

SENATE BILL NO. 533

September 27, 2023, Introduced by Senators GEISS, WOJNO, ANTHONY, SHINK and KLINEFELT and referred to the Committee on Transportation and Infrastructure.

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 217, 222, and 233a (MCL 257.217, 257.222, and 257.233a), sections 217 and 233a as amended by 2022 PA 224 and section 222 as amended by 2014 PA 290.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 217. (1) An owner of a vehicle that is subject to
2 registration under this act shall apply to the secretary of state,
3 on an appropriate form furnished by the secretary of state, for the
4 registration of the vehicle and issuance of a certificate of title

1 for the vehicle. A vehicle brought into this state from another
2 state or jurisdiction that has a rebuilt, salvage, scrap, flood, or
3 comparable certificate of title issued by that other state or
4 jurisdiction must be issued a rebuilt, salvage, scrap, or flood
5 certificate of title by the secretary of state. The application
6 must be accompanied by the required fee. An application for a
7 certificate of title must bear the signature or verification and
8 certification of the owner. The application must contain all of the
9 following:

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

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

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

15 (b) A description of the vehicle including the make or name,
16 style of body, and model year; the number of miles, not including
17 the tenths of a mile, registered on the vehicle's odometer at the
18 time of transfer; whether the vehicle is a flood vehicle or another
19 state previously issued the vehicle a flood certificate of title;
20 whether the vehicle is to be or has been used as a taxi or police
21 vehicle, or by a political subdivision of this state, unless the
22 vehicle is owned by a dealer and loaned or leased to a political
23 subdivision of this state for use as a driver education vehicle;
24 whether the vehicle has previously been issued a salvage or rebuilt
25 certificate of title from this state or a comparable certificate of
26 title from any other state or jurisdiction; the vehicle
27 identification number; and the vehicle's weight fully equipped, if
28 a passenger vehicle registered in accordance with section
29 801(1) (a), and, if a trailer coach or pickup camper, in addition to

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

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

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

1 the amount of the bond. If the secretary of state is not satisfied
2 as to the ownership of a vehicle that is valued at \$2,500.00 or
3 less and that is 10 years old or older, the secretary of state
4 shall require the applicant to certify that the applicant is the
5 owner of the vehicle and entitled to register and title the
6 vehicle.

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

17 (f) An application for registration of a vehicle on the basis
18 of elected gross weight must include a declaration by the applicant
19 specifying the elected gross weight for which application is being
20 made.

21 (g) If the application is for a certificate of title of a
22 motor vehicle registered in accordance with section 801(1)(p), the
23 application must include the manufacturer's suggested base list
24 price for the model year of the vehicle. The base list price must
25 be the manufacturer's suggested retail price as shown on the label
26 required to be affixed to the vehicle under 15 USC 1232. If the
27 manufacturer's suggested retail price is unavailable, the
28 application must list the purchase price of the vehicle. As used in
29 this subdivision, "purchase price" means that term as defined in

1 section 801.

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

8 (a) If the lessee is an individual, the lessee's Michigan
9 driver license number or Michigan personal identification number
10 or, if the lessee does not have a Michigan driver license or
11 Michigan personal identification number, the lessee's mailing
12 address.

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

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

18 (4) Except as provided in subsections (5), (11), and (12), a
19 dealer selling, leasing, or exchanging vehicles required to be
20 titled, within 21 days after delivering a vehicle to the purchaser
21 or lessee, and a person engaged in the sale of vessels required to
22 be numbered by part 801 of the natural resources and environmental
23 protection act, 1994 PA 451, MCL 324.80101 to 324.80199, within 21
24 days after delivering a boat trailer weighing less than 2,500
25 pounds to the purchaser or lessee, shall apply to the secretary of
26 state for a new title, if required, and transfer or secure
27 registration plates and secure a certificate of registration for
28 the vehicle or boat trailer, in the name of the purchaser or
29 lessee. Subject to subsection (11), the dealer's license may be

