

**STATE OF MICHIGAN
96TH LEGISLATURE
REGULAR SESSION OF 2012**

Introduced by Reps. Wayne Schmidt, Bumstead, Foster, Hughes, Huuki, Outman, MacGregor, Goike, Johnson, Olson, Muxlow, Pettalia, Rendon, Roy Schmidt, Dillon, Byrum, Haveman, LeBlanc, Gilbert and Potvin

ENROLLED HOUSE BILL No. 5136

AN ACT to amend 1994 PA 451, entitled "An act to protect the environment and natural resources of the state; to codify, revise, consolidate, and classify laws relating to the environment and natural resources of the state; to regulate the discharge of certain substances into the environment; to regulate the use of certain lands, waters, and other natural resources of the state; to prescribe the powers and duties of certain state and local agencies and officials; to provide for certain charges, fees, assessments, and donations; to provide certain appropriations; to prescribe penalties and provide remedies; and to repeal acts and parts of acts," by amending sections 80124, 80308, 81108, 81116, 82105, and 82114 (MCL 324.80124, 324.80308, 324.81108, 324.81116, 324.82105, and 324.82114), section 80124 as amended by 2007 PA 8, section 80308 as added by 1995 PA 58, section 81108 as amended by 2005 PA 39, section 81116 as amended by 2006 PA 477, section 82105 as amended by 2008 PA 399, and section 82114 as amended by 2008 PA 145.

The People of the State of Michigan enact:

Sec. 80124. (1) Except as otherwise provided in this section, the owner of a vessel required, pursuant to sections 80122 and 80123, to be numbered and to display a decal shall file an application for a certificate of number with the secretary of state. The secretary of state shall prescribe and furnish certificate of title application forms. If a vessel requiring a certificate of title under part 803 is sold by a dealer, that dealer shall combine the application for a certificate of number that is signed by the vessel owner with the application for a certificate of title. The dealer shall obtain the certificate of number in the name of the owner. The application for a certificate of number shall include a certification. The owner of the vessel shall sign the application or, if the application is filed electronically, provide information requested by the secretary of state to verify the owner's identity. A person shall not file an application for a certificate of number that contains false information. A dealer who fails to submit an application as required by this section is guilty of a misdemeanor, punishable by imprisonment for not more than 90 days, or a fine of not more than \$100.00, or both.

(2) A dealer who submits an application for a certificate of number as provided in subsection (1) may issue to the owner of the vessel a 15-day permit, on forms prescribed by the secretary of state, for the use of the vessel while the certificate of number is being issued.

(3) A dealer may issue a 15-day permit, on a form prescribed by the secretary of state, for the use of a vessel purchased in this state and delivered to the purchaser for removal to a place outside of this state, if the purchaser certifies by his or her signature that the vessel will be registered and primarily used and stored outside of this state and will not be returned to this state by the purchaser for use or storage. A certificate of number shall not be issued for a vessel holding a permit under this subsection.

(4) A 15-day permit issued under subsection (2) or (3) shall not be renewed or extended.

(5) A person shall operate or permit the operation of a vessel for which a 15-day permit has been issued under this section only if the permit is valid and displayed on the vessel as prescribed by rule promulgated by the department under this part.

(6) Except as otherwise provided in this section, an applicant shall pay the following fee at the time of application:

(a) A 15-day permit issued under subsection (3).....	\$ 10.00
(b) Nonpowered vessels, other than nonmotorized canoes or kayaks	9.00
(c) Nonmotorized canoes or kayaks.....	5.00
(d) Motorboats less than 12 feet in length	14.00
(e) Motorboats 12 feet or over but less than 16 feet in length	17.00
(f) Motorboats 16 feet or over but less than 21 feet in length.....	42.00
(g) Motorboats 21 feet or over but less than 28 feet in length.....	115.00
(h) Motorboats 28 feet or over but less than 35 feet in length.....	168.00
(i) Motorboats 35 feet or over but less than 42 feet in length	244.00
(j) Motorboats 42 feet or over but less than 50 feet in length.....	280.00
(k) Motorboats 50 feet in length or over.....	448.00
(l) Pontoon vessels regardless of size	23.00
(m) Motorized canoes regardless of size.....	14.00
(n) Vessels licensed under part 473.....	15.00
(o) Vessels carrying passengers for hire that are in compliance with part 445, or under federal law; and vessels carrying passengers and freight or freight only and owned within this state or hailing from a port within this state	45.00

