of vehicle; public sale; inability to determine ownership of abandoned vehicle; entry into law enforcement information network.**

Sec. 252a. (1) A person shall not abandon a vehicle in this state. It is presumed that the last titled owner of the vehicle is responsible for abandoning the vehicle unless the person provides a record of the sale as that term is defined in section 240. A person who violates this subsection and who fails to redeem the vehicle before disposition of the vehicle under section 252g is responsible for a civil infraction and shall be ordered to pay a civil fine of \$50.00.

(2) As used in this section and sections 252b through 252l, "abandoned vehicle" means any of the following:

(a) A vehicle that has remained on private property without the consent of the owner.

(b) A vehicle that has remained on public property for a period of not less than 48 hours, or on a state trunk line highway as described in section 1 of 1951 PA 51, MCL 247.651, as follows:

(i) If a valid registration plate is affixed to the vehicle, for a period of not less than 18 hours.

(ii) If a valid registration plate is not affixed to the vehicle.

(c) A vehicle, other than a late-model vehicle, to which all of the following apply:

(i) An insurance company has not acquired ownership of the vehicle under section 217c.

(ii) The vehicle cannot be disposed of under section 248c.

(iii) The vehicle has remained in the custody of a vehicle salvage pool or broker site without the consent of the vehicle salvage pool operator or the broker for a period of not less than 60 days.

(3) If a vehicle has remained on public property for the period of time described in subsection (2)(b) so that it qualifies as abandoned, a police agency having jurisdiction over the vehicle or the agency's designee shall

determine whether the vehicle has been reported stolen and may affix a written notice to the vehicle. The written notice shall contain the following information:

- (a) The date and time the notice was affixed.
  - (b) The name and address of the police agency taking the action.
  - (c) The name and badge number of the police officer affixing the notice.
  - (d) The date and time the vehicle may be taken into custody and stored at the owner's expense or scrapped if the vehicle is not removed.
  - (e) The year, make, and vehicle identification number of the vehicle, if available.
- (4) If the vehicle is an abandoned vehicle, the police agency or the agency's designee may have the towing agency take the vehicle into custody.

(5) A police agency that has received a vehicle taken into custody as abandoned shall do all of the following:

- (a) Recheck to determine if the vehicle has been reported stolen.
- (b) Within 24 hours after the vehicle is taken into custody, enter the vehicle as abandoned into the law enforcement information network, and notify the secretary of state through the law enforcement information network that the vehicle has been taken into custody as abandoned. Each notification shall contain the following information:

- (i) The year, make, and vehicle identification number of the vehicle, if available.
  - (ii) The address or approximate location from which the vehicle was taken into custody.
  - (iii) The date on which the vehicle was taken into custody.
  - (iv) The name and address of the police agency that had the vehicle taken into custody.
  - (v) The name and business address of the custodian of the vehicle.
  - (vi) The name of the court that has jurisdiction over the case.
- (c) Within 7 days after receiving notice under subdivision (b) that the vehicle has been taken into custody, the secretary of state shall do both of the following:

(i) Send to the last titled owner and secured party, as shown by the records of the secretary of state as described in section 221 or 237, by first-class mail or personal service, notice that the vehicle is considered abandoned. The form for the notice shall be furnished by the secretary of state. Each notice form shall contain the following information:

- (A) The year, make, and vehicle identification number of the vehicle if available.
- (B) The address or approximate location from which the vehicle was taken into custody.
- (C) The date on which the vehicle was taken into custody.
- (D) The name and address of the police agency that had the vehicle taken into custody.
- (E) The name and business address of the custodian of the vehicle.
- (F) The procedure to redeem the vehicle.
- (G) The procedure to contest the fact that the vehicle is considered abandoned or the reasonableness of the towing fees and daily storage fees.
- (H) A form petition that the owner may file in person or by mail with the specified court that requests a hearing on the police agency's action.
- (I) A warning that the failure to redeem the vehicle or to request a hearing within 20 days after the date of the notice may result in the sale of the vehicle and the termination of all rights of the owner and the secured party to the vehicle or the proceeds of the sale.

(ii) Enter the information described in subparagraph (i) on a website maintained by the department for public use in locating vehicles that are removed under this section as abandoned. The department shall maintain the data on the website for 1 year or 1 until the vehicle is disposed of under this act, whichever occurs first.

(6) The owner may contest the fact that the vehicle is considered abandoned or the reasonableness of the towing fees and daily storage fees by requesting a hearing and posting a bond equal to \$40.00 plus the amount of the accrued towing and storage fees. A request for a hearing shall be made by filing a petition with the court specified in the notice described in subsection (5)(c) within 20 days after the date of the notice. If the owner requests a hearing, the matter shall be resolved after a hearing conducted under sections 252e and 252f. An owner who requests a hearing may obtain release of the vehicle by posting a towing and storage bond in an amount equal to the \$40.00 plus the accrued towing and storage fees with the court. The owner of a vehicle who requests a hearing may obtain release of the vehicle by paying a fee of \$40.00 to the court and the accrued towing and storage fees instead of posting the towing and storage bond.

(7) If the owner does not request a hearing under subsection (6), he or she may obtain the release of the vehicle by paying a fee of \$40.00 and the accrued towing and storage fees to the custodian of the vehicle. The custodian of the vehicle shall forward \$25.00 of the fee to the secretary of state within 30 days after receipt in

a manner prescribed by the secretary of state, who shall deposit the fee into the abandoned vehicle fund created in section 252h.

(8) If the owner does not redeem the vehicle or request a hearing within 20 days after the date of the notice described in subsection (5)(c), the secured party may obtain the release of the vehicle by paying a \$40.00 fee plus the accrued charges to the custodian of the vehicle. The custodian of the vehicle shall forward \$25.00 of the fee to the secretary of state, who shall deposit the fee into the abandoned vehicle fund created in section 252h.

(9) If a vehicle has remained on private property without the consent of the property owner, the owner of the private property may have the vehicle taken into custody as an abandoned vehicle by contacting a local towing agency. A local towing agency is considered a towing agency whose storage lot is located within 15 miles from the border of the local unit of government having jurisdiction over the abandoned vehicle.

(10) Before removing the vehicle from private property, the towing agency shall provide reasonable notice by telephone, or otherwise, to a police agency having jurisdiction over the vehicle that the vehicle is being removed. The police agency shall determine if the vehicle has been reported stolen and enter the vehicle into the law enforcement information network as an abandoned vehicle. Verification by the police agency of compliance with this section is not necessary and is not a predicate to the entrance of the vehicle into the law enforcement information network.

(11) Within 24 hours after taking the abandoned vehicle into custody, the police agency shall notify the secretary of state through the law enforcement information network that the vehicle has been taken into custody as abandoned. Each notification shall contain the following information:

- (a) The year, make, and vehicle identification number of the vehicle if available.
- (b) The address or approximate location from which the vehicle was taken into custody.
- (c) The date on which the vehicle was taken into custody.
- (d) The name and address of the police agency that had the vehicle taken into custody.
- (e) The name and business address of the custodian of the vehicle.
- (f) The name of the court that has jurisdiction over the case.

(12) Within 7 days after being notified under subsection (11), the secretary of state shall do both of the following:

(a) Send to the owner and secured party, as shown by the records of the secretary of state, by first-class mail or personal service, notice that the vehicle is considered abandoned. The form for the notice shall be furnished by the secretary of state. Each notice form shall contain the following information:

- (i) The year, make, and vehicle identification number of the vehicle if available.
- (ii) The location from which the vehicle was taken into custody.
- (iii) The date on which the vehicle was taken into custody.
- (iv) The name of the towing agency that had the vehicle taken into custody.
- (v) The business address of the custodian of the vehicle.
- (vi) The procedure to redeem the vehicle.

(vii) The procedure to contest the fact that the vehicle is considered abandoned or the reasonableness of the towing fees and daily storage fees.

(viii) A form petition that the owner may file in person or by mail with the specified court that requests a hearing on the custodian's action.

(ix) A warning that the failure to redeem the vehicle or to request a hearing within 20 days after the date of the notice may result in the sale of the vehicle and the termination of all rights of the owner and the secured party to the vehicle or the proceeds of the sale.

(b) Enter the information described in subdivision (a) on a website maintained by the department for public use in locating vehicles that are removed under this section as abandoned.

(13) The owner may contest the fact that the vehicle is abandoned or, unless the towing fees and daily storage fees are established by contract with the local governmental unit or local law enforcement agency and comply with section 252i, the reasonableness of the towing fees and daily storage fees by requesting a hearing. A request for a hearing shall be made by filing a petition with the court specified in the notice within 20 days after the date of the notice. If the owner requests a hearing, the matter shall be resolved after a hearing conducted under section 252f. An owner who requests a hearing may obtain release of the vehicle by posting with the court a towing and storage bond in an amount equal to \$40.00 plus the accrued towing and storage fees. The owner of a vehicle who requests a hearing may obtain release of the vehicle by paying a fee of \$40.00 to the court plus the towing and storage fees instead of posting the towing and storage bond. An owner requesting a hearing but not taking possession of the vehicle shall post with the court a towing and storage bond in an amount equal to \$40.00 plus the accrued towing and storage fees.

