

HOUSE BILL No. 5224

October 7, 1991, Introduced by Reps. Randall, Nye, Oxender, Bender and Bennett and referred to the Committee on Transportation.

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

"Michigan vehicle code,"

as amended by Act No. 96 of the Public Acts of 1990, being section 257.217c of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 217c of Act No. 300 of the Public Acts
2 of 1949, as amended by Act No. 96 of the Public Acts of 1990,
3 being section 257.217c of the Michigan Compiled Laws, is amended
4 to read as follows:

5 Sec. 217c. (1) ~~If an~~ AN insurance company licensed to
6 conduct business in this state THAT determines that a late model
7 vehicle that the company insures has become a distressed vehicle,
8 ~~the owner of the vehicle~~ shall PERMIT THE OWNER, AT HIS OR HER
9 OPTION, EITHER TO RETAIN THE VEHICLE AFTER PAYMENT OF ANY

1 NECESSARY CHARGES OR TO assign the certificate of title to the
2 INSURANCE company who shall acquire ownership of the distressed
3 vehicle through payment of damages, surrender a properly assigned
4 certificate of title to the secretary of state, and apply for a
5 salvage certificate of title. The insurance company shall not
6 sell the vehicle without first receiving a salvage certificate of
7 title, which shall be assigned to the buyer. If an insurance
8 company acquires ownership of a vehicle other than a late model
9 distressed vehicle through payment of damages due to an accident,
10 the company shall surrender a properly assigned title to the
11 buyer upon delivery.

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

1 which a salvage certificate of title was received, and report
2 that the vehicle was destroyed or scrapped.

3 (3) If a person, other than a dealer or insurance company
4 that is subject to subsection (1) or (2), acquires ownership of a
5 late model vehicle that is a distressed vehicle, OR IF THE OWNER
6 RETAINS THE VEHICLE, the person OR OWNER shall surrender the
7 title or assigned certificate of title to the secretary of state
8 and apply for a salvage certificate of title, before the vehicle
9 may be transported.

10 (4) An application for a salvage certificate of title shall
11 be made on a form prescribed by the secretary of state accom-
12 panied by a fee of \$10.00. The application shall contain all of
13 the following:

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

15 (b) A description of the vehicle, including its make, style
16 of body, model year, weight, color, and vehicle identification
17 number.

18 (c) A description of the damage to the vehicle.

19 (d) Until January 1, 1993, a listing of each major component
20 part that was not salvageable.

21 (e) Further information as may reasonably be required by the
22 secretary of state.

23 (5) The secretary of state shall issue the salvage certifi-
24 cate within 5 business days after the time the application is
25 received at the secretary of state's office in Lansing. Until
26 January 1, 1993, each salvage certificate of title shall include
27 a listing of each major component part that was not salvageable.

1 (6) A salvage certificate of title shall authorize the
2 holder of the title to possess, transport, but not drive upon a
3 highway, and transfer ownership in, a vehicle. A certificate of
4 title or registration plates shall not be issued for a vehicle
5 for which a salvage certificate of title was issued unless a spe-
6 cially trained police officer certifies that the vehicle identi-
7 fication numbers and parts identification numbers have been
8 examined as to their accuracy, the applicant has proof of owner-
9 ship of repair parts used, the vehicle complies with the equip-
10 ment standards of this act, and that certification accompanies
11 the application for a certificate of title. Until January 1,
12 1993, an application for a certificate of title shall contain a
13 description of each salvageable part used to repair the vehicle
14 and any identification number affixed to or inscribed upon the
15 part as required by federal law. A fee of \$25.00 shall be
16 received by the police agency for inspection of the vehicle.
17 Upon the satisfactory completion of the examination and other
18 requirements for application, a certificate of title, in the same
19 form as the original, shall be issued for the vehicle.

20 (7) If a dealer other than a vehicle scrap metal processor
21 acquires ownership of an older model vehicle from an owner and
22 receives an assigned certificate of title, the dealer shall
23 retain the assigned certificate of title as long as the dealer
24 retains the vehicle. A vehicle scrap metal processor shall sur-
25 render an assigned certificate of title to the secretary of state
26 within 30 days after the vehicle is destroyed or scrapped.

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

5 Scrap Vehicle Inventory:

6 Dealer name _____
 7 Dealer address _____
 8 Dealer license number _____
 9 Conveyed to: _____ Date _____

10 (Vehicle scrap metal processor)

11 Vehicles

12 Model Year	Vehicle Make	VIN
13 1. _____	_____	_____
14 2. _____	_____	_____
15 3. _____	_____	_____
16 etc.		

17 One copy shall be retained as a permanent record by the dealer, 1
 18 copy shall be forwarded with the vehicle to be retained by the
 19 vehicle scrap metal processor, and 1 copy shall be forwarded to
 20 the secretary of state along with an assigned certificate of
 21 title or a salvage certificate.

22 (9) A person, other than THE OWNER OF THE VEHICLE, a used or
 23 secondhand vehicle parts dealer or a foreign salvage dealer, or
 24 an insurance company admitted to conduct business in this state,
 25 receiving a salvage certificate of title shall not sell the
 26 vehicle to anyone other than 1 of the following:

1 (a) The vehicle's former owner.

2 (b) A used or secondhand vehicle parts dealer.

3 (c) A vehicle scrap metal processor.

4 (d) A foreign salvage vehicle dealer licensed under this
5 act.

6 (e) A registered motor vehicle repair facility engaging in
7 body work.

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

16 (11) Subsections (9) and (10) shall apply until January 1,
17 1993.