

SUBSTITUTE FOR  
SENATE BILL NO. 1008

A bill to amend 1949 PA 300, entitled  
"Michigan vehicle code,"  
by amending sections 233, 233a, 234, 239, and 240 (MCL 257.233,  
257.233a, 257.234, 257.239, and 257.240), section 233 as amended by  
2014 PA 290, section 233a as amended by 2023 PA 240, section 234 as  
amended by 2002 PA 552, section 239 as amended by 2020 PA 382, and  
section 240 as amended by 2004 PA 493.

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

1       Sec. 233. (1) If the owner of a registered vehicle transfers  
2       or assigns the title or interest in the vehicle, the registration  
3       plates issued for the vehicle ~~shall~~**must** be removed and transferred  
4       to the owner's spouse, mother, father, sister, brother, or child to  
5       whom title or interest in the vehicle is transferred, or retained

1 and preserved by the owner for transfer to another vehicle ~~upon-on~~  
2 application and payment of the required fees. A person shall not  
3 transfer the plates to a vehicle without applying for a proper  
4 certificate of registration describing the vehicle to which the  
5 plates are being transferred, except as provided in section 217(4).  
6 If the owner of a registered vehicle acquires another vehicle  
7 without transferring or assigning the title or interest in the  
8 vehicle for which the plates were issued, the owner may have the  
9 plates transferred to the subsequently acquired vehicle ~~upon-on~~  
10 application and payment of the required fees.

11 (2) A person shall not purchase or lease another vehicle or an  
12 interest in another vehicle with the intent to circumvent the  
13 restrictions created by immobilization of a vehicle under this act.

14 (3) A person shall not transfer or attempt to transfer  
15 ownership or right of possession of a vehicle subject to forfeiture  
16 or ordered forfeited under this act with the intent to avoid the  
17 forfeiture of that vehicle.

18 (4) During the time a vehicle is subject to a temporary  
19 registration plate, vehicle forfeiture, immobilization,  
20 registration denial, or the period from adjudication to  
21 immobilization or forfeiture under this act, a person shall not  
22 without a court order transfer or assign the title or an interest  
23 in the vehicle to a person ~~who-that~~ is not subject to payment of a  
24 use tax under section 3 of the use tax act, 1937 PA 94, MCL 205.93.

25 (5) A person ~~who-that~~ violates subsection (2), (3), or (4) is  
26 guilty of a misdemeanor punishable by imprisonment for not more  
27 than 1 year or a fine of not more than \$1,000.00, or both.

28 (6) ~~A person~~ **An individual** whose operator's or chauffeur's  
29 license is suspended, revoked, or denied for, or who has never been

1 licensed by this state and was convicted for, a third or subsequent  
2 violation of section 625 or 625m, of a local ordinance  
3 substantially corresponding to section 625 or 625m, or of a law of  
4 another state substantially corresponding to section 625 or 625m,  
5 or for a fourth or subsequent suspension or revocation under  
6 section 904 shall not purchase, lease, or otherwise acquire a motor  
7 vehicle during the suspension, revocation, or denial period. A  
8 ~~person~~**An individual** who violates this subsection is guilty of a  
9 misdemeanor punishable by imprisonment for not more than 93 days or  
10 a fine of not more than \$100.00, or both.

11 (7) If the assigned holder of registration plates applies for  
12 a new registration certificate, the application ~~shall~~**must** be  
13 accompanied either by the old registration certificate or by a  
14 certificate of title showing the person to be the assigned holder  
15 of the registration plates for which the old registration  
16 certificate had been issued. A person ~~who~~**that** fails or neglects to  
17 fulfill the requirements of this subsection is guilty of a  
18 misdemeanor punishable by imprisonment for not more than 93 days or  
19 a fine of not more than \$100.00, or both.

20 (8) ~~The~~**Except for a title issued electronically under section**  
21 **222, the** owner shall ~~indorse~~**endorse** on the certificate of title as  
22 required by the secretary of state an assignment of the title with  
23 warranty of title in the form printed on the certificate with a  
24 statement of all security interests in the vehicle or in  
25 accessories on the vehicle and deliver or cause the certificate to  
26 be mailed or delivered to the purchaser or transferee at the time  
27 of the delivery to the purchaser or transferee of the vehicle. The  
28 certificate ~~shall~~**must** show the payment or satisfaction of any  
29 security interest as shown on the original title. However, as

1 provided under section 238, the secretary of state is not required  
2 to issue a title to the owner of a vehicle if the title is subject  
3 to a security interest.

4 (9) Upon the delivery of a motor vehicle and the transfer,  
5 sale, or assignment of the title or interest in a motor vehicle by  
6 a person, including a dealer, the effective date of the transfer of  
7 title or interest in the vehicle is the date of signature on either  
8 the application for title or the assignment of the certificate of  
9 title by the purchaser, transferee, or assignee.