(14) If the owner does not request a hearing, he or she may obtain the release of the vehicle by paying a fee

of \$40.00 plus the accrued charges to the custodian of the vehicle. The custodian shall forward \$25.00 of the fee collected under this subsection to the secretary of state within 30 days after receipt in a manner prescribed by the secretary of state, who shall deposit the fee into the abandoned vehicle fund created in section 252h.

(15) If the owner does not redeem the vehicle or request a hearing within 20 days after the date of the notice, the secured party may obtain the release of the vehicle by paying a fee of \$40.00 and the accrued towing and storage fees to the custodian of the vehicle. The custodian shall forward \$25.00 of the fee collected under this subsection to the secretary of state within 30 days after receipt in a manner prescribed by the secretary of state, who shall deposit the fee into the abandoned vehicle fund created in section 252h.

(16) Not less than 20 days after the disposition of the hearing described in subsection (6) or, if a hearing is not requested, not less than 20 days after the date of the notice, the police agency if the abandoned vehicle is found on public property, or the custodian of the vehicle if the vehicle is found on private property, shall offer the vehicle for sale at a public sale under section 252g.

(17) If the ownership of a vehicle that is considered abandoned under this section cannot be determined either because of the condition of the vehicle identification numbers or because a check with the records of the secretary of state as described in section 221 or 237 does not reveal ownership, the police agency may sell the vehicle at public sale as provided in section 252g not less than 30 days after public notice of the sale has been published.

(18) The secretary of state shall release a vehicle for disposition under section 252b or 252g within 45 days after the vehicle is entered into the law enforcement information network as an abandoned vehicle.

**History:** Add. 1980, Act 249, Imd. Eff. July 28, 1980;—Am. 1981, Act 104, Eff. Oct. 1, 1981;—Am. 2000, Act 306, Imd. Eff. Oct. 16, 2000;—Am. 2002, Act 649, Imd. Eff. Dec. 23, 2002;—Am. 2004, Act 495, Eff. Oct. 1, 2005;—Am. 2008, Act 539, Imd. Eff. Jan. 13, 2009;—Am. 2015, Act 48, Eff. Sept. 7, 2015.

**Compiler's note:** In subsection (5)(c)(ii), the reference to "website for 1 year or 1 until" evidently should read "website for 1 year or until."

\*\*\*\*\* 257.252a.amended THIS AMENDED SECTION IS EFFECTIVE JANUARY 14, 2019 \*\*\*\*\*

**257.252a.amended Abandoned vehicle; presumption of responsibility; violation; penalty; "abandoned vehicle" defined; notice; duties of police agency; contest by owner; hearing; request; fee; towing and storage charges; secured party; obtaining release of vehicle; inspection; public sale; inability to determine ownership of abandoned vehicle; entry into law enforcement information network.**

Sec. 252a. (1) A person shall not abandon a vehicle in this state. It is presumed that the last titled owner of the vehicle is responsible for abandoning the vehicle unless the person provides a record of the sale as that term is defined in section 240. A person who violates this subsection and who fails to redeem the vehicle before disposition of the vehicle under section 252g is responsible for a civil infraction and shall be ordered to pay a civil fine of \$50.00.

(2) As used in this section and sections 252b through 252l, "abandoned vehicle" means any of the following:

(a) A vehicle that has remained on private property without the consent of the owner.

(b) A vehicle that has remained on public property for a period of not less than 48 hours, or on a state trunk line highway as described in section 1 of 1951 PA 51, MCL 247.651, as follows:

(i) If a valid registration plate is affixed to the vehicle, for a period of not less than 18 hours.

(ii) If a valid registration plate is not affixed to the vehicle.

(c) A vehicle, other than a late-model vehicle, to which all of the following apply:

(i) An insurance company has not acquired ownership of the vehicle under section 217c.

(ii) The vehicle cannot be disposed of under section 248c.

(iii) The vehicle has remained in the custody of a vehicle salvage pool or broker site without the consent of the vehicle salvage pool operator or the broker for a period of not less than 60 days.

(3) If a vehicle has remained on public property for the period of time described in subsection (2)(b) so that it qualifies as abandoned, a police agency having jurisdiction over the vehicle or the agency's designee shall determine whether the vehicle has been reported stolen and may affix a written notice to the vehicle. The written notice shall contain the following information:

(a) The date and time the notice was affixed.

(b) The name and address of the police agency taking the action.

(c) The name and badge number of the police officer affixing the notice.

(d) The date and time the vehicle may be taken into custody and stored at the owner's expense or scrapped if the vehicle is not removed.

(e) The year, make, and vehicle identification number of the vehicle, if available.

(4) If the vehicle is an abandoned vehicle, the police agency or the agency's designee may have the towing agency take the vehicle into custody.

(5) A police agency that has received a vehicle taken into custody as abandoned shall do all of the following:

(a) Recheck to determine if the vehicle has been reported stolen.

(b) Within 24 hours after the vehicle is taken into custody, enter the vehicle as abandoned into the law enforcement information network, and notify the secretary of state through the law enforcement information network that the vehicle has been taken into custody as abandoned. Each notification shall contain the following information:

(i) The year, make, and vehicle identification number of the vehicle, if available.

(ii) The address or approximate location from which the vehicle was taken into custody.

(iii) The date on which the vehicle was taken into custody.

(iv) The date the vehicle is being entered into the law enforcement information network and whether the information is being entered within 24 hours after the vehicle was taken into custody.

(v) The name and address of the police agency that had the vehicle taken into custody.

(vi) The name and business address of the custodian of the vehicle.

(vii) The name of the court that has jurisdiction over the case.

(c) Within 7 days after receiving notice under subdivision (b) that the vehicle has been taken into custody, the secretary of state shall do both of the following:

(i) Send to the last titled owner and secured party, as shown by the records of the secretary of state as described in section 221 or 237, by first-class mail or personal service, notice that the vehicle is considered abandoned. The form for the notice shall be furnished by the secretary of state. Each notice form shall contain the following information:

(A) The year, make, and vehicle identification number of the vehicle if available.

(B) The address or approximate location from which the vehicle was taken into custody.

(C) The date on which the vehicle was taken into custody.

(D) The name and address of the police agency that had the vehicle taken into custody.

(E) The name and business address of the custodian of the vehicle.

(F) The procedure to redeem the vehicle.

(G) The procedure to contest the fact that the vehicle is considered abandoned or the reasonableness of the towing fees and daily storage fees.

(H) A form petition that the owner may file in person or by mail with the specified court that requests a hearing on the police agency's action.

(I) A warning that the failure to redeem the vehicle or to request a hearing within 20 days after the date of the notice may result in the sale of the vehicle and the termination of all rights of the owner and the secured party to the vehicle or the proceeds of the sale.

(ii) Enter the information described in subparagraph (i) on a website maintained by the department for public use in locating vehicles that are removed under this section as abandoned. The department shall maintain the data on the website for 1 year or until the vehicle is disposed of under this act, whichever occurs first.

(6) The owner may contest the fact that the vehicle is considered abandoned or the reasonableness of the towing fees and daily storage fees by requesting a hearing and posting a bond equal to \$40.00 plus the amount of the accrued towing and storage fees. A request for a hearing shall be made by filing a petition with the court specified in the notice described in subsection (5)(c) within 20 days after the date of the notice. Subject to subsection (8), if the owner requests a hearing, the matter shall be resolved after a hearing conducted under sections 252e and 252f. An owner who requests a hearing may obtain release of the vehicle by posting a towing and storage bond in an amount equal to the \$40.00 plus the accrued towing and storage fees with the court. The owner of a vehicle who requests a hearing may obtain release of the vehicle by paying a fee of \$40.00 to the court and the accrued towing and storage fees instead of posting the towing and storage bond.

(7) Subject to subsection (9), if the owner does not request a hearing under subsection (6), he or she may obtain the release of the vehicle by paying a fee of \$40.00 and the accrued towing and storage fees to the custodian of the vehicle. The custodian of the vehicle shall forward \$25.00 of the fee to the secretary of state within 30 days after receipt in a manner prescribed by the secretary of state, who shall deposit the fee into the abandoned vehicle fund created in section 252h.

(8) The secured party may contest the reasonableness of the towing fees and daily storage fees and request a hearing in the same manner and subject to the same requirements as the owner of the vehicle under subsection (6). If both the owner and the secured party request a hearing to contest the reasonableness of the



towing fees and daily storage fees within 20 days after the date of the notice, the court shall dismiss the secured party's petition and proceed with the owner's petition as provided in subsection (6), unless the owner is in default on a contract or agreement with the secured party regarding that vehicle. If the owner is in default on a contract or agreement with the secured party regarding that vehicle, the court shall dismiss the owner's petition and proceed with the secured party's petition in the same manner as provided in subsection (6). If the secured party redeems the vehicle, the owner may only seek damages related to the reasonableness of the towing fees and daily storage fees from the secured party. If the court finds, after a hearing on the reasonableness of the towing fees and daily storage fees, that the owner's or the secured party's challenge was frivolous, the court may award reasonable attorney fees to the custodian of the vehicle.