(7) As used in this section, “the length of a vessel” means the distance from end to end over the deck, excluding the longitudinal upward or downward curve of the deck, fore and aft. A pontoon boat shall be measured by the length of its deck, fore and aft.

(8) Payment of the fee specified in this section exempts the vessel from the tax imposed under the general property tax act, 1893 PA 206, MCL 211.1 to 211.155.

(9) Upon receipt of an initial application for a certificate of number in approved form and payment of the required fee, the secretary of state shall enter the information upon the official records and issue to the applicant a certificate of number containing the number awarded to the vessel, the name and address of the owner, and other information that the secretary of state determines necessary. The secretary of state shall issue a certificate of number that is pocket size and legible. Except as provided in subsection (13), a person operating a vessel shall present that vessel’s certificate of number to a peace officer upon the peace officer’s request.

(10) If a check or draft payable to the secretary of state under this part is not paid on its first presentation, the fee or tax is delinquent as of the date the draft or check was tendered. The person tendering the check or draft remains liable for the payment of each fee or tax and a penalty.

(11) Upon determining that a fee or tax required by this part has not been paid and remains unpaid after reasonable notice and demand, the secretary of state may suspend a certificate of number.

(12) If a person who tenders a check or draft described in subsection (10) fails to pay the fee or tax for which the check or draft was tendered within 15 days after the secretary of state gives him or her notice that the check or draft described in subsection (10) was not paid on its first presentation, the secretary of state shall assess and collect a penalty of \$5.00 or 20% of the check or draft, whichever is larger, in addition to the fee or tax.

(13) The owner or authorized agent of the owner of a vessel less than 26 feet in length that is leased or rented to a person for noncommercial use for not more than 24 hours may retain, at the place from which the vessel departs or returns to the possession of the owner or the owner’s representative, the certificate of number for that vessel if a copy of the lease or rental agreement is on the vessel. Upon the demand of a peace officer, the operator shall produce for inspection either the certificate of number or a copy of the lease or rental agreement for that vessel. The lease or rental agreement shall contain each of the following:

- (a) The vessel number that appears on the certificate of number.
- (b) The period of time for which the vessel is leased or rented.
- (c) The signature of the vessel’s owner or that person’s authorized agent.
- (d) The signature of the person leasing or renting the vessel.

(14) Upon receipt of a certificate of number for a vessel, the owner of that vessel shall paint on or attach in a permanent manner to each side of the forward half of the vessel the number identified in the certificate of number, in the manner prescribed by rules promulgated by the department. The secretary of state shall assign to the owner of vessels for rent or lease a block of numbers sufficient to number consecutively all of that owner's rental or lease vessels. The owner shall maintain the numbers in a legible condition. A vessel documented by the United States coast guard or a federal agency that is the successor to the United States coast guard is not required to display numbers under this part but shall display a decal indicating payment of the fee prescribed in subsection (6), and shall otherwise be in compliance with this part. This subsection does not apply to a nonpowered vessel 12 feet or less in length.

(15) Upon receipt of an application for a certificate of number in an approved form and payment of the fee required by this part, the secretary of state shall issue a decal that is color-coded and dated to identify the year of its expiration, and that indicates that the vessel is numbered in compliance with this part. The department shall promulgate a rule or rules to establish the manner in which the decal is to be displayed. A person who operates a vessel in violation of a rule promulgated to implement this subsection is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00.

(16) A decal is valid for a 3-year period that begins on April 1 and expires on March 31 of the third year. An original certificate of number may be issued up to 90 days before April 1. A numbering renewal decal or other renewal device may be issued up to 90 days before the expiration of a certificate.

