

HOUSE BILL No. 5548

February 10, 1998, Introduced by Rep. McNutt and referred to the Committee on Transportation.

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 217, 217c, 217f, 218, 220, 222, 230, 248, 248c, 248f, and 806 (MCL 257.217, 257.217c, 257.217f, 257.218, 257.220, 257.222, 257.230, 257.248, 257.248c, 257.248f, and 257.806), section 217 as amended by 1996 PA 59, sections 217c, 217f, 222, 248, and 248c as amended and section 248f as added by 1993 PA 300, section 218 as amended by 1983 PA 242, and section 806 as amended by 1995 PA 267, and by adding sections 1d, 23b, and 49a; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 1D. "ASSEMBLED VEHICLE" MEANS A VEHICLE THAT COMPLIES
2 WITH ALL OF THE FOLLOWING:

3 (A) THE VEHICLE IS REQUIRED TO HAVE A SPECIAL VEHICLE
4 IDENTIFICATION NUMBER ASSIGNED BY THE DEPARTMENT.

1 (B) THE VEHICLE HAS PASSED A SALVAGE AND ASSEMBLED VEHICLE
2 INSPECTION AS REQUIRED UNDER THIS ACT.

3 (C) THE VEHICLE DOES NOT QUALIFY FOR ANY OTHER VEHICLE CER-
4 TIFICATE OF TITLE DESCRIBED IN THIS ACT.

5 (D) THE VEHICLE IS 1 OF THE FOLLOWING:

6 (i) THE VEHICLE HAS A SALVAGE VEHICLE CERTIFICATE OF TITLE
7 BUT THE YEAR, MAKE, MODEL, OR MANUFACTURER OF THE VEHICLE CAN NO
8 LONGER BE PROPERLY IDENTIFIED BY THE DEPARTMENT BECAUSE THE
9 REBUILT VEHICLE HAS BEEN SO SIGNIFICANTLY ALTERED FROM THE
10 MANUFACTURER'S ORIGINAL DESIGN OR THE VEHICLE CONSISTS OF 6 OR
11 MORE MAJOR COMPONENT PARTS COMING FROM DIFFERENT YEAR, MAKE,
12 MODEL, OR MANUFACTURERS OF VEHICLES.

13 (ii) THE VEHICLE HAS A SCRAP VEHICLE CERTIFICATE OF TITLE.

14 (iii) THE VEHICLE IS NOT A LATE MODEL VEHICLE, THE VEHICLE
15 HAS A CLEAN CERTIFICATE OF TITLE, AND THE VEHICLE HAS BEEN CON-
16 STRUCTED USING 6 OR MORE MAJOR COMPONENT PARTS COMING FROM DIF-
17 FERENT YEAR, MAKE, MODEL, OR MANUFACTURERS OF VEHICLES.

18 (iv) THE VEHICLE IS CONSTRUCTED BY A PERSON WHOSE REGULAR
19 BUSINESS IS NOT A VEHICLE MANUFACTURER.

20 SEC. 23B. "KIT VEHICLE" MEANS A VEHICLE THAT DOES NOT HAVE
21 A CERTIFICATE OF TITLE, THAT IS REQUIRED TO HAVE A SPECIAL VEHI-
22 CLE IDENTIFICATION NUMBER ASSIGNED BY THE DEPARTMENT, THAT IS OF
23 A UNIQUE OR REPRODUCTION DESIGN USING A PREFABRICATED BODY, THAT
24 IS ASSEMBLED FROM A KIT, AND THAT HAS PASSED A SALVAGE AND ASSEM-
25 BLED VEHICLE INSPECTION.

26 SEC. 49A. "REBUILT SALVAGE VEHICLE" MEANS A VEHICLE THAT
27 HAS A SALVAGE VEHICLE CERTIFICATE OF TITLE AND DOES NOT REQUIRE A

1 REPLACEMENT VEHICLE IDENTIFICATION NUMBER, THAT CONSISTS OF MAJOR
2 COMPONENT PARTS THAT ARE FACSIMILES OF A MANUFACTURER'S YEAR,
3 MAKE, AND MODEL SERIES WITH NOT MORE THAN 5 MAJOR COMPONENT PARTS
4 NOT INCLUDING THE FRAME OR SUPPORTING STRUCTURE COMING FROM A
5 DIFFERENT YEAR, MAKE, MODEL, OR MANUFACTURER OF VEHICLE THAN IS
6 THE VEHICLE DESCRIBED ON THE SALVAGE VEHICLE CERTIFICATE OF
7 TITLE, AND THAT HAS PASSED A SALVAGE AND ASSEMBLED VEHICLE
8 INSPECTION.

9 Sec. 217. (1) An owner of a vehicle subject to registration
10 under this act shall apply to the secretary of state, upon an
11 appropriate form furnished by the secretary of state, for the
12 registration of the vehicle and issuance of a certificate of
13 title for the vehicle. ~~Effective January 1, 1994, a~~ A vehicle
14 brought into this state from another state or jurisdiction that
15 has a rebuilt, salvage, scrap, ASSEMBLED, KIT, or comparable cer-
16 tificate of title issued by that other state or jurisdiction
17 shall be issued a rebuilt, salvage, ASSEMBLED, KIT, or scrap cer-
18 tificate of title by the secretary of state. The application
19 shall be accompanied by the required fee. An application for a
20 certificate of title shall bear the signature of the owner writ-
21 ten with pen and ink. The application shall contain all of the
22 following:

23 (a) The name, bona fide residence, and mailing address of
24 the owner or business address of a firm, association, or
25 corporation.

26 (b) A description of the vehicle including the make or name,
27 style of body, and model year; if the vehicle is a motor vehicle,

1 the number of miles, not including the tenths of a mile,
2 registered on the vehicle's odometer at the time of transfer;
3 whether the vehicle is to be or has been used as a taxi or police
4 vehicle, or by a political subdivision of this state; whether the
5 vehicle has previously been issued a SCRAP, ASSEMBLED, KIT,
6 salvage, or rebuilt certificate of title from this state or a
7 comparable certificate of title from any other state or jurisdic-
8 tion; vehicle identification number; and the vehicle's weight
9 fully equipped, if a passenger vehicle registered pursuant to
10 section 801(1)(a), and, if a trailer coach or pickup camper, in
11 addition to the weight the manufacturer's serial number, or in
12 the absence of the serial number, a number assigned by the secre-
13 tary of state. A number assigned by the secretary of state shall
14 be permanently placed on the trailer coach or pickup camper in
15 the manner and place designated by the secretary of state.

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

19 (d) Further information that the secretary of state reason-
20 ably requires to enable the secretary of state to determine
21 whether the vehicle is lawfully entitled to registration and the
22 owner entitled to a certificate of title. If the secretary of
23 state is not satisfied as to the ownership of a late model vehi-
24 cle or other vehicle having a value over \$2,500.00, before regis-
25 tering the vehicle and issuing a certificate of title, the secre-
26 tary of state may require the applicant to file a properly
27 executed surety bond in a form prescribed by the secretary of

1 state and executed by the applicant and a company authorized to
2 conduct a surety business in this state. The bond shall be in an
3 amount equal to twice the value of the vehicle as determined by
4 the secretary of state and shall be conditioned to indemnify or
5 reimburse the secretary of state, any prior owner, and any subse-
6 quent purchaser of the vehicle and their successors in interest
7 against any expense, loss, or damage, including reasonable
8 attorney's fees, by reason of the issuance of a certificate of
9 title to the vehicle or on account of any defect in the right,
10 title, or interest of the applicant in the vehicle. An inter-
11 ested person has a right of action to recover on the bond for a
12 breach of the conditions of the bond, but the aggregate liability
13 of the surety to all persons shall not exceed the amount of the
14 bond. The bond shall be returned at the end of 3 years, or
15 before 3 years if the vehicle is no longer registered in this
16 state and the currently valid certificate of title is surrendered
17 to the secretary of state, unless the secretary of state has
18 received notification of the pendency of an action to recover on
19 the bond. If the secretary of state is not satisfied as to the
20 ownership of a vehicle that is not a late model vehicle and whose
21 value does not exceed \$2,500.00, the secretary of state shall
22 require the applicant to certify that the applicant is the owner
23 of the vehicle and entitled to register and title the vehicle.

24 (e) Except as provided in subdivision (f), an application
25 for a commercial vehicle shall also have attached a scale weight
26 receipt of the motor vehicle fully equipped as of the time the
27 application is made. A scale weight receipt may not be necessary

1 if there is presented with the application a registration receipt
2 of the previous year that shows on its face the empty weight of
3 the motor vehicle as registered with the secretary of state that
4 is accompanied by a statement of the applicant that there has not
5 been structural change in the motor vehicle which has increased
6 the empty weight and that the previous registered weight is the
7 true weight.

8 (f) An application for registration of a vehicle on the
9 basis of elected gross weight shall include a declaration by the
10 applicant specifying the elected gross weight for which applica-
11 tion is being made.

12 (g) If the application is for a certificate of title of a
13 motor vehicle registered pursuant to section 801(1)(q), the
14 application shall include the manufacturer's suggested base list
15 price for the model year of the vehicle. Annually, the secretary
16 of state shall publish a list of the manufacturer's suggested
17 base list price for each vehicle being manufactured. Once a base
18 list price is published by the secretary of state for a model
19 year for a vehicle, the base list price shall not be affected by
20 subsequent increases in the manufacturer's suggested base list
21 price but shall remain the same throughout the model year unless
22 changed in the annual list published by the secretary of state.
23 If the secretary of state's list has not been published for that
24 vehicle by the time of the application for registration, the base
25 list price shall be the manufacturer's suggested retail price as
26 shown on the label required to be affixed to the vehicle under
27 section 3 of the automobile information disclosure act, Public

1 Law 85-506, 15 U.S.C. 1232. If the manufacturer's suggested
2 retail price is unavailable, the application shall list the pur-
3 chase price of the vehicle as defined in section 801(4).