(9) If the owner does not redeem the vehicle or request a hearing within 10 days after the date of the notice described in subsection (5)(c), the secured party may obtain the release of the vehicle by paying a \$40.00 fee plus the accrued charges to the custodian of the vehicle. The custodian of the vehicle shall forward \$25.00 of the fee to the secretary of state, who shall deposit the fee into the abandoned vehicle fund created in section 252h.

(10) If a vehicle has remained on private property without the consent of the property owner, the owner of the private property may have the vehicle taken into custody as an abandoned vehicle by contacting a local towing agency. A local towing agency is considered a towing agency whose storage lot is located within 15 miles from the border of the local unit of government having jurisdiction over the abandoned vehicle.

(11) Before removing the vehicle from private property, the towing agency shall provide notice by telephone, or otherwise, to a police agency having jurisdiction over the vehicle that the vehicle is being removed. Within 24 hours after receipt of the notice from the towing agency, the police agency shall determine if the vehicle has been reported stolen and enter the vehicle into the law enforcement information network as an abandoned vehicle. Verification by the police agency of compliance with this section is not necessary and is not a predicate to the entrance of the vehicle into the law enforcement information network.

(12) Within 24 hours after taking the abandoned vehicle into custody, the police agency shall notify the secretary of state through the law enforcement information network that the vehicle has been taken into custody as abandoned. Each notification shall contain the following information:

- (a) The year, make, and vehicle identification number of the vehicle if available.
- (b) The address or approximate location from which the vehicle was taken into custody.
- (c) The date on which the vehicle was taken into custody.
- (d) The date the vehicle is being entered into the law enforcement information network and whether the information is being entered within 24 hours after the vehicle was taken into custody.
- (e) The name and address of the police agency that had the vehicle taken into custody.
- (f) The name and business address of the custodian of the vehicle.
- (g) The name of the court that has jurisdiction over the case.

(13) Within 7 days after being notified under subsection(12), the secretary of state shall do both of the following:

(a) Send to the owner and secured party, as shown by the records of the secretary of state, by first-class mail or personal service, notice that the vehicle is considered abandoned. The form for the notice shall be furnished by the secretary of state. Each notice form shall contain the following information:

- (i) The year, make, and vehicle identification number of the vehicle if available.
- (ii) The location from which the vehicle was taken into custody.
- (iii) The date on which the vehicle was taken into custody.
- (iv) The name of the towing agency that had the vehicle taken into custody.
- (v) The business address of the custodian of the vehicle.
- (vi) The procedure to redeem the vehicle.
- (vii) The procedure to contest the fact that the vehicle is considered abandoned or the reasonableness of the towing fees and daily storage fees.

(viii) A form petition that the owner may file in person or by mail with the specified court that requests a hearing on the custodian's action.

(ix) A warning that the failure to redeem the vehicle or to request a hearing within 20 days after the date of the notice may result in the sale of the vehicle and the termination of all rights of the owner and the secured party to the vehicle or the proceeds of the sale.

(b) Enter the information described in subdivision (a) on a website maintained by the department for public use in locating vehicles that are removed under this section as abandoned.

(14) The owner may contest the fact that the vehicle is abandoned or, unless the towing fees and daily storage fees are established by contract with the local governmental unit or local law enforcement agency and comply with section 252i, the reasonableness of the towing fees and daily storage fees by requesting a

hearing. A request for a hearing shall be made by filing a petition with the court specified in the notice within 20 days after the date of the notice. Subject to subsection (16), if the owner requests a hearing, the matter shall be resolved after a hearing conducted under section 252f. An owner who requests a hearing may obtain release of the vehicle by posting with the court a towing and storage bond in an amount equal to \$40.00 plus the accrued towing and storage fees. The owner of a vehicle who requests a hearing may obtain release of the vehicle by paying a fee of \$40.00 to the court plus the towing and storage fees instead of posting the towing and storage bond. An owner requesting a hearing but not taking possession of the vehicle shall post with the court a towing and storage bond in an amount equal to \$40.00 plus the accrued towing and storage fees.

(15) Subject to subsection (17), if the owner does not request a hearing, he or she may obtain the release of the vehicle by paying a fee of \$40.00 plus the accrued charges to the custodian of the vehicle. The custodian shall forward \$25.00 of the fee collected under this subsection to the secretary of state within 30 days after receipt in a manner prescribed by the secretary of state, who shall deposit the fee into the abandoned vehicle fund created in section 252h.

(16) The secured party may contest the reasonableness of the towing fees and daily storage fees and request a hearing in the same manner and subject to the same requirements as the owner under subsection (14). If both the owner and the secured party request a hearing to contest the reasonableness of the towing fees and daily storage fees within 20 days after the date of the notice, the court shall dismiss the secured party's petition and proceed with the owner's petition as provided in subsection (14), unless the owner is in default on a contract or agreement with the secured party regarding that vehicle. If the owner is in default on a contract or agreement with the secured party regarding that vehicle, the court shall dismiss the owner's petition and proceed with the secured party's petition in the same manner as provided in subsection (14). If the secured party redeems the vehicle, the owner may only seek damages related to the reasonableness of the towing fees and daily storage fees from the secured party. If the court finds, after a hearing on the reasonableness of the towing fees and daily storage fees, that the owner's or the secured party's challenge was frivolous, the court shall award to the custodian costs, including reasonable attorney fees, against the owner or secured party.

(17) If the owner does not redeem the vehicle or request a hearing within 10 days after the date of the notice, the secured party may obtain the release of the vehicle by paying a fee of \$40.00 and the accrued towing and storage fees to the custodian of the vehicle. The custodian shall forward \$25.00 of the fee collected under this subsection to the secretary of state within 30 days after receipt in a manner prescribed by the secretary of state, who shall deposit the fee into the abandoned vehicle fund created in section 252h.

(18) Not less than 20 days after the disposition of the hearing described in subsection (6) or, if a hearing is not requested, not less than 20 days after the date of the notice, the police agency if the abandoned vehicle is found on public property, or the custodian of the vehicle if the vehicle is found on private property, shall offer the vehicle for sale at a public sale under section 252g.

(19) The custodian of a vehicle described in this section shall allow the owner of the vehicle or a secured party to inspect the vehicle during regular business hours at the location where the vehicle is being held. The custodian of the vehicle may charge the secured party a fee of not more than \$75.00 to inspect the vehicle or, if the actual cost necessary to allow the inspection is greater than \$75.00, the actual cost necessary to allow the inspection. If the custodian of the vehicle charges the secured party more than \$75.00 as provided in this subsection, the custodian shall provide the secured party with an itemized invoice for the actual costs assessed. The custodian of the vehicle shall allow the owner of the vehicle to inspect the vehicle and retrieve personal property from the vehicle without paying a fee for the first visit. After the first visit by the owner to inspect the vehicle or retrieve personal property from the vehicle as provided in this subsection, the custodian may charge the owner of the vehicle a fee of not more than \$25.00 for each subsequent visit.

(20) If the ownership of a vehicle that is considered abandoned under this section cannot be determined either because of the condition of the vehicle identification numbers or because a check with the records of the secretary of state as described in section 221 or 237 does not reveal ownership, the police agency may sell the vehicle at public sale as provided in section 252g not less than 30 days after public notice of the sale has been published.

(21) The secretary of state shall release a vehicle for disposition under section 252b or 252g within 45 days after the vehicle is entered into the law enforcement information network as an abandoned vehicle.

**History:** Add. 1980, Act 249, Imd. Eff. July 28, 1980;—Am. 1981, Act 104, Eff. Oct. 1, 1981;—Am. 2000, Act 306, Imd. Eff. Oct. 16, 2000;—Am. 2002, Act 649, Imd. Eff. Dec. 23, 2002;—Am. 2004, Act 495, Eff. Oct. 1, 2005;—Am. 2008, Act 539, Imd. Eff. Jan. 13, 2009;—Am. 2015, Act 48, Eff. Sept. 7, 2015;—Am. 2018, Act 347, Eff. Jan. 14, 2019.

**257.252b Registered and unregistered abandoned scrap vehicles; duties of police agency; release of vehicle; certificate of title or certificate of scrapping; release form; retention of**

**records and photographs; taking registered abandoned scrap vehicle into custody; contest by registered owner; hearing; request; obtaining release of vehicle; fee.**

Sec. 252b. (1) As used in this section:

(a) "Registered abandoned scrap vehicle" means a vehicle that meets all of the following requirements:

(i) Is on public or private property.

(ii) Is 7 or more years old.

