

HOUSE BILL No. 5746

April 21, 1998, Introduced by Rep. Scranton and referred to the Committee on Transportation.

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending section 217 (MCL 257.217), as amended by 1996 PA 59.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

1 signature of the owner written with pen and ink. The application
2 shall contain all of the following:

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

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

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

26 (d) Further information that the secretary of state
27 reasonably requires to enable the secretary of state to determine

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

1 \$2,500.00, the secretary of state shall require the applicant to
2 certify that the applicant is the owner of the vehicle and enti-
3 tled to 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
8 ~~necessary~~ REQUIRED if there is presented with the application a
9 registration receipt of the previous year that shows on its face
10 the empty weight of the motor vehicle as registered with the sec-
11 retary of state that is accompanied by a statement of the appli-
12 cant that there has ~~not~~ been NO structural change in the motor
13 vehicle ~~which~~ THAT has increased the empty weight and that the
14 previous registered 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, Public
8 Law 85-506, 15 U.S.C. 1232. If the manufacturer's suggested
9 retail price is unavailable, the application shall list the pur-
10 chase price of the 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 part 801 ~~(marine safety)~~ of the natural resources
15 and environmental protection act, ~~Act No. 451 of the Public Acts~~
16 ~~of 1994, being sections 324.80101 to 324.80199 of the Michigan~~
17 ~~Compiled Laws~~ 1994 PA 451, MCL 324.80101 TO 324.80199, within 15
18 days after delivering a boat trailer weighing less than 2,500
19 pounds to the purchaser, shall apply to the secretary of state
20 for a new title, if required, and transfer or secure registration
21 plates and secure a certificate of registration for the vehicle
22 or boat trailer, in the name of the purchaser. The dealer's
23 license may be suspended or revoked as provided in section 249
24 for failure to apply for a title when required or for failure to
25 transfer or secure registration plates and certificate of regis-
26 tration within the 15 days required by this section. If the
27 dealer or person fails to apply for a title when required, and to

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

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

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

1 on the copy the date and place ~~of filing of~~ the application WAS
2 FILED and return the copy to the person submitting the
3 application, who shall forward it to the holder of the security
4 interest named in the application.

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

17 "Under Michigan law, the seller must record a first lien in
18 favor of (name of lender) _____ on the vehicle with
19 vehicle identification number _____ and title the vehi-
20 cle only in the name(s) shown on the reverse side." On the front
21 of the sales check or draft, the holder, finance company, credit
22 union, or banking institution shall note the name(s) of the pro-
23 spective owner(s). Failure of the holder, finance company,
24 credit union, or banking institution to comply with these
25 requirements frees the seller from any obligation to record the
26 lien or from any liability that may arise as a result of the

1 failure to record the lien. A service fee shall not be charged
2 to the buyer.

3 (6) In the absence of actual malice proved independently and
4 not inferred from lack of probable cause, a person ~~who in any~~
5 ~~manner causes a prosecution for larceny~~ IS NOT LIABLE FOR DAM-
6 AGES IN A CIVIL ACTION FOR CAUSING THE PROSECUTION OF 1 OR MORE
7 OF THE FOLLOWING CRIMES:

8 (A) LARCENY of a motor vehicle. ~~;/ for embezzlement~~

9 (B) EMBEZZLEMENT of a motor vehicle. ~~;/ for any~~

10 (C) ANY crime an element of which is the taking of a motor
11 vehicle without authority. ~~;/ or for buying~~

12 (D) BUYING, receiving, possessing, or aiding in the conceal-
13 ment of a stolen, embezzled, or converted motor vehicle knowing
14 the motor vehicle has been stolen, embezzled, or converted. ~~;/ is~~
15 ~~not liable for damages in a civil action for causing the~~
16 ~~prosecution. This subsection~~

17 (7) SUBSECTION (6) shall not be construed to relieve a
18 person from proving any other element necessary to sustain his or
19 her cause of action.