

SENATE BILL No. 1420

October 5, 2000, Introduced by Senator BENNETT and referred to the Committee on Transportation and Tourism.

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 209, 217, and 224 (MCL 257.209, 257.217, and 257.224), section 217 as amended by 1998 PA 247 and section 224 as amended by 1995 PA 129.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 209. ~~The~~ EXCEPT AS OTHERWISE PROVIDED IN THIS ACT,
2 THE department shall examine and determine the genuineness, regu-
3 larity, and legality of every application for registration of a
4 vehicle, for a certificate of title ~~therefor~~ FOR A VEHICLE, and
5 for an operator's or chauffeur's license and of any other appli-
6 cation lawfully made to the department, and may in all cases make
7 investigation as ~~may be deemed~~ CONSIDERED necessary or require
8 additional information. ~~, and~~ THE DEPARTMENT shall reject ~~any~~
9 ~~such~~ AN application if not satisfied of ~~the~~ ITS genuineness,

1 regularity, or legality ~~thereof~~ or OF the truth of any
2 statement contained ~~therein~~ IN THE APPLICATION, or for any
3 other reason, when authorized by law.

4 Sec. 217. (1) An owner of a vehicle that is subject to reg-
5 istration under this act shall apply to the secretary of state OR
6 THE DEALER FROM WHOM THE VEHICLE IS PURCHASED, upon an appropri-
7 ate form furnished by the secretary of state, for the registra-
8 tion of the vehicle and issuance of a certificate of title for
9 the vehicle. Effective January 1, 1994, a vehicle brought into
10 this state from another state or jurisdiction that has a rebuilt,
11 salvage, scrap, or comparable certificate of title issued by that
12 other state or jurisdiction shall be issued a rebuilt, salvage,
13 or scrap certificate of title by the secretary of state. The
14 application shall be accompanied by the required fee. An appli-
15 cation for a certificate of title shall bear the signature of the
16 owner. The application shall contain all of the following:

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

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

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

23 (b) A description of the vehicle including the make or name,
24 style of body, and model year; the number of miles, not including
25 the tenths of a mile, registered on the vehicle's odometer at the
26 time of transfer; whether the vehicle is to be or has been used
27 as a taxi or police vehicle, or by a political subdivision of

1 this state; whether the vehicle has previously been issued a
2 salvage or rebuilt certificate of title from this state or a com-
3 parable certificate of title from any other state or jurisdic-
4 tion; vehicle identification number; and the vehicle's weight
5 fully equipped, if a passenger vehicle registered in accordance
6 with section 801(1)(a), and, if a trailer coach or pickup camper,
7 in addition to the weight, the manufacturer's serial number, or
8 in the absence of the serial number, a number assigned by the
9 secretary of state. A number assigned by the secretary of state
10 shall be permanently placed on the trailer coach or pickup camper
11 in the manner and place designated by the secretary of state.

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

15 (d) Further information ~~that the secretary of state reason-~~
16 ~~ably requires to enable the secretary of state to determine~~
17 REASONABLY REQUIRED FOR THE DETERMINATION OF whether the vehicle
18 is lawfully entitled to registration and the owner entitled to a
19 certificate of title. If the secretary of state is not satisfied
20 as to the ownership of a late model vehicle or other vehicle
21 having a value over \$2,500.00, before registering the vehicle and
22 issuing a certificate of title, the secretary of state may
23 require the applicant to file a properly executed surety bond in
24 a form prescribed by the secretary of state and executed by the
25 applicant and a company authorized to conduct a surety business
26 in this state. The bond shall be in an amount equal to twice the
27 value of the vehicle as determined by the secretary of state and

1 shall be conditioned to indemnify or reimburse the secretary of
2 state, any prior owner, and any subsequent purchaser of the vehi-
3 cle and their successors in interest against any expense, loss,
4 or damage, including reasonable attorney's fees, by reason of the
5 issuance of a certificate of title for the vehicle or on account
6 of any defect in the right, title, or interest of the applicant
7 in the vehicle. An interested person has a right of action to
8 recover on the bond for a breach of the conditions of the bond,
9 but the aggregate liability of the surety to all persons shall
10 not exceed the amount of the bond. The bond shall be returned at
11 the end of 3 years, or before 3 years if the vehicle is no longer
12 registered in this state and the currently valid certificate of
13 title is surrendered to the secretary of state, unless the secre-
14 tary of state has received notification of the pendency of an
15 action to recover on the bond. If the secretary of state is not
16 satisfied as to the ownership of a vehicle that is valued at
17 \$2,500.00 or less and that is not a late model vehicle, the sec-
18 retary of state shall require the applicant to certify that the
19 applicant is the owner of the vehicle and entitled to register
20 and title the vehicle.

