

SENATE BILL NO. 35

January 26, 1999, Introduced by Senator ROGERS and referred
to the Committee on Local, Urban and State Affairs.

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending section 217 (MCL 257.217), as amended by 1998 PA
247.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

1 application shall be accompanied by the required fee. An
2 application for a certificate of title shall bear the signature
3 of the owner. The application shall contain all of the
4 following:

5 (a) The owner's name, the owner's bona fide residence, and
6 either of the following:

7 (i) The owner's mailing address, if the owner is an
8 individual.

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

11 (b) A description of the vehicle including the make or name,
12 style of body, and model year; the number of miles, not including
13 the tenths of a mile, registered on the vehicle's odometer at the
14 time of transfer; whether the vehicle is to be or has been used
15 as a taxi or police vehicle, or by a political subdivision of
16 this state; whether the vehicle has previously been issued a sal-
17 vage or rebuilt certificate of title from this state or a com-
18 parable certificate of title from any other state or jurisdic-
19 tion; vehicle identification number; and the vehicle's weight
20 fully equipped, if a passenger vehicle registered in accordance
21 with section 801(1)(a), and, if a trailer coach or pickup camper,
22 in addition to the weight, the manufacturer's serial number, or
23 in the absence of the serial number, a number assigned by the
24 secretary of state. A number assigned by the secretary of state
25 shall be permanently placed on the trailer coach or pickup camper
26 in the manner and place designated by the secretary of state.

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

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

1 valid certificate of title is surrendered to the secretary of
2 state, unless the secretary of state has received notification of
3 the pendency of an action to recover on the bond. If the secre-
4 tary of state is not satisfied as to the ownership of a vehicle
5 that is valued at \$2,500.00 or less and that is not a late model
6 vehicle, the secretary of state shall require the applicant to
7 certify that the applicant is the owner of the vehicle and enti-
8 tled to register and title the vehicle.

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

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

24 (g) If the application is for a certificate of title of a
25 motor vehicle registered in accordance with section 801(1)(q),
26 the application shall include the manufacturer's suggested base
27 list price for the model year of the vehicle. Annually, the

1 secretary of state shall publish a list of the manufacturer's
2 suggested base list price for each vehicle being manufactured.
3 Once a base list price is published by the secretary of state for
4 a model year for a vehicle, the base list price shall not be
5 affected by subsequent increases in the manufacturer's suggested
6 base list price but shall remain the same throughout the model
7 year unless changed in the annual list published by the secretary
8 of state. If the secretary of state's list has not been pub-
9 lished for that vehicle by the time of the application for regis-
10 tration, the base list price shall be the manufacturer's sug-
11 gested retail price as shown on the label required to be affixed
12 to the vehicle under section 3 of the automobile information dis-
13 closure act, Public Law 85-506, 15 U.S.C. 1232. If the
14 manufacturer's suggested retail price is unavailable, the appli-
15 cation shall list the purchase price of the vehicle as defined in
16 section 801(4).

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

23 (a) The lessee's Michigan driver license number or Michigan
24 personal identification number or, if the lessee does not have a
25 Michigan driver license or Michigan personal identification
26 number, the lessee's mailing address, if the lessee is an
27 individual.

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

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

6 (4) A QUALIFIED POLICE OFFICER IS NOT REQUIRED TO PAY A REG-
7 ISTRATION FEE. AS USED IN THIS SECTION:

8 (A) "HIGH-CRIME AREA" MEANS AN AREA WITHIN A MUNICIPALITY
9 THAT THE DEPARTMENT OF STATE POLICE DETERMINES IS A HIGH-CRIME
10 AREA BASED ON THE STATE POLICE UNIFORM CRIME REPORTING PROGRAM
11 STATISTICS AND OTHER RELEVANT FACTORS AFTER CONSULTATION WITH THE
12 MUNICIPALITY.

13 (B) "MUNICIPALITY" MEANS A COUNTY, CITY, VILLAGE, OR
14 TOWNSHIP.

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

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

19 (ii) LIVES IN A HIGH-CRIME AREA.

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

22 (iv) MEETS ANY OTHER CONDITIONS AS DETERMINED BY THE MUNICI-
23 PALITY IN WHICH HE OR SHE LIVES.

24 (5) ~~(4)~~ A dealer selling or exchanging vehicles required
25 to be titled, within 15 days after delivering a vehicle to the
26 purchaser, and a person engaged in the sale of vessels required
27 to be numbered by part 801 of the natural resources and

1 environmental protection act, 1994 PA 451, MCL 324.80101 to
2 324.80199, within 15 days after delivering a boat trailer weigh-
3 ing less than 2,500 pounds to the purchaser, shall apply to the
4 secretary of state for a new title, if required, and transfer or
5 secure registration plates and secure a certificate of registra-
6 tion for the vehicle or boat trailer, in the name of the
7 purchaser. The dealer's license may be suspended or revoked in
8 accordance with section 249 for failure to apply for a title when
9 required or for failure to transfer or secure registration plates
10 and certificate of registration within the 15 days required by
11 this section. If the dealer or person fails to apply for a title
12 when required, and to transfer or secure registration plates and
13 secure a certificate of registration and pay the required fees
14 within 15 days of delivery of the vehicle or boat trailer, a
15 title and registration for the vehicle or boat trailer may subse-
16 quently be acquired only upon the payment of a transfer fee of
17 \$15.00 in addition to the fees specified in section 806. The
18 purchaser of the vehicle or boat trailer shall sign the applica-
19 tion, including, when applicable, the declaration specifying the
20 maximum elected gross weight, as required by subsection (1)(f),
21 and other necessary papers to enable the dealer or person to
22 secure the title, registration plates, and transfers from the
23 secretary of state.

24 (6) ~~(5)~~ If a vehicle is delivered to a purchaser who has
25 valid Michigan registration plates that are to be transferred to
26 the vehicle, and an application for title, if required, and
27 registration for the vehicle is not made before delivery of the

1 vehicle to the purchaser, the registration plates shall be
2 affixed to the vehicle immediately, and the dealer shall provide
3 the purchaser with an instrument in writing, on a form prescribed
4 by the secretary of state, which shall serve as a temporary reg-
5 istration for the vehicle for a period of 15 days from the date
6 the vehicle is delivered.

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

17 (8) ~~-(7)-~~ If the seller does not prepare the credit informa-
18 tion, contract note, and mortgage, and the holder, finance com-
19 pany, credit union, or banking institution requires the install-
20 ment seller to record the lien on the title, the holder, finance
21 company, credit union, or banking institution shall pay the
22 seller a service fee of not more than \$10.00. The service fee
23 shall be paid from the finance charges and shall not be charged
24 to the buyer in addition to the finance charges. The holder,
25 finance company, credit union, or banking institution shall issue
26 its check or bank draft for the principal amount financed,
27 payable jointly to the buyer and seller, and there shall be

1 imprinted on the back side of the check or bank draft the
2 following:

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

15 (9) ~~-(8)-~~ In the absence of actual malice proved indepen-
16 dently and not inferred from lack of probable cause, a person who
17 in any manner causes a prosecution for larceny of a motor vehi-
18 cle; for embezzlement of a motor vehicle; for any crime an ele-
19 ment of which is the taking of a motor vehicle without authority;
20 or for buying, receiving, possessing, or aiding in the conceal-
21 ment of a stolen, embezzled, or converted motor vehicle knowing
22 that the motor vehicle has been stolen, embezzled, or converted,
23 is not liable for damages in a civil action for causing the
24 prosecution. This subsection does not relieve a person from
25 proving any other element necessary to sustain his or her cause
26 of action.