4 (2) A dealer selling or exchanging vehicles required to be
5 titled, within 15 days after delivering a vehicle to the purchas-
6 er, and a person engaged in the sale of vessels required to be
7 numbered by part 801 ~~(marine safety)~~ of the natural resources
8 and environmental protection act, ~~Act No. 451 of the Public Acts~~
9 ~~of 1994, being sections 324.80101 to 324.80199 of the Michigan~~
10 ~~Compiled Laws~~ 1994 PA 451, MCL 324.80101 TO 324.80199, within 15
11 days after delivering a boat trailer weighing less than 2,500
12 pounds to the purchaser, shall apply to the secretary of state
13 for a new title, if required, and transfer or secure registration
14 plates and secure a certificate of registration for the vehicle
15 or boat trailer, in the name of the purchaser. The dealer's
16 license may be suspended or revoked as provided in section 249
17 for failure to apply for a title when required or for failure to
18 transfer or secure registration plates and certificate of regis-
19 tration within the 15 days required by this section. If the
20 dealer or person fails to apply for a title when required, and to
21 transfer or secure registration plates and secure a certificate
22 of registration and pay the required fees within 15 days of
23 delivery of the vehicle or boat trailer, a title and registration
24 for the vehicle or boat trailer may subsequently be acquired only
25 upon the payment of a transfer fee of \$15.00 in addition to the
26 fees provided for in section 806. The purchaser of the vehicle
27 or boat trailer shall sign the application, including, when

1 applicable, the declaration specifying the maximum elected gross
2 weight, as required by subsection (1)(f), and other necessary
3 papers to enable the dealer or person to secure the title, regis-
4 tration plates, and transfers from the secretary of state.

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

15 (4) An application for a certificate of title that indicates
16 the existence of a security interest in the vehicle or in an
17 accessory to the vehicle, if requested by the security interest
18 holder, shall be accompanied by a copy of the security agreement
19 which need not be signed. The request may be made of the seller
20 on an annual basis. The secretary of state shall indicate on the
21 copy the date and place of filing of the application and return
22 the copy to the person submitting the application who shall for-
23 ward it to the holder of the security interest named in the
24 application.

25 (5) If the seller does not prepare the credit information,
26 contract note, and mortgage, and the holder, finance company,
27 credit union, or banking institution requires the installment

1 seller to record the lien on the title, the holder, finance
2 company, credit union, or banking institution shall pay the
3 seller a service fee of not more than \$10.00. The service fee
4 shall be paid from the finance charges and shall not be charged
5 to the buyer in addition to the finance charges. The holder,
6 finance company, credit union, or banking institution shall issue
7 its check or bank draft for the principal amount financed, pay-
8 able jointly to the buyer and seller, and there shall be
9 imprinted on the back side of the check or bank draft the
10 following:

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

23 (6) In the absence of actual malice proved independently and
24 not inferred from lack of probable cause, a person who in any
25 manner causes a prosecution for larceny of a motor vehicle; for
26 embezzlement of a motor vehicle; for any crime an element of
27 which is the taking of a motor vehicle without authority; or for

1 buying, receiving, possessing, or aiding in the concealment of a
2 stolen, embezzled, or converted motor vehicle knowing the motor
3 vehicle has been stolen, embezzled, or converted, is not liable
4 for damages in a civil action for causing the prosecution. This
5 subsection shall not be construed to relieve a person from prov-
6 ing any other element necessary to sustain his or her cause of
7 action.

8 Sec. 217c. ~~(1) An insurance company licensed to conduct
9 business in this state that determines that a late model vehicle
10 that the company insures has become a distressed vehicle shall
11 proceed under either of the following:~~

12 ~~(a) If the insurance company acquires ownership of the vehi-
13 cle through payment of a claim, the owner of the vehicle shall
14 assign the certificate of title to the insurance company which
15 shall do all of the following:~~

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

18 ~~(ii) Apply for a salvage certificate of title. The insur-
19 ance company shall not sell the vehicle without first receiving a
20 salvage certificate of title which shall be assigned to the
21 buyer.~~

22 ~~(b) If after payment of a claim the insurance company per-
23 mits the owner of the vehicle to retain ownership, the insurance
24 company shall do all of the following:~~

25 ~~(i) Require each owner of the vehicle to sign an application
26 for a salvage certificate of title.~~

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

4 ~~(iii) On behalf of the owner, apply to the secretary of~~
5 ~~state for a salvage certificate of title in the name of the~~
6 ~~owner. The owner shall not sell or otherwise dispose of the~~
7 ~~vehicle without first receiving a salvage certificate of title,~~
8 ~~which shall be assigned to the buyer.~~

9 ~~(2) If an insurance company acquires ownership of a vehicle~~
10 ~~other than a late model vehicle through payment of damages due to~~
11 ~~an accident, the company shall surrender a properly assigned~~
12 ~~title to the buyer upon delivery.~~

13 ~~(3) If a dealer, other than a vehicle scrap metal processor,~~
14 ~~acquires ownership of a late model vehicle that is a distressed~~
15 ~~vehicle from an owner and receives an assigned certificate of~~
16 ~~title, the dealer shall surrender the assigned certificate of~~
17 ~~title to the secretary of state and apply for a salvage certifi-~~
18 ~~cate of title within 5 days after the dealer receives the~~
19 ~~assigned certificate of title. The dealer may sell the vehicle~~
20 ~~to another dealer by assigning the salvage certificate of title~~
21 ~~to the buyer. If the vehicle is sold to a buyer other than a~~
22 ~~dealer, application shall be made for a salvage certificate in~~
23 ~~the name of the buyer. A vehicle scrap metal processor shall~~
24 ~~surrender an assigned certificate of title to the secretary of~~
25 ~~state within 30 days after acquiring a vehicle for which a cer-~~
26 ~~tificate of title was received. A vehicle scrap metal processor~~
27 ~~shall surrender an assigned salvage certificate of title to the~~

1 ~~secretary of state within 30 days after acquiring a vehicle for~~
2 ~~which a salvage certificate of title was received and report that~~
3 ~~the vehicle was destroyed or scrapped.~~

4 ~~(4) If a person, other than a dealer or insurance company~~
5 ~~that is subject to subsection (1) or (3), acquires ownership of a~~
6 ~~late model vehicle that is a distressed vehicle, the person shall~~
7 ~~surrender the title or assigned certificate of title to the sec-~~
8 ~~retary of state and apply for a salvage certificate of title,~~
9 ~~before the vehicle may be transported. If an owner retains~~
10 ~~ownership of a late model vehicle that should be a distressed~~
11 ~~vehicle, the owner shall surrender the title or assigned certifi-~~
12 ~~cate of title to the owner's insurance company who, before pay-~~
13 ~~ment of a claim, shall apply for a salvage certificate of title~~
14 ~~in the name of the owner.~~

15 ~~(5) An application for a salvage certificate of title shall~~
16 ~~be made on a form prescribed by the secretary of state accom-~~
17 ~~panied by a fee of \$10.00. The application shall contain all of~~
18 ~~the following:~~

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

20 ~~(b) A description of the vehicle, including its make, style~~
21 ~~of body, model year, weight, color, and vehicle identification~~
22 ~~number.~~

23 ~~(c) A description of the damage to the vehicle.~~

24 ~~(d) Until July 1, 1994, a listing of each major component~~
25 ~~part that was not salvageable.~~

26 ~~(e) Further information as may reasonably be required by the~~
27 ~~secretary of state.~~

1 ~~(6) The secretary of state shall issue the salvage~~
2 ~~certificate within 5 business days after the time the application~~
3 ~~is received at the secretary of state's office in Lansing. Until~~
4 ~~July 1, 1994, each salvage certificate of title shall include a~~
5 ~~listing of each major component part that was not salvageable.~~

6 ~~(7) A salvage certificate of title shall authorize the~~
7 ~~holder of the title to possess, transport, but not drive upon a~~
8 ~~highway, and transfer ownership in, a vehicle. A certificate of~~
9 ~~title or registration plates shall not be issued for a vehicle~~
10 ~~for which a salvage certificate of title was issued unless a spe-~~
11 ~~cially trained police officer certifies that the vehicle identi-~~
12 ~~fication numbers and parts identification numbers have been~~
13 ~~examined as to their accuracy, the applicant has proof of owner-~~
14 ~~ship of repair parts used, the vehicle complies with the equip-~~
15 ~~ment standards of this act, and that certification accompanies~~
16 ~~the application for a certificate of title. Until January 1,~~
17 ~~1994, an application for a certificate of title shall contain a~~
18 ~~description of each salvageable part used to repair the vehicle~~
19 ~~and any identification number affixed to or inscribed upon the~~
20 ~~part as required by federal law. A fee of \$25.00 through June~~
21 ~~30, 1994 shall be received by the police agency for inspection of~~
22 ~~the vehicle. Upon the satisfactory completion of the examination~~
23 ~~and other requirements for application, a certificate of title,~~
24 ~~in the same form as the original, shall be issued for the~~
25 ~~vehicle.~~

26 ~~(8) If a dealer other than a vehicle scrap metal processor~~
27 ~~acquires ownership of an older model vehicle from an owner and~~

1 receives an assigned certificate of title, the dealer shall
2 retain the assigned certificate of title as long as the dealer
3 retains the vehicle. A vehicle scrap metal processor shall sur-
4 render an assigned certificate of title to the secretary of state
5 within 30 days after the vehicle is destroyed or scrapped.

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

10

11

~~Scrap Vehicle Inventory:~~

12

Dealer name _____

13

Dealer address _____

14

Dealer license number _____

15

Conveyed to: _____ Date _____

16

~~(Vehicle scrap metal processor)~~

<RO> 1

Vehicles

2 Model Year _____ Vehicle Make _____ VIN _____

3 1. _____

4 2. _____

5 3. _____

6 etc.

