



HOUSE BILL No. 5310

October 25, 1995, Introduced by Rep. Byl and referred to the Committee on Conservation, Environment and Great Lakes.

A bill to amend sections 217, 226a, 625h, and 806 of Act No. 300 of the Public Acts of 1949, entitled as amended "Michigan vehicle code," sections 217 and 806 as amended by Act No. 300 of the Public Acts of 1993, section 226a as amended by Act No. 183 of the Public Acts of 1994, and section 625h as amended by Act No. 450 of the Public Acts of 1994, being sections 257.217, 257.226a, 257.625h, and 257.806 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 217, 226a, 625h, and 806 of Act No. 300
2 of the Public Acts of 1949, sections 217 and 806 as amended by
3 Act No. 300 of the Public Acts of 1993, section 226a as amended
4 by Act No. 183 of the Public Acts of 1994, and section 625h as
5 amended by Act No. 450 of the Public Acts of 1994, being sections

1 257.217, 257.226a, 257.625h, and 257.806 of the Michigan Compiled
2 Laws, are amended to read as follows:

3 Sec. 217. (1) An owner of a vehicle subject to registration
4 under this act shall apply to the secretary of state, upon an
5 appropriate form furnished by the secretary of state, for the
6 registration of the vehicle and issuance of a certificate of
7 title for the vehicle. Effective January 1, 1994, a vehicle
8 brought into this state from another state or jurisdiction that
9 has a rebuilt, salvage, scrap, or comparable certificate of title
10 issued by that other state or jurisdiction shall be issued a
11 rebuilt, salvage, or scrap certificate of title by the secretary
12 of state. The application shall be accompanied by the required
13 fee. An application for a certificate of title shall bear the
14 signature of the owner written with pen and ink. The application
15 shall contain all of the following:

16 (a) The name, bona fide residence, and mailing address of
17 the owner or business address of a firm, association, or
18 corporation.

19 (b) A description of the vehicle including the make or name,
20 ~~style of body, and~~ model year; if the vehicle is a motor vehicle,
21 ~~the number of miles,~~ not including the tenths of a mile, regis-
22 tered on the vehicle's odometer at the time of transfer; whether
23 the vehicle is to be or has been used as a taxi or police vehi-
24 cle, or by a political subdivision of this state; whether the
25 vehicle has previously been issued a salvage or rebuilt certifi-
26 cate of title from this state or a comparable certificate of
27 title from any other state or jurisdiction; vehicle

1 identification number; and the vehicle's weight fully equipped,
2 if a passenger vehicle registered pursuant to section 801(1)(a),
3 and, if a trailer coach or pickup camper, in addition to the
4 weight the manufacturer's serial number, or in the absence of the
5 serial number, a number assigned by the secretary of state. A
6 number assigned by the secretary of state shall be permanently
7 placed on the trailer coach or pickup camper in the manner and
8 place designated by the secretary of state.

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

12 (d) Further information that the secretary of state reason-
13 ably requires to enable the secretary of state to determine
14 whether the vehicle is lawfully entitled to registration and the
15 owner entitled to a certificate of title. If the secretary of
16 state is not satisfied as to the ownership of a late model vehi-
17 cle or other vehicle having a value over \$2,500.00, before regis-
18 tering the vehicle and issuing a certificate of title, the secre-
19 tary of state may require the applicant to file a properly exe-
20 cuted surety bond in a form prescribed by the secretary of state
21 and executed by the applicant and a company authorized to conduct
22 a surety business in this state. The bond shall be in an amount
23 equal to twice the value of the vehicle as determined by the sec-
24 retary of state and shall be conditioned to indemnify or reim-
25 burse the secretary of state, any prior owner, and any subsequent
26 purchaser of the vehicle and their successors in interest against
27 any expense, loss, or damage, including reasonable attorney's

1 fees, by reason of the issuance of a certificate of title to the
2 vehicle or on account of any defect in the right, title, or
3 interest of the applicant in the vehicle. An interested person
4 has a right of action to recover on the bond for a breach of the
5 conditions of the bond, but the aggregate liability of the surety
6 to all persons shall not exceed the amount of the bond. The bond
7 shall be returned at the end of 3 years, or before 3 years if the
8 vehicle is no longer registered in this state and the currently
9 valid certificate of title is surrendered to the secretary of
10 state, unless the secretary of state has received notification of
11 the pendency of an action to recover on the bond. If the secre-
12 tary of state is not satisfied as to the ownership of a vehicle
13 that is not a late model vehicle and whose value does not exceed
14 \$2,500.00, the secretary of state shall require the applicant to
15 certify that the applicant is the owner of the vehicle and enti-
16 tled to register and title the vehicle.

