

# HOUSE BILL No. 4900

September 6, 2017, Introduced by Rep. Kosowski and referred to the Committee on  
Transportation and Infrastructure.

A bill to amend 1949 PA 300, entitled  
"Michigan vehicle code,"  
by amending sections 217 and 227 (MCL 257.217 and 257.227), section  
217 as amended by 2014 PA 290 and section 227 as amended by 2011 PA  
92.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 217. (1) ~~An~~ **EXCEPT AS PROVIDED IN SUBSECTION (11), AN**  
2 owner of a vehicle that is subject to registration under this act  
3 ~~shall~~ **MUST** apply to the secretary of state, upon an appropriate  
4 form furnished by the secretary of state, for the registration of  
5 the vehicle and issuance of a certificate of title for the vehicle.  
6 ~~A~~ **THE SECRETARY OF STATE MUST ISSUE A REBUILT, SALVAGE, SCRAP, OR**  
7 **FLOOD CERTIFICATE OF TITLE FOR A** vehicle brought into this state  
8 from another state or jurisdiction that has a rebuilt, salvage,

1 scrap, flood, or comparable certificate of title issued by that  
2 other state or jurisdiction. ~~shall be issued a rebuilt, salvage,~~  
3 ~~scrap, or flood certificate of title by the secretary of state.~~ The  
4 application shall be accompanied by the required fee. An  
5 application for a certificate of title shall bear the signature or  
6 verification and certification of the owner. The application shall  
7 contain all of the following:

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

10 (i) If the owner is an individual, the owner's mailing  
11 address.

12 (ii) If the owner is a firm, association, partnership, limited  
13 liability company, or corporation, the owner's business address.

14 (b) A description of the vehicle including the make or name,  
15 style of body, and model year; the number of miles, not including  
16 the tenths of a mile, registered on the vehicle's odometer at the  
17 time of transfer; whether the vehicle is a flood vehicle or another  
18 state previously issued the vehicle a flood certificate of title;  
19 whether the vehicle is to be or has been used as a taxi or police  
20 vehicle, or by a political subdivision of this state, unless the  
21 vehicle is owned by a dealer and loaned or leased to a political  
22 subdivision of this state for use as a driver education vehicle;  
23 whether the vehicle has previously been issued a salvage or rebuilt  
24 certificate of title from this state or a comparable certificate of  
25 title from any other state or jurisdiction; vehicle identification  
26 number; and the vehicle's weight fully equipped, if a passenger  
27 vehicle registered in accordance with section 801(1)(a), and, if a

1 trailer coach or pickup camper, in addition to the weight, the  
2 manufacturer's serial number, or in the absence of the serial  
3 number, a number assigned by the secretary of state. A number  
4 assigned by the secretary of state shall be permanently placed on  
5 the trailer coach or pickup camper in the manner and place  
6 designated by the secretary of state.

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

10 (d) Further information that the secretary of state reasonably  
11 requires to enable the secretary of state to determine whether the  
12 vehicle is lawfully entitled to registration and the owner entitled  
13 to a certificate of title. If the secretary of state is not  
14 satisfied as to the ownership of a vehicle having a value over  
15 \$2,500.00 or that is less than 10 years old, before registering the  
16 vehicle and issuing a certificate of title, the secretary of state  
17 may require the applicant to file a properly executed surety bond  
18 in a form prescribed by the secretary of state and executed by the  
19 applicant and a company authorized to conduct a surety business in  
20 this state. The bond shall be in an amount equal to twice the value  
21 of the vehicle as determined by the secretary of state and shall be  
22 conditioned to indemnify or reimburse the secretary of state, any  
23 prior owner, and any subsequent purchaser or lessee of the vehicle  
24 and their successors in interest against any expense, loss, or  
25 damage, including reasonable attorney's fees, by reason of the  
26 issuance of a certificate of title for the vehicle or on account of  
27 any defect in the right, title, or interest of the applicant in the

1 vehicle. An interested person has a right of action to recover on  
2 the bond for a breach of the conditions of the bond, but the  
3 aggregate liability of the surety to all persons shall not exceed  
4 the amount of the bond. If the secretary of state is not satisfied  
5 as to the ownership of a vehicle that is valued at \$2,500.00 or  
6 less and that is 10 years old or older, the secretary of state  
7 ~~shall~~**MUST** require the applicant to certify that the applicant is  
8 the owner of the vehicle and entitled to register and title the  
9 vehicle.