(17) Upon receipt of a request for renewal of a decal and payment of the fee prescribed in subsection (6), the secretary of state shall issue to the applicant a decal as provided in subsection (15). A person who operates a vessel for which no decal was issued as required under this section or for which a decal has expired is responsible for a state civil infraction and may be ordered to pay a civil fine of not more than \$500.00.

(18) The numbering system adopted under this part shall be in accordance with the standard system of numbering established by the secretary of the department in which the United States coast guard operates.

(19) An agency of this state, a political subdivision of this state, or a state supported college or university of this state that owns a vessel that is required to be numbered under this part shall register that vessel and upon payment of either of the following shall receive from the secretary of state a certificate of number for that vessel:

(a) A fee of \$3.00 for a vessel that is not used for recreational, commercial, or rental purposes.

(b) The fee required under subsection (6) for a vessel that is used for recreational, commercial, or rental purposes.

(20) The secretary of state shall, upon receipt of payment of the fee required under subsection (19), issue a certificate of number for each vessel subject to subsection (19).

(21) A vessel that is 30 years of age or older and not used other than in club activities, exhibitions, tours, parades, and other similar activities is a historic vessel. The secretary of state shall make available to the public application forms for certificates of number for historic vessels and, upon receipt of a completed application form and fee, shall number a historic vessel as a historic vessel. The fee for the numbering of a historic vessel is 1/3 of the otherwise applicable fee specified in subsection (6).

(22) The secretary of state shall refund to the owner of a vessel registered under this part all of the registration fee paid for that vessel under this section if all of the following conditions are met during the period for which the registration fee was paid:

(a) The owner transfers or assigns title or interest in the registered vessel before placing the decal issued under subsection (15) on the vessel.

(b) The owner surrenders the unused decal to the secretary of state within 30 days after the date of transfer or assignment.

(23) The secretary of state shall refund to the surviving spouse of a deceased vessel owner the registration fee paid under this part, prorated on a monthly basis, upon receipt of the decal issued under subsection (15) or evidence satisfactory to the secretary of state that the decal issued under subsection (15) has been destroyed or voided.

(24) If the secretary of state computes a fee under this part that results in a figure other than a whole dollar amount, the secretary of state shall round the figure to the nearest whole dollar.

Sec. 80308. (1) An application for a watercraft certificate of title shall include a certification. The owner or purchaser of the watercraft shall sign the application or, if the application is filed electronically, provide information requested by the secretary of state to verify the owner's or purchaser's identity. The application shall contain, in the form and together with other information that the secretary of state requires, the following information:

(a) Name and address of the applicant.

(b) Name and address of the previous owner.

(c) A statement of liens, mortgages, or other encumbrances on the watercraft, and the name and address of the holder of the liens, mortgages, or other encumbrances.

(d) If a lien, mortgage, or other encumbrance is not outstanding, a statement of that fact.

(e) A description of the watercraft, including, if applicable, the make, year, length, series or model, hull type, and hull identification number.

(2) If the watercraft contains a permanent hull identification number placed on the watercraft by the manufacturer of the watercraft, this number shall be used as the hull identification number. If there is not a manufacturer's hull identification number, or if the manufacturer's hull identification number is removed or obliterated, the secretary of state, upon a prescribed application that includes information indicating proof of ownership, shall assign a hull identification number to the watercraft. This assigned hull identification number shall be permanently affixed to, or imprinted by the applicant, at the place and in the manner designated by the secretary of state, upon the watercraft to which the hull identification number is assigned.

Sec. 81108. (1) An application for an ORV certificate of title shall be on a form prescribed by the department of state. The application shall include a certification. The owner or purchaser shall sign the application or, if the application is filed electronically, provide information requested by the department of state to verify the owner's identity. The application shall contain, in addition to other information required by the department of state, the following information:

(a) The applicant's name and address.

(b) A statement of any security interest or other liens on the ORV, along with the name and address of any lienholder.

(c) If a lien is not outstanding, a statement of that fact.

(d) A description of the ORV, including the year, make, model or series, and vehicle identification number.

