



HOUSE BILL No. 5400

February 22, 2000, Introduced by Reps. Hansen, Wojno, Brater, Gielegem, Callahan, Jacobs, Dennis, Schermesser, Bovin, Jannick and Minore and referred to the Committee on Transportation.

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 217 and 232 (MCL 257.217 and 257.232), section 217 as amended by 1998 PA 247 and section 232 as amended by 1997 PA 101.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 217. (1) An owner of a vehicle that is subject to reg-
2 istration under this act shall apply to the secretary of state,
3 upon an appropriate form furnished by the secretary of state, for
4 the 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

1 of state. The application shall be accompanied by the required
2 fee. An application for a certificate of title shall bear the
3 signature of the owner. The application shall contain all of the
4 following:

5 (a) The owner's name, the owner's bona fide residence, and
6 either of the following:

7 (i) The owner's mailing address, if the owner is an
8 individual.

9 (ii) The owner's business address, if the owner is a firm,
10 association, or corporation.

11 (b) A description of the vehicle including the make or name,
12 style of body, and model year; the number of miles, not including
13 the tenths of a mile, registered on the vehicle's odometer at the
14 time of transfer; whether the vehicle is to be or has been used
15 as a taxi or police vehicle, or by a political subdivision of
16 this state; whether the vehicle has previously been issued a sal-
17 vage or rebuilt certificate of title from this state or a com-
18 parable certificate of title from any other state or jurisdic-
19 tion; vehicle identification number; and the vehicle's weight
20 fully equipped, if a passenger vehicle registered in accordance
21 with section 801(1)(a), and, if a trailer coach or pickup camper,
22 in addition to the weight, the manufacturer's serial number, or
23 in the absence of the serial number, a number assigned by the
24 secretary of state. A number assigned by the secretary of state
25 shall be permanently placed on the trailer coach or pickup camper
26 in the manner and place designated by the secretary of state.

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

4 (D) A STATEMENT WITH AN OPPORTUNITY TO INFORM THE SECRETARY
5 OF STATE THAT THE OWNER DESIRES TO PROHIBIT THE DISCLOSURE OF
6 PERSONAL INFORMATION MAINTAINED BY THE SECRETARY OF STATE PER-
7 TAINING TO HIM OR HER FOR SURVEYS, MARKETING, AND SOLICITATIONS
8 AS PROVIDED IN SECTION 232.

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

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

14 (F) ~~(e)~~ Except as provided in subdivision ~~(f)~~ (G), an
15 application for a commercial vehicle shall also have attached a
16 scale weight receipt of the motor vehicle fully equipped as of
17 the time the application is made. A scale weight receipt is not
18 necessary if there is presented with the application a registra-
19 tion receipt of the previous year that shows on its face the
20 empty weight of the motor vehicle as registered with the secre-
21 tary of state that is accompanied by a statement of the applicant
22 that there has not been structural change in the motor vehicle
23 that has increased the empty weight and that the previous regis-
24 tered weight is the true weight.

25 (G) ~~(f)~~ An application for registration of a vehicle on
26 the basis of elected gross weight shall include a declaration by

1 the applicant specifying the elected gross weight for which
2 application is being made.

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

23 (2) Beginning October 1, 1999, the secretary of state shall
24 require an applicant for registration of a leased pickup truck or
25 passenger vehicle that is subject to registration under this act,
26 except a vehicle that is subject to registration tax under

1 section 801g, to disclose in writing the lessee's name, the
2 lessee's bona fide residence, and either of the following:

3 (a) The lessee's Michigan driver license number or Michigan
4 personal identification number or, if the lessee does not have a
5 Michigan driver license or Michigan personal identification
6 number, the lessee's mailing address, if the lessee is an
7 individual.

8 (b) The lessee's business address, if the lessee is a firm,
9 association, or corporation.

10 (3) The secretary of state shall maintain the information
11 described in subsection (2) on the secretary of state's computer
12 records.

13 (4) A dealer selling or exchanging vehicles required to be
14 titled, within 15 days after delivering a vehicle to the purchas-
15 er, and a person engaged in the sale of vessels required to be
16 numbered by part 801 of the natural resources and environmental
17 protection act, 1994 PA 451, MCL 324.80101 to 324.80199, within
18 15 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 in accordance with section
24 249 for failure to apply for a title when required or for failure
25 to transfer or secure registration plates and certificate of reg-
26 istration 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 specified in section 806. The purchaser of the vehicle or
7 boat trailer shall sign the application, including, when applica-
8 ble, the declaration specifying the maximum elected gross weight,
9 as required by subsection (1)(f), and other necessary papers to
10 enable the dealer or person to secure the title, registration
11 plates, and transfers from the secretary of state.

12 (5) 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 (6) 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 need not be signed. The request may be made of the seller
27 on an annual basis. The secretary of state shall indicate on the

1 copy the date and place of filing of the application and return
2 the copy to the person submitting the application who shall for-
3 ward it to the holder of the security interest named in the
4 application.