17 (e) Except as provided in subdivision (f), an application
18 for a commercial vehicle shall also have attached a scale weight
19 receipt of the motor vehicle fully equipped as of the time the
20 application is made. A scale weight receipt may not be necessary
21 if there is presented with the application a registration receipt
22 of the previous year that shows on its face the empty weight of
23 the motor vehicle as registered with the secretary of state that
24 is accompanied by a statement of the applicant that there has not
25 been structural change in the motor vehicle which has increased
26 the empty weight and that the previous registered weight is the
27 true weight.

1 (f) An application for registration of a vehicle on the
2 basis of elected gross weight shall include a declaration by the
3 applicant specifying the elected gross weight for which applica-
4 tion is being made.

5 (g) If the application is for a certificate of title of a
6 motor vehicle registered pursuant to section 801(1)(q), the
7 application shall include the manufacturer's suggested base list
8 price for the model year of the vehicle. Annually, the secretary
9 of state shall publish a list of the manufacturer's suggested
10 base list price for each vehicle being manufactured. Once a base
11 list price is published by the secretary of state for a model
12 year for a vehicle, the base list price shall not be affected by
13 subsequent increases in the manufacturer's suggested base list
14 price but shall remain the same throughout the model year unless
15 changed in the annual list published by the secretary of state.
16 If the secretary of state's list has not been published for that
17 vehicle by the time of the application for registration, the base
18 list price shall be the manufacturer's suggested retail price as
19 shown on the label required to be affixed to the vehicle under
20 section 3 of the automobile information disclosure act, PUBLIC
21 ~~LAW 85-506~~, 15 U.S.C. 1232. If the manufacturer's suggested
22 retail price is unavailable, the application shall list the pur-
23 chase price of the vehicle as defined in section 801(4).

24 (2) A dealer selling or exchanging vehicles required to be
25 titled, within 15 days after delivering a vehicle to the purchas-
26 er, and a person engaged in the sale of vessels required to be
27 numbered by ~~the marine safety act, Act No. 303 of the Public~~

~~1 Acts of 1967, being sections 281.1001 to 281.1199~~ PART 801
2 (MARINE SAFETY) OF THE NATURAL RESOURCES AND ENVIRONMENTAL PRO-
3 TECTION ACT, ACT NO. 451 OF THE PUBLIC ACTS OF 1994, BEING SEC-
4 TIONS 324.80101 TO 324.80199 of the Michigan Compiled Laws,
5 within 15 days after delivering a boat trailer weighing less than
6 2,500 pounds to the purchaser, shall apply to the secretary of
7 state for a new title, if required, and transfer or secure regis-
8 tration plates and secure a certificate of registration for the
9 vehicle or boat trailer, in the name of the purchaser. The
10 dealer's license may be suspended or revoked as provided in sec-
11 tion 249 for failure to apply for a title when required or for
12 failure to transfer or secure registration plates and certificate
13 of registration within the 15 days required by this section. If
14 the dealer or person fails to apply for a title when required,
15 and to transfer or secure registration plates and secure a cer-
16 tificate of registration and pay the required fees within 15 days
17 of delivery of the vehicle or boat trailer, a title and registra-
18 tion for the vehicle or boat trailer may subsequently be acquired
19 only upon the payment of a transfer fee of \$15.00 in addition to
20 the fees provided for in section 806. The purchaser of the vehi-
21 cle or boat trailer shall sign the application, including, when
22 applicable, the declaration specifying the maximum elected gross
23 weight, as required by subsection (1)(f), and other necessary
24 papers to enable the dealer or person to secure the title, regis-
25 tration plates, and transfers from the secretary of state.

26 (3) If a vehicle is delivered to a purchaser who has valid
27 Michigan registration plates that are to be transferred to the

1 vehicle, and an application for title, if required, and
2 registration for the vehicle is not made before delivery of the
3 vehicle to the purchaser, the registration plates shall be
4 affixed to the vehicle immediately, and the dealer shall provide
5 the purchaser with an instrument in writing, on a form prescribed
6 by the secretary of state, which shall serve as a temporary reg-
7 istration for the vehicle for a period of 15 days from the date
8 the vehicle is delivered.