(iii) Is apparently inoperable or is extensively damaged, to the extent that the cost of repairing the vehicle so that it is operational and safe as required by section 683 would exceed the fair market value of that vehicle.

(iv) Is currently registered or titled in the state of Michigan or displays current year registration plates from another state.

(b) "Unregistered abandoned scrap vehicle" means a vehicle that meets all of the following requirements:

(i) Is on public or private property.

(ii) Is 7 or more years old.

(iii) Is apparently inoperable or is extensively damaged, to the extent that the cost of repairing the vehicle so that it is operational and safe as required by section 683 would exceed the fair market value of that vehicle.

(iv) Is not currently registered in this state and does not display current year registration plates from another state.

(2) A police agency or the agency's designee or, if the vehicle is on private property, the property owner may have an unregistered abandoned scrap vehicle taken into custody, in which case the police agency shall do all of the following:

(a) Determine if the vehicle has been reported stolen.

(b) Take 2 photographs of the vehicle.

(c) Make a report to substantiate the vehicle as an unregistered abandoned scrap vehicle. The report shall contain the following information:

(i) The year, make, and vehicle identification number if available.

(ii) The date of abandonment.

(iii) The location of abandonment.

(iv) A detailed listing of the damage or the missing equipment.

(v) The reporting officer's name and title.

(vi) The location where the vehicle is being held.

(d) Within 24 hours after taking the vehicle into custody, enter the vehicle into the law enforcement information network.

(3) Within 24 hours, excluding Saturday, Sunday, and legal holidays, after taking the vehicle into custody, the police agency or the agency's designee shall complete a release form and release the vehicle to the towing service or a used vehicle parts dealer or vehicle scrap metal processor, who shall then transmit that release form to the secretary of state and apply for a certificate of scrapping. Upon receipt of the release form and application, the secretary of state shall issue a certificate of title or a certificate of scrapping.

(4) The release form described in subsection (3) shall be furnished by the secretary of state and shall include a certification executed by the applicable police agency or the agency's designee when the abandoned scrap vehicle is released. The certification shall state that the police agency has complied with all the requirements of subsection (2)(b) and (c).

(5) The secretary of state shall retain the records relating to an abandoned scrap vehicle for not less than 2 years. The 2 photographs taken under subsection (2)(b) shall be retained by the police agency or the agency's designee for not less than 2 years. After the certificate of scrapping has been issued, a certificate of title for the vehicle shall not be issued again.

(6) A police agency or the agency's designee or, if the vehicle is on private property, the property owner may have a registered abandoned scrap vehicle taken into custody, in which case the police agency or the towing service shall do all of the following:

(a) Determine if the vehicle has been reported stolen.

(b) Take 2 photographs of the vehicle.

(c) Make a report to substantiate the vehicle as a registered abandoned scrap vehicle. The report shall contain the following information:

(i) The year, make, and vehicle identification number if available.

(ii) The date of abandonment.

(iii) The location of abandonment.

(iv) A detailed listing of the damage or the missing equipment.

(v) The reporting individual's name and title.

(vi) The location where the vehicle is being held.

(d) Within 24 hours after taking the vehicle into custody, cause the vehicle to be entered into the law enforcement information network.

(7) Within 7 days after taking the vehicle into custody, the secretary of state shall send to the last titled owner and secured party, as shown by the records of the secretary of state, by first-class mail or personal service, notice that the vehicle is considered abandoned. The form for the notice shall be furnished by the secretary of state. Each notice form shall contain the following information:

(a) The year, make, and vehicle identification number of the vehicle if available.

(b) The address or approximate location from which the vehicle was taken into custody.

(c) The date on which the vehicle was taken into custody.

(d) The name and address of the police agency that had the vehicle taken into custody. If the vehicle was towed from private property, the notice shall contain the name and address of the custodian of the vehicle.

(e) The business address of the custodian of the vehicle.

(f) The procedure to redeem the vehicle.

(g) The name of the court that has jurisdiction of the case.

(h) The procedure to contest the fact that the vehicle is abandoned or the reasonableness of the towing fees and daily storage fees.

(i) A form petition that the owner may file in person or by mail with the specified court that requests a hearing on the custody of the vehicle.

(j) A warning that the failure to redeem the vehicle or to request a hearing within 20 days after the date of the notice may result in the termination of all rights of the owner and the secured party to the vehicle.

(8) The registered owner of a registered abandoned scrap vehicle may contest the fact that the vehicle is abandoned or the reasonableness of the towing fees and daily storage fees by requesting a hearing. A request for a hearing shall be made by filing a petition with the court specified in the notice in subsection (7) within 20 days after the date of the notice. If the owner requests a hearing, the matter shall be resolved after a hearing conducted under section 252f. An owner who requests a hearing may obtain release of the vehicle by posting a towing and storage bond equal to the \$40.00 plus the accrued towing and storage fees with the court. The owner of a vehicle who requests a hearing may obtain release of the vehicle by paying a fee of \$40.00 plus the towing and storage fees to the court instead of posting the towing and storage bond.

(9) If the owner does not request a hearing under subsection (7), he or she may obtain the release of the vehicle by paying a fee of \$40.00 plus the accrued charges to the custodian of the vehicle. The custodian shall forward \$25.00 of the fee collected under this subsection to the secretary of state within 30 days after receipt in a manner prescribed by the secretary of state, who shall deposit the fee into the abandoned vehicle fund created in section 252h.

(10) If the owner does not redeem the vehicle or request a hearing within 20 days after the date of the notice described in subsection (7), the secured party may obtain the release of the vehicle by paying a fee of \$40.00 plus the accrued charges to the custodian of the vehicle. The custodian shall forward \$25.00 of the fee collected under this subsection to the secretary of state within 30 days after receipt in a manner prescribed by the secretary of state, who shall deposit the fee into the abandoned vehicle fund created in section 252h.

(11) Not less than 20 days after the disposition of the hearing described in subsection (8), or if a hearing is not requested, not less than 20 days after the date of the notice described in subsection (7), the police agency or the agency's designee shall follow the procedures established in subsections (3) to (5).

**History:** Add. 1980, Act 249, Imd. Eff. July 28, 1980;—Am. 1980, Act 398, Eff. Mar. 31, 1981;—Am. 1981, Act 104, Eff. Oct. 1, 1981;—Am. 2004, Act 495, Eff. Oct. 1, 2005.

### **257.252c Repealed. 2005, Act 142, Eff. Oct. 1, 2005.**

**Compiler's note:** The repealed section pertained to removal of vehicle from private property.

### **257.252d Removal of vehicle from public or private property to place of safekeeping; circumstances; arrival of owner or legally entitled person; duties of police agency; release of vehicle; entry of vehicle as abandoned.**

Sec. 252d. (1) A police agency or a governmental agency designated by the police agency may provide for the immediate removal of a vehicle from public or private property to a place of safekeeping at the expense of the last-titled owner of the vehicle in any of the following circumstances:

(a) If the vehicle is in such a condition that the continued operation of the vehicle upon the highway would constitute an immediate hazard to the public.

(b) If the vehicle is parked or standing upon the highway in such a manner as to create an immediate public hazard or an obstruction of traffic.

- (c) If a vehicle is parked in a posted tow away zone.
- (d) If there is reasonable cause to believe that the vehicle or any part of the vehicle is stolen.
- (e) If the vehicle must be seized to preserve evidence of a crime, or if there is reasonable cause to believe that the vehicle was used in the commission of a crime.
- (f) If removal is necessary in the interest of public safety because of fire, flood, storm, snow, natural or man-made disaster, or other emergency.
- (g) If the vehicle is hampering the use of private property by the owner or person in charge of that property or is parked in a manner that impedes the movement of another vehicle.
- (h) If the vehicle is stopped, standing, or parked in a space designated as parking for persons with disabilities and is not permitted by law to be stopped, standing, or parked in a space designated as parking for persons with disabilities.
- (i) If the vehicle is located in a clearly identified access aisle or access lane immediately adjacent to a space designated as parking for persons with disabilities.
- (j) If the vehicle is interfering with the use of a ramp or a curb-cut by persons with disabilities.
- (k) If the vehicle has been involved in a traffic crash and cannot be safely operated from the scene of the crash.

(2) Unless the vehicle is ordered to be towed by a police agency or a governmental agency designated by a police agency under subsection (1)(a), (d), (e), or (k), if the owner or other person who is legally entitled to possess a vehicle to be towed or removed arrives at the location where the vehicle is located before the actual towing or removal of the vehicle, the vehicle shall be disconnected from the tow truck, and the owner or other person who is legally entitled to possess the vehicle may take possession of the vehicle and remove it without interference upon the payment of the reasonable service fee, for which a receipt shall be provided.

(3) A police agency that authorizes the removal of a vehicle under subsection (1) shall do all of the following:

(a) Check to determine if the vehicle has been reported stolen prior to authorizing the removal of the vehicle.

