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.