7 ~~One copy shall be retained as a permanent record by the dealer, 1~~
8 ~~copy shall be forwarded with the vehicle to be retained by the~~
9 ~~vehicle scrap metal processor, and 1 copy shall be forwarded to~~
10 ~~the secretary of state along with an assigned certificate of~~
11 ~~title or a salvage certificate.~~

12 ~~(10) A person, other than a used or secondhand vehicle parts~~
13 ~~dealer or a foreign salvage dealer, or an insurance company~~
14 ~~admitted to conduct business in this state, receiving a salvage~~
15 ~~certificate of title shall not sell the vehicle to anyone other~~
16 ~~than 1 of the following:~~

17 ~~(a) The vehicle's former owner.~~

18 ~~(b) A used or secondhand vehicle parts dealer.~~

19 ~~(c) A vehicle scrap metal processor.~~

20 ~~(d) A foreign salvage vehicle dealer licensed under this~~

21 ~~act.~~

1 ~~(e) A registered motor vehicle repair facility engaging in~~
2 ~~body work.~~

3 ~~(11) Subsections (1) through (10) shall apply until July 1,~~
4 ~~1994.~~

5 ~~(12) The secretary of state may conduct periodic reviews of~~
6 ~~the records of a dealer to determine whether adequate notice is~~
7 ~~given to a transferee of a rebuilt salvage vehicle of that~~
8 ~~vehicle's prior designation as a salvage vehicle. The secretary~~
9 ~~of state may request an insurance company to provide copies of~~
10 ~~salvage title documents and claims reports involving major compo-~~
11 ~~nent parts to assist the secretary of state in monitoring compli-~~
12 ~~ance with this act.~~

13 ~~(13) Subsections (14) through (36) shall apply on and after~~
14 ~~July 1, 1994.~~

15 (1) ~~-(14)-~~ Except for a late model vehicle that has been
16 stolen and recovered and that has no major component part
17 removed, missing, ~~or~~ destroyed, or damaged and not salvageable,
18 an insurance company licensed to conduct business in this state
19 that acquires ownership of a late model vehicle through the pay-
20 ment of a claim shall proceed under either of the following:

21 (a) If the insurance company acquires ownership of the vehi-
22 cle through payment of a claim, the owner of the vehicle shall
23 assign the certificate of title to the insurance company which
24 shall do all of the following:

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

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

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

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

25 (ii) Attach the owner's certificate of title to the applica-
26 tion for a salvage or scrap certificate of title or have the
27 owner certify that the certificate of title is lost.

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

10 (2) ~~(15)~~ If an insurance company acquires ownership of a
11 vehicle other than a late model vehicle through payment of dam-
12 ages due to an accident, the company shall surrender a properly
13 assigned title to the buyer upon delivery.

14 (3) ~~(16)~~ If a dealer acquires ownership of a late model
15 vehicle that is a distressed vehicle from an owner, the dealer
16 shall receive an assigned certificate of title. If the assigned
17 certificate of title is not a salvage or scrap certificate of
18 title, the dealer, other than a vehicle scrap metal processor,
19 shall surrender the assigned certificate of title to the secre-
20 tary of state, and if the estimated cost of repair, including
21 parts and labor, is equal to or greater than 75% but less than
22 91% of the predamaged actual cash value of the vehicle, apply for
23 a salvage certificate of title, or if the estimated cost of
24 repair, including parts and labor, is equal to or greater than
25 91% of the predamaged actual cash value of the vehicle, apply for
26 a scrap certificate of title within 5 days after the dealer
27 receives the assigned certificate of title. The dealer may sell

1 a salvage OR SCRAP vehicle to another automotive recycler, used
2 or secondhand vehicle parts dealer, foreign salvage vehicle
3 dealer, or vehicle scrap metal processor by assigning the
4 ~~salvage~~ certificate of title to the buyer. Unless the vehicle
5 is USED TO CONSTRUCT OR ASSEMBLE A rebuilt SALVAGE OR ASSEMBLED
6 VEHICLE, AND IS inspected ~~,~~ and recertified pursuant to this
7 ~~section~~ ACT, if ~~the~~ A SALVAGE vehicle is sold to a buyer
8 other than a dealer, application shall be made for a salvage cer-
9 tificate in the name of the buyer in the manner provided in this
10 act. ~~The dealer may sell a scrap vehicle only to a vehicle~~
11 ~~scrap metal processor.~~ A vehicle scrap metal processor shall
12 surrender an assigned certificate of title to the secretary of
13 state within 30 days after acquiring a vehicle for which a cer-
14 tificate of title was received. A vehicle scrap metal processor
15 shall surrender an assigned ~~salvage or scrap~~ certificate of
16 title to the secretary of state within 30 days after acquiring a
17 vehicle for which a salvage, REBUILT SALVAGE, KIT, ASSEMBLED, or
18 scrap certificate of title was received and report that the vehi-
19 cle was destroyed or scrapped.

20 ~~(17) An application for a scrap certificate of title shall~~
21 ~~be made on a form prescribed by the secretary of state accom-~~
22 ~~panied by a fee of \$15.00. The application shall contain all of~~
23 ~~the following:~~

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

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

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

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

5 ~~(18) The scrap certificate of title shall authorize the~~
6 ~~holder of the document to transport but not drive upon a highway~~
7 ~~the vehicle or parts of a vehicle, and assign ownership to a~~
8 ~~vehicle scrap metal processor, automotive recycler, used or sec-~~
9 ~~ondhand vehicle parts dealer, or foreign salvage vehicle dealer.~~
10 ~~A certificate of title shall not again be issued for this~~
11 ~~vehicle. A person shall not rebuild or repair a scrap vehicle~~
12 ~~and allow it to retain the original vehicle identification~~
13 ~~number.~~

14 ~~(4) (19)~~ If a person, other than a dealer or insurance
15 company that is subject to subsection ~~(14)~~ (1) or ~~(16)~~ (3),
16 acquires ownership of a distressed, late model vehicle, the
17 person shall surrender the title or assigned certificate of title
18 to the secretary of state, and if the estimated cost of repair,
19 including parts and labor, is equal to or greater than 75% but
20 less than 91% of the predamaged actual cash value of the vehicle,
21 apply for a salvage certificate of title, or if the estimated
22 cost of repair, including parts and labor, is equal to or greater
23 than 91% of the predamaged actual cash value of the vehicle,
24 apply for a scrap certificate of title before the vehicle may be
25 transported.

26 (5) ~~(20)~~ An owner of a vehicle may determine that vehicle
27 to be a scrap vehicle or a salvage vehicle. ~~without making~~ ON

1 AN APPLICATION TO THE SECRETARY OF STATE FOR A SALVAGE
2 CERTIFICATE OF TITLE, THE OWNER SHALL MAKE AN ACTUAL CASH VALUE
3 AND COST OF REPAIR DETERMINATION OF THE VEHICLE. ON AN APPLICA-
4 TION TO THE SECRETARY OF STATE FOR A SCRAP CERTIFICATE OF TITLE,
5 THE OWNER IS NOT REQUIRED TO MAKE any determination as to the
6 actual cash value OR COST OF REPAIR of the vehicle.

7 (6) ~~(21)~~ If a leasing company, vehicle manufacturer,
8 insurance company not licensed to do business in this state,
9 association, repossession company, self-insured owner, financial
10 institution, governmental entity, or other company, institution,
11 or entity, owns a distressed, late model vehicle, the titleholder
12 shall surrender the title or assigned certificate of title to the
13 secretary of state and apply for a salvage certificate of title
14 if the retail cost of repair, including parts and labor, is equal
15 to or greater than 75% but less than 91% of the predamaged actual
16 cash value of the vehicle, or if the retail cost of repair,
17 including parts and labor, is equal to or greater than 91% of the
18 predamaged actual cash value of the vehicle, apply for a scrap
19 certificate of title, before the vehicle may be transported or
20 sold. If ownership is transferred, the owner shall sell the
21 vehicle only to a dealer who is eligible to buy a salvage or
22 scrap vehicle in this state unless the owner complies with
23 ~~subsection (24)~~ THE SALVAGE AND ASSEMBLED VEHICLE INSPECTION
24 REQUIREMENTS OF THIS ACT. When a leasing company, vehicle manu-
25 facturer, insurance company not licensed to do business in this
26 state, association, repossession company, self-insured owner,
27 financial institution, governmental entity, or other company,

1 institution, or entity, estimates the repair of a distressed,
2 late model vehicle for the purpose of determining whether to
3 apply for a salvage or scrap certificate of title, a complete
4 record of the estimate and, if the vehicle is repaired before a
5 transfer of ownership, a complete record of the actual cost of
6 the repairs performed and by whom shall be maintained for a mini-
7 mum of 5 years by the leasing company, vehicle manufacturer,
8 insurance company not licensed to do business in this state,
9 association, repossession company, self-insured owner, financial
10 institution, governmental entity, or other company, institution,
11 or entity. The estimates and repair records required by this
12 subsection shall be available for unannounced inspections by a
13 law enforcement agency or a representative of the secretary of
14 state. The secretary of state may request a leasing company,
15 vehicle manufacturer, insurance company not licensed to do busi-
16 ness in this state, association, repossession company,
17 self-insured owner, financial institution, governmental entity,
18 or other company, institution, or entity to provide copies of
19 title documents, repair estimates, claims reports involving major
20 component parts, and actual cash value determination documents to
21 assist the secretary of state in monitoring compliance with this
22 act.

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

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

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

5 ~~(c) An estimate of the cost repair, including parts and~~
6 ~~labor, and an estimate of the predamaged actual cash value of the~~
7 ~~vehicle.~~

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

10 ~~(e) Further information as may reasonably be required by the~~
11 ~~secretary of state.~~

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

17 ~~(7) —(24)—~~ A salvage certificate of title shall authorize
18 the holder of the title to possess, transport, but not drive upon
19 a highway, and transfer ownership in, a vehicle. A certificate
20 of title or registration plates shall not be issued for a vehicle
21 for which a salvage certificate of title was issued unless a spe-
22 cially trained officer described in subsection ~~—(25)—~~ (8) certi-
23 fies all of the following:

24 (a) That the vehicle identification numbers and parts iden-
25 tification numbers have been examined as to their accuracy.

26 (b) That the applicant has proof of ownership of repair
27 parts used.

1 (c) That the vehicle complies with the equipment standards
2 of this act. The certification required by this subsection shall
3 be made on a form prescribed and furnished by the secretary of
4 state in conjunction with the department of state police and
5 shall accompany the application that is submitted to the secre-
6 tary of state for a certificate of title. An application for a
7 certificate of title shall contain a description of each salvage-
8 able part used to repair the vehicle and any identification
9 number affixed to or inscribed upon the part as required by state
10 or federal law. ~~Through June 30, 1994, a~~ A fee of ~~\$25.00~~
11 \$50.00 shall be received by the police agency for inspection of
12 the vehicle and shall be expended by that police agency as pro-
13 vided in this subsection. Upon satisfactory completion of the
14 inspection as required by the secretary of state and other
15 requirements for application, a certificate of title bearing an
16 indicator of its previous salvage status shall be issued for the
17 vehicle. The salvage vehicle inspection fees collected by a
18 local police agency under this subsection shall be credited to
19 the budget of that police agency for law enforcement purposes
20 that affect stolen vehicles, stolen vehicle parts, and salvage
21 vehicle inspections. A local police agency shall compensate an
22 off-duty and limited enforcement police officer for a salvage
23 vehicle inspection.