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

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

24 (g) If the application is for a certificate of title of a  
25 motor vehicle registered in accordance with section 801(1)(p), the  
26 application shall include the manufacturer's suggested base list  
27 price for the model year of the vehicle. The base list price shall

1 be the manufacturer's suggested retail price as shown on the label  
2 required to be affixed to the vehicle under 15 USC 1232. If the  
3 manufacturer's suggested retail price is unavailable, the  
4 application shall list the purchase price of the vehicle as defined  
5 in section 801.

6 (2) An applicant for registration of a leased pickup truck or  
7 passenger vehicle that is subject to registration under this act,  
8 except a vehicle that is subject to a registration fee under  
9 section 801g, ~~shall~~**MUST** disclose in writing to the secretary of  
10 state the lessee's name, the lessee's bona fide residence, and  
11 either of the following:

12 (a) If the lessee is an individual, the lessee's Michigan  
13 driver license number or Michigan personal identification number  
14 or, if the lessee does not have a Michigan driver license or  
15 Michigan personal identification number, the lessee's mailing  
16 address.

17 (b) If the lessee is a firm, association, partnership, limited  
18 liability company, or corporation, the lessee's business address.

19 (3) The secretary of state ~~shall~~**MUST** maintain the information  
20 described in subsection (2) on the secretary of state's computer  
21 records.

22 (4) Except as provided in subsection (5), a dealer selling,  
23 leasing, or exchanging vehicles required to be titled, within 15  
24 days after delivering a vehicle to the purchaser or lessee, and a  
25 person engaged in the sale of vessels required to be numbered by  
26 part 801 of the natural resources and environmental protection act,  
27 1994 PA 451, MCL 324.80101 to 324.80199, within 15 days after

1 delivering a boat trailer weighing less than 2,500 pounds to the  
2 purchaser or lessee, ~~shall~~**MUST** apply to the secretary of state for  
3 a new title, if required, and transfer or secure registration  
4 plates and secure a certificate of registration for the vehicle or  
5 boat trailer, in the name of the purchaser or lessee. The dealer's  
6 license may be suspended or revoked in accordance with section 249  
7 for failure to apply for a title when required or for failure to  
8 transfer or secure registration plates and certificate of  
9 registration within the 15 days required by this section. If the  
10 dealer or person fails to apply for a title when required, and to  
11 transfer or secure registration plates and secure a certificate of  
12 registration and pay the required fees within 15 days of delivery  
13 of the vehicle or boat trailer, a title and registration for the  
14 vehicle or boat trailer may subsequently be acquired only upon the  
15 payment of a late transfer fee of \$15.00 for an individual or a  
16 dealer other than a dealer subject to section 235b in addition to  
17 the fees specified in section 806. For a used or secondhand vehicle  
18 dealer subject to section 235b, the late transfer fee is \$100.00 in  
19 addition to the fees specified in section 806. The purchaser or  
20 lessee of the vehicle or the purchaser of the boat trailer ~~shall~~  
21 **MUST** sign the application, including, if applicable, the  
22 declaration specifying the maximum elected gross weight as required  
23 by subsection (1)(f), and other necessary papers to enable the  
24 dealer or person to secure the title, registration plates, and  
25 transfers from the secretary of state. If the secretary of state  
26 mails or delivers a purchaser's certificate of title to a dealer,  
27 the dealer ~~shall~~**MUST** mail or deliver the certificate of title to

1 the purchaser not more than 5 days after receiving the certificate  
2 of title from the secretary of state. However, as provided under  
3 section 238, the secretary of state is not required to issue a  
4 title to the owner of a vehicle or lienholder if the title is  
5 subject to a security interest.