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

19 (5) If the seller does not prepare the credit information,
20 contract note, and mortgage, and the holder, finance company,
21 credit union, or banking institution requires the installment
22 seller to record the lien on the title, the holder, finance com-
23 pany, credit union, or banking institution shall pay the seller a
24 service fee of not more than \$10.00. The service fee shall be
25 paid from the finance charges and shall not be charged to the
26 buyer in addition to the finance charges. The holder, finance
27 company, credit union, or banking institution shall issue its

1 check or bank draft for the principal amount financed, payable
2 jointly to the buyer and seller, and there shall be imprinted on
3 the back side of the check or bank draft the following:

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

16 (6) In the absence of actual malice proved independently and
17 not inferred from lack of probable cause, a person who in any
18 manner causes a prosecution for larceny of a motor vehicle; for
19 embezzlement of a motor vehicle; for any crime an element of
20 which is the taking of a motor vehicle without authority; or for
21 buying, receiving, possessing, or aiding in the concealment of a
22 stolen, embezzled, or converted motor vehicle knowing the motor
23 vehicle has been stolen, embezzled, or converted, is not liable
24 for damages in a civil action for causing the prosecution. This
25 subsection shall not be construed to relieve a person from prov-
26 ing any other element necessary to sustain his or her cause of
27 action.

1 Sec. 226a. (1) Temporary registration plates or markers may
2 be issued to licensed dealers in vehicles and to persons engaged
3 in the sale of vessels required to be numbered by ~~the marine~~
4 ~~safety act, Act No. 303 of the Public Acts of 1967, being sec-~~
5 ~~tions 281.1001 to 281.1199~~ PART 801 (MARINE SAFETY) OF THE NATU-
6 RAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, ACT NO. 451 OF
7 THE PUBLIC ACTS OF 1994, BEING SECTIONS 324.80101 TO 324.80199 of
8 the Michigan Compiled Laws, upon application accompanied by the
9 proper fee, for use by purchasers of vehicles, for not to exceed
10 15 days pending receipt of regular registration plates from the
11 dealer or person.

12 Only 1 temporary plate or marker may be issued to a pur-
13 chaser of a vehicle. The temporary registration plates or mark-
14 ers shall be made of such material and design as the secretary of
15 state shall determine.

16 (2) A temporary registration plate or marker shall show in
17 ink the date of issue, a description of the vehicle for which
18 issued, and such other information as the secretary of state may
19 require. A dealer or person shall immediately notify the secre-
20 tary of state of each temporary registration plate or marker
21 issued by the dealer or person, on a form prescribed by the sec-
22 retary of state. Upon the attachment of the regular plate to a
23 vehicle for which a temporary registration plate or marker has
24 been issued, the temporary plate shall be destroyed.

25 (3) All temporary registration plates or markers shall be
26 serially numbered and upon issuance the number shall be noted on

1 the statement of vehicle sale form or in the case of a boat
2 trailer on a form prescribed by the secretary of state.

3 (4) A dealer or person, upon demand, shall immediately sur-
4 render any temporary registration plates or markers in his or her
5 possession if the secretary of state finds, after investigation,
6 that the dealer or person has violated this section, and the
7 dealer or person shall immediately forfeit any right to the tem-
8 porary registration plates or markers.

9 (5) Registration plates may be issued upon application and
10 payment of the proper fee to an individual, partnership, corpora-
11 tion, or association who in the ordinary course of business has
12 occasion to legally repossess a vehicle in which a security
13 interest is held. A registration plate issued pursuant to this
14 subsection shall be used to move and dispose of a vehicle.

15 (6) Registration plates may be issued upon application and
16 payment of the proper fee to an individual, partnership, corpora-
17 tion, or association who in the ordinary course of business has
18 occasion to legally pick up or deliver a vehicle not required to
19 be titled under this act, or to repair or service a vehicle, or
20 to persons defined as dealers under ~~Act No. 303 of the Public~~
21 ~~Acts of 1967~~ PART 801 OF ACT NO. 451 OF THE PUBLIC ACTS OF 1994,
22 for the purpose of delivering a vessel or trailer to a customer
23 or to and from a boat show or exposition. A registration plate
24 issued under this subsection shall be used to move such a
25 vehicle.