24 (8) ~~(25)~~ An officer specially trained as provided by the
25 secretary of state and authorized by the secretary of state to
26 conduct a salvage vehicle inspection is either of the following:

1 (a) An on-duty or off-duty police officer.

2 (b) A previously certified police officer who is appointed
3 by the local police agency as a limited enforcement officer to
4 conduct salvage vehicle inspections. The local police agency
5 shall give this officer access to the agency's law enforcement
6 information network system and the authority to confiscate any
7 stolen vehicle or vehicle parts discovered during an inspection.
8 The local police agency may give the officer the authority to
9 arrest a person suspected of having unlawful possession of a
10 stolen vehicle or vehicle parts.

11 (9) ~~(26)~~ The secretary of state shall issue a certificate
12 to an officer who is specially trained as provided by the secre-
13 tary of state to conduct salvage vehicle inspections. Only a
14 person who has a valid certification from the secretary of state
15 may perform salvage inspections. The secretary of state on his
16 or her own initiative or in response to complaints shall make
17 reasonable and necessary public or private investigations within
18 or outside of this state and gather evidence against an officer
19 who was issued a certificate and who violated or is about to vio-
20 late this act or a rule promulgated under this act. The secre-
21 tary of state may suspend, revoke, or deny a certificate after an
22 investigation if the secretary of state determines that the offi-
23 cer committed 1 or more of the following:

24 (a) Violated this act or a rule promulgated under this act.

25 (b) Was found guilty of a fraudulent act in connection with
26 the inspection, purchase, sale, or transfer of a salvage
27 vehicle.

1 (c) Was found guilty of the theft, embezzlement, or
2 misappropriation of salvage vehicle inspection fees.

3 (d) Performed improper, careless, or negligent salvage vehi-
4 cle inspections.

5 (e) Ceased to function as a police officer because of sus-
6 pension, retirement, dismissal, disability, or termination of
7 employment.

8 (f) Was convicted of a violation or attempted violation of
9 ~~Act No. 119 of the Public Acts of 1986, being sections 257.1351~~
10 ~~to 257.1355 of the Michigan Compiled Laws~~ 1986 PA 119, MCL
11 257.1351 TO 257.1355.

12 (g) Made a false statement of a material fact in his or her
13 certification of a salvage vehicle inspection or any record con-
14 cerning a salvage vehicle inspection.

15 Upon receipt of the appropriate abstract of conviction from
16 a court and without any investigation, the secretary of state
17 shall immediately revoke the certificate of an officer who has
18 been convicted of a violation or attempted violation of
19 section 413, 414, 415, 535, 535a, or 536a of the Michigan penal
20 code, ~~Act No. 328 of the Public Acts of 1931, being~~
21 ~~sections 750.413, 750.414, 750.415, 750.535, 750.535a, and~~
22 ~~750.536a of the Michigan Compiled Laws~~ 1931 PA 328, MCL 750.413,
23 750.414, 750.415, 750.535, 750.535A, AND 750.536A, or has been
24 convicted in federal court or in another state of a violation or
25 attempted violation of a law substantially corresponding to
26 section 413, 414, 415, 535, 535a, or 536a of the Michigan penal

1 code, ~~Act No. 328 of the Public Acts of 1931~~ 1931 PA 328, MCL
2 750.413, 750.414, 750.415, 750.535, 750.535A, AND 750.536A.

3 (10) ~~(27)~~ If a dealer acquires ownership of an older model
4 vehicle from an owner, the dealer shall receive an assigned cer-
5 tificate of title and shall retain it as long as he or she
6 retains the vehicle. A vehicle scrap metal processor shall sur-
7 render an assigned certificate of title to the secretary of state
8 within 30 days after the vehicle is destroyed or scrapped.

9 (11) ~~(28)~~ A dealer selling or assigning a vehicle to a
10 vehicle scrap metal processor shall make a record in triplicate
11 on a form to be provided by the secretary of state in substan-
12 tially the following form:

13

14 Scrap Vehicle Inventory:

15 SELLER: Dealer name _____

16 Dealer address _____

17 Dealer license number _____

18 PURCHASER: Conveyed to: _____ Date _____

19 (Vehicle scrap metal processor)

20 Dealer address _____

1 Dealer license number _____

2 Vehicles

3	Dealer's					
4	Stock					
5	Model Year	Vehicle Make	VIN	Title Number	Number	Color
6	1. _____	_____	_____	_____	_____	_____
7	2. _____	_____	_____	_____	_____	_____
8	3. _____	_____	_____	_____	_____	_____

9 etc.

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

14 ~~(29) A person, other than an automotive recycler, used or~~
 15 ~~secondhand vehicle parts dealer, or a foreign salvage dealer,~~
 16 ~~receiving a salvage certificate of title shall not sell the vehi-~~
 17 ~~cle to anyone other than 1 of the following:~~

18 ~~(a) The vehicle's former owner.~~

19 ~~(b) A used or secondhand vehicle parts dealer.~~

20 ~~(c) A vehicle scrap metal processor.~~

21 ~~(d) A foreign salvage vehicle dealer licensed under this~~

22 act.

1 ~~(e) An automotive recycler.~~

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

4 ~~(a) An automotive recycler.~~

5 ~~(b) A vehicle scrap metal processor.~~

6 ~~(c) A foreign salvage vehicle dealer licensed under this~~
7 ~~act.~~

8 ~~(d) A used or secondhand vehicle parts dealer.~~

9 (12) ~~-(31)-~~ The secretary of state may conduct periodic
10 reviews of the records of a dealer to determine whether adequate
11 notice is given to a transferee of a rebuilt salvage OR ASSEMBLED
12 vehicle of that vehicle's prior designation as a salvage OR SCRAP
13 vehicle. The secretary of state may request an insurance company
14 to provide copies of salvage OR SCRAP title documents and claims
15 reports involving major component parts to assist the secretary
16 of state in monitoring compliance with this act.

17 (13) ~~-(32)-~~ A licensed automotive recycler, used or second-
18 hand vehicle parts dealer, vehicle scrap metal processor, vehicle
19 salvage pool operator, distressed vehicle transporter, foreign
20 salvage vehicle dealer, or broker who has removed a scrap vehicle
21 from this state for the purpose of rebuilding the vehicle or
22 selling the vehicle to a person other than ~~a vehicle scrap metal~~
23 ~~processor~~ AS AUTHORIZED UNDER THIS ACT, shall receive an auto-
24 matic suspension of their dealer license ~~and of any salvage~~
25 ~~vehicle agent's license assigned to that dealer~~ for a period of
26 30 days. Upon receipt by the secretary of state of a written

1 request from the dealer, the dealer shall have the right to an
2 immediate hearing on the matter within that 30-day period.

3 (14) ~~-(33)-~~ For the purpose of this section, the estimated
4 costs of the repair parts shall be determined by using the cur-
5 rent published retail cost of original manufacturer equipment
6 parts or an estimate of the actual cost of the repair parts. The
7 estimated labor costs shall be computed by using the hourly rate
8 and time allocations which are reasonable and commonly assessed
9 in the repair industry in the community where the repairs are
10 performed.

11 ~~-(34) Beginning July 1, 1994, a fee of \$50.00 shall be~~
12 ~~received by a police agency for an inspection of a vehicle pursu-~~
13 ~~ant to subsection (24). The fee shall be credited to the budget~~
14 ~~of that police agency and used for law enforcement purposes that~~
15 ~~affect stolen vehicles, stolen vehicle parts, and salvage vehicle~~
16 ~~inspections. A local police agency shall compensate an off-duty~~
17 ~~and limited enforcement police officer for a salvage vehicle~~
18 ~~inspection.~~

19 (15) ~~-(35)-~~ For the purpose of this section, "actual cash
20 value" means the retail dollar value of a vehicle as determined
21 by an objective vehicle evaluation using local market resources
22 such as dealers or want ads or by an independent vehicle evalu-
23 ation or vehicle appraisal service or by a current issue of a
24 nationally recognized used vehicle guide for financial institu-
25 tion appraisal purposes in this state.

26 ~~-(36) The secretary of state shall convene a task force in a~~
27 ~~timely manner to develop standards for police to use in~~

~~1 performing inspections. The task force shall include
2 representatives of the Michigan sheriffs association, the Chiefs
3 of police association, the Michigan state police, the insurance
4 industry, a used vehicle parts dealer, the automobile theft pre-
5 vention authority, and an automotive recycler. Inspections may
6 continue to be performed under existing standards until the task
7 force approves new standards. Inspections under this act must be
8 according to these standards and the standards shall be reported
9 to the legislature.~~

10 Sec. 217f. (1) A SALVAGE OR SCRAP VEHICLE CERTIFICATE OF
11 TITLE SHALL AUTHORIZE THE HOLDER OF THE TITLE TO POSSESS AND
12 TRANSPORT BUT NOT TO REGISTER OR DRIVE THE VEHICLE UPON A
13 HIGHWAY. A REBUILT SALVAGE, KIT, OR ASSEMBLED VEHICLE CERTIFI-
14 CATE OF TITLE SHALL AUTHORIZE THE HOLDER OF THE TITLE TO POSSESS,
15 TRANSPORT, REGISTER, AND DRIVE THE VEHICLE UPON A HIGHWAY.

16 (2) A SALVAGE OR SCRAP VEHICLE SHALL ONLY BE OWNED OR TRANS-
17 FERRED AS PROVIDED IN THIS SECTION AND SECTION 217C. A SALVAGE
18 OR SCRAP CERTIFICATE OF TITLE MAY AGAIN BE ISSUED FOR A SALVAGE
19 OR SCRAP VEHICLE UPON THE TRANSFER OF THE VEHICLE'S OWNERSHIP.

20 (3) UNLESS A PERSON COMPLIES WITH THE SALVAGE AND ASSEMBLED
21 VEHICLE INSPECTION REQUIREMENTS OF THIS ACT, A PERSON, OTHER THAN
22 AN AUTOMOTIVE RECYCLER, USED OR SECONDHAND VEHICLE PARTS DEALER,
23 OR FOREIGN SALVAGE DEALER, RECEIVING A SALVAGE OR SCRAP CERTIFI-
24 CATE OF TITLE SHALL NOT SELL THE VEHICLE TO ANYONE OTHER THAN 1
25 OF THE FOLLOWING:

26 (A) THE VEHICLE'S FORMER OWNER.

