

# HOUSE BILL No. 4287

February 23, 1999, 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 1998 PA  
247.

## **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 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; whether the vehicle has previously been  
16 issued a salvage or rebuilt certificate of title from this state  
17 or a comparable certificate of title from any other state or  
18 jurisdiction; vehicle identification number; and the vehicle's  
19 weight fully equipped, if a passenger vehicle registered in  
20 accordance with section 801(1)(a), and, if a trailer coach or  
21 pickup camper, in addition to the weight, the manufacturer's  
22 serial number, or in the absence of the serial number, a number  
23 assigned by the secretary of state. A number assigned by the  
24 secretary of state shall be permanently placed on the trailer  
25 coach or pickup camper in the manner and place designated by the  
26 secretary of state.

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

4 (d) Further information that the secretary of state reason-  
5 ably requires to enable the secretary of state to determine  
6 whether the vehicle is lawfully entitled to registration and the  
7 owner entitled to a certificate of title. If the secretary of  
8 state is not satisfied as to the ownership of a late model vehi-  
9 cle or other vehicle having a value over \$2,500.00, before regis-  
10 tering the vehicle and issuing a certificate of title, the secre-  
11 tary of state may require the applicant to file a properly exe-  
12 cuted surety bond in a form prescribed by the secretary of state  
13 and executed by the applicant and a company authorized to conduct  
14 a surety business in this state. The bond shall be in an amount  
15 equal to twice the value of the vehicle as determined by the sec-  
16 retary of state and shall be conditioned to indemnify or reim-  
17 burse the secretary of state, any prior owner, and any subsequent  
18 purchaser of the vehicle and their successors in interest against  
19 any expense, loss, or damage, including reasonable attorney's  
20 fees, by reason of the issuance of a certificate of title for the  
21 vehicle or on account of any defect in the right, title, or  
22 interest of the applicant in the vehicle. An interested person  
23 has a right of action to recover on the bond for a breach of the  
24 conditions of the bond, but the aggregate liability of the surety  
25 to all persons shall not exceed the amount of the bond. The bond  
26 shall be returned at the end of 3 years, or before 3 years if the  
27 vehicle is no longer registered in this state and the currently

1 valid certificate of title is surrendered to the secretary of  
2 state, unless the secretary of state has received notification of  
3 the pendency of an action to recover on the bond. If the secre-  
4 tary of state is not satisfied as to the ownership of a vehicle  
5 that is valued at \$2,500.00 or less and that is not a late model  
6 vehicle, the secretary of state shall require the applicant to  
7 certify that the applicant is the owner of the vehicle and enti-  
8 tled to register and title the vehicle.

9       (e) Except as provided in subdivision (f), an application  
10 for a commercial vehicle shall also have attached a scale weight  
11 receipt of the motor vehicle fully equipped as of the time the  
12 application is made. A scale weight receipt is not necessary if  
13 there is presented with the application a registration receipt of  
14 the previous year that shows on its face the empty weight of the  
15 motor vehicle as registered with the secretary of state that is  
16 accompanied by a statement of the applicant that there has ~~not~~  
17 been NO structural change in the motor vehicle that has increased  
18 the empty weight and that the previous registered weight is the  
19 true weight.

20       (f) An application for registration of a vehicle on the  
21 basis of elected gross weight shall include a declaration by the  
22 applicant specifying the elected gross weight for which applica-  
23 tion 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)(q),  
26 the application shall include the manufacturer's suggested base  
27 list price for the model year of the vehicle. Annually, the

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

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

23 (a) The lessee's Michigan driver license number or Michigan  
24 personal identification number or, if the lessee does not have a  
25 Michigan driver license or Michigan personal identification  
26 number, the lessee's mailing address, if the lessee is an  
27 individual.

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

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

6 (4) A dealer selling or exchanging vehicles required to be  
7 titled, within 15 days after delivering a vehicle to the purchas-  
8 er, and a person engaged in the sale of vessels required to be  
9 numbered by part 801 of the natural resources and environmental  
10 protection act, 1994 PA 451, MCL 324.80101 to 324.80199, within  
11 15 days after delivering a boat trailer weighing less than 2,500  
12 pounds to the purchaser, shall apply to the secretary of state  
13 for a new title, if required, and transfer or secure registration  
14 plates and secure a certificate of registration for the vehicle  
15 or boat trailer, in the name of the purchaser. The dealer's  
16 license may be suspended or revoked in accordance with section  
17 249 for failure to apply for a title when required or for failure  
18 to transfer or secure registration plates and certificate of reg-  
19 istration within the 15 days required by this section. If the  
20 dealer or person fails to apply for a title when required, and to  
21 transfer or secure registration plates and secure a certificate  
22 of registration and pay the required fees within 15 days of  
23 delivery of the vehicle or boat trailer, a title and registration  
24 for the vehicle or boat trailer may subsequently be acquired only  
25 upon the payment of a transfer fee of \$15.00 in addition to the  
26 fees specified in section 806. The purchaser of the vehicle or  
27 boat trailer shall sign the application, including, when

1 applicable, the declaration specifying the maximum elected gross  
2 weight, as required by subsection (1)(f), and other necessary  
3 papers to enable the dealer or person to secure the title, regis-  
4 tration plates, and transfers from the secretary of state.

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

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

25       (7) If the seller does not prepare the credit information,  
26 contract note, and mortgage, and the holder, finance company,  
27 credit union, or banking institution requires the installment

1 seller to record the lien on the title, the holder, finance  
 2 company, credit union, or banking institution shall pay the  
 3 seller a service fee of not more than \$10.00. The service fee  
 4 shall be paid from the finance charges and shall not be charged  
 5 to the buyer in addition to the finance charges. The holder,  
 6 finance company, credit union, or banking institution shall issue  
 7 its check or bank draft for the principal amount financed, pay-  
 8 able jointly to the buyer and seller, and there shall be  
 9 imprinted on the back side of the check or bank draft the  
 10 following:

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

23 (8) In the absence of actual malice proved independently and  
 24 not inferred from lack of probable cause, a person ~~who in any~~  
 25 ~~manner causes a prosecution for larceny~~ IS NOT LIABLE FOR DAM-  
 26 AGES IN A CIVIL ACTION FOR CAUSING THE PROSECUTION OF 1 OR MORE  
 27 OF THE FOLLOWING CRIMES:

- 1 (A) LARCENY of a motor vehicle. ~~/ for embezzlement~~  
2 (B) EMBEZZLEMENT of a motor vehicle. ~~/ for any~~  
3 (C) ANY crime an element of which is the taking of a motor  
4 vehicle without authority. ~~/ or for buying~~  
5 (D) BUYING, receiving, possessing, or aiding in the conceal-  
6 ment of a stolen, embezzled, or converted motor vehicle knowing  
7 that the motor vehicle has been stolen, embezzled, or converted.  
8 ~~, is not liable for damages in a civil action for causing the~~  
9 ~~prosecution. This subsection~~  
10 (9) SUBSECTION (8) does not relieve a person from proving  
11 any other element necessary to sustain his or her cause of  
12 action.