(2) An application for an ORV certificate of title that indicates the existence of a security interest in the ORV shall, if requested by the security interest holder, be accompanied by a copy of the security agreement, which may be unsigned. The department of state shall indicate on the copy the date and place of filing and shall return the copy to the person who filed the application. The filer shall forward the copy to the security interest holder identified in the application.

(3) Receipt by the secretary of state of a properly tendered application for an ORV certificate of title that indicates the existence of a security interest in the ORV is a condition of perfection of a security interest in the ORV and is equivalent to filing a financing statement under the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.1102, with respect to the ORV. When a security interest in an ORV is perfected, it has priority over the rights of a lien creditor as lien creditor is defined in section 9102 of the uniform commercial code, 1962 PA 174, MCL 440.9102.

Sec. 81116. (1) The owner of an ORV requiring licensure under this part shall file an application for a license with the department or a dealer on forms provided by the department. If an ORV is sold by a dealer, the application for a license shall be submitted to the department by the dealer in the name of the owner. The application shall include a certification. The owner of the vehicle shall sign the application or, if the application is filed electronically, provide information requested by the department to verify the owner's identity. The application shall be accompanied by a fee of \$16.25. A person shall not file an application for registration that contains false information. Upon receipt of the application in approved form and upon payment of the appropriate fee, the department or dealer shall issue to the applicant a license which shall be valid for the 12-month period for which it is issued. A license shall be issued for the 12-month period beginning April 1 and ending March 31 each year.

(2) Dealers may purchase from the department ORV licenses for resale to owners of vehicles requiring licensure under this part. The department shall refund to dealers the purchase price of any ORV licenses returned within 90 days after the end of the 12-month period for which they were valid. The dealer shall maintain and provide to the department records of ORV license sales on forms provided by the department. In addition to the sale of ORV licenses, a dealer engaged in the sale, lease, or rental of ORVs as a regular business may sell any other license or permit authorized by the department to be sold by other dealers under the statutes of this state.

(3) The license shall be permanently attached to the vehicle in the manner prescribed and in the location designated by the department before the vehicle may legally be operated in accordance with this part.

(4) If at the time of sale the purchaser certifies on a form provided by the department that the purchased vehicle otherwise requiring a license under this part will be used and stored outside of this state and will not be returned by the purchaser to this state for use, then a license is not required.

(5) If a license acquired by the owner of an ORV is lost or destroyed, the department shall provide that person with a replacement license free of charge. The department may require a person requesting a replacement license to supply sufficient evidence of the loss or destruction of the original license.

Sec. 82105. (1) Before operating a snowmobile requiring registration in this state, the owner shall apply for registration with the department of state on forms provided by the department of state. If the snowmobile was purchased from a retail dealer in this state, application for initial registration shall be made with the dealer at the point

of sale. The dealer shall issue a temporary registration permit in a form received from and approved by the department of state that is valid for 15 days after the date of sale. Each retail dealer shall submit applications for registrations and fees to the department of state not less than once each week. The application shall include a certification. The new owner shall sign the application or, if the application is filed electronically, provide information requested by the department of state to verify the new owner's identity. The application shall also include the new owner's name and bona fide residence address and the names and addresses of holders of any security interest in the snowmobile and its accessories in the order of priority. The application shall be accompanied by a fee of \$30.00. Upon receipt of the application in approved form, the department of state shall enter the application upon its records and issue to the applicant a certificate of registration and decal. The certificate of registration shall contain the number awarded to the snowmobile, the name and address of the owner, other information the department of state considers necessary, and, beginning July 1, 2009, the name and address of the holders of secured interests. A person shall not operate a snowmobile that is required to be registered in this state unless the person possesses the certificate of registration in legible form. The person shall make the certificate of registration available for inspection upon demand by a peace officer.