1 (B) A USED OR SECONDHAND VEHICLE PARTS DEALER.

2 (C) A VEHICLE SCRAP METAL PROCESSOR.

3 (D) A FOREIGN SALVAGE VEHICLE DEALER LICENSED UNDER THIS
4 ACT.

5 (E) AN AUTOMOTIVE RECYCLER.

6 (4) A SCRAP VEHICLE THAT IS REBUILT, REPAIRED, RECON-
7 STRUCTED, OR REASSEMBLED SHALL NOT RETAIN ITS ORIGINAL VEHICLE
8 IDENTIFICATION NUMBER. A SCRAP VEHICLE IDENTIFICATION NUMBER
9 SHALL ONLY BE REMOVED FROM A VEHICLE BY THE WRITTEN AUTHORIZATION
10 OF THE SECRETARY OF STATE, A LAW ENFORCEMENT OFFICER, OR AS OTH-
11 ERWISE PROVIDED IN THIS ACT. A REBUILT SALVAGE OR ASSEMBLED
12 VEHICLE CERTIFICATE OF TITLE SHALL NOT CONTAIN THE VEHICLE IDEN-
13 TIFICATION NUMBER OF A SCRAP VEHICLE.

14 (5) A PERSON, OTHER THAN AN AUTOMOTIVE RECYCLER, USED OR
15 SECONDHAND VEHICLE PARTS DEALER, DISTRESSED VEHICLE TRANSPORTER,
16 SCRAP METAL PROCESSOR, OR FOREIGN SALVAGE DEALER, WHO IS THE
17 HOLDER OF A REBUILT SALVAGE OR ASSEMBLED VEHICLE CERTIFICATE OF
18 TITLE MAY SELL OR TRANSFER THE VEHICLE.

19 (6) A vehicle salvage pool operator or broker shall not
20 sell, assign, or otherwise dispose of a vehicle for which a sal-
21 vage OR SCRAP certificate of title is required, unless a salvage
22 or scrap certificate of title has been issued for the vehicle by
23 the department.

24 Sec. 218. (1) If a vehicle to be registered is a ~~specialy~~
25 ~~constructed, reconstructed~~ REBUILT SALVAGE, KIT, ASSEMBLED, or
26 foreign vehicle, that fact shall be stated in the application.
27 With reference to each foreign vehicle which has been previously

1 registered in another state, the owner shall surrender to the
2 secretary of state all registration plates, registration certifi-
3 cates, and certificates of title or other evidence of foreign
4 registration, as are in the owner's possession or under the
5 owner's control, except as provided in subsections (2) and (3).

6 (2) If the owner in the course of interstate operation of a
7 vehicle desires to retain registration of a vehicle in another
8 state, the owner shall not be required to surrender, but shall
9 submit for inspection, evidence of the foreign registration and
10 the secretary of state, upon a proper showing and upon applica-
11 tion and payment of the registration fee, shall register the
12 vehicle in this state.

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

21 Sec. 220. (1) The department upon receiving application for
22 original registration of a vehicle or any certificate of title
23 shall first check the engine and serial number or vehicle number
24 shown in the application against the indexes of registered motor
25 vehicles and against the index of stolen and recovered motor
26 vehicles required to be maintained by this act.

1 (2) AN APPLICATION FOR A SALVAGE VEHICLE CERTIFICATE OF
2 TITLE SHALL BE MADE ON A FORM PRESCRIBED BY THE SECRETARY OF
3 STATE AND SHALL CONTAIN ALL OF THE FOLLOWING:

4 (A) THE COMPLETE NAME AND CURRENT ADDRESS OF THE OWNER.

5 (B) A DESCRIPTION OF THE VEHICLE, INCLUDING ITS MAKE, STYLE
6 OF BODY, MODEL YEAR, FEE CATEGORY OR WEIGHT, COLOR, AND VEHICLE
7 IDENTIFICATION NUMBER.

8 (C) AN ESTIMATE OF THE COST REPAIR, INCLUDING PARTS AND
9 LABOR, AND AN ESTIMATE OF THE PREDAMAGED ACTUAL CASH VALUE OF THE
10 VEHICLE.

11 (D) IF THE VEHICLE IS A LATE MODEL VEHICLE, A LISTING OF
12 EACH MAJOR COMPONENT PART THAT WAS NOT SALVAGEABLE.

13 (E) FURTHER INFORMATION AS MAY REASONABLY BE REQUIRED BY THE
14 SECRETARY OF STATE.

15 (3) THE SECRETARY OF STATE SHALL ISSUE AND MAIL THE SALVAGE
16 CERTIFICATE OF TITLE WITHIN 5 BUSINESS DAYS AFTER THE TIME THE
17 APPLICATION IS RECEIVED AT THE SECRETARY OF STATE'S OFFICE IN
18 LANSING. EACH SALVAGE CERTIFICATE OF TITLE SHALL INCLUDE A LIST-
19 ING OF EACH MAJOR COMPONENT PART THAT WAS NOT SALVAGEABLE.

20 (4) AN APPLICATION FOR A SCRAP VEHICLE CERTIFICATE OF TITLE
21 SHALL BE MADE ON A FORM PRESCRIBED BY THE SECRETARY OF STATE AND
22 SHALL CONTAIN ALL OF THE FOLLOWING:

23 (A) THE COMPLETE NAME AND CURRENT ADDRESS OF THE OWNER.

24 (B) A DESCRIPTION OF THE VEHICLE, INCLUDING ITS MAKE, STYLE
25 OF BODY, MODEL YEAR, FEE CATEGORY OR WEIGHT, COLOR, AND VEHICLE
26 IDENTIFICATION NUMBER.

1 (C) IF THE VEHICLE IS A LATE MODEL VEHICLE, A LISTING OF
2 EACH MAJOR COMPONENT PART THAT WAS NOT SALVAGEABLE.

3 (5) AN APPLICATION FOR A REBUILT SALVAGE, KIT, OR ASSEMBLED
4 VEHICLE CERTIFICATE OF TITLE SHALL BE MADE PURSUANT TO SECTION
5 217.

6 (6) WHEN AN APPLICATION FOR AN ORIGINAL REBUILT SALVAGE,
7 KIT, OR ASSEMBLED VEHICLE CERTIFICATE OF TITLE IS RECEIVED BY THE
8 DEPARTMENT, THE DEPARTMENT SHALL FIRST CHECK THE ACCURACY OF THE
9 PARTS IDENTIFICATION NUMBERS SHOWN ON THE APPLICATION AGAINST THE
10 INDEX OF STOLEN AND RECOVERED MOTOR VEHICLES AND THEIR PARTS AS
11 REQUIRED TO BE MAINTAINED BY THIS ACT.

12 (7) AN APPLICANT WHO IS DISSATISFIED WITH THE ISSUANCE OR
13 DENIAL OF A CERTIFICATE OF TITLE UNDER THIS SECTION SHALL WITHIN
14 30 DAYS OF RECEIVING A CERTIFICATE OF TITLE OR DENIAL NOTICE GIVE
15 WRITTEN NOTICE TO THE SECRETARY OF STATE DESCRIBING IN DETAIL THE
16 REASONS FOR THE DISSATISFACTION ALONG WITH ANY DOCUMENTS WHICH
17 SUPPORT THE APPLICANT'S POSITION. THE SECRETARY OF STATE SHALL
18 GIVE THE APPLICANT AN OPPORTUNITY TO BE HEARD.

19 Sec. 222. (1) Except as otherwise provided in this act, the
20 secretary of state shall issue a registration certificate and a
21 certificate of title when registering a vehicle and upon receipt
22 of the required fees. A vehicle brought into this state from
23 another state or jurisdiction that has a rebuilt, salvage, or
24 scrap certificate of title issued by that other state or juris-
25 diction shall be issued a rebuilt, salvage, or scrap certificate
26 of title by the secretary of state.

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

6 (3) The certificate of title shall be manufactured in a
7 manner to prohibit as nearly as possible the ability to repro-
8 duce, alter, counterfeit, forge, or duplicate the certificate of
9 title without ready detection and contain on its face the identi-
10 cal information required on the face of the registration certifi-
11 cate; if the vehicle is a motor vehicle, the number of miles, not
12 including the tenths of a mile, registered on the vehicle's odom-
13 eter at the time of transfer; except for a vehicle owned by a
14 dealer and loaned to a political subdivision of this state for
15 use as a driver education vehicle, if the vehicle is to be used
16 or has been used as a taxi, as a police vehicle, or by a politi-
17 cal subdivision of this state; whether the vehicle is a salvage
18 vehicle; if the vehicle has previously been issued a rebuilt cer-
19 tificate of title from this state or a comparable certificate of
20 title from any other state or jurisdiction; if the vehicle has
21 been issued a scrap certificate of title from this state or a
22 comparable certificate of title from any other state or jurisdic-
23 tion; a statement of the owner's title and of all security inter-
24 ests in the vehicle or in an accessory on the vehicle as set
25 forth in the application; the date that the application was
26 filed; and any other information that the secretary of state may
27 require.

1 (4) The certificate of title shall contain, upon the reverse
2 side, a form for assignment of title or interest and warranty of
3 title by the owner with space for the notation of a security
4 interest in the vehicle and in an accessory on the vehicle, that
5 at the time of a transfer shall be certified and signed, and
6 space for a written odometer mileage statement that is required
7 upon transfer pursuant to section 233a. The reverse side of the
8 certificate of title may also contain other forms that the secre-
9 tary of state considers necessary to facilitate the effective
10 administration of this act. The certificate shall bear the coat
11 of arms of this state.

12 (5) The certificate of title shall be mailed or delivered to
13 the owner or other person the owner may direct in a separate
14 instrument, in a form the secretary of state shall prescribe.

15 (6) A person who intentionally reproduces, alters, counter-
16 feits, forges, or duplicates a certificate of title or who uses a
17 reproduced, altered, counterfeited, forged, or duplicated certif-
18 icate of title shall be punished as follows:

19 (a) If the intent of reproduction, alteration, counterfeit-
20 ing, forging, duplication, or use was to commit or aid in the
21 commission of an offense punishable by imprisonment for 1 or more
22 years, the person committing the reproduction, alteration, coun-
23 terfeiting, forging, duplication, or use is guilty of a misde-
24 meanor, punishable by imprisonment for a period equal to that
25 which could be imposed for the commission of the offense the
26 person had the intent to aid or commit. The court may also
27 assess a fine of not more than \$10,000.00 against the person.