1 suspended or revoked in accordance with section 249 for failure to
2 apply for a title when required or for failure to transfer or
3 secure registration plates and certificate of registration within
4 the 21 days required by this section. Subject to subsection (11),
5 if the dealer or person fails to apply for a title when required,
6 and to transfer or secure registration plates and secure a
7 certificate of registration and pay the required fees within 21
8 days of delivery of the vehicle or boat trailer, a title and
9 registration for the vehicle or boat trailer may subsequently be
10 acquired only on the payment of a late transfer fee of \$50.00 for
11 an individual or a dealer other than a dealer subject to section
12 235b in addition to the fees specified in section 806. Subject to
13 subsection (11), for a used or secondhand vehicle dealer subject to
14 section 235b, the late transfer fee is \$100.00 in addition to the
15 fees specified in section 806. The purchaser or lessee of the
16 vehicle or the purchaser of the boat trailer shall sign the
17 application, including, if applicable, the declaration specifying
18 the maximum elected gross weight as required by subsection (1)(f),
19 and other necessary papers to enable the dealer or person to secure
20 the title, registration plates, and transfers from the secretary of
21 state. If the secretary of state mails or delivers a purchaser's
22 certificate of title to a dealer, the dealer shall mail or deliver
23 the certificate of title to the purchaser not ~~more~~**later** than 5
24 days after receiving the certificate of title from the secretary of
25 state. However, as provided under section 238, the secretary of
26 state is not required to issue a **paper** title to the owner of a
27 vehicle or lienholder if the title is subject to a security
28 interest, **and may issue an electronic title as provided under**
29 **section 222.**

1 (5) Except as provided in subsection (12), a dealer selling or
2 exchanging an off lease or buy back vehicle shall apply to the
3 secretary of state for a new title for the vehicle within 21 days
4 after it receives the certificate of title from the lessor or
5 manufacturer under section 235 or section 235b and transfer or
6 secure registration plates and secure a certificate of registration
7 for the vehicle in the name of the purchaser. Subject to subsection
8 (12), the dealer's license may be suspended or revoked in
9 accordance with section 249 for failure to apply for a title when
10 required or for failure to transfer or secure registration plates
11 and certificate of registration within the 21-day period. Subject
12 to subsection (12), if the dealer or person fails to apply for a
13 title when required, and to transfer or secure registration plates
14 and secure a certificate of registration and pay the required fees
15 within the 21-day time period, a title and registration for the
16 vehicle may subsequently be acquired only on the payment of a late
17 transfer fee of \$50.00 for an individual or dealer other than a
18 used or secondhand vehicle dealer subject to section 235b in
19 addition to the fees specified in section 806. Subject to
20 subsection (12), the late transfer fee for a used or secondhand
21 vehicle dealer subject to section 235b is \$100.00 in addition to
22 the fees specified in section 806. The purchaser of the vehicle
23 shall sign the application, including, if applicable, the
24 declaration specifying the maximum elected gross weight as required
25 by subsection (1)(f), and other necessary papers to enable the
26 dealer or person to secure the title, registration plates, and
27 transfers from the secretary of state. If the secretary of state
28 mails or delivers a purchaser's certificate of title to a dealer,
29 the dealer shall mail or deliver the certificate of title to the

1 purchaser not ~~more~~**later** than 5 days after receiving the
2 certificate of title from the secretary of state. However, as
3 provided under section 238, the secretary of state is not required
4 to issue a **paper** title to the owner of a vehicle if the title is
5 subject to a security interest, **and may issue an electronic title**
6 **as provided under section 222.**

7 (6) If a vehicle is delivered to a purchaser or lessee who has
8 valid Michigan registration plates that are to be transferred to
9 the vehicle, and an application for title, if required, and
10 registration for the vehicle is not made before delivery of the
11 vehicle to the purchaser or lessee, the registration plates must be
12 affixed to the vehicle immediately, and the dealer shall provide
13 the purchaser or lessee with an instrument in writing, on a form
14 prescribed by the secretary of state, which serves as a temporary
15 registration for the vehicle for a period of 30 days from the date
16 the vehicle is delivered.