6 (5) A dealer selling or exchanging an off lease or buy back  
7 vehicle ~~shall~~**MUST** apply to the secretary of state for a new title  
8 for the vehicle within 15 days after it receives the certificate of  
9 title from the lessor or manufacturer under section 235 or section  
10 235b and transfer or secure registration plates and secure a  
11 certificate of registration for the vehicle in the name of the  
12 purchaser. The dealer's license may be suspended or revoked in  
13 accordance with section 249 for failure to apply for a title when  
14 required or for failure to transfer or secure registration plates  
15 and certificate of registration within the 15-day period. If the  
16 dealer or person fails to apply for a title when required, and to  
17 transfer or secure registration plates and secure a certificate of  
18 registration and pay the required fees within the 15-day time  
19 period, **THE DEALER OR PERSON MAY ACQUIRE** a title and registration  
20 for the vehicle ~~may subsequently be acquired~~ only upon the payment  
21 of a late transfer fee of \$15.00 for an individual or dealer other  
22 than a used or secondhand vehicle dealer subject to section 235b in  
23 addition to the fees specified in section 806. The late transfer  
24 fee for a used or secondhand vehicle dealer subject to section 235b  
25 is \$100.00 in addition to the fees specified in section 806. The  
26 purchaser of the vehicle ~~shall~~**MUST** sign the application,  
27 including, if applicable, the declaration specifying the maximum

1 elected gross weight as required by subsection (1) (f), and other  
2 necessary papers to enable the dealer or person to secure the  
3 title, registration plates, and transfers from the secretary of  
4 state. If the secretary of state mails or delivers a purchaser's  
5 certificate of title to a dealer, the dealer ~~shall~~**MUST** mail or  
6 deliver the certificate of title to the purchaser not more than 5  
7 days after receiving the certificate of title from the secretary of  
8 state. However, as provided under section 238, the secretary of  
9 state is not required to issue a title to the owner of a vehicle if  
10 the title is subject to a security interest.

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

21 (7) If the seller does not prepare the credit information,  
22 contract note, and mortgage, and the holder, finance company,  
23 credit union, or banking institution requires the installment  
24 seller to record the lien on the title, the holder, finance  
25 company, credit union, or banking institution ~~shall~~**MUST** pay the  
26 seller a service fee of not more than \$10.00. The service fee shall  
27 be paid from the finance charges and shall not be charged to the

1 buyer in addition to the finance charges. The holder, finance  
2 company, credit union, or banking institution ~~shall~~**MUST** issue its  
3 check or bank draft for the principal amount financed, payable  
4 jointly to the buyer and seller, and ~~there~~**THE BACK SIDE OF THE**  
5 **CHECK OR BANK DRAFT** shall be imprinted ~~on the back side of the~~  
6 ~~check or bank draft~~**WITH** the following:

7 "Under Michigan law, the seller must record a first lien in  
8 favor of (name of lender) \_\_\_\_\_ on the vehicle with  
9 vehicle identification number \_\_\_\_\_ and title the vehicle  
10 only in the name(s) shown on the reverse side."

11 (8) On the front of the check or draft described under  
12 subsection (7), the holder, finance company, credit union, or  
13 banking institution ~~shall~~**MUST** note the name or names of the  
14 prospective owners. Failure of the holder, finance company, credit  
15 union, or banking institution to comply with these requirements  
16 frees the seller from any obligation to record the lien or from any  
17 liability that may arise as a result of the failure to record the  
18 lien. A service fee shall not be charged to the buyer.

19 (9) In the absence of actual malice proved independently and  
20 not inferred from lack of probable cause, a person who in any  
21 manner causes a prosecution for larceny of a motor vehicle; for  
22 embezzlement of a motor vehicle; for any crime an element of which  
23 is the taking of a motor vehicle without authority; or for buying,  
24 receiving, possessing, leasing, or aiding in the concealment of a  
25 stolen, embezzled, or converted motor vehicle knowing that the  
26 motor vehicle has been stolen, embezzled, or converted, is not  
27 liable for damages in a civil action for causing the prosecution.