26 (7) Registration plates may be issued upon application and
27 payment of the proper fee to an individual, partnership,

1 corporation, or association who in the ordinary course of
2 business operates an auto auction, and who in the ordinary course
3 of business has occasion to legally pick up a vehicle which will
4 be offered for sale at the auction, or deliver a vehicle which
5 has been offered for sale at the auction. Such registration
6 plates shall be used only to move vehicles as provided in this
7 subsection. Auto auctions that make application for such regis-
8 tration plates shall furnish a surety bond as may be required by
9 the secretary of state.

10 Sec. 625h. (1) The drunk driving prevention equipment and
11 training fund is created as a separate fund in the state
12 treasury. Money in the fund shall be expended only as provided
13 in subsection (2). The state treasurer shall credit to the fund
14 all money received for that purpose under section 320e, and as
15 otherwise provided by law. The state treasurer shall invest
16 money in the fund in the same manner as surplus funds are
17 invested under section 143 of Act No. 105 of the Public Acts of
18 ~~1985~~ 1855, being section 21.143 of the Michigan Compiled Laws.
19 Earnings from the fund shall be credited to the fund. Money in
20 the fund at the end of the fiscal year shall remain in the fund,
21 and shall not revert to the general fund.

22 (2) The department of state police shall administer the
23 fund. Money in the fund shall be used only to administer the
24 fund, to purchase and maintain breath alcohol testing equipment,
25 and to provide training to law enforcement personnel of this
26 state in the use of that breath alcohol testing equipment.

1 (3) The department of treasury shall, before November 1 of
 2 each year, notify the department of state police of the balance
 3 in the fund at the close of the preceding fiscal year.

4 (4) The department of state police shall promulgate rules to
 5 implement subsection (2).

6 (5) The drunk driving caseflow assistance fund is created as
 7 a separate fund in the state treasury. The purpose of the fund
 8 is to promote the timely disposition of cases in which the
 9 defendant is charged with a violation of section 625(1) or (3) of
 10 this act, section ~~15a(1) or (3) of the Michigan snowmobile act,~~
 11 ~~Act No. 74 of the Public Acts of 1968, being section 257.1515a of~~
 12 ~~the Michigan Compiled Laws, or section 171(1) or (3) of the~~
 13 ~~marine safety act, Act No. 303 of the Public Acts of 1967, being~~
 14 ~~section 281.1171~~ 82127(1) OR (3) OF PART 821 (SNOWMOBILES) OF
 15 THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, ACT
 16 NO. 451 OF THE PUBLIC ACTS OF 1994, BEING SECTION 324.82127 OF
 17 THE MICHIGAN COMPILED LAWS, OR SECTION 80176(1) OR (3) OF PART
 18 801 (MARINE SAFETY) OF ACT NO. 451 OF THE PUBLIC ACTS OF 1994,
 19 BEING SECTION 324.80176 of the Michigan Compiled Laws, or a local
 20 ordinance substantially corresponding to section 625(1) or (3) of
 21 this act, section ~~15a(1)~~ 82127(1) or (3) of ~~Act No. 74 of the~~
 22 ~~Public Acts of 1968~~ PART 821 OF ACT NO. 451 OF THE PUBLIC ACTS
 23 OF 1994, or section ~~171(1)~~ 80176(1) or (3) of ~~Act No. 303 of~~
 24 ~~the Public Acts of 1967~~ PART 801 OF ACT NO. 451 OF THE PUBLIC
 25 ACTS OF 1994. Money in the fund shall be expended only as pro-
 26 vided in subsection (7).

1 (6) The state treasurer shall credit the drunk driving
2 caseflow assistance fund with deposits of proceeds from the
3 collection of revenue from license reinstatement fees as provided
4 for in section 320e, and all income from investment credited to
5 the fund by the state treasurer. The state treasurer may invest
6 money contained in the drunk driving caseflow assistance fund in
7 any manner authorized by law for the investment of state money.
8 However, an investment shall not interfere with any apportion-
9 ment, allocation, or payment of money as required by this
10 section. The state treasurer shall credit to the fund all income
11 earned as a result of an investment. Money in the fund at the
12 end of the fiscal year shall remain in the fund and shall not
13 revert to the general fund.

