

HOUSE BILL No. 5216

October 3, 1991, Introduced by Reps. DeBeaussiaert, DeMars and Bartnik and referred to the Committee on Transportation.

A bill to amend section 217 of Act No. 300 of the Public Acts of 1949, entitled as amended

"Michigan vehicle code,"

as amended by Act No. 98 of the Public Acts of 1990, being section 257.217 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 217 of Act No. 300 of the Public Acts of
2 1949, as amended by Act No. 98 of the Public Acts of 1990, being
3 section 257.217 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 217. (1) An owner of a vehicle subject to registration
6 under this act shall apply to the secretary of state, upon an
7 appropriate form furnished by the secretary of state, for the
8 registration of the vehicle and issuance of a certificate of
9 title for the vehicle. The application shall be accompanied by

1 the required fee. An application for a certificate of title
2 shall bear the signature of the owner written with pen and ink.
3 The application shall contain all of the following:

4 (a) The name, bona fide residence, and mailing address of
5 the owner or business address of a firm, association, or
6 corporation.

7 (b) A description of the vehicle including the make or name,
8 style of body, and model year; if the vehicle is a motor vehicle,
9 the number of miles, not including the tenths of a mile, regis-
10 tered on the vehicle's odometer at the time of transfer; whether
11 the vehicle is to be or has been used as a taxi or police vehi-
12 cle, or by a political subdivision of this state; whether the
13 vehicle has previously been issued a salvage or rebuilt certifi-
14 cate of title; vehicle identification number; and the vehicle's
15 weight fully equipped, if a passenger vehicle registered pursuant
16 to section 801(1)(a), and, if a trailer coach or pickup camper,
17 in addition to the weight the manufacturer's serial number, or in
18 the absence of the serial number, a number assigned by the secre-
19 tary of state. A number assigned by the secretary of state shall
20 be permanently placed on the trailer coach or pickup camper in
21 the manner and place designated by the secretary of state.

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

25 (d) Further information ~~which~~ THAT the secretary of state
26 reasonably requires to enable the secretary of state to determine
27 whether the vehicle is lawfully entitled to registration and the

1 owner entitled to a certificate of title. If the secretary of
2 state is not satisfied as to the ownership of a late model vehi-
3 cle or other vehicle having a value over ~~\$1,500.00~~ \$2,500.00,
4 before registering the vehicle and issuing a certificate of
5 title, the secretary of state may require the applicant to file a
6 properly executed surety bond in a form prescribed by the secre-
7 tary of state and executed by the applicant and a company autho-
8 rized to conduct a surety business in this state. The bond shall
9 be in an amount equal to twice the value of the vehicle as deter-
10 mined by the secretary of state and shall be conditioned to
11 indemnify or reimburse the secretary of state, any prior owner,
12 and any subsequent purchaser of the vehicle ~~—~~ and their succes-
13 sors in interest ~~—~~ against any expense, loss, or damage,
14 including reasonable attorney's fees, by reason of the issuance
15 of a certificate of title to the vehicle or on account of any
16 defect in the right, title, or interest of the applicant in the
17 vehicle. An interested person has a right of action to recover
18 on the bond for a breach of the conditions of the bond, but the
19 aggregate liability of the surety to all persons shall not exceed
20 the amount of the bond. The bond shall be returned at the end of
21 3 years, or before 3 years if the vehicle is no longer registered
22 in this state and the currently valid certificate of title is
23 surrendered to the secretary of state, unless the secretary of
24 state has received notification of the pendency of an action to
25 recover on the bond. If the secretary of state is not satisfied
26 as to the ownership of a vehicle ~~which~~ THAT is not a late model
27 vehicle and whose value does not exceed ~~\$1,500.00~~ \$2,500.00,

1 the secretary of state shall require the applicant to certify
2 that the applicant is the owner of the vehicle and entitled to
3 register and title the vehicle.

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

15 (f) An application for registration of a vehicle on the
16 basis of elected gross weight shall include a declaration by the
17 applicant specifying the elected gross weight for which applica-
18 tion is being made.

19 (g) If the application is for a certificate of title of a
20 motor vehicle registered pursuant to section 801(1)(q), the
21 application shall include the manufacturer's suggested base list
22 price for the model year of the vehicle. Annually, the secretary
23 of state shall publish a list of the manufacturer's suggested
24 base list price for each vehicle being manufactured. Once a base
25 list price is published by the secretary of state for a model
26 year for a vehicle, the base list price shall not be affected by
27 subsequent increases in the manufacturer's suggested base list

1 price but shall remain the same throughout the model year unless
2 changed in the annual list published by the secretary of state.
3 If the secretary of state's list has not been published for that
4 vehicle by the time of the application for registration, the base
5 list price shall be the manufacturer's suggested retail price as
6 shown on the label required to be affixed to the vehicle under
7 section 3 of the automobile information disclosure act,
8 15 U.S.C. 1232. If the manufacturer's suggested retail price is
9 unavailable, the application shall list the purchase price of the
10 vehicle as defined in section 801(4).