1 This subsection does not relieve a person from proving any other  
2 element necessary to sustain his or her cause of action.

3 (10) Receipt by the secretary of state of a properly tendered  
4 application for a certificate of title on which a security interest  
5 in a vehicle is to be indicated is a condition of perfection of a  
6 security interest in the vehicle and is equivalent to filing a  
7 financing statement under the uniform commercial code, 1962 PA 174,  
8 MCL 440.1101 to 440.9994, with respect to the vehicle. When a  
9 security interest in a vehicle is perfected, it has priority over  
10 the rights of a lien creditor as lien creditor is defined in  
11 section 9102 of the uniform commercial code, 1962 PA 174, MCL  
12 440.9102.

13 (11) AN IMMEDIATE FAMILY MEMBER MAY MAKE APPLICATION FOR AN  
14 ORIGINAL VEHICLE REGISTRATION ON BEHALF OF THE OWNER IF ALL OTHER  
15 REQUIREMENTS FOR OBTAINING AN ORIGINAL VEHICLE REGISTRATION UNDER  
16 THIS SECTION ARE SATISFIED.

17 Sec. 227. (1) ~~Application~~ EXCEPT AS PROVIDED IN THIS  
18 SUBSECTION, APPLICATION for renewal of a vehicle registration shall  
19 MUST be made by the owner upon proper application and by payment of  
20 the registration fee for the vehicle, as provided by law. AN  
21 IMMEDIATE FAMILY MEMBER MAY MAKE APPLICATION FOR RENEWAL OF A  
22 VEHICLE REGISTRATION ON BEHALF OF THE OWNER IF ALL OTHER  
23 REQUIREMENTS FOR RENEWAL UNDER THIS SECTION ARE SATISFIED.

24 (2) Every application shall be accompanied by the certificate  
25 of title pertaining to the vehicle, showing ownership in the person  
26 applying for registration at the time of the application OR  
27 OWNERSHIP IN THE PERSON ON WHOSE BEHALF THE PERSON IS APPLYING FOR

1 **REGISTRATION, IF APPLICABLE.** The secretary of state may waive the  
2 presentation of the certificate of title.

3 (3) Every application for renewal of a motor vehicle  
4 registration shall be accompanied by proof of vehicle insurance in  
5 a form determined by the secretary of state.

6 (4) Notwithstanding subsection (3), the secretary of state  
7 shall accept as proof of vehicle insurance a transmission of the  
8 applicant's vehicle policy information for an insured vehicle for  
9 which vehicle registration is sought. The secretary of state may  
10 determine in what format and on what timeline the secretary of  
11 state will receive vehicle policy information, which shall not be  
12 required more frequently than every 14 days. In determining the  
13 format under this subsection, the secretary of state shall consult  
14 with insurers. The transmission to the secretary of state of the  
15 vehicle policy information is proof of insurance to the secretary  
16 of state for motor vehicle registration purposes only and is not  
17 evidence that a policy of insurance actually exists between an  
18 insurer and an individual. Vehicle policy information submitted by  
19 an insurer and received by the secretary of state under this  
20 subsection is confidential, is not subject to the freedom of  
21 information act, 1976 PA 442, MCL 15.231 to 15.246, and shall not  
22 be disclosed to any person except the department of ~~community~~  
23 health **AND HUMAN SERVICES** for purposes of 2006 PA 593, MCL 550.281  
24 to 550.289, or under an order by a court of competent jurisdiction  
25 in connection with a claim or fraud investigation or prosecution.

26 (5) ~~(6)~~—As used in this section, "policy information" means  
27 the information an automobile insurer is required to supply to the

1 secretary of state under section 3101a of the insurance code of  
2 1956, 1956 PA 218, MCL 500.3101a.

3 Enacting section 1. This amendatory act takes effect 90 days  
4 after the date it is enacted into law.