17 (7) If the seller does not prepare the credit information,
18 contract note, and mortgage, and the holder, finance company,
19 credit union, or banking institution requires the installment
20 seller to record the lien on the title, the holder, finance
21 company, credit union, or banking institution shall pay the seller
22 a service fee of not more than \$10.00. The service fee must be paid
23 from the finance charges and must not be charged to the buyer in
24 addition to the finance charges. The holder, finance company,
25 credit union, or banking institution ~~must~~**shall** issue its check or
26 bank draft for the principal amount financed, payable jointly to
27 the buyer and seller, and the following must be imprinted on the
28 back side of the check or bank draft:

29 "Under Michigan law, the seller must record a first lien in

1 favor of (name of lender) _____ on the vehicle with
2 vehicle identification number _____ and title the vehicle
3 only in the name(s) shown on the reverse side."

4 (8) On the front of the check or draft described under
5 subsection (7), the holder, finance company, credit union, or
6 banking institution shall note the name or names of the prospective
7 owners. Failure of the holder, finance company, credit union, or
8 banking institution to comply with these requirements frees the
9 seller from any obligation to record the lien or from any liability
10 that may arise as a result of the failure to record the lien. A
11 service fee must not be charged to the buyer.

12 (9) In the absence of actual malice proved independently and
13 not inferred from lack of probable cause, a person who in any
14 manner causes a prosecution for larceny of a motor vehicle; for
15 embezzlement of a motor vehicle; for any crime an element of which
16 is the taking of a motor vehicle without authority; or for buying,
17 receiving, possessing, leasing, or aiding in the concealment of a
18 stolen, embezzled, or converted motor vehicle knowing that the
19 motor vehicle has been stolen, embezzled, or converted, is not
20 liable for damages in a civil action for causing the prosecution.
21 This subsection does not relieve a person from proving any other
22 element necessary to sustain the person's cause of action.

23 (10) Receipt by the secretary of state of a properly tendered
24 application for a certificate of title on which a security interest
25 in a vehicle is to be indicated is a condition of perfection of a
26 security interest in the vehicle and is equivalent to filing a
27 financing statement under the uniform commercial code, 1962 PA 174,
28 MCL 440.1101 to 440.9994, with respect to the vehicle. When a
29 security interest in a vehicle is perfected, it has priority over

1 the rights of a lien creditor as ~~lien creditor~~ **that term** is defined
2 in section 9102 of the uniform commercial code, 1962 PA 174, MCL
3 440.9102.

4 (11) Notwithstanding subsection (4), a dealer selling,
5 leasing, or exchanging vehicles, required to be titled, after March
6 31, 2021 but before August 1, 2021, may apply to the secretary of
7 state for a new title, if required, and transfer or secure
8 registration plates and secure a certificate of registration for
9 the vehicle in the name of the purchaser within 30 days. Both of
10 the following apply to a dealer that complies with this subsection:

11 (a) The dealer's license must not be suspended or revoked in
12 accordance with section 249 for failure to apply for a title when
13 required or for failure to transfer or secure registration plates
14 and certificate of registration within the 21-day period required
15 under subsection (4).

16 (b) The secretary of state shall not charge any applicable
17 late fees required under subsection (4) and shall, ~~upon~~ **on** the
18 dealer's request, reimburse a late fee charged and collected after
19 March 31, 2021 to the end of the period described under this
20 subsection.

21 (12) Notwithstanding subsection (5), a dealer selling or
22 exchanging an off lease or buy back vehicle after March 31, 2021
23 but before August 1, 2021 may apply to the secretary of state for a
24 new title for the vehicle within 30 days after the dealer receives
25 the certificate of title from the lessor or manufacturer under
26 section 235 or 235b and transfer or secure registration plates and
27 secure a certificate of registration for the vehicle in the name of
28 the purchaser. Both of the following apply to a dealer that
29 complies with this subsection:

1 (a) The dealer's license must not be suspended or revoked in
2 accordance with section 249 for failure to apply for a title when
3 required or for failure to transfer or secure registration plates
4 and certificate of registration within the 21-day period required
5 under subsection (5).

6 (b) The secretary of state shall not charge any applicable
7 late fees required under subsection (5) and shall, ~~upon~~**on** the
8 dealer's request, reimburse a late fee charged and collected after
9 March 31, 2021 to the end of the period described under this
10 subsection.