(b) Except for vehicles impounded under subsection (1)(d), (e), or (k), a police agency shall enter the vehicle into the law enforcement information network as abandoned not less than 7 days after authorizing the removal and follow the procedures set forth in section 252a.

(4) A vehicle impounded under subsection (1)(d), (e), or (k) must first be released by the police agency that authorized the removal prior to the towing agency or custodian releasing the vehicle to the vehicle owner.

(5) Not less than 20 days but not more than 30 days after a vehicle has been released under subsection (4), the towing agency or custodian shall notify the police agency to enter the vehicle as abandoned and the police agency shall follow the procedures set forth in section 252a if the impounded vehicle has not been redeemed.

**History:** Add. 1980, Act 249, Imd. Eff. July 28, 1980;—Am. 1981, Act 104, Eff. Oct. 1, 1981;—Am. 1989, Act 89, Eff. Sept. 19, 1989;—Am. 1998, Act 68, Imd. Eff. May 4, 1998;—Am. 2000, Act 76, Eff. Oct. 1, 2000;—Am. 2004, Act 495, Eff. Oct. 1, 2005;—Am. 2008, Act 539, Imd. Eff. Jan. 13, 2009;—Am. 2012, Act 498, Eff. Mar. 28, 2013.

**257.252e Jurisdiction to determine propriety of police, towing agency or custodian, or private owner action; venue in district court; use of bond to pay towing or storage fees; exclusive remedies.**

Sec. 252e. (1) The following courts have jurisdiction to determine if a police agency, towing agency or custodian, or private property owner has acted properly in reporting or processing a vehicle under section 252a, 252b(6) to (11), or 252d:

- (a) The district court.
- (b) A municipal court.

(2) The court specified in the notice prescribed in section 252a(5)(b) or 252b(7) or as provided in section 252d(3)(b) shall be the court that has territorial jurisdiction at the location from where the vehicle was removed or considered abandoned. Venue in the district court shall be governed by section 8312 of the revised judicature act of 1961, 1961 PA 236, MCL 600.8312.

(3) If the owner fails to pay the accrued towing and storage fees, the towing and storage bond posted with the court to secure release of the vehicle under section 252a, 252b, or 252d shall be used to pay the towing and storage fees.

(4) The remedies under sections 252 through 254 are the exclusive remedies for the disposition of abandoned vehicles.

**History:** Add. 1981, Act 104, Eff. Oct. 1, 1981;—Am. 2004, Act 495, Eff. Oct. 1, 2005;—Am. 2008, Act 539, Imd. Eff. Jan. 13, 2009.

\*\*\*\*\* 257.252f THIS SECTION IS AMENDED EFFECTIVE JANUARY 14, 2019: See 257.252f.amended  
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**257.252f Filing petition; hearing; notice; burden; decision.**

Sec. 252f. (1) Upon the filing of a petition prescribed in section 252a, 252b, or 252d, signed by the owner of the vehicle which has been taken into custody, the court shall do both of the following:

(a) Schedule a hearing within 30 days for the purpose of determining whether the police agency, towing agency or custodian, or private property owner acted properly.

(b) Notify the owner, towing agency or custodian, and police agency or if the vehicle was removed from private property, notify the private property owner also of the time and place of the hearing.

(2) At the hearing specified in subsection (1), the police agency, towing agency or custodian, or, if the vehicle was removed from private property, the private property owner shall have the burden of showing by a preponderance of the evidence that it has complied with the requirements of this act in reporting or processing the abandoned vehicle or vehicle removed under section 252d.

(3) After the hearing, the court shall make a decision that includes 1 or more of the following:

(a) A finding that the police agency complied with the procedures established for the processing of an abandoned vehicle or a vehicle removed under section 252a, 252b, or 252d, and an order providing a period of 20 days after the decision for the owner to redeem the vehicle. If the owner does not redeem the vehicle within 20 days, the police agency shall dispose of the vehicle under section 252b or 252g. The court shall forward \$25.00 of the fee collected under section 252b or 252g to the secretary of state within 30 days after the court's decision in a manner prescribed by the secretary of state. The towing and storage fees and \$15.00 of the fee collected under section 252b or 252g shall be forwarded to the towing agency.

(b) A finding that the police agency did not comply with the procedures established for the processing of an abandoned vehicle or a vehicle removed under section 252a, 252b, or 252d. After making the finding, the court shall issue an order directing that the vehicle immediately be released to the owner, and that the police agency is responsible for the accrued towing and storage charges. The court shall also order any fee or bond posted by the owner to be returned to the owner.

(c) A finding that the towing fees and daily storage fees were reasonable.

(d) A finding that the towing fees and daily storage fees were unreasonable and issue an order directing the towing agency or custodian of the vehicle to provide the last titled owner of the vehicle with an appropriate reduction or refund.

(e) A finding that the owner of the real property complied with the provisions of section 252k or 252l.

(f) A finding that the owner of the real property did not comply with the provisions of section 252k or 252l, and issue an order requiring the owner of the real property to reimburse the last titled owner of the vehicle for the accrued towing and storage charges.

(g) A finding that the towing agency did not comply with the procedures established for the proper removal and reporting of an abandoned vehicle removed under section 252a(10), 252b, or 252d. After making the finding, the court shall issue an order directing that the vehicle immediately be released to the owner and that the towing agency is responsible for the accrued towing and storage charges. The court shall also order any fee or bond posted by the owner to be returned to the owner.

(h) A finding that the towing agency did comply with the procedures established for the proper removal and reporting of an abandoned vehicle removed under section 252a(10), 252b, or 252d.

**History:** Add. 1981, Act 104, Eff. Oct. 1, 1981;—Am. 2004, Act 495, Eff. Oct. 1, 2005;—Am. 2008, Act 539, Imd. Eff. Jan. 13, 2009.

\*\*\*\*\* 257.252f.amended THIS AMENDED SECTION IS EFFECTIVE JANUARY 14, 2019 \*\*\*\*\*

**257.252f.amended Filing petition; duties of court; hearing; notice; burden; decision; district court magistrate; appeal.**

Sec. 252f. (1) Upon the filing of a petition prescribed in section 252a, 252b, or 252d, signed by the owner of the vehicle that has been taken into custody, or, upon the filing of a petition prescribed in section 252a signed by the secured party regarding a vehicle that has been taken into custody, the court shall do both of the following:

(a) Schedule a hearing within 30 days for the purpose of determining whether the police agency, towing agency or custodian, or private property owner acted properly.

(b) Notify the owner or the secured party, as applicable, towing agency or custodian, and police agency or if the vehicle was removed from private property, notify the private property owner also of the time and place of the hearing.

(2) At the hearing specified in subsection (1), the police agency, towing agency or custodian, or, if the vehicle was removed from private property, the private property owner shall have the burden of showing by a preponderance of the evidence that it has complied with the requirements of this act in reporting or processing the abandoned vehicle or vehicle removed under section 252d.

(3) After the hearing, the court shall make a decision that includes 1 or more of the following:

(a) A finding that the police agency complied with the procedures established for the processing of an abandoned vehicle or a vehicle removed under section 252a, 252b, or 252d, and an order providing a period of 10 days after the decision for the owner or the secured party, if applicable, to redeem the vehicle. If the owner or the secured party does not redeem the vehicle within 10 days, the police agency shall dispose of the vehicle under section 252b or 252g. The court shall forward \$25.00 of the fee collected under section 252b or 252g to the secretary of state within 30 days after the court's decision in a manner prescribed by the secretary of state. The towing and storage fees and \$15.00 of the fee collected under section 252b or 252g shall be forwarded to the towing agency.

(b) A finding that the police agency did not enter the vehicle as abandoned into the law enforcement information network within 24 hours after the vehicle was taken into custody as required by section 252a(5)(b) or (12). After making the finding, the court shall issue an order directing that the vehicle immediately be released to the owner or the secured party, if applicable, and directing 1 of the following:

(i) That the police agency reimburse the owner or the secured party, if applicable, for the storage charges accrued before the police agency entered the vehicle into the law enforcement information network as required by section 252a(5)(b) or (12) if the owner or the secured party paid the accrued storage charges.

(ii) If the owner or the secured party has not paid the accrued storage charges but has posted a fee or bond with the court, that the police agency shall pay directly to the owner or secured party the amount of the storage charges accrued before the police agency entered the vehicle into the law enforcement information network as required by section 252a(5)(b) or 252a(12) plus interest no later than 10 days after the date of the order. The court shall release the bond posted by the owner or secured party in full to the custodian after the court has received notice from the police agency that the police agency has issued the payment required by this subparagraph to the owner or secured party.

(c) A finding that the police agency improperly determined that the vehicle was abandoned. After making the finding, the court shall issue an order directing that the vehicle be immediately released to the owner and directing the custodian to reimburse the owner for the accrued towing and storage charges, if the owner paid the accrued towing and storage charges. The court shall order the police agency to reimburse the custodian for accrued towing and storage charges paid to the owner under this subdivision. If the owner has not paid the accrued towing and storage charges, the court shall order the police agency to pay the accrued towing and storage charges. The court shall also order the police agency to pay any other fees associated with recovering the vehicle, or to reimburse the owner for any other fees associated with recovering the vehicle paid by the owner. The court shall also order any fee or bond posted by the owner to be returned to the owner.