10 (10) A secured receipt that is in a form approved by the  
11 department and produced at the time the secured interest is  
12 presented with payment in satisfaction of the security interest may  
13 be submitted to the department in lieu of the title for purposes of  
14 transferring ownership in the vehicle.

15 Sec. 233a. (1) Except as otherwise provided in subsection  
16 ~~(17)~~, **(18)**, if the owner of a registered motor vehicle transfers  
17 the owner's title or interest in that vehicle, the transferor shall  
18 present to the transferee before delivery of the vehicle, written  
19 disclosure of odometer mileage by means of the certificate of title  
20 or a written statement signed by the transferor including the  
21 transferor's printed name, containing all of the following:

22 (a) The odometer reading at the time of transfer, not  
23 including the tenths of a mile or kilometer.

24 (b) The date of transfer.

25 (c) The transferor's name and current address.

26 (d) The transferee's name and current address.

27 (e) The identity of the vehicle, including its make, model,  
28 body type, year, and vehicle identification number.

29 (f) A reference to this section and comparable federal law,

1 and a statement that failing to complete the title or form or  
2 providing false information may result in civil liability and civil  
3 or criminal penalties being imposed on the transferor.

4 (g) One of the following:

5 (i) A statement by the transferor certifying that to the best  
6 of the transferor's knowledge the odometer reading reflects the  
7 actual mileage of the vehicle.

8 (ii) If the transferor knows that the odometer reading reflects  
9 the amount of mileage in excess of the designed mechanical odometer  
10 limit, a statement to that effect.

11 (iii) If the transfer knows that the odometer reading differs  
12 from the mileage and the difference is greater than that caused by  
13 odometer calibration error, a statement that the odometer reading  
14 does not reflect the actual mileage and should not be relied on.  
15 This notice must include a warning notice to alert the transferee  
16 that a discrepancy exists between the odometer and the actual  
17 mileage.

18 (h) Space for the signature and printed name of the  
19 transferee, and the date of presentation to the transferee.

20 (2) A certificate of title and a dealer reassignment form must  
21 contain a place for the information required by subsection (1)(a)  
22 to (h). If the vehicle is not titled or the title does not contain  
23 a space for the required information, a written statement must be  
24 provided as a separate document.

25 (3) A dealer selling or exchanging vehicles required to be  
26 titled under this act shall present the certificate of title or  
27 written statement and any reassigned titles in the dealer's  
28 possession to the transferee. The transferee or the transferee's  
29 agent shall inspect, print the transferee's or transferee's agent's

1 name on, sign, and date the certificate or statement and return it  
2 to the transferor for submission to the secretary of state. If  
3 neither the transferee nor transferor is a dealer licensed under  
4 this act, completing the odometer information on the certificate of  
5 title must be considered to comply with subsection (1). A person  
6 shall not sign an odometer disclosure statement as both the  
7 transferor and transferee in the same transaction.

8 (4) A new or used vehicle dealer shall obtain from the  
9 transferor a completed odometer mileage statement that meets the  
10 requirements of subsection (1) with each motor vehicle acquired by  
11 the dealer. Except as provided in subsection (16), the dealer shall  
12 not accept or provide an odometer mileage statement or a title that  
13 contains a place for odometer information that has not been  
14 completely filled in by the transferor.

15 (5) The odometer information described in subsection (1) must  
16 not be required for any of the following:

17 (a) Vehicles having a gross vehicle weight rating of more than  
18 16,000 pounds.

19 (b) A vehicle that is not self-propelled.

20 (c) A vehicle manufactured in or before the 2010 model year  
21 that is transferred at least 10 years after January 1 of the  
22 calendar year that is included in the model year in which the  
23 vehicle is manufactured.

24 (d) A vehicle manufactured in or after the 2011 model year  
25 that is transferred at least 20 years after January 1 of the  
26 calendar year that is included in the model year in which the  
27 vehicle was manufactured.

28 (e) A new vehicle transferred from a manufacturer to a dealer.

29 (f) A vehicle sold directly by the manufacturer to an agency

1 of the United States in conformity with contractual specifications.

2 (g) A low-speed vehicle.

3 (h) A scrap vehicle.

4 (6) A person shall not alter, set back, or disconnect an  
5 odometer; cause or allow an odometer to be altered, set back, or  
6 disconnected; or advertise for sale, sell, use, install, or cause  
7 or allow to be installed a device which causes an odometer to  
8 register other than the actual mileage driven. This subsection does  
9 not prohibit the service, repair, or replacement of an odometer if  
10 the mileage indicated on the odometer remains the same as before  
11 the service, repair, or replacement. If the odometer is incapable  
12 of registering the same mileage as before the service, repair, or  
13 replacement, the odometer must be adjusted to read zero and a  
14 notice in writing must be attached to the left door frame of the  
15 vehicle by the owner or the owner's agent specifying the mileage  
16 prior to service, repair, or replacement of the odometer and the  
17 date on which it was serviced, repaired, or replaced. A person  
18 shall not remove, deface, or alter any notice affixed to a motor  
19 vehicle under this subsection.