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

8 (7) The certificate of title for a police vehicle, a vehicle
9 owned by a political subdivision of this state, a salvage vehi-
10 cle, a rebuilt SALVAGE vehicle, A KIT VEHICLE, AN ASSEMBLED
11 VEHICLE, and a scrap vehicle shall be different in color from the
12 certificate of title for all other vehicles.

13 (8) A scrap certificate of title shall contain a legend that
14 the vehicle ~~is not to be titled or registered and is to~~ SHALL
15 ONLY be used for parts or scrap metal ~~only~~ OR REBUILT AND REG-
16 ISTERED AND TITLED AS AN ASSEMBLED VEHICLE.

17 (9) ~~A certificate of title shall not be issued for a vehi-~~
18 ~~cle which has had a salvage certificate of title unless the cer-~~
19 ~~tificate of title contains a legend which would disclose the~~
20 ~~vehicle's former condition to consumers and potential~~
21 ~~purchasers.~~ THE FACE OF A REBUILT SALVAGE VEHICLE CERTIFICATE OF
22 TITLE SHALL CONTAIN A SPECIAL DESCRIPTION, AS DETERMINED BY THE
23 SECRETARY OF STATE, THAT IS SUFFICIENT TO PUT CONSUMERS AND
24 POTENTIAL PURCHASERS ON NOTICE REGARDING THE UNIQUENESS OF THAT
25 TITLE AS A REBUILT SALVAGE VEHICLE. THE SPECIAL DESCRIPTION ON A
26 REBUILT SALVAGE VEHICLE CERTIFICATE OF TITLE SHALL, AT A MINIMUM,
27 INCLUDE A STATEMENT OF THE NUMBER OF MAJOR COMPONENT PARTS THAT

1 ARE IDENTIFIABLE AS ORIGINATING FROM A SCRAP OR ASSEMBLED VEHICLE
2 OR FROM A DIFFERENT YEAR, MAKE, MODEL, OR MANUFACTURER OF VEHICLE
3 THAN IS THE VEHICLE DESCRIBED ON THE REBUILT SALVAGE VEHICLE CER-
4 TIFICATE OF TITLE.

5 (10) THE FACE OF AN ASSEMBLED VEHICLE CERTIFICATE OF TITLE
6 SHALL CONTAIN A SPECIAL DESCRIPTION, AS DETERMINED BY THE SECRE-
7 TARY OF STATE, THAT IS SUFFICIENT TO PUT CONSUMERS AND POTENTIAL
8 PURCHASERS ON NOTICE REGARDING THE UNIQUENESS OF THAT TITLE AS AN
9 ASSEMBLED VEHICLE. THE SPECIAL DESCRIPTION ON THE CERTIFICATE OF
10 TITLE SHALL, AT A MINIMUM, INCLUDE A STATEMENT OF THE NUMBER OF
11 MAJOR COMPONENT PARTS THAT ORIGINATED FROM A SCRAP OR ASSEMBLED
12 VEHICLE OR FROM DIFFERENT YEAR, MAKE, MODEL, OR MANUFACTURER OF
13 VEHICLES. ON THE FACE OF AN ASSEMBLED VEHICLE CERTIFICATE OF
14 TITLE, ONLY THE TERM "ASSEMBLED" SHALL BE USED TO DESCRIBE THE
15 MAKE OF VEHICLE.

16 Sec. 230. (1) ~~(a)~~ The owner of a vehicle ~~, the engine,~~
17 ~~serial or~~ WHOSE vehicle IDENTIFICATION number ~~of which~~ has
18 been altered, removed, or defaced, ~~may~~ INCLUDING THE OWNER OF A
19 VEHICLE WHO INTENDS TO TITLE THE VEHICLE AS AN ASSEMBLED OR KIT
20 VEHICLE, SHALL make application ~~accompanied by the required fee~~
21 ~~in such form as may be prescribed by~~ TO the secretary of state
22 for a SALVAGE AND ASSEMBLED VEHICLE INSPECTION AS PROVIDED UNDER
23 THIS ACT. THE APPLICATION SHALL BE ACCOMPANIED BY THE REQUIRED
24 INSPECTION FEE. AFTER THE OWNER SUCCESSFULLY COMPLETES A SALVAGE
25 AND ASSEMBLED VEHICLE INSPECTION, THE OWNER MAY MAKE APPLICATION
26 TO THE SECRETARY OF STATE FOR A special identifying number. ~~He~~
27 ~~shall furnish such information as will satisfy the secretary of~~

1 ~~state that he is the owner, whereupon~~ THE APPLICATION SHALL BE
2 ACCOMPANIED BY THE REQUIRED FEE AND BE IN A FORM PRESCRIBED BY
3 THE SECRETARY OF STATE. UPON RECEIVING A PROPER APPLICATION, the
4 secretary of state shall assign a special number for the vehicle,
5 preceded by a symbol indicating this state. A record of special
6 numbers so assigned shall be maintained by the secretary of
7 state.

8 (2) The owner shall ~~cause said~~ APPLY THE number to ~~be~~
9 ~~stamped upon the engine or otherwise~~ THE VEHICLE as directed by
10 the secretary of state, and upon ~~receipt~~ INSPECTION by the sec-
11 retary of state ~~of a certificate by a peace officer that he has~~
12 ~~inspected and found said~~ THAT THE number IS affixed upon the
13 motor vehicle as directed in a workmanlike manner, together with
14 application for a certificate of title ~~such~~ THE special number
15 shall be regarded as the identifying number of ~~said~~ THE
16 vehicle.

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

24 (3) THE OWNER OF A VEHICLE WHOSE VEHICLE IDENTIFICATION
25 NUMBER IS MISSING SHALL MAKE APPLICATION TO THE SECRETARY OF
26 STATE FOR A REPLACEMENT VEHICLE IDENTIFICATION NUMBER. THE
27 APPLICATION SHALL BE ACCOMPANIED BY THE REQUIRED FEE AND BE IN A

1 FORM PRESCRIBED BY THE SECRETARY OF STATE. THE OWNER SHALL
2 FURNISH SUCH INFORMATION AS WILL SATISFY THE SECRETARY OF STATE
3 THAT HE OR SHE IS THE OWNER OF THE VEHICLE AND THAT THE VEHICLE
4 IDENTIFICATION NUMBER NEEDS REPLACEMENT. WHEN THE SECRETARY OF
5 STATE IS SATISFIED WITH THE INFORMATION PROVIDED, THE SECRETARY
6 OF STATE SHALL ASSIGN A REPLACEMENT VEHICLE IDENTIFICATION NUMBER
7 THAT SHALL BE INSTALLED ON THE VEHICLE AS DIRECTED BY THE SECRE-
8 TARY OF STATE.

9 Sec. 248. ~~(1) A person shall not carry on or conduct the~~
10 ~~business of buying, selling, brokering, or dealing in vehicles of~~
11 ~~a type required to be titled under this act unless the person~~
12 ~~obtains a dealer license from the secretary of state authorizing~~
13 ~~the carrying on or conducting of that business. Until July 1,~~
14 ~~1994, a person shall not carry on or conduct the business of~~
15 ~~buying, selling, brokering, or dealing in distressed, late model~~
16 ~~motor vehicles or salvageable parts unless the person obtains a~~
17 ~~used or secondhand vehicle parts dealer license from the secre-~~
18 ~~tary of state or is an insurance company admitted to conduct~~
19 ~~business in this state, except that a motor vehicle repair facil-~~
20 ~~ity registered under the motor vehicle service and repair act,~~
21 ~~Act No. 300 of the Public Acts of 1974, being sections 257.1301~~
22 ~~to 257.1340 of the Michigan Compiled Laws, may purchase salvagea-~~
23 ~~ble parts and salvage vehicles for the purposes of using acquired~~
24 ~~parts and vehicles in the repair of other vehicles. A person~~
25 ~~shall not carry on or conduct the business of buying vehicles to~~
26 ~~process into scrap metal or store or display vehicles as an agent~~
27 ~~or escrow agent of an insurance company unless the person obtains~~

~~1 a dealer license from the secretary of state. A vehicle scrap
2 metal processor who does not purchase vehicles from unlicensed
3 persons is not required to obtain a dealer license. Until July
4 1, 1994, a person from another state shall not purchase, sell, or
5 otherwise deal in distressed, late model motor vehicles or sal-
6 vageable parts unless the person obtains a foreign salvage vehi-
7 cle dealer license from the secretary of state as prescribed
8 under section 248b. The secretary of state shall investigate and
9 seek prosecution, if necessary, of persons allegedly conducting a
10 business without a license. This subsection applies until July
11 1, 1994.~~

~~12 (2) The application for a dealer license shall be in the
13 form prescribed by the secretary of state and shall be signed by
14 the applicant. In addition to other information as may be
15 required by the secretary of state, the application shall include
16 all of the following:~~

~~17 (a) Name of applicant.~~

~~18 (b) Location of applicant's established place of business in
19 this state.~~

~~20 (c) The name under which business is to be conducted.~~

~~21 (d) If the business is a corporation, the state of
22 incorporation.~~

~~23 (e) Name and address of each owner or partner and, if a cor-
24 poration, the name of the principal officers.~~

~~25 (f) The county in which the business is to be conducted and
26 the address of each place of business in that county.~~

1 ~~(g) If new vehicles are to be sold, the make to be handled.~~
2 ~~Each new vehicle dealer shall send with the application for~~
3 ~~license a certification that the dealer holds a bona fide con-~~
4 ~~tract to act as factory representative, factory distributor, or~~
5 ~~distributor representative to sell at retail the make of vehicle~~
6 ~~to be sold.~~

7 ~~(h) A statement of the previous history, record, and associ-~~
8 ~~ations of the applicant and of each owner, partner, officer, and~~
9 ~~director, which statement shall be sufficient to establish to the~~
10 ~~satisfaction of the secretary of state the business reputation~~
11 ~~and character of the applicant.~~