(d) A finding that the towing fees and daily storage fees were reasonable.

(e) A finding that the towing fees and daily storage fees were unreasonable and issue an order directing the towing agency or custodian of the vehicle to provide the last titled owner of the vehicle or the secured party, if applicable, with an appropriate reduction or refund.

(f) A finding that the owner of the real property complied with the provisions of section 252k or 252l.

(g) A finding that the owner of the real property did not comply with the provisions of section 252k or 252l, and issue an order requiring the owner of the real property to reimburse the last titled owner of the vehicle or the secured party, if applicable, for the accrued towing and storage charges.

(h) A finding that the towing agency did not comply with the procedures established for the proper removal and reporting of an abandoned vehicle removed under section 252a(11), 252b, or 252d. After making the finding, the court shall issue an order directing that the vehicle immediately be released to the owner or the secured party, if applicable, and directing 1 of the following:

(i) That the towing agency reimburse the owner or the secured party, if applicable, for the storage charges accrued before the police agency entered the vehicle into the law enforcement information network as required by section 252a(5)(b) or (12), if the owner or the secured party paid the accrued storage charges.

(ii) If the owner or the secured party, if applicable, has not paid the accrued towing and storage charges but has posted a fee or bond with the court, that the bond and storage charges accrued before the police agency entered the vehicle into the law enforcement information network as required by section 252a(5)(b) or (12) be returned to the owner or the secured party, and that the remainder of any fee posted with the court be paid to the custodian.

(i) A finding that the towing agency did comply with the procedures established for the proper removal and reporting of an abandoned vehicle removed under section 252a(11), 252b, or 252d.

(4) A hearing under this section shall be conducted by a district court magistrate, if a district court magistrate has been appointed by the court. The appeal of a district court magistrate's decision under this section shall be heard by a judge of the district court.

**History:** Add. 1981, Act 104, Eff. Oct. 1, 1981;—Am. 2004, Act 495, Eff. Oct. 1, 2005;—Am. 2008, Act 539, Imd. Eff. Jan. 13, 2009;—Am. 2018, Act 347, Eff. Jan. 14, 2019.

\*\*\*\*\* 257.252g THIS SECTION IS AMENDED EFFECTIVE JANUARY 14, 2019: See 257.252g.amended  
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**257.252g Manner of conducting public sale; application of money received; priority; absence of bidders; acquisition of distressed vehicle; application for salvage certificate of title; canceling entry in law enforcement information network; obtaining original bill of sale.**

Sec. 252g. (1) Subject to section 252a(16), a public sale for a vehicle and its contents that has been determined to be abandoned under section 252a or removed under section 252d shall be conducted in the following manner:

(a) It shall be under the control of the police agency. However, a police agency may designate the custodian of the vehicle or a third party to conduct the auction.

(b) It shall be open to the public and consist of open auction bidding or bidding by sealed bids. If sealed bids are received, the person submitting the bid shall receive a receipt for the bid from the police agency or the agency's designee or, if the vehicle is being sold under section 252a(16), the custodian of the vehicle.

(c) Except as otherwise provided in sections 252a(16) and (17) and 252b(7), it shall be held not less than 5 days after public notice of the sale has been published.

(d) The public notice shall be published at least once in a newspaper having a general circulation within the county in which the vehicle was abandoned. The public notice shall give a description of the vehicle for sale and shall state the time, date, and location of the sale.

(2) The money received from the public sale of the vehicle shall be applied in the following order of priority:

(a) Accrued towing and storage charges. However, if the money received from the public sale does not satisfy the accrued towing and storage charges, the towing company may collect the balance of those unpaid fees from the last titled owner, subject to section 252i.

(b) Expenses incurred by the police agency or the custodian of the vehicle.

(c) Payment of the \$40.00 abandoned vehicle fee described in section 252f(3)(a).

(d) Any extra money shall be sent to the department of treasury's unclaimed property division to be disbursed as follows:

(i) To the secured party, if any, in the amount of the debt outstanding on the vehicle.

(ii) Remainder to the owner. A reasonable attempt shall be made to mail the remainder to the last titled owner. If delivery of the remainder cannot be accomplished, the remainder shall become the property of the unit of government governing the location from which the vehicle was towed.

(3) If there are no bidders on the vehicle, the police agency or the custodian of the vehicle may do 1 of the following:

(a) Turn the vehicle over to the towing firm or the custodian of the vehicle to satisfy charges against the vehicle. However, if the value of the vehicle does not satisfy the towing fees and accrued daily storage fees, the custodian of the vehicle may collect the balance of those unpaid fees from the last titled owner, subject to section 252i.

(b) Obtain title to the vehicle for the police agency or the unit of government the police agency represents, by doing the following:

(i) Paying the towing and storage charges.

(ii) Applying for title to the vehicle.

(c) Hold another public sale under subsection (1).

(4) A person who acquires ownership of a vehicle under subsection (1) or (3) that has been designated as a distressed vehicle shall apply for a salvage certificate of title within 15 days after obtaining the vehicle.

(5) Upon disposition of the vehicle, the police agency or towing agency or custodian shall provide the secretary of state and the police agency, if that police agency did not conduct the sale, with the vehicle's disposition and the name of the agency that disposed of it and the police agency shall cancel the entry in the law enforcement information network.

(6) Not less than 25 days after the date of notice required under section 252a, if the police agency does not provide a copy of the bill of sale by the police agency for the abandoned vehicle to the towing agency or custodian or police agency's designee, the towing agency or custodian or police agency designee may obtain



an original of the bill of sale by submitting an application to the secretary of state in a form as determined by the secretary of state.

**History:** Add. 1981, Act 104, Eff. Oct. 1, 1981;—Am. 2004, Act 493, Eff. Oct. 1, 2005;—Am. 2008, Act 539, Imd. Eff. Jan. 13, 2009;—Am. 2012, Act 498, Eff. Mar. 28, 2013.

\*\*\*\*\* 257.252g.amended THIS AMENDED SECTION IS EFFECTIVE JANUARY 14, 2019 \*\*\*\*\*

**257.252g.amended Manner of conducting public sale; application of money received; priority; absence of bidders; acquisition of distressed vehicle; application for salvage certificate of title; canceling entry in law enforcement information network; obtaining original bill of sale.**

Sec. 252g. (1) Subject to section 252a(18), a public sale for a vehicle and its contents that has been determined to be abandoned under section 252a or removed under section 252d shall be conducted in the following manner:

(a) It shall be under the control of the police agency. However, a police agency may designate the custodian of the vehicle or a third party to conduct the auction.

(b) It shall be open to the public and consist of open auction bidding or bidding by sealed bids. If sealed bids are received, the person submitting the bid shall receive a receipt for the bid from the police agency or the agency's designee or, if the vehicle is being sold under section 252a(18), the custodian of the vehicle.

(c) Except as otherwise provided in sections 252a(18) and (19) and 252b(7), it shall be held not less than 5 days after public notice of the sale has been published.

(d) Except as otherwise provided in this subdivision, the public notice shall be published at least once in a newspaper having a general circulation within the county in which the vehicle was abandoned. The public notice shall give a description of the vehicle for sale and shall state the time, date, and location of the sale. The requirements of this subdivision may be satisfied by publishing a notice of the public auction once in a newspaper having a general circulation within the county in which the auction is to occur, if the notice states that the auction is an abandoned vehicle auction, lists the date, time, and location of the auction, and provides a website address where a complete description of each vehicle to be auctioned appears for not less than 5 consecutive days before the date of the auction. As used in this subdivision, "complete description" means a description of the vehicle's model year, manufacturer make, model name, and vehicle identification number.

(2) The money received from the public sale of the vehicle shall be applied in the following order of priority:

(a) Accrued towing and storage charges. However, if the money received from the public sale does not satisfy the accrued towing and storage charges, the towing company may collect the balance of those unpaid fees from the last titled owner, subject to section 252i.

(b) Expenses incurred by the police agency or the custodian of the vehicle.

(c) Payment of the \$40.00 abandoned vehicle fee described in section 252f(3)(a).

(d) Any extra money shall be sent to the department of treasury's unclaimed property division to be disbursed as follows:

(i) To the secured party, if any, in the amount of the debt outstanding on the vehicle.

(ii) Remainder to the owner. A reasonable attempt shall be made to mail the remainder to the last titled owner. If delivery of the remainder cannot be accomplished, the remainder shall become the property of the unit of government governing the location from which the vehicle was towed.

