

SENATE BILL No. 381

June 12, 1991, Introduced by Senators FAUST, O'BRIEN and BARCIA and referred to the Committee on Transportation and Tourism.

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 insurance company licensed to conduct
6 business in this state determines that a late model vehicle that
7 the company insures has become a distressed vehicle, the owner of
8 the vehicle shall assign the certificate of title to the company
9 who shall acquire ownership of the distressed vehicle through

1 payment of damages, surrender a properly assigned certificate of
2 title to the secretary of state, and apply for a salvage certifi-
3 cate of title. The insurance company shall not sell the vehicle
4 without first receiving a salvage certificate of title, which
5 shall be assigned to the buyer. If an insurance company acquires
6 ownership of a vehicle other than a late model distressed vehicle
7 through payment of damages due to an accident, the company shall
8 surrender a properly assigned title to the buyer upon delivery.

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

1 (3) If a person, other than a dealer or insurance company
2 that is subject to subsection (1) or (2), acquires ownership of a
3 late model vehicle that is a distressed vehicle, the person shall
4 surrender the title or assigned certificate of title to the sec-
5 retary of state and apply for a salvage certificate of title,
6 before the vehicle may be transported.

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

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

12 (b) A description of the vehicle, including its make, style
13 of body, model year, weight, color, and vehicle identification
14 number.

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

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

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

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

25 (6) A salvage certificate of title shall authorize the
26 holder of the title to possess, transport, but not drive upon a
27 highway, and transfer ownership in, a vehicle. A certificate of

1 title or registration plates shall not be issued for a vehicle
2 for which a salvage certificate of title was issued unless a spe-
3 cially trained police officer OR A PERSON DESIGNATED BY THE LOCAL
4 POLICE AGENCY certifies that the vehicle identification numbers
5 and parts identification numbers have been examined as to their
6 accuracy, the applicant has proof of ownership of repair parts
7 used, the vehicle complies with the equipment standards of this
8 act, and that certification accompanies the application for a
9 certificate of title. Until January 1, 1993, an application for
10 a certificate of title shall contain a description of each sal-
11 vageable part used to repair the vehicle and any identification
12 number affixed to or inscribed upon the part as required by fed-
13 eral law. A fee of ~~-\$25.00-~~ \$125.00 shall be received by the
14 police agency for inspection of the vehicle. Upon the satisfac-
15 tory completion of the examination and other requirements for
16 application, a certificate of title, in the same form as the
17 original, shall be issued for the vehicle.

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

25 (8) A dealer other than a vehicle scrap metal processor
26 selling or assigning a vehicle to a vehicle scrap metal processor

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

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

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