11 Sec. 222. (1) Except as otherwise provided in this act, the
12 secretary of state shall issue a registration certificate when
13 registering a vehicle upon receipt of the required fees. Except as
14 otherwise provided in this act, the secretary of state shall issue
15 a **paper** certificate of title, unless a security interest is entered
16 electronically under section 238, **or may issue a title**
17 **electronically**, upon receipt of the required fees. The secretary of
18 state shall issue a flood, rebuilt, rebuilt salvage, salvage, or
19 scrap certificate of title for a vehicle brought into this state
20 from another state or jurisdiction that has a flood, rebuilt,
21 salvage, or scrap certificate of title issued by that other state
22 or jurisdiction.

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

28 (3) The certificate of title ~~shall~~**must** be ~~manufactured~~
29 **created** in a manner to prohibit as nearly as possible the ability

1 to reproduce, alter, counterfeit, forge, or duplicate the
2 certificate of title without ready detection. The certificate ~~shall~~
3 **must** contain all of the following: ~~on its face:~~

4 (a) The identical information required on the face of the
5 registration certificate.

6 (b) If the vehicle is a motor vehicle, the number of miles,
7 not including the tenths of a mile, registered on the vehicle's
8 odometer at the time of transfer.

9 (c) Whether the vehicle is to be used or has been used as a
10 taxi, as a police vehicle, or by a political subdivision of this
11 state, unless the vehicle is owned by a dealer and loaned or leased
12 to a political subdivision of this state for use as a driver
13 education vehicle.

14 (d) Whether the vehicle is a salvage vehicle.

15 (e) If the vehicle has previously been issued a rebuilt
16 certificate of title from this state or a comparable certificate of
17 title from any other state or jurisdiction.

18 (f) Whether the vehicle has been issued a scrap certificate of
19 title from this state or a comparable certificate of title from any
20 other state or jurisdiction.

21 (g) Whether the vehicle is a flood vehicle or has previously
22 been issued a flood certificate of title from this state or any
23 other state or jurisdiction.

24 (h) Whether the owner or co-owner or lessee or co-lessee of
25 the vehicle is subject to registration denial under section
26 219(1) (d).

27 (i) A statement of the owner's title and of all security
28 interests in the vehicle or in an accessory on the vehicle as set
29 forth in the application.

1 (j) The date that the application was filed.

2 (k) Any other information that the secretary of state may
3 require.

4 (4) ~~The~~ **A paper** certificate of title ~~shall~~ **must** contain a form
5 for assignment of title or interest and warranty of title by the
6 owner with space for the notation of a security interest in the
7 vehicle and in an accessory on the vehicle, which at the time of a
8 transfer ~~shall~~ **must** be certified and signed, and space for a
9 written odometer mileage statement that is required upon transfer
10 under section 233a. The certificate of title ~~shall~~ **must** include a
11 description of the proper procedure for transferring the title of a
12 motor vehicle and for maintaining records of that transfer as
13 provided under this act, including, but not limited to, the
14 electronic lien title system established under section 241. The
15 certificate of title may also contain other forms that the
16 secretary of state considers necessary to facilitate the effective
17 administration of this act. The certificate ~~shall~~ **must** bear the
18 coat of arms of this state.

19 (5) ~~The~~ **Except as otherwise provided under this subsection,**
20 **the** secretary of state shall mail or deliver ~~the~~ **a paper**
21 certificate of title to the owner or other person as the owner may
22 direct in a separate instrument, in a form prescribed by the
23 secretary of state. **The secretary of state may issue a title**
24 **electronically.** However, as provided under section 238, the
25 secretary of state is not required to issue a **paper** title to the
26 owner of a vehicle if the title is subject to a security interest.

27 (6) A person ~~who~~ **that** intentionally reproduces, alters,
28 counterfeits, forges, or duplicates a certificate of title or a
29 document releasing a security interest or ~~who~~ **that** uses a

1 reproduced, altered, counterfeited, forged, or duplicated
 2 certificate of title or document releasing a security interest
 3 ~~shall~~**must** be punished as follows:

4 (a) If the intent of reproduction, alteration, counterfeiting,
 5 forging, duplication, or use was to commit or aid in the commission
 6 of an offense punishable by imprisonment for 1 or more years, the
 7 person committing the reproduction, alteration, counterfeiting,
 8 forging, duplication, or use is guilty of a misdemeanor ~~7~~
 9 punishable by imprisonment for a period equal to that which could
 10 be imposed for the commission of the offense the person had the
 11 intent to aid or commit. The court may also assess a fine of not
 12 more than \$10,000.00 against the person.