21 (e) Except as provided in subdivision (f), an application
22 for a commercial vehicle shall also have attached a scale weight
23 receipt of the motor vehicle fully equipped as of the time the
24 application is made. A scale weight receipt is not necessary if
25 there is presented with the application a registration receipt of
26 the previous year that shows on its face the empty weight of the
27 motor vehicle as registered with the secretary of state that is

1 accompanied by a statement of the applicant that there has not
2 been structural change in the motor vehicle that has increased
3 the empty weight and that the previous registered weight is the
4 true weight.

5 (f) An application for registration of a vehicle on the
6 basis of elected gross weight shall include a declaration by the
7 applicant specifying the elected gross weight for which applica-
8 tion is being made.

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

1 application shall list the purchase price of the vehicle as
2 defined in section 801(4).

3 (2) Beginning October 1, 1999, the secretary of state shall
4 require an applicant for registration of a leased pickup truck or
5 passenger vehicle that is subject to registration under this act,
6 except a vehicle that is subject to registration tax under sec-
7 tion 801g, to disclose in writing the lessee's name, the lessee's
8 bona fide residence, and either of the following:

9 (a) The lessee's Michigan driver license number or Michigan
10 personal identification number or, if the lessee does not have a
11 Michigan driver license or Michigan personal identification
12 number, the lessee's mailing address, if the lessee is an
13 individual.

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

16 (3) The secretary of state shall maintain the information
17 described in subsection (2) on the secretary of state's computer
18 records.

19 (4) A dealer selling or exchanging vehicles required to be
20 titled, within 15 days after delivering a vehicle to the purchas-
21 er, and a person engaged in the sale of vessels required to be
22 numbered by part 801 of the natural resources and environmental
23 protection act, 1994 PA 451, MCL 324.80101 to 324.80199, within
24 15 days after delivering a boat trailer weighing less than 2,500
25 pounds to the purchaser, shall ~~apply to the secretary of state~~
26 ~~for~~ ISSUE a new title, if required, and transfer or secure
27 registration plates ~~and~~ OR SHALL APPLY TO THE SECRETARY OF

1 STATE TO secure a certificate of registration for the vehicle or
2 boat trailer, in the name of the purchaser. The dealer's license
3 may be suspended or revoked in accordance with section 249 for
4 failure to apply for a title when required or for failure to
5 transfer or secure registration plates and certificate of regis-
6 tration within the 15 days required by this section. If the
7 dealer or person fails to ISSUE OR apply for a title when
8 required, ~~and~~ OR to transfer or secure registration plates and
9 secure a certificate of registration and pay the required fees
10 within 15 days of delivery of the vehicle or boat trailer, a
11 title and registration for the vehicle or boat trailer may subse-
12 quently be acquired only upon the payment of a transfer fee of
13 \$15.00 in addition to the fees specified in section 806. The
14 purchaser of the vehicle or boat trailer shall sign the applica-
15 tion, including, when applicable, the declaration specifying the
16 maximum elected gross weight, as required by subsection (1)(f),
17 and other necessary papers to enable the dealer or person to
18 ISSUE OR secure the title, registration plates, and transfers
19 from the secretary of state.

20 (5) If a vehicle is delivered to a purchaser who has valid
21 Michigan registration plates that are to be transferred to the
22 vehicle, and an application for title, if required, and registra-
23 tion for the vehicle is not made before delivery of the vehicle
24 to the purchaser, the registration plates shall be affixed to the
25 vehicle immediately, and the dealer shall provide the purchaser
26 with an instrument in writing, on a form prescribed by the
27 secretary of state, which shall serve as a temporary registration

1 for the vehicle for a period of 15 days from the date the vehicle
2 is delivered.

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

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

25 "Under Michigan law, the seller must record a first lien in
26 favor of (name of lender) _____ on the vehicle with
27 vehicle identification number _____ and title the

1 vehicle only in the name(s) shown on the reverse side." On the
2 front of the sales check or draft, the holder, finance company,
3 credit union, or banking institution shall note the name(s) of
4 the prospective owner(s). Failure of the holder, finance com-
5 pany, credit union, or banking institution to comply with these
6 requirements frees the seller from any obligation to record the
7 lien or from any liability that may arise as a result of the
8 failure to record the lien. A service fee shall not be charged
9 to the buyer.