(3) If there are no bidders on the vehicle, the police agency or the custodian of the vehicle may do 1 of the following:

(a) Turn the vehicle over to the towing firm or the custodian of the vehicle to satisfy charges against the vehicle. However, if the value of the vehicle does not satisfy the towing fees and accrued daily storage fees, the custodian of the vehicle may collect the balance of those unpaid fees from the last titled owner, subject to section 252i.

(b) Obtain title to the vehicle for the police agency or the unit of government the police agency represents, by doing the following:

(i) Paying the towing and storage charges.

(ii) Applying for title to the vehicle.

(c) Hold another public sale under subsection (1).

(4) A person who acquires ownership of a vehicle under subsection (1) or (3) that has been designated as a distressed vehicle shall apply for a salvage certificate of title within 15 days after obtaining the vehicle.

(5) Upon disposition of the vehicle, the police agency or towing agency or custodian shall provide the secretary of state and the police agency, if that police agency did not conduct the sale, with the vehicle's

disposition and the name of the agency that disposed of it and the police agency shall cancel the entry in the law enforcement information network.

(6) Not less than 25 days after the date of notice required under section 252a, if the police agency does not provide a copy of the bill of sale by the police agency for the abandoned vehicle to the towing agency or custodian or police agency's designee, the towing agency or custodian or police agency designee may obtain an original of the bill of sale by submitting an application to the secretary of state in a form as determined by the secretary of state.

**History:** Add. 1981, Act 104, Eff. Oct. 1, 1981;—Am. 2004, Act 493, Eff. Oct. 1, 2005;—Am. 2008, Act 539, Imd. Eff. Jan. 13, 2009;—Am. 2012, Act 498, Eff. Mar. 28, 2013;—Am. 2018, Act 347, Eff. Jan. 14, 2019.

#### **257.252h Abandoned vehicle fund; creation; sources of funding; investment; interest and earnings; money remaining in fund; expenditures.**

Sec. 252h. (1) The abandoned vehicle fund is created within the state treasury.

(2) The state treasurer may receive money or other assets from any source for deposit into the fund. The state treasurer shall direct the investment of the fund. The state treasurer shall credit to the fund interest and other earnings from fund investments.

(3) Money in the fund at the close of the fiscal year shall remain in the fund and shall not lapse to the general fund.

(4) The department of state shall expend money from the fund, upon appropriation, to administer the provisions of this act relating to abandoned vehicles.

**History:** Add. 2005, Act 495, Eff. Oct. 1, 2005.

#### **257.252i Towing and storage fees.**

Sec. 252i. (1) A towing service, custodian of a vehicle, or both, shall not be precluded from the recovery of towing fees or, subject to subsection (2), storage fees from the last titled owner of a vehicle deemed abandoned under section 252a or section 252b, or removed under section 252d.

(2) If a vehicle is released for disposition under section 252b or section 252g, the amount of storage fees that may be collected is whichever 1 of the following is the least amount:

(a) The daily storage rate established by contract or agreement with the law enforcement agency or unit of government that authorized the towing and storage of the vehicle.

(b) The daily storage rate charged by the storage facility.

(c) \$1,000.00.

(3) Subsection (2) does not apply to a commercial vehicle or to a vehicle that is owned or leased by an entity other than an individual.

**History:** Add. 2004, Act 493, Eff. Oct. 1, 2005.

#### **257.252j Abandoned vehicles; number and placement of vehicles on private property.**

Sec. 252j. Sections 252a and 252b do not apply to a vehicle that is owned by the same person who owns the private real property on which the vehicle is located and do not prohibit or preempt a local unit of government from regulating the number and placement of vehicles on private property.

**History:** Add. 2004, Act 493, Eff. Oct. 1, 2005.

#### **257.252k Towing or removing vehicle without owner's consent; notice; requirements.**

Sec. 252k. Except as otherwise provided in section 252l, an owner or lessor of private real property shall post a notice that meets all of the following requirements before authorizing the towing or removal of a vehicle from the real property without the consent of the owner or other person who is legally entitled to possess the vehicle:

(a) The notice shall be prominently displayed at each point of entry for vehicular access to the real property. If the real property lacks curbs or access barriers, not less than 1 notice shall be posted for each 100 feet of road frontage.

(b) The notice clearly indicates in letters not less than 2 inches high on a contrasting background that unauthorized vehicles will be towed away at the owner's expense.

(c) The notice provides the name and telephone number of the towing service responsible for towing or removing vehicles from that property.

(d) The notice is permanently installed with the bottom of the notice located not less than 4 feet from the ground and is continuously maintained on the property for not less than 24 hours before a vehicle is towed or removed.

**History:** Add. 2004, Act 493, Eff. Oct. 1, 2005;—Am. 2008, Act 539, Imd. Eff. Jan. 13, 2009.

### **257.252/ Applicability of MCL 257.252k.**

Sec. 252l. Section 252k does not apply to any of the following:

- (a) Real property that is appurtenant to and obviously part of a single- or dual-family residence.
- (b) An instance when notice is personally given to the owner or other legally entitled person in control of a vehicle that the area where the vehicle is parked is reserved or otherwise unavailable to unauthorized vehicles and that the vehicle is subject to towing or removal from the private real property without the consent of the owner or other legally entitled person in control of the vehicle.
- (c) A vehicle removed from private property under section 252d.

**History:** Add. 2004, Act 493, Eff. Oct. 1, 2005;—Am. 2008, Act 539, Imd. Eff. Jan. 13, 2009.

### **257.252m Notification of civil fines and sanctions.**

Sec. 252m. For a period of 1 year beginning on the effective date of the amendatory act that added this section, the secretary of state shall insert notification of the civil fines and sanctions that may be imposed for the violation of sections 240 and 252a(1) into all mailings concerning motor vehicle registration renewal notices and new vehicle title documents.

**History:** Add. 2004, Act 493, Eff. Oct. 1, 2005.

### **257.253 Report of stolen vehicle; filing; transferring certificate of title; record of stolen or abandoned vehicles not reported or recovered; availability; reports by other states of stolen and recovered vehicles; abandoned vehicle; notification of owner and lienholder.**

Sec. 253. (1) The secretary of state, upon receiving a report of a stolen vehicle, shall file the report with the records of the secretary of state and shall not transfer the certificate of title of the vehicle to a person other than the owner's insurance company until officially notified that the vehicle has been recovered.

(2) The secretary of state shall maintain a record of all vehicles stolen or abandoned that have not been reported as recovered and make the record available to every sheriff, the director of the department of state police, and all police departments. The record shall also be made available to proper officials in every state.

(3) It shall be the duty of the secretary of state to file reports of stolen and recovered motor vehicles reported by other states.

(4) In the case of abandoned vehicles, the secretary of state shall check the sheriff's report immediately with the stolen car report file and notify the owner, and the last known lienholder, if any, as shown by the record, by registered mail, that the car is now an abandoned car and held in custody by the officer.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1980, Act 460, Imd. Eff. Jan. 15, 1981.

### **257.254 False statement in application for certificate of title or in assignment of title; possession of stolen vehicle; penalties.**

Sec. 254. Any person who shall knowingly make any false statement of a material fact, either in his or her application for the certificate of title required by this act, or in any assignment of that title, or who, with intent to procure or pass title to a motor vehicle which he or she knows or has reason to believe has been stolen, shall receive or transfer possession of the same from or to another, or who shall have in his or her possession any vehicle which he or she knows or has reason to believe has been stolen, and who is not an officer of the law engaged at the time in the performance of his or her duty as such officer, is guilty of a felony, punishable by a fine of not more than \$5,000.00, or by imprisonment for not more than 10 years, or both. This provision shall not be exclusive of any other penalties prescribed by any law for the larceny of the unauthorized taking of a vehicle.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1990, Act 98, Eff. Jan. 1, 1991.

**Constitutionality:** The language of this section "or who shall have in his possession any motor vehicle which he knows or has reason to believe has been stolen, and who is not an officer of the law engaged at that time in the performance of his duty as such officer" must necessarily be treated as either surplusage or deemed inconsistent with the intent of MCL 257.1 et seq. and deleted from it. People v. Morton, 384 Mich 38; 179 NW2d 379 (1970).

## OFFENSES AGAINST REGISTRATION LAWS AND CANCELLATION OF REGISTRATION

### **257.255 Valid registration plate required; printed or electronic copy; exceptions; violation of subsection (1) as civil infraction or misdemeanor; penalty; nonpayment of apportioned fee under international registration plan as misdemeanor; penalty; impoundment; towing and storage costs; care of load in vehicle; impounded vehicle subject to lien; hearing; certification of unpaid judgment; foreclosure sale.**

Sec. 255. (1) Except as otherwise provided in this chapter, a person shall not operate, nor shall an owner

knowingly permit to be operated, upon any highway, a vehicle required to be registered under this act unless, except as otherwise provided in this subsection, no later than 30 days after the vehicle is registered or the vehicle's registration is renewed, a valid registration plate issued for the vehicle by the department for the current registration year is attached to and displayed on the vehicle as required by this chapter. For purposes of this subsection, a printed or electronic copy of a valid registration or verification of a valid registration through the L.E.I.N. is proof that the vehicle is registered or that the vehicle's registration has been renewed. A registration plate is not required upon any wrecked or disabled vehicle, or vehicle destined for repair or junking, which is being transported or drawn upon a highway by a wrecker or a registered motor vehicle. The 30-day period described in this subsection does not apply to the first registration of a vehicle after a transfer of ownership or to a transfer registration under section 809.