20 (7) A person who violates subsection (6) is guilty of a  
21 felony.

22 (8) Before executing a transfer of ownership document, a  
23 lessor of a leased vehicle shall notify the lessee in writing that  
24 ownership of the vehicle is being transferred and that the lessee  
25 is required to provide a written statement to the lessor regarding  
26 the mileage of the vehicle. This notice must inform the lessee of  
27 the penalties for failure to comply with the requirement.

28 (9) Upon receiving notification from the lessor of a leased  
29 vehicle that ownership of the vehicle is to be transferred, the

1 lessee shall furnish to the lessor a written statement regarding  
2 the mileage of the vehicle. This statement must be signed by the  
3 lessee and must contain all of the following:

4 (a) The printed name of the person making the statement.

5 (b) The current odometer reading, not including tenths of  
6 miles.

7 (c) The date of the statement.

8 (d) The lessee's name and current address.

9 (e) The lessor's name and current address.

10 (f) The identity of the vehicle, including its make, model,  
11 year, body type, and vehicle identification number.

12 (g) The date that the lessor notified the lessee of the  
13 requirements of this subsection.

14 (h) The date that the completed disclosure statement was  
15 received by the lessor.

16 (i) The signature of the lessor.

17 (j) One of the following:

18 (i) A statement by the lessee certifying that to the best of  
19 the lessee's knowledge the odometer reading reflects the actual  
20 mileage of the vehicle.

21 (ii) If the lessee knows that the odometer reading reflects the  
22 amount of mileage in excess of the designed mechanical odometer  
23 limit, a statement to that effect.

24 (iii) If the lessee knows that the odometer reading differs from  
25 the mileage and that the difference is greater than that caused by  
26 odometer calibration error, a statement that the odometer reading  
27 is not the actual mileage and should not be relied on.

28 (10) If the lessor transfers a leased vehicle without  
29 obtaining possession of the vehicle, the lessor may indicate on the

1 certificate of title the mileage disclosed by the lessee under  
2 subsection (9), unless the lessor has reason to believe that the  
3 mileage disclosed by the lessee does not reflect the actual mileage  
4 of the vehicle.

5 (11) A dealer that is required by this section to execute an  
6 odometer mileage statement shall retain for 5 years a photostatic,  
7 carbon, or other facsimile copy of each odometer mileage statement  
8 the dealer issues or receives. The dealer shall retain the odometer  
9 mileage statements at the dealer's primary place of business in an  
10 order that is appropriate to business requirements and that permits  
11 systematic retrieval.

12 (12) A lessor shall retain, for 5 years following the date of  
13 transfer of ownership of each leased vehicle, the odometer mileage  
14 statement received from the lessee. The lessor shall retain the  
15 odometer mileage statements at the lessor's primary place of  
16 business in an order that is appropriate to business requirements  
17 and that permits systematic retrieval.

18 (13) An auction dealer or vehicle salvage pool operator shall  
19 establish and retain at the auction dealer's or vehicle salvage  
20 pool operator's primary place of business in an order that is  
21 appropriate to business requirements and that permits systematic  
22 retrieval, for 5 years following the date of sale of each motor  
23 vehicle, the following records:

24 (a) The name and the most recent owner, other than the auction  
25 dealer or salvage pool operator.

26 (b) The name of the buyer.

27 (c) The vehicle identification number.

28 (d) The odometer reading, not including the tenths of a mile,  
29 on the date the auction dealer or salvage pool operator took

1 possession of the motor vehicle.

2 (14) A violation of subsection (1) or (6) by any dealer  
3 licensed under this act is prima facie evidence of a fraudulent act  
4 as provided in section 249.

5 (15) A person who, with intent to defraud, violates any  
6 requirement under subsection (1) or (6), or a dealer that fails to  
7 retain for 5 years each odometer mileage statement the dealer  
8 receives and each odometer mileage statement furnished by the  
9 dealer upon the sale of a vehicle, is liable in an amount equal to  
10 3 times the amount of actual damages sustained or \$1,500.00  
11 whichever is greater, and in the case of a successful recovery of  
12 damages, the costs of the action together with reasonable attorney  
13 fees.

14 (16) For the purposes of this section **and for 180 days after**  
15 **the effective date of the amendatory act that added subsection**  
16 **(17)**, the department may accept an electronically signed odometer  
17 disclosure document that complies with all of the following:

18 (a) Is submitted on a form that is approved by the department.

