

Act No. 485
Public Acts of 2002
Approved by the Governor
June 27, 2002
Filed with the Secretary of State
June 27, 2002
EFFECTIVE DATE: October 1, 2002

**STATE OF MICHIGAN
91ST LEGISLATURE
REGULAR SESSION OF 2002**

Introduced by Reps. Phillips, Raczkowski, Rivet, Kowall, Ruth Johnson, Thomas, Schermesser, Kolb, Jacobs, Whitmer, Quarles, Anderson, Plakas, Woodward, Rocca, Godchaux, Lipsey, Bogardus, Hale, Jamnick, Williams, Mans, Lockwood, Callahan, Murphy, Zelenko, Schauer, Newell, Pumford, Jelinek, Pappageorge, Rison, Clark, Stallworth, Dennis, Clarke, Stewart, Rich Brown, Reeves, Meyer, Stamas and Daniels

ENROLLED HOUSE BILL No. 5804

AN ACT to amend 1949 PA 300, entitled "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending sections 222 and 244 (MCL 257.222 and 257.244), section 222 as amended by 2000 PA 397 and section 244 as amended by 2000 PA 369, and by adding section 17c.

The People of the State of Michigan enact:

Sec. 17c. "Flood vehicle" means a vehicle that was submerged in water to the point that water entered the passenger compartment or trunk over the sill of the trunk floor pan or doorsill or a vehicle acquired by an insurance company as part of the settlement of a water damage claim.

Sec. 222. (1) Except as otherwise provided in this act, the secretary of state shall issue a registration certificate and a certificate of title when registering a vehicle upon receipt of the required fees. The secretary of state shall issue a flood, rebuilt, salvage, or scrap certificate of title for a vehicle brought into this state from another state or jurisdiction that has a flood, rebuilt, salvage, or scrap certificate of title issued by that other state or jurisdiction.

(2) The secretary of state shall deliver the registration certificate to the owner. The certificate shall contain on its face the date issued, the name and address of the owner, the registration number assigned to the vehicle, and a description of the vehicle as determined by the secretary of state.

(3) The certificate of title shall be manufactured in a manner to prohibit as nearly as possible the ability to reproduce, alter, counterfeit, forge, or duplicate the certificate of title without ready detection. The certificate shall contain on its face the identical information required on the face of the registration certificate; if the vehicle is a motor vehicle, the number of miles, not including the tenths of a mile, registered on the vehicle's odometer at the time of transfer; whether the vehicle is to be used or has been used as a taxi, as a police vehicle, or by a political subdivision of

this state, unless the vehicle is owned by a dealer and loaned or leased to a political subdivision of this state for use as a driver education vehicle; whether the vehicle is a salvage vehicle; if the vehicle has previously been issued a rebuilt certificate of title from this state or a comparable certificate of title from any other state or jurisdiction; if the vehicle has been issued a scrap certificate of title from this state or a comparable certificate of title from any other state or jurisdiction; if the vehicle is a flood vehicle or has previously been issued a flood certificate of title from this state or any other state or jurisdiction; if the owner or co-owner or lessee or co-lessee of the vehicle is subject to registration denial under section 219(1)(d); a statement of the owner's title and of all security interests in the vehicle or in an accessory on the vehicle as set forth in the application; the date that the application was filed; and any other information that the secretary of state may require.

(4) The certificate of title shall contain a form for assignment of title or interest and warranty of title by the owner with space for the notation of a security interest in the vehicle and in an accessory on the vehicle, which at the time of a transfer shall be certified and signed, and space for a written odometer mileage statement that is required upon transfer pursuant to section 233a. The certificate of title may also contain other forms that the secretary of state considers necessary to facilitate the effective administration of this act. The certificate shall bear the coat of arms of this state.

(5) The secretary of state shall mail or deliver the certificate of title to the owner or other person the owner may direct in a separate instrument, in a form prescribed by the secretary of state.

(6) A person who intentionally reproduces, alters, counterfeits, forges, or duplicates a certificate of title or who uses a reproduced, altered, counterfeited, forged, or duplicated certificate of title shall be punished as follows:

(a) If the intent of reproduction, alteration, counterfeiting, forging, duplication, or use was to commit or aid in the commission of an offense punishable by imprisonment for 1 or more years, the person committing the reproduction, alteration, counterfeiting, forging, duplication, or use is guilty of a misdemeanor, punishable by imprisonment for a period equal to that which could be imposed for the commission of the offense the person had the intent to aid or commit. The court may also assess a fine of not more than \$10,000.00 against the person.