10 (8) In the absence of actual malice proved independently and
11 not inferred from lack of probable cause, a person who in any
12 manner causes a prosecution for larceny of a motor vehicle; for
13 embezzlement of a motor vehicle; for any crime an element of
14 which is the taking of a motor vehicle without authority; or for
15 buying, receiving, possessing, or aiding in the concealment of a
16 stolen, embezzled, or converted motor vehicle knowing that the
17 motor vehicle has been stolen, embezzled, or converted, is not
18 liable for damages in a civil action for causing the
19 prosecution. This subsection does not relieve a person from
20 proving any other element necessary to sustain his or her cause
21 of action.

22 Sec. 224. (1) Except as otherwise provided in this act
23 regarding tabs or stickers, upon registering a vehicle, the sec-
24 retary of state OR THE DEALER FROM WHOM THE VEHICLE IS PURCHASED
25 FOR THE INITIAL REGISTRATION shall issue to the owner 1 registra-
26 tion plate.

1 (2) A registration plate shall display the registration
2 number assigned to the vehicle for which the registration plate
3 is issued; the name of this state, which may be abbreviated; and
4 when the registration plate expires, which may be shown by a tab
5 or sticker furnished by the secretary of state OR THE DEALER.

6 (3) A registration plate issued for motor vehicles owned and
7 operated by this state; a state institution; a municipality; a
8 privately incorporated, nonprofit volunteer fire department; or a
9 nonpublic, nonprofit college or university of this state shall
10 not expire at any particular time but shall be renewed when the
11 registration plate is worn out or is illegible. This registra-
12 tion plate shall be assigned upon proper application and payment
13 of the applicable fee and may be used on any eligible vehicle
14 titled to the applicant if a written record is kept of the vehi-
15 cles upon which the registration plate is used. The written
16 record shall state the time the registration plate is used on a
17 particular vehicle. The record shall be open to inspection by a
18 law enforcement officer or a representative of the secretary of
19 state.

20 (4) A registration plate issued for a vehicle owned by the
21 civil air patrol as organized under sections 1 to 8, chapter 527,
22 60 Stat. 346 to 347, 36 U.S.C. 201 to 208; a vehicle owned by a
23 nonprofit organization and used to transport equipment for pro-
24 viding dialysis treatment to children at camp; an emergency sup-
25 port vehicle used exclusively for emergencies and owned and oper-
26 ated by a federally recognized nonprofit charitable organization;
27 a vehicle owned and operated by a nonprofit veterans center; a

1 motor vehicle having a truck chassis and a locomotive or ship's
2 body which is owned by a nonprofit veterans organization and used
3 exclusively in parades and civic events; a vehicle owned and
4 operated by a nonprofit recycling center or a federally recog-
5 nized nonprofit conservation organization until December 31,
6 2000; a motor vehicle owned and operated by a senior citizen
7 center; and a registration plate issued for buses including sta-
8 tion wagons, carryalls, or similarly constructed vehicles owned
9 and operated by a nonprofit parents' transportation corporation
10 used for school purposes, parochial school, society, church
11 Sunday school, or other grammar school, or by a nonprofit youth
12 organization or nonprofit rehabilitation facility shall be issued
13 upon proper application and payment of the applicable fee pro-
14 vided in section 801(1)(g) or (h) to the applicant for the vehi-
15 cle identified in the application. The vehicle shall be used
16 exclusively for activities of the school or organization and
17 shall be designated by proper signs showing the school or organi-
18 zation operating the vehicle. The registration plate shall
19 expire on December 31 in the fifth year following the date of
20 issuance. The registration plate may be transferred to another
21 vehicle upon proper application and payment of a \$10.00 transfer
22 fee.

23 (5) The registration plate and the required letters and
24 numerals on the registration plate shall be of sufficient size to
25 be plainly readable from a distance of 100 feet during daylight.
26 The secretary of state may issue a tab or tabs designating the
27 month and year of expiration.

1 (6) The secretary of state shall issue for every passenger
2 motor vehicle rented without a driver the same type of registra-
3 tion plate as the type of registration plate issued for private
4 passenger vehicles.

5 (7) A person shall not operate a vehicle on the public high-
6 ways or streets of this state displaying a registration plate
7 other than the registration plate issued for the vehicle by the
8 secretary of state OR THE DEALER, except as provided in this
9 chapter for nonresidents, and by assignment provided in subsec-
10 tion (3).

11 (8) The registration plate displayed on a vehicle registered
12 on the basis of elected gross weight shall indicate the elected
13 gross weight for which the vehicle is registered.