(2) If the secretary of state is not satisfied as to the ownership of a snowmobile that is worth more than \$2,500.00, before registering the snowmobile and issuing a certificate of registration, the secretary of state may require the applicant to file a properly executed surety bond in a form prescribed by the secretary of state and executed by the applicant and a company authorized to conduct a surety business in this state. The bond shall be in an amount equal to twice the value of the snowmobile as determined by the secretary of state and shall be conditioned to indemnify or reimburse the secretary of state, any prior owner, and any subsequent purchaser of the snowmobile and their successors in interest against any expense, loss, or damage, including reasonable attorney fees, incurred as a result of the issuance of a certificate of registration for the snowmobile or any defect in the right, title, or interest of the applicant in the snowmobile. An interested person has a right of action to recover on the bond for a breach of the conditions of the bond, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond. The bond shall be returned at the end of 3 years, or before 3 years if the snowmobile is no longer registered in this state and the current valid certificate of registration is surrendered to the secretary of state, unless the secretary of state has received notification of the pendency of an action to recover on the bond. If the secretary of state is not satisfied as to the ownership of a snowmobile that is worth \$2,500.00 or less, the secretary of state shall require the applicant to certify that the applicant is the owner of the snowmobile and entitled to register the snowmobile.

(3) The certificate of registration and registration decal authorizes the operation of the snowmobile for a 3-year period that begins on October 1 and expires on September 30 of the third year. The certificate of registration and registration decal may be renewed beginning July 1 of the expiration year by payment of a fee of \$30.00. The registration decal shall be displayed as prescribed by rule promulgated by the department of state.

(4) The department of state may destroy a record of a certificate of registration 7 years after expiration of the certificate.

Sec. 82114. (1) The owner of a snowmobile shall notify the department of state within 15 days if the snowmobile is destroyed or abandoned, or is sold, or an interest in the snowmobile is transferred either wholly or in part to another person, or if the owner's address no longer conforms to the address appearing on the certificate of registration. The notice shall consist of a surrender of the certificate of registration on which the proper information shall be noted on a place to be provided. If the certificate of registration is surrendered because the snowmobile was destroyed or abandoned, the department of state shall cancel the certificate of registration and enter that fact in the records of the department of state, and the number may be then reassigned. The department of state may destroy the record of a surrendered certificate of registration 10 years after its surrender.

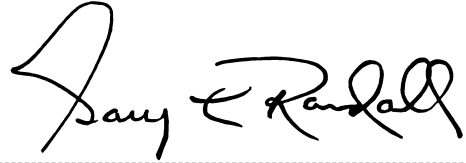
(2) If the certificate of registration is surrendered because of the owner's change of address, the new address shall be recorded by the department of state and a certificate of registration bearing that information shall be returned to the owner.

(3) The transferee of a snowmobile registered under this part, within 15 days after acquiring the snowmobile, shall apply to the department of state for issuance of a new certificate of registration for the snowmobile, giving the previous registration number of the snowmobile and proof of payment or satisfaction of any security interest shown on the previous owner's certificate of registration or department of state's records. The application shall include a certification. The new owner shall sign the application or, if the application is filed electronically, provide information requested by the department of state to verify the owner's identity. The application shall also include the new owner's name and bona fide residence address and the names and addresses of the holders of security interests in the snowmobile and its accessories in the order of their priority. The application shall be accompanied by the fee prescribed in section 82105. Upon receipt of the application and fee, the department of state shall issue a new certificate of registration for the snowmobile to the new owner. Unless the application is made and the fee paid within 15 days of transfer of ownership, the snowmobile is without certificate of registration, and a person shall not operate the snowmobile until a valid certificate of registration is issued.

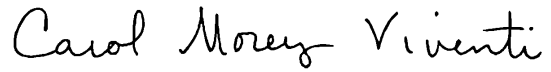
(4) If a certificate of registration is lost, mutilated, or illegible, the owner of the snowmobile shall obtain a duplicate of the certificate of registration upon application and payment of a fee of \$5.00.

(5) If a valid registration decal is lost, mutilated, or illegible, the owner of the snowmobile may obtain a replacement registration decal upon submission of proof of registration and payment of a fee of \$5.00.

This act is ordered to take immediate effect.



.....
Clerk of the House of Representatives



.....
Secretary of the Senate

Approved

.....
Governor