19 (b) Is electronically signed using software that provides  
20 antitamper and identification verification technology and is  
21 approved for this use by the department.

22 (c) Is otherwise fully compliant with 49 CFR part 580.

23 **(17) For the purposes of this section and beginning 180 days**  
24 **after the effective date of the amendatory act that added this**  
25 **subsection, the department shall accept an electronically signed**  
26 **odometer disclosure document.**

27 **(18)** ~~(17)~~—The department may establish, implement, and operate  
28 an electronic system to process the notification and transfer of a  
29 vehicle ownership interest between private parties through an

1 electronic transfer instead of the collection of paper documents  
 2 otherwise required under this act. If the electronic system is  
 3 established, a private party that uses the electronic system shall  
 4 comply with any requirement of this section that the department  
 5 determines is necessary and provide any information that is  
 6 required by the department. The department may enter into 1 or more  
 7 contracts to establish, implement, and operate the electronic  
 8 system under this subsection. The contract must require the  
 9 protection of proprietary information contained in the electronic  
 10 system and other information as protected under this act.

11 **(19)** ~~(18)~~ As used in this section, "private parties" means  
 12 that both a vehicle's buyer and seller are not a dealer.

13 Sec. 234. (1) ~~The~~ **Except for a title issued electronically**  
 14 **under section 222, the** purchaser or transferee, unless the person  
 15 is a licensed dealer, shall present or cause to be presented the  
 16 certificate of title and registration certificate if plates are  
 17 being transferred to another vehicle, assigned as provided in this  
 18 act, to the secretary of state accompanied by the fees as provided  
 19 by law, whereupon a new certificate of title and registration  
 20 certificate ~~shall~~ **must** be issued to the assignee. The certificate  
 21 of title ~~shall~~ **must** be mailed or delivered to the owner or another  
 22 person the owner may direct in a separate instrument in a form  
 23 **prescribed by** the secretary of state. ~~shall prescribe.~~

24 (2) If the secretary of state mails or delivers a purchaser's  
 25 or transferee's certificate of title to a dealer, the dealer shall  
 26 mail or deliver that certificate of title to the purchaser or  
 27 transferee not more than 5 days after receiving the certificate of  
 28 title from the secretary of state.

29 (3) Unless the transfer is made and the fee paid within 15

1 days, the vehicle is considered to be without registration, the  
2 secretary of state may repossess the license plates, and transfer  
3 of the vehicle ownership may be effected and a valid registration  
4 acquired thereafter only ~~upon~~**on** payment of a transfer fee of  
5 \$15.00 in addition to the fee provided for in section 806.

6 (4) If a security interest is reserved or created at the time  
7 of the transfer, the parties shall comply with the requirements of  
8 section 238.

9 Sec. 239. ~~A-Except for a title issued electronically under~~  
10 **section 222, a** person shall not fail or neglect to properly endorse  
11 and deliver a certificate of title to a transferee or owner  
12 lawfully entitled to the title. A person ~~who~~**that** violates this  
13 section is responsible for a civil infraction and ~~shall~~**may** be  
14 ordered to pay a civil fine of not more than \$100.00.

15 Sec. 240. (1) The owner of a motor vehicle who has made a bona  
16 fide sale by transfer of ~~his or her~~**the owner's** title or interest  
17 and, **except for a title issued electronically under section 222,**  
18 who has delivered possession of the vehicle and the certificate of  
19 title to that vehicle properly endorsed to the purchaser or  
20 transferee is not liable for any damages or a violation of law that  
21 subsequently results from the use or ownership of the vehicle by  
22 another, if the owner, other than a licensed dealer, satisfies the  
23 conditions prescribed under subsection (2).

24 (2) The owner of a motor vehicle, other than a licensed  
25 dealer, shall satisfy 1 of the following conditions:

26 (a) Accompany the purchaser of the vehicle to a secretary of  
27 state branch office to assure that the title of the vehicle being  
28 sold is transferred.

29 (b) Maintain a record of the sale for not less than 18 months.

1 As used in this subdivision, "record of the sale" means either a  
2 photocopy of the reassigned title or a form or document that  
3 includes the name, address, driver license number, and signature of  
4 the person to whom the vehicle is sold and the purchase price and  
5 date of sale of the vehicle.

6 (3) A person ~~who~~**that** violates subsection (2) is responsible  
7 for a civil infraction and ~~shall~~**may** be ordered to pay a civil fine  
8 of \$15.00.

9 (4) A person ~~who~~**that** violates subsection (2) is presumed to  
10 be the last titled owner and to be liable for towing fees and daily  
11 storage fees for an abandoned motor vehicle.