

# HOUSE BILL No. 4112

January 31, 2001, 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 2000  
PA 397.

## 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~~ 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

1 fee. An application for a certificate of title shall bear the  
2 signature of the owner. The application shall contain all of the  
3 following:

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

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

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

10 (b) A description of the vehicle including the make or name,  
11 style of body, COLOR, and model year; the number of miles, not  
12 including the tenths of a mile, registered on the vehicle's odom-  
13 eter at the time of transfer; whether the vehicle is to be or has  
14 been used as a taxi or police vehicle, or by a political subdivi-  
15 sion of this state, unless the vehicle is owned by a dealer and  
16 loaned or leased to a political subdivision of this state for use  
17 as a driver education vehicle; whether the vehicle has previously  
18 been issued a salvage or rebuilt certificate of title from this  
19 state or a comparable certificate of title from any other state  
20 or jurisdiction; vehicle identification number; and the vehicle's  
21 weight fully equipped, if a passenger vehicle registered in  
22 accordance with section 801(1)(a), and, if a trailer coach or  
23 pickup camper, in addition to the weight, the manufacturer's  
24 serial number, or in the absence of the serial number, a number  
25 assigned by the secretary of state. A number assigned by the  
26 secretary of state shall be permanently placed on the trailer

1 coach or pickup camper in the manner and place designated by the  
2 secretary of state.

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

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

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

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

22 (f) An application for registration of a vehicle on the  
23 basis of elected gross weight shall include a declaration by the  
24 applicant specifying the elected gross weight for which applica-  
25 tion is being made.

26 (g) If the application is for a certificate of title of a  
27 motor vehicle registered in accordance with section 801(1)(q),

1 the application shall include the manufacturer's suggested base  
2 list price for the model year of the vehicle. Annually, the sec-  
3 retary of state shall publish a list of the manufacturer's sug-  
4 gested base list price for each vehicle being manufactured. Once  
5 a base list price is published by the secretary of state for a  
6 model year for a vehicle, the base list price shall not be  
7 affected by subsequent increases in the manufacturer's suggested  
8 base list price but shall remain the same throughout the model  
9 year unless changed in the annual list published by the secretary  
10 of state. If the secretary of state's list has not been pub-  
11 lished for that vehicle by the time of the application for regis-  
12 tration, the base list price shall be the manufacturer's sug-  
13 gested retail price as shown on the label required to be affixed  
14 to the vehicle under section 3 of the automobile information dis-  
15 closure act, Public Law 85-506, 15 U.S.C. 1232. If the  
16 manufacturer's suggested retail price is unavailable, the appli-  
17 cation shall list the purchase price of the vehicle as defined in  
18 section 801(4).

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

25 (a) The lessee's Michigan driver license number or Michigan  
26 personal identification number or, if the lessee does not have a  
27 Michigan driver license or Michigan personal identification

1 number, the lessee's mailing address, if the lessee is an  
2 individual.

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

5 (3) The secretary of state shall maintain the information  
6 described in subsection (2) on the secretary of state's computer  
7 records.

8 (4) A dealer selling or exchanging vehicles required to be  
9 titled, within 15 days after delivering a vehicle to the purchas-  
10 er, and a person engaged in the sale of vessels required to be  
11 numbered by part 801 of the natural resources and environmental  
12 protection act, 1994 PA 451, MCL 324.80101 to 324.80199, within  
13 15 days after delivering a boat trailer weighing less than 2,500  
14 pounds to the purchaser, shall apply to the secretary of state  
15 for a new title, if required, and transfer or secure registration  
16 plates and secure a certificate of registration for the vehicle  
17 or boat trailer, in the name of the purchaser. The dealer's  
18 license may be suspended or revoked in accordance with section  
19 249 for failure to apply for a title when required or for failure  
20 to transfer or secure registration plates and certificate of reg-  
21 istration within the 15 days required by this section. If the  
22 dealer or person fails to apply for a title when required, and to  
23 transfer or secure registration plates and secure a certificate  
24 of registration and pay the required fees within 15 days of  
25 delivery of the vehicle or boat trailer, a title and registration  
26 for the vehicle or boat trailer may subsequently be acquired only  
27 upon the payment of a transfer fee of \$15.00 in addition to the

1 fees specified in section 806. The purchaser of the vehicle or  
2 boat trailer shall sign the application, including, when applica-  
3 ble, the declaration specifying the maximum elected gross weight,  
4 as required by subsection (1)(f), and other necessary papers to  
5 enable the dealer or person to secure the title, registration  
6 plates, and transfers from the secretary of state.

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

17       (6) An application for a certificate of title that indicates  
18 the existence of a security interest in the vehicle or in an  
19 accessory to the vehicle, if requested by the security interest  
20 holder, shall be accompanied by a copy of the security agreement  
21 which need not be signed. The request may be made of the seller  
22 on an annual basis. The secretary of state shall indicate on the  
23 copy the date and place of filing of the application and return  
24 the copy to the person submitting the application who shall for-  
25 ward it to the holder of the security interest named in the  
26 application.

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

13       "Under Michigan law, the seller must record a first lien in  
14 favor of (name of lender) \_\_\_\_\_ on the vehicle with  
15 vehicle identification number \_\_\_\_\_ and title the vehi-  
16 cle only in the name(s) shown on the reverse side." On the front  
17 of the sales check or draft, the holder, finance company, credit  
18 union, or banking institution shall note the name(s) of the pro-  
19 spective owner(s). Failure of the holder, finance company,  
20 credit union, or banking institution to comply with these  
21 requirements frees the seller from any obligation to record the  
22 lien or from any liability that may arise as a result of the  
23 failure to record the lien. A service fee shall not be charged  
24 to the buyer.

25       (8) In the absence of actual malice proved independently and  
26 not inferred from lack of probable cause, a person ~~who in any~~  
27 ~~manner causes a prosecution for larceny~~ IS NOT LIABLE FOR

1 DAMAGES IN A CIVIL ACTION FOR CAUSING THE PROSECUTION OF 1 OR  
2 MORE OF THE FOLLOWING CRIMES:

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

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

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

7 (D) BUYING, receiving, possessing, or aiding in the conceal-  
8 ment of a stolen, embezzled, or converted motor vehicle knowing  
9 that the motor vehicle has been stolen, embezzled, or converted.

10 ~~;/ is not liable for damages in a civil action for causing the~~  
11 ~~prosecution. This subsection~~

12 (9) SUBSECTION (8) does not relieve a person from proving  
13 any other element necessary to sustain his or her cause of  
14 action.