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

16 ~~(j) If the applicant is a corporation or partnership, a~~
17 ~~statement showing whether a partner, employee, officer, or direc-~~
18 ~~tor has been refused a license or has been the holder of a~~
19 ~~license which was revoked or suspended.~~

20 ~~(k) Until July 1, 1994, if the application is for a used or~~
21 ~~secondhand vehicle parts dealer, all of the following:~~

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

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

1 ~~(iii) Evidence of workers' compensation insurance coverage~~
2 ~~for employees classified under the standard industrial~~
3 ~~classification number 4015, entitled "motor vehicle parts --~~
4 ~~used" or under the national council on compensation insurance~~
5 ~~code number 3821, entitled "automobile dismantling", if~~
6 ~~applicable.~~

7 ~~(3) A person shall make a separate application for a dealer~~
8 ~~license for each county in which business is to be conducted, and~~
9 ~~a dealer, before moving 1 or more of his or her places of busi-~~
10 ~~ness or opening an additional place of business, shall apply to~~
11 ~~the secretary of state for and obtain a supplemental dealer~~
12 ~~license for which a fee shall not be charged. The dealer license~~
13 ~~entitles the dealer to conduct in the county covered by the~~
14 ~~license the business of buying, selling, and dealing in~~
15 ~~vehicles. This subsection does not apply to a person licensed as~~
16 ~~a foreign salvage vehicle dealer under section 248b. This sub-~~
17 ~~section applies until July 1, 1994.~~

18 ~~(4) The secretary of state may divide the calendar year into~~
19 ~~quarters and the total number of dealer licensees into approxi-~~
20 ~~mately convenient quarter segments. Each dealer license granted~~
21 ~~under subsection (1) shall expire on the last day of the month in~~
22 ~~the quarter for the business year in which the license was issued~~
23 ~~and may be renewed upon application and payment of the fee~~
24 ~~required by section 807.~~

25 ~~(5) A license shall not be granted until an investigation is~~
26 ~~made of the applicant's qualifications under this act, except~~
27 ~~that this subsection does not apply to license renewals. The~~

1 ~~secretary of state shall make the investigation within 15 days~~
2 ~~after receiving the application and make a report on the~~
3 ~~investigation.~~

4 ~~(6) This subsection applies until July 1, 1994. The secre-~~
5 ~~tary of state shall classify and differentiate vehicle dealers~~
6 ~~according to the type of activity they perform. A dealer shall~~
7 ~~not engage in activities of a particular classification as pro-~~
8 ~~vided in this act unless the dealer is licensed in that~~
9 ~~classification. An applicant may apply for a dealer license in 1~~
10 ~~or more of the following classifications:~~

11 ~~(a) New vehicle dealer.~~

12 ~~(b) Used or secondhand vehicle dealer.~~

13 ~~(c) Used or secondhand vehicle parts dealer.~~

14 ~~(d) Vehicle scrap metal processor.~~

15 ~~(e) Vehicle salvage pool operator.~~

16 ~~(f) Distressed vehicle transporter.~~

17 ~~(g) Broker.~~

18 ~~(h) Until July 1, 1994, a foreign salvage vehicle dealer.~~

19 ~~(7) An applicant for a new vehicle dealer or a used or sec-~~

20 ~~ondhand vehicle dealer or broker license shall accompany the~~

21 ~~application with a properly executed bond or renewal~~

22 ~~certificate. If a renewal certificate is used, the bond shall be~~

23 ~~considered as renewed for each succeeding year in the same amount~~

24 ~~and with the same effect as an original bond. The bond shall be~~

25 ~~in the sum of \$10,000.00 with good and sufficient surety to be~~

26 ~~approved by the secretary of state. The bond shall be~~

27 ~~conditioned to indemnify or reimburse a purchaser, seller,~~

~~1 financing agency, or governmental agency for monetary loss caused
2 through fraud, cheating, or misrepresentation in the conduct of
3 the vehicle business whether the fraud, cheating, or misrepresen-
4 tation was made by the dealer or by an employee, agent, or sales-
5 person of the dealer. The surety is required to make indemnifi-
6 cation or reimbursement for a monetary loss only after judgment
7 based on fraud, cheating, or misrepresentation has been entered
8 in a court of record against the licensee. The bond shall also
9 be conditioned to indemnify or reimburse the state for any sales
10 tax deficiency as provided in the general sales tax act, Act
11 No. 167 of the Public Acts of 1933, as amended, being sections
12 205.51 to 205.78 of the Michigan Compiled Laws, or use tax defi-
13 ciency as provided in the use tax act, Act No. 94 of the Public
14 Acts of 1937, as amended, being sections 205.91 to 205.111 of the
15 Michigan Compiled Laws, for the year in which the bond was in
16 force. The surety is required to make indemnification or reim-
17 bursement only after final judgment has been entered in a court
18 of record against the licensee. A dealer or applicant who has
19 furnished satisfactory proof that a bond similar to the bond
20 required by this subsection is executed and in force is exempt
21 from the bond provisions set forth in this subsection. The
22 aggregate liability of the surety shall not exceed the sum of the
23 bond. The surety on the bond may cancel the bond upon giving 30
24 days' notice in writing to the secretary of state and thereafter
25 is not liable for a breach of condition occurring after the
26 effective date of the cancellation.~~

1 ~~(8) An applicant for a new vehicle dealer or a used or~~
2 ~~secondhand vehicle dealer license shall accompany the application~~
3 ~~with an application for not less than 2 dealer plates as provided~~
4 ~~by section 245, accompanied by the proper fee as provided by sec-~~
5 ~~tion 803.~~

6 ~~(9) A dealer required to be licensed under this section, as~~
7 ~~a condition precedent to the granting of a license, shall file~~
8 ~~with the secretary of state an irrevocable written stipulation,~~
9 ~~authenticated by the applicant, stipulating and agreeing that~~
10 ~~legal process affecting the dealer, served on the secretary of~~
11 ~~state or a deputy of the secretary of state, has the same effect~~
12 ~~as if personally served on the dealer. This appointment remains~~
13 ~~in force as long as any liability of the dealer remains outstand-~~
14 ~~ing within this state.~~

15 (1) ~~-(10)-~~ A person shall not carry on or conduct the busi-
16 ness of buying, selling, brokering, or dealing in vehicles of a
17 type required to be titled under this act unless the person
18 obtains a dealer license from the secretary of state authorizing
19 the carrying on or conducting of that business. A person shall
20 not carry on or conduct the business of buying, selling, broker-
21 ing, or dealing in distressed, late model vehicles or salvageable
22 parts unless the person obtains a used or secondhand vehicle
23 parts dealer, an automotive recycler, or a salvage pool license
24 from the secretary of state or is an insurance company admitted
25 to conduct business in this state. A person shall not carry on
26 or conduct the business of buying vehicles to process into scrap
27 metal or store or display vehicles as an agent or escrow agent of

1 an insurance company, unless the person obtains a dealer license
2 from the secretary of state. A vehicle scrap metal processor who
3 does not purchase vehicles or salvageable parts from unlicensed
4 persons shall not be required to obtain a dealer license. A
5 person from another state shall not purchase, sell, or otherwise
6 deal in distressed, late model vehicles or salvageable parts
7 unless the person obtains a foreign salvage vehicle dealer
8 license from the secretary of state as prescribed under
9 section 248b. ~~A person, including a dealer, shall not purchase~~
10 ~~or acquire a distressed, late model vehicle or a salvageable part~~
11 ~~through a salvage pool, auction, or broker without a license as a~~
12 ~~salvage vehicle agent.~~ The secretary of state shall investigate
13 and seek prosecution, if necessary, of persons allegedly conduct-
14 ing a business without a license. ~~This subsection applies on~~
15 ~~and after July 1, 1994.~~

16 (2) ~~(11) This subsection applies on and after July 1,~~
17 ~~1994.~~ The application for a dealer license shall be in the form
18 prescribed by the secretary of state and shall be signed by the
19 applicant. In addition to other information as may be required
20 by the secretary of state, the application shall include all of
21 the following:

22 (a) Name of applicant.

23 (b) Location of applicant's established place of business in
24 this state.

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

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

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

5 (f) The county in which the business is to be conducted and
6 the address of each place of business in that county.

7 (g) If new vehicles are to be sold, the make to be handled.
8 Each new vehicle dealer shall send with the application for
9 license a certification that the dealer holds a bona fide con-
10 tract to act as factory representative, factory distributor, or
11 distributor representative to sell at retail (the make
12 of vehicle to be sold).

13 (h) A statement of the previous history, record, and associ-
14 ations of the applicant and of each owner, partner, officer, and
15 director, which statement shall be sufficient to establish to the
16 satisfaction of the secretary of state the business reputation
17 and character of the applicant.

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

22 (j) If the applicant is a corporation or partnership, a
23 statement showing whether a partner, employee, officer, or direc-
24 tor has been refused a license or has been the holder of a
25 license which was revoked or suspended.

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

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

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

6 (iii) Evidence of worker's compensation insurance coverage
7 for employees classified under the standard industrial classifi-
8 cation number 4015, entitled "motor vehicle parts -- used" or
9 under the national council on compensation insurance code number
10 3821, entitled "automobile dismantling", if applicable.

11 (1) Certification that neither the applicant nor another
12 person named on the application is acting as the alter ego or in
13 the place of or on behalf of any other person or persons in seek-
14 ing the license. For the purpose of this subdivision, "alter
15 ego" means a person who acts for and on behalf of, or in the
16 place of, another person for purposes of obtaining a vehicle
17 dealer license.

18 (3) ~~(12) This subsection applies on and after July 1,~~
19 ~~1994.~~ A person shall make a separate application for a dealer
20 license for each county in which business is to be conducted and
21 a dealer, before moving 1 or more of his or her places of busi-
22 ness, or opening an additional place of business, shall apply to
23 the secretary of state for and obtain a supplemental dealer
24 license, for which a fee shall not be charged. The dealer
25 license shall entitle the dealer to conduct in the county covered
26 by the license the business of buying, selling, and dealing in
27 vehicles or salvageable parts. This subsection shall not apply

1 to a person licensed as a foreign salvage vehicle dealer under
2 section 248b.

3 (4) A LICENSE SHALL NOT BE GRANTED UNTIL AN INVESTIGATION IS
4 MADE OF THE APPLICANT'S QUALIFICATIONS UNDER THIS ACT, EXCEPT
5 THAT THIS SUBSECTION DOES NOT APPLY TO LICENSE RENEWALS. THE
6 SECRETARY OF STATE SHALL MAKE THE INVESTIGATION WITHIN 15 DAYS
7 AFTER RECEIVING THE APPLICATION.