(2) Except as otherwise provided in this section, a person who violates subsection (1) is responsible for a civil infraction. However, if the vehicle is a commercial vehicle which is required to be registered according to the schedule of elected gross vehicle weights under section 801(1)(k), the person is guilty of a misdemeanor punishable by imprisonment for not more than 90 days or a fine of not more than \$500.00, or both.

(3) A person who operates a vehicle licensed under the international registration plan and does not have a valid registration due to nonpayment of the apportioned fee is guilty of a misdemeanor, punishable by imprisonment for not more than 90 days, or by a fine of not more than \$100.00, or both. In addition, a police officer may impound the vehicle until a valid registration is obtained. If the vehicle is impounded, the towing and storage costs of the vehicle, and the care or preservation of the load in the vehicle are the owner's responsibility. Vehicles impounded are subject to a lien in the amount of the apportioned fee and any fine and costs incurred under this subsection, subject to a valid lien of prior record. If the apportioned fee, fine, and costs are not paid within 90 days after impoundment, then following a hearing before the judge or magistrate who imposed the fine and costs, the judge or magistrate shall certify the unpaid judgment to the prosecuting attorney of the county in which the violation occurred. The prosecuting attorney shall enforce the lien by foreclosure sale in accordance with the procedure authorized by law for chattel mortgage foreclosures.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1961, Act 26, Imd. Eff. May 11, 1961;—Am. 1962, Act 58, Eff. Mar. 28, 1963;—Am. 1963, Act 88, Eff. Sept. 6, 1963;—Am. 1984, Act 330, Imd. Eff. Dec. 26, 1984;—Am. 1987, Act 34, Eff. Aug. 26, 1987;—Am. 2003, Act 9, Eff. Sept. 1, 2003;—Am. 2018, Act 64, Eff. June 12, 2018.

#### **257.256 Unlawful lending or use of certificate of title, registration certificate, registration plate, special plate, or permit; unlawful carrying or display of registration certificate or plate; violation as misdemeanor; penalty; unlawful display of registration plate on commercial vehicle.**

Sec. 256. (1) A person shall not lend to another person, or knowingly permit the use of, any certificate of title, registration certificate, registration plate, special plate, or permit issued to him or her if the person receiving or using the certificate of title, registration certificate, registration plate, special plate, or permit would not be entitled to the use thereof. A person shall not carry or display upon a vehicle any registration certificate or registration plate not issued for the vehicle or not otherwise lawfully used under this act.

(2) Except as otherwise provided in this section, a person who violates this section is guilty of a misdemeanor, punishable by imprisonment for not more than 90 days, or by a fine of not more than \$100.00, or both.

(3) A person who displays upon a commercial vehicle which is required to be registered according to the schedule of elected gross vehicle weights under section 801(1)(k) any registration plate not issued for the vehicle or not otherwise lawfully used under this act is guilty of a misdemeanor, punishable by imprisonment for not more than 90 days, or by a fine of not more than \$500.00, or both.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1987, Act 34, Eff. Aug. 26, 1987.

#### **257.257 Altering, forging, or falsifying documents; violation; penalty.**

Sec. 257. (1) A person who commits any of the following acts is guilty of a felony:

(a) Alters with fraudulent intent a certificate of title, registration certificate, or registration plate issued by the department.

(b) Forges or counterfeits a certificate of title, registration certificate, or registration plate purporting to have been issued by the department.

(c) Alters or falsifies with fraudulent intent or forges an assignment upon a certificate of title.

(d) Holds or uses a certificate of title, registration certificate, or registration plate knowing that it has been altered, forged, or falsified.

(e) Knowingly possesses, sells, or offers for sale a stolen, false, or counterfeit certificate of title,

registration certificate, registration plate, registration decal, or registration tab.

(f) Fraudulently indicates on a certificate of title that there is no security interest on record for the vehicle.

(g) Forges or counterfeits a letter from the holder of a security interest in a vehicle stating that the security interest has been released.

(2) A person who is convicted of a second violation of this section shall be punished by imprisonment for not less than 2 years or more than 7 years, or by a fine of not less than \$1,500.00 or more than \$7,000.00, or both.

(3) A person who is convicted of a third or subsequent violation of this section shall be punished by imprisonment for not less than 5 years or more than 15 years, or by a fine of not less than \$5,000.00 or more than \$15,000.00, or both.

(4) A person who is convicted of a violation of subsection (1)(f) or (g), in addition to any other penalty, shall pay restitution to the holder of a security interest in the vehicle in the amount of the outstanding lien on the vehicle.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1992, Act 309, Eff. Mar. 31, 1993;—Am. 2014, Act 289, Eff. Mar. 31, 2015.

### **257.258 Registration or certificate of title; grounds for cancellation; elected gross weight violations; penalty; notice; hearing.**

Sec. 258. (1) The secretary of state may cancel, revoke, or suspend the registration of a vehicle, a certificate of title, registration certificate, or registration plate if any of the following apply:

(a) The secretary of state determines that the registration, certificate of title, or plate was fraudulently or erroneously issued.

(b) The secretary of state determines that the licensee has made or is making an unlawful use of his or her registration certificate, plate, or certificate of title.

(c) A registered vehicle has been dismantled or wrecked.

(d) The secretary of state determines that the required fee has not been paid and it is not paid upon reasonable notice or demand.

(e) A registration certificate or registration plate is knowingly displayed upon a vehicle other than the one for which it was issued.

(f) The secretary of state determines that the owner has committed an offense under this act involving the registration or certificate of title.

(g) The secretary of state is authorized to do so under this act.

(h) Upon receiving notification from another state or foreign country that a certificate of title issued by the secretary of state has been surrendered by the owner in conformity with the laws of that state or foreign country.

(i) It is shown by satisfactory evidence that delivery of a motor vehicle in the possession of a dealer was not made to the applicant registered under this act. The money paid for registration and license fees may be refunded to the party who applies for the refund.

(j) The owner is a motor carrier subject to an out-of-service order. As used in this subdivision, "out-of-service order" means that term as defined in 49 CFR 390.5, and also includes an out-of-service order issued under 49 CFR 386.73. A law enforcement officer may also confiscate a registration plate issued to a motor carrier described in this subdivision.

(2) If the licensee's offense consists of hauling on the registered vehicle a gross weight more than 1,000 pounds in excess of the elected gross weight specified on the owners' registration certificate, the registration shall be canceled and the vehicle shall not again be operated on the highways, roads, or streets until it is registered again and new plates are issued. The new registration fee shall be computed on the basis of twice the difference between the original registration fee and the registration fee applicable to the gross weight constituting the violation of the elected gross weight. One-half of the new registration fee shall be a penalty. The period of the new registration fee shall not extend beyond the termination date of the canceled registration certificate. The new registration fee shall not exceed the maximum gross weight of the vehicle or combination of vehicles as determined by the number of axles and the legal weight applicable to those axles as specified by section 722. The gross weight of a vehicle or combination of vehicles may be determined by weighing the individual axles or group of axles, and the total weight on all axles is the gross vehicle weight.

(3) Before the secretary of state makes a cancellation under subsection (1)(a), (b), (e), (f), or (g), the person affected by the cancellation shall be given notice and an opportunity to be heard.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1951, Act 270, Eff. Sept. 28, 1951;—Am. 1959, Act 250, Imd. Eff. Aug. 21, 1959;—Am. 1968, Act 214, Eff. Nov. 15, 1968;—Am. 1969, Act 309, Imd. Eff. Aug. 14, 1969;—Am. 1998, Act 347, Eff. Oct. 1, 1999;—Am. 1999, Act 73, Eff. Oct. 1, 1999;—Am. 2018, Act 74, Eff. June 17, 2018.

**257.259 Evidence of registration; title; dealers' or wreckers' licenses; return to state on cancellation or suspension; failure or refusal to surrender unlawful.**

Sec. 259. (1) All registration plates, certificates of title, registration certificates or the license of any dealer or wrecker, are the property of this state, shall contain information required by this act, and shall be made in a manner and bear information and be in a configuration as prescribed by the department. When the department cancels or suspends the registration of a vehicle or a certificate of title or the license of any dealer or wrecker as authorized by this act, the owner or person in possession of the same shall immediately return the evidence of the canceled or suspended registration, title, or license to the department.

(2) It is unlawful for any person to fail or refuse to surrender to the department upon demand any registration plate, registration, certificate of title, or license of any dealer as required in this section.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1951, Act 270, Eff. Sept. 28, 1951;—Am. 2015, Act 11, Eff. July 8, 2015.