5 (7) 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 (8) 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 of a motor vehicle; for
6 embezzlement of a motor vehicle; for any crime an element of
7 which is the taking of a motor vehicle without authority; or for
8 buying, receiving, possessing, or aiding in the concealment of a
9 stolen, embezzled, or converted motor vehicle knowing that the
10 motor vehicle has been stolen, embezzled, or converted, is not
11 liable for damages in a civil action for causing the
12 prosecution. This subsection does not relieve a person from
13 proving any other element necessary to sustain his or her cause
14 of action.

15 Sec. 232. (1) Upon request, the secretary of state may fur-
16 nish a list of information from the records of the department
17 maintained under this act to a federal, state, or local govern-
18 mental agency for use in carrying out the agency's functions, or
19 to a private person or entity acting on behalf of a governmental
20 agency for use in carrying out the agency's functions. The sec-
21 retary of state may charge the requesting agency a preparation
22 fee to cover the cost of preparing and furnishing a list provided
23 under this subsection if the cost of preparation exceeds \$25.00,
24 and use the revenues received from the service to defray neces-
25 sary expenses. The secretary of state may require the requesting
26 agency to furnish 1 or more blank computer tapes, cartridges, or
27 other electronic media and may require the agency to execute a

1 written memorandum of agreement as a condition of obtaining a
2 list of information under this subsection.

3 (2) The secretary of state may contract for the sale of
4 lists of driver and motor vehicle records and other records main-
5 tained under this act in bulk, in addition to those lists dis-
6 tributed at cost or at no cost under this section for purposes
7 described in section 208c(3) as well as for surveys, marketing,
8 and solicitations. The secretary of state shall require each
9 purchaser of records in bulk to execute a written purchase
10 contract. The secretary of state shall fix a market based price
11 for the sale of such lists or other records maintained in bulk,
12 which may include personal information, and the proceeds from
13 each sale shall be credited to the secretary of state's commer-
14 cial look-up account.

15 (3) Before selling and furnishing any list of information
16 under subsection (2) for surveys, marketing, and solicitations,
17 the secretary of state shall implement methods and procedures
18 that accomplish all of the following:

19 (a) Furnish individuals with a conspicuous opportunity to be
20 informed of their right to prohibit the disclosure of personal
21 information about them for purposes of surveys, marketing, and
22 solicitations through an ongoing public information campaign
23 which shall include the use of printed signs in branch offices
24 and ~~notices~~ A NOTICE included with application and renewal
25 forms FOR THE REGISTRATION OF A VEHICLE UNDER SECTION 217 to the
26 extent that the secretary of state continues to use paper forms
27 for those purposes, and may include periodic press releases,

1 public service announcements, advertisements, pamphlets, notices
2 in electronic media, and other types of notice. Each printed
3 sign AT A BRANCH OFFICE shall be not less than 8-1/2 inches wide
4 by 11 inches high and contain a caption in not less than 46-point
5 type. ~~If the secretary of state furnishes notice on forms, the~~
6 ~~information printed on the forms shall be similar to the informa-~~
7 ~~tion printed on branch office signs.~~ The secretary of state
8 shall review the public information campaign on an annual basis
9 in order to update notice content and furnish notice by more
10 effective means.

11 (b) Provide individuals with a conspicuous opportunity,
12 through a telephonic, automated, or other efficient system, to
13 notify the secretary of state of their desire to prohibit the
14 disclosure of personal information about them, for purposes of
15 surveys, marketing, and solicitations. The secretary of state
16 may contract with another public or private person or agency to
17 implement this subdivision.

18 (c) Ensure that personal information disclosed in bulk will
19 be used, rented, or sold solely for uses permitted under this
20 act, and that surveys, marketing, and solicitations will not be
21 directed at those individuals who in a timely fashion have noti-
22 fied the secretary of state that surveys, marketing, and solici-
23 tations should not be directed at them.

24 (4) The secretary of state may insert any safeguard the sec-
25 retary considers reasonable or necessary, including a bond
26 requirement, in a memorandum of agreement or purchase contract
27 executed under this section, to ensure that the information

1 provided or sold is used only for a permissible use and that the
2 rights of individuals and of the department are protected.

3 (5) An authorized recipient of personal information dis-
4 closed under this section who resells or rediscloses the informa-
5 tion for survey, marketing, and solicitations shall do both of
6 the following:

7 (a) Make and keep for a period of not less than 5 years
8 records identifying each person who received personal information
9 from the authorized recipient and the permitted purpose for which
10 it was obtained.

11 (b) Allow a representative of the secretary of state, upon
12 request, to inspect and copy records identifying each person who
13 received personal information from the authorized recipient and
14 the permitted purpose for which it was obtained.

15 (6) The secretary of state shall not disclose a list based
16 on driving behavior or sanctions to a nongovernmental agency,
17 including an individual.