8 (5) ~~(13) This subsection applies on and after July 1,~~
9 ~~1994.~~ The secretary of state shall classify and differentiate
10 vehicle dealers according to the type of activity they perform.
11 A dealer shall not engage in activities of a particular classifi-
12 cation as provided in this act unless the dealer is licensed in
13 that classification. An applicant may apply for a dealer license
14 in 1 or more of the following classifications:

- 15 (a) New vehicle dealer.
- 16 (b) Used or secondhand vehicle dealer.
- 17 (c) Used or secondhand vehicle parts dealer.
- 18 (d) Vehicle scrap metal processor.
- 19 (e) Vehicle salvage pool operator.
- 20 (f) Distressed vehicle transporter.
- 21 (g) Broker.
- 22 (h) Foreign salvage vehicle dealer.
- 23 (i) Automotive recycler.

24 (6) AN APPLICANT FOR A NEW VEHICLE DEALER OR A USED OR SEC-
25 ONDHAND VEHICLE DEALER OR BROKER LICENSE SHALL ACCOMPANY THE
26 APPLICATION WITH A PROPERLY EXECUTED BOND OR RENEWAL
27 CERTIFICATE. IF A RENEWAL CERTIFICATE IS USED, THE BOND SHALL BE

1 CONSIDERED AS RENEWED FOR EACH SUCCEEDING YEAR IN THE SAME AMOUNT
2 AND WITH THE SAME EFFECT AS AN ORIGINAL BOND. THE BOND SHALL BE
3 IN THE SUM OF \$10,000.00 WITH GOOD AND SUFFICIENT SURETY TO BE
4 APPROVED BY THE SECRETARY OF STATE. THE BOND SHALL BE CONDI-
5 TIONED TO INDEMNIFY OR REIMBURSE A PURCHASER, SELLER, FINANCING
6 AGENCY, OR GOVERNMENTAL AGENCY FOR MONETARY LOSS CAUSED THROUGH
7 FRAUD, CHEATING, OR MISREPRESENTATION IN THE CONDUCT OF THE VEHI-
8 CLE BUSINESS WHETHER THE FRAUD, CHEATING, OR MISREPRESENTATION
9 WAS MADE BY THE DEALER OR BY AN EMPLOYEE, AGENT, OR SALESPERSON
10 OF THE DEALER. THE SURETY IS REQUIRED TO MAKE INDEMNIFICATION OR
11 REIMBURSEMENT FOR A MONETARY LOSS ONLY AFTER JUDGMENT BASED ON
12 FRAUD, CHEATING, OR MISREPRESENTATION HAS BEEN ENTERED IN A COURT
13 OF RECORD AGAINST THE LICENSEE. THE BOND SHALL ALSO BE CONDI-
14 TIONED TO INDEMNIFY OR REIMBURSE THE STATE FOR ANY SALES TAX
15 DEFICIENCY AS PROVIDED IN THE GENERAL SALES TAX ACT, 1933 PA 167,
16 MCL 205.51 TO 205.78, OR USE TAX DEFICIENCY AS PROVIDED IN THE
17 USE TAX ACT, 1937 PA 94, MCL 205.91 TO 205.111, FOR THE YEAR IN
18 WHICH THE BOND WAS IN FORCE. THE SURETY IS REQUIRED TO MAKE
19 INDEMNIFICATION OR REIMBURSEMENT ONLY AFTER FINAL JUDGMENT HAS
20 BEEN ENTERED IN A COURT OF RECORD AGAINST THE LICENSEE. A DEALER
21 OR APPLICANT WHO HAS FURNISHED SATISFACTORY PROOF THAT A BOND
22 SIMILAR TO THE BOND REQUIRED BY THIS SUBSECTION IS EXECUTED AND
23 IN FORCE IS EXEMPT FROM THE BOND REQUIREMENT SET FORTH IN THIS
24 SUBSECTION. THE AGGREGATE LIABILITY OF THE SURETY SHALL NOT
25 EXCEED THE SUM OF THE BOND. THE SURETY ON THE BOND MAY CANCEL
26 THE BOND UPON GIVING 30 DAYS' NOTICE IN WRITING TO THE SECRETARY

1 OF STATE AND THEREAFTER IS NOT LIABLE FOR A BREACH OF CONDITION
2 OCCURRING AFTER THE EFFECTIVE DATE OF THE CANCELLATION.

3 (7) AN APPLICANT FOR A NEW VEHICLE DEALER OR A USED OR SEC-
4 ONDHAND VEHICLE DEALER LICENSE SHALL ACCOMPANY THE APPLICATION
5 WITH AN APPLICATION FOR NOT LESS THAN 2 DEALER PLATES AS PROVIDED
6 BY SECTION 245, ACCOMPANIED BY THE PROPER FEE AS PROVIDED BY SEC-
7 TION 803.

8 (8) A DEALER REQUIRED TO BE LICENSED UNDER THIS SECTION, AS
9 A CONDITION PRECEDENT TO THE GRANTING OF A LICENSE, SHALL FILE
10 WITH THE SECRETARY OF STATE AN IRREVOCABLE WRITTEN STIPULATION,
11 AUTHENTICATED BY THE APPLICANT, STIPULATING AND AGREEING THAT
12 LEGAL PROCESS AFFECTING THE DEALER, SERVED ON THE SECRETARY OF
13 STATE OR A DEPUTY OF THE SECRETARY OF STATE, HAS THE SAME EFFECT
14 AS IF PERSONALLY SERVED ON THE DEALER. THIS APPOINTMENT REMAINS
15 IN FORCE AS LONG AS ANY LIABILITY OF THE DEALER REMAINS OUTSTAND-
16 ING WITHIN THIS STATE.

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

20 ~~(a) The vehicle's former owner.~~

21 ~~(b) A used or secondhand vehicle parts dealer.~~

22 ~~(c) A vehicle scrap metal processor.~~

23 ~~(d) A foreign salvage vehicle dealer licensed under this~~
24 ~~act.~~

25 ~~(e) A registered motor vehicle repair facility engaging in~~
26 ~~body work.~~

1 ~~(2) Subsection (1) applies until July 1, 1994.~~

2 ~~(3)~~ A vehicle salvage pool, auction, or broker shall not
3 sell, transfer, or release a distressed, late model vehicle to
4 anyone other than 1 or more of the following:

5 (a) The vehicle's former owner.

6 (b) ~~A licensed salvage agent of an~~ AN automotive
7 recycler.

8 (c) A ~~licensed salvage agent of a~~ foreign salvage vehicle
9 dealer.

10 (D) A USED OR SECONDHAND VEHICLE PARTS DEALER.

11 (E) A SCRAP METAL PROCESSOR.

12 ~~(4) Subsection (3) applies beginning July 1, 1994.~~

13 Sec. 248f. (1) The secretary of state shall investigate the
14 criminal history of each person required to be named on an appli-
15 cation for a vehicle dealer ~~or salvage vehicle agent~~ license.

16 (2) Each person required to be named on an application shall
17 submit to the secretary of state 2 sets of his or her finger-
18 prints which shall have been taken by a law enforcement official
19 for investigation under this section. One set of fingerprints
20 shall be submitted on a form furnished by the department of state
21 police and be accompanied by a check or money order made payable
22 to the state of Michigan for the fee the department of state
23 police requires to process the prints. The other set of finger-
24 prints shall be submitted on a form furnished by the federal
25 bureau of investigation and be accompanied by a check or money
26 order made payable to the federal bureau of investigation for the

1 fee the federal bureau of investigation requires to process the
2 prints.

3 (3) Each set of fingerprints required in order to process an
4 application for a vehicle dealer ~~or salvage vehicle agent~~
5 license shall be submitted to the secretary of state with the
6 application.

7 (4) The secretary of state shall forward the fingerprints on
8 the department of state police form with the required fees to the
9 department of state police for the purpose of receiving the
10 information maintained by the department of state police of the
11 fingerprint owner's conviction and nonconviction criminal history
12 record. The secretary of state shall forward the fingerprints on
13 the federal bureau of investigation form with the required fees
14 to the federal bureau of investigation or other agency designated
15 by the federal bureau of investigation for the purpose of receiv-
16 ing the information maintained by the federal bureau of investi-
17 gation of the fingerprint owner's conviction and nonconviction
18 criminal history record.

19 (5) This section does not apply to a person whose finger-
20 prints have previously been investigated by the secretary of
21 state and who is applying for the renewal of a vehicle dealer
22 license.

23 Sec. 806. (1) ~~A~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SEC-
24 TION, A fee of \$10.00 shall accompany each application for a cer-
25 tificate of title required by this act or for a duplicate of a
26 certificate of title. An additional fee of \$5.00 shall accompany

1 an application if the applicant requests that the application be
2 given special expeditious treatment.

3 (2) A FEE OF \$15.00 SHALL ACCOMPANY AN APPLICATION FOR A
4 SCRAP, REBUILT SALVAGE, KIT, OR ASSEMBLED VEHICLE CERTIFICATE OF
5 TITLE.

6 (3) ~~(2)~~ A fee of \$10.00 shall accompany an application for
7 a special identifying number as provided in section 230.

8 (4) ~~(3)~~ In addition to paying the fees required by
9 subsection (1), until January 1, 2001, each person who applies
10 for a certificate of title, a salvage vehicle certificate of
11 title, or a scrap certificate of title, under this act shall pay
12 a tire disposal surcharge of 50 cents for each certificate of
13 title or duplicate of a certificate of title that person
14 receives. The secretary of state shall deposit money ~~it~~
15 ~~receives~~ RECEIVED under this subsection into the scrap tire
16 regulatory fund created in section 16908 of part 169 ~~(scrap~~
17 ~~tires)~~ of the natural resources and environmental protection
18 act, ~~Act No. 451 of the Public Acts of 1994, being section~~
19 ~~324.16908 of the Michigan Compiled Laws~~ 1994 PA 451, MCL
20 324.16908.

21 Enacting section 1. Sections 56c, 248e, 248g, 248h, and
22 248i of the Michigan vehicle code, 1949 PA 300, MCL 257.56c,
23 257.248e, 257.248g, 257.248h, and 257.248i, are repealed.