14 (7) The state court administrator, at the direction of the
15 supreme court and upon confirmation of the amount by the state
16 treasurer, shall distribute from the drunk driving caseflow
17 assistance fund the total amount available in a fiscal year to
18 each district of the district court and each municipal court as
19 provided in this section. The state court administrator, after
20 reimbursement of costs as provided in this subsection, shall dis-
21 tribute the balance of the drunk driving caseflow assistance fund
22 annually to each district of the district court and each munici-
23 pal court in an amount determined by multiplying the amount
24 available for distribution by a fraction, the numerator of which
25 is the number of cases in which the defendant was charged with a
26 violation of section 625(1) or (3) of this act, section ~~15a(1)~~
27 82127(1) or (3) of ~~Act No. 74 of the Public Acts of 1968~~ PART

1 821 OF ACT NO. 451 OF THE PUBLIC ACTS OF 1994, or section
2 ~~+71(+)~~ 80176(1) or (3) of ~~Act No. 303 of the Public Acts of~~
3 ~~+967~~ PART 801 OF ACT NO. 451 OF THE PUBLIC ACTS OF 1994 or a
4 local ordinance substantially corresponding to section 625(1) or
5 (3) of this act, section ~~+5a(+)~~ 82127(1) or (3) of ~~Act No. 74~~
6 ~~of the Public Acts of 1968~~ PART 821 OF ACT NO. 451 OF THE PUBLIC
7 ACTS OF 1994, or section ~~+71(+)~~ 80176(1) or (3) of ~~Act No. 303~~
8 ~~of the Public Acts of 1967~~ PART 801 OF ACT NO. 451 OF THE PUBLIC
9 ACTS OF 1994 in the prior calendar year in that district of the
10 district court or that municipal court as certified by the state
11 court administrator and the denominator of which is the total
12 number of cases in all districts of the district court and all
13 municipal courts in which the defendant was charged with a viola-
14 tion of section 625(1) or (3) of this act, section ~~+5a(+)~~
15 82127(1) or (3) of ~~Act No. 74 of the Public Acts of 1968~~ PART
16 821 OF ACT NO. 451 OF THE PUBLIC ACTS OF 1994, or section
17 ~~+71(+)~~ 80176(1) or (3) of ~~Act No. 303 of the Public Acts of~~
18 ~~+967~~ PART 801 OF ACT NO. 451 OF THE PUBLIC ACTS OF 1994 or a
19 local ordinance substantially corresponding to section 625(1) or
20 (3) of this act, section ~~+5a(+)~~ 82127(1) or (3) of ~~Act No. 74~~
21 ~~of the Public Acts of 1968~~ PART 821 OF ACT NO. 451 OF THE PUBLIC
22 ACTS OF 1994, or section ~~+71(+)~~ 80176(1) or (3) of ~~Act No. 303~~
23 ~~of the Public Acts of 1967~~ PART 801 OF ACT NO. 451 OF THE PUBLIC
24 ACTS OF 1994 in the calendar year. The state court administra-
25 tive office shall be reimbursed annually from the drunk driving
26 caseload assistance fund for all reasonable costs associated with
27 the administration of this section, including judicial and staff

1 training, on-site management assistance, and software development
2 and conversion.

3 Sec. 806. (1) A fee of \$10.00 shall accompany each applica-
4 tion for a certificate of title required by this act or for a
5 duplicate of a certificate of title. An additional fee of \$5.00
6 shall accompany an application if the applicant requests that the
7 application be given special expeditious treatment.

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

10 (3) In addition to paying the fees required by
11 subsection (1), for a period of 5 years beginning January 1,
12 1991, each person who applies for a certificate of title, a sal-
13 vage vehicle certificate of title, or beginning July 1, 1994 a
14 scrap certificate of title under this act shall pay a tire dis-
15 posal surcharge of 50 cents for each certificate of title or
16 duplicate of a certificate of title that person receives. The
17 secretary of state shall deposit money it receives under this
18 subsection into the scrap tire regulatory fund created in ~~the~~
19 ~~scrap tire regulatory act, Act No. 133 of the Public Acts of~~
20 ~~1990, being sections 299.561 to 299.572~~ PART 169 (SCRAP TIRES)
21 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, ACT
22 NO. 451 OF THE PUBLIC ACTS OF 1994, BEING SECTIONS 324.16901 TO
23 324.16909 of the Michigan Compiled Laws.