(b) If the intent of the reproduction, alteration, counterfeiting, forging, duplication, or use was to commit or aid in the commission of an offense punishable by imprisonment for not more than 1 year, the person committing the reproduction, alteration, counterfeiting, forging, duplication, or use is guilty of a misdemeanor, punishable by imprisonment for not more than 1 year, or a fine of not more than \$1,000.00, or both.

(7) The certificate of title for a police vehicle, a vehicle owned by a political subdivision of this state, a salvage vehicle, a rebuilt vehicle, a scrap vehicle, or a flood vehicle shall be different in color from the certificate of title for all other vehicles unless the vehicle is loaned or leased to a political subdivision of this state for use as a driver education vehicle.

(8) A scrap certificate of title shall contain a legend that the vehicle is not to be titled or registered and is to be used for parts or scrap metal only.

(9) A certificate of title shall not be issued for a vehicle which has had a salvage certificate of title unless the certificate of title contains a legend that discloses the vehicle's former condition to consumers and potential purchasers.

Sec. 244. (1) A manufacturer owning any vehicle of a type otherwise required to be registered under this act may operate or move the vehicle upon a street or highway primarily for the purposes of transporting or testing or in connection with a golf tournament or a public civic event, if the vehicle displays, in the manner prescribed in section 225, 1 special plate approved by the secretary of state.

(2) A producer of a vehicle subcomponent system essential to the operation of the vehicle or the safety of an occupant may operate or move a motor vehicle upon a street or highway solely to transport or test the subcomponent system if the motor vehicle displays, in the manner prescribed in section 225, 1 special plate approved by the secretary of state. To be eligible for the special plate, the subcomponent system producer must be either a recognized subcomponent system producer or must be a subcomponent system producer under contract with a vehicle manufacturer.

(3) A dealer owning any vehicle of a type otherwise required to be registered under this act may operate or move the vehicle upon a street or highway without registering the vehicle if the vehicle displays, in the manner prescribed in section 225, 1 special plate issued to the owner by the secretary of state. As used in this subsection, "dealer" includes any employee, servant, or agent of the dealer.

(4) A transporter may operate or move any vehicle of like type upon a street or highway solely to deliver the vehicle upon displaying a special plate issued to him or her as provided in this chapter.

(5) The plates described in this section shall not be used on service cars or wreckers which are being operated as an adjunct of a licensee's business. A manufacturer, transporter, or dealer, making or permitting any unauthorized use of a special plate under this chapter is considered to have forfeited its license under this chapter and the secretary of state, after notice and a hearing, may suspend or cancel the right to use the plates and cause the plates to be surrendered to and repossessed by the state.

(6) Transporters shall furnish a sufficient surety bond or policy of insurance as protection for public liability and property damage as may be required by the secretary of state.

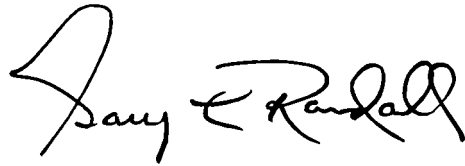
(7) The secretary of state shall determine the number of plates a manufacturer, dealer, or transporter reasonably needs in his or her business.

(8) Upon the sale of a vehicle otherwise required to be registered under this act, the vendee shall be permitted to operate the vehicle upon a street or highway for not more than 72 hours after taking possession, but during that time the vehicle shall have the dealer plate attached as provided in this section. The application for registration shall be made in the name of the vendee before the vehicle is used. The dealer and the vendee shall be jointly responsible for the return of the dealer plate to the dealer within 72 hours, and the failure of the vendee to return or the vendor to use due diligence to procure the dealer plate shall constitute a misdemeanor, and in addition the license of the dealer may be revoked. The vendee, while using the dealer's plate, shall have in his or her possession proof that clearly indicates the date of sale of the motor vehicle.

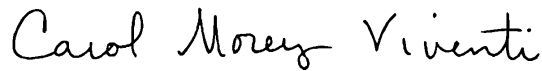
(9) Vehicles owned by the dealer and bearing the dealer's plate may be driven upon a street or highway for demonstration purposes by any prospective buyer for a period of 72 hours.

Enacting section 1. This amendatory act takes effect October 1, 2002.

This act is ordered to take immediate effect.



Clerk of the House of Representatives.



Secretary of the Senate.

Approved _____

Governor.