11 (2) A dealer selling or exchanging vehicles required to be
12 titled, within 15 days after delivering a vehicle to the purchas-
13 er, and a person engaged in the sale of vessels required to be
14 numbered by the marine safety act, Act No. 303 of the Public Acts
15 of 1967, being sections 281.1001 to 281.1199 of the Michigan
16 Compiled Laws, within 15 days after delivering a boat trailer
17 weighing less than 2,500 pounds to the purchaser, shall apply to
18 the secretary of state for a new title, if required, and transfer
19 or secure registration plates and secure a certificate of regis-
20 tration for the vehicle or boat trailer, in the name of the
21 purchaser. The dealer's license may be suspended or revoked as
22 provided in section 249 ~~—~~ for failure to apply for a title when
23 required ~~—~~ or for failure to transfer or secure registration
24 plates and certificate of registration within the 15 days
25 ~~provided~~ REQUIRED BY THIS SECTION. If the dealer or person
26 fails to apply for a title when required, and to transfer or
27 secure registration plates and secure a certificate of

1 registration and pay the required fees within 15 days of delivery
2 of the vehicle or boat trailer, a title and registration for the
3 vehicle or boat trailer may SUBSEQUENTLY be acquired ~~thereafter~~
4 only upon the payment of a transfer fee of \$15.00 in addition to
5 the fees provided for in section 806. The purchaser of the vehi-
6 cle or boat trailer shall sign the application, including, when
7 applicable, the declaration specifying the maximum elected gross
8 weight, as required by subsection (1)(f), and other necessary
9 papers to enable the dealer or person to secure the title, regis-
10 tration plates, and transfers from the secretary of state.

11 (3) If a vehicle is delivered to a purchaser who has valid
12 Michigan registration plates ~~which~~ THAT are to be transferred
13 to the vehicle, and an application for title, if required, and
14 registration for the vehicle is not made before delivery of the
15 vehicle to the purchaser, the registration plates shall be
16 affixed to the vehicle immediately, and the dealer shall provide
17 the purchaser with an instrument in writing, on a form prescribed
18 by the secretary of state, which shall serve as a temporary reg-
19 istration for the vehicle for a period of 15 days from the date
20 the vehicle is delivered.

21 (4) An application for a certificate of title ~~which~~ THAT
22 indicates the existence of a security interest in the vehicle or
23 in an accessory to the vehicle, ~~shall,~~ if requested by the
24 security interest holder, SHALL be accompanied by a copy of the
25 security agreement which need not be signed. The request may be
26 made of the seller on an annual basis. The secretary of state
27 shall indicate on the copy the date and place of filing of the

1 application and return the copy to the person submitting the
2 application who shall forward it to the holder of the security
3 interest named in the application.

4 (5) If the seller does not prepare the credit information,
5 contract note, and mortgage, and the holder, finance company,
6 credit union, or banking institution requires the installment
7 seller to record the lien on the title, the holder, finance com-
8 pany, credit union, or banking institution shall pay the seller a
9 service fee of not more than \$10.00. The service fee shall be
10 paid from the finance charges and shall not be charged to the
11 buyer in addition to the finance charges. The holder, finance
12 company, credit union, or banking institution shall issue its
13 check or bank draft for the principal amount financed, payable
14 jointly to the buyer and seller, and there shall be imprinted on
15 the back side of the check or bank draft the following:

16 "Under Michigan law, the seller must record a first lien in
17 favor of (name of lender) _____ on the vehicle with
18 vehicle identification number _____ and title the vehi-
19 cle only in the name(s) shown on the reverse side."

20 On the front of the sales check or draft, the holder, finance com-
21 pany, credit union, or banking institution shall note the name(s) of
22 the prospective owner(s). Failure of the holder, finance company,
23 credit union, or banking institution to comply with these require-
24 ments ~~shall free~~ FREES the seller from any obligation to record the
25 lien or from any ~~and all~~ liability that may arise as a result of
26 the failure to record the lien. A service fee shall not be charged
27 to the buyer.

1 (6) In the absence of actual malice proved independently and
2 not inferred from lack of probable cause, a person who in any
3 manner causes a prosecution for larceny of a motor vehicle; for
4 embezzlement of a motor vehicle; for any crime an element of
5 which is the taking of a motor vehicle without authority; or for
6 buying, receiving, possessing, or aiding in the concealment of a
7 stolen, embezzled, or converted motor vehicle knowing the motor
8 vehicle has been stolen, embezzled, or converted, ~~shall~~ IS not
9 ~~be~~ liable for damages in a civil action for causing the
10 prosecution. This subsection shall not be construed to relieve a
11 person from proving any other element necessary to sustain his or
12 her cause of action.