13 (b) If the intent of the reproduction, alteration,
 14 counterfeiting, forging, duplication, or use was to commit or aid
 15 in the commission of an offense punishable by imprisonment for not
 16 more than 1 year, the person committing the reproduction,
 17 alteration, counterfeiting, forging, duplication, or use is guilty
 18 of a misdemeanor ~~7~~ punishable by imprisonment for not more than 1
 19 year, or a fine of not more than \$1,000.00, or both.

20 (7) ~~The~~**A paper** certificate of title for a police vehicle, a
 21 vehicle owned by a political subdivision of this state, a salvage
 22 vehicle, a rebuilt vehicle, a scrap vehicle, or a flood vehicle
 23 ~~shall~~**must** be **a** different ~~in~~ color from the certificate of title
 24 for all other vehicles unless the vehicle is loaned or leased to a
 25 political subdivision of this state for use as a driver education
 26 vehicle.

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

1 (9) A certificate of title ~~shall~~**must** not be issued for a
2 vehicle that has had a salvage certificate of title unless the
3 certificate of title contains the legend "rebuilt salvage".

4 Sec. 233a. (1) ~~When~~**Except as otherwise provided in subsection**
5 **(17), if** the owner of a registered motor vehicle transfers the
6 owner's title or interest in that vehicle, the transferor shall
7 present to the transferee before delivery of the vehicle, written
8 disclosure of odometer mileage by means of the certificate of title
9 or a written statement signed by the transferor including the
10 transferor's printed name, containing all of the following:

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

13 (b) The date of transfer.

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

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

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

18 (f) A reference to this section and comparable federal law,
19 and a statement that failing to complete the title or form or
20 providing false information may result in civil liability and civil
21 or criminal penalties being imposed on the transferor.

22 (g) One of the following:

23 (i) A statement by the transferor certifying that to the best
24 of the transferor's knowledge the odometer reading reflects the
25 actual mileage of the vehicle.

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

29 (iii) If the transfer knows that the odometer reading differs

1 from the mileage and the difference is greater than that caused by
 2 odometer calibration error, a statement that the odometer reading
 3 does not reflect the actual mileage and should not be relied
 4 ~~upon~~**on**. This notice must include a warning notice to alert the
 5 transferee that a discrepancy exists between the odometer and the
 6 actual mileage.

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

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

14 (3) A dealer selling or exchanging vehicles required to be
 15 titled under this act shall present the certificate of title or
 16 written statement and any reassigned titles in the dealer's
 17 possession to the transferee. The transferee or the transferee's
 18 agent shall inspect, print ~~his or her~~**the transferee's or**
 19 **transferee's agent's** name **on**, sign, and date ~~on~~ the certificate or
 20 statement and return it to the transferor for submission to the
 21 secretary of state. If neither the transferee nor transferor is a
 22 dealer licensed under this act, completing the odometer information
 23 on the certificate of title must be considered to comply with
 24 subsection (1). A person shall not sign an odometer disclosure
 25 statement as both the transferor and transferee in the same
 26 transaction.

27 (4) A new or used vehicle dealer shall obtain from the
 28 transferor a completed odometer mileage statement ~~which~~**that** meets
 29 the requirements of subsection (1) with each motor vehicle acquired

1 by the dealer. Except as provided in subsection (16), the dealer
2 shall not accept or provide an odometer mileage statement or a
3 title ~~which~~**that** contains a place for odometer information ~~which~~
4 **that** has not been completely filled in by the transferor.

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

7 (a) Vehicles having a gross vehicle weight rating of more than
8 16,000 pounds.

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

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

14 (d) A vehicle manufactured in or after the 2011 model year
15 that is transferred at least 20 years after January 1 of the
16 calendar year that is included in the model year in which the
17 vehicle was manufactured.

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

19 (f) A vehicle sold directly by the manufacturer to an agency
20 of the United States in conformity with contractual specifications.

21 (g) A low-speed vehicle.

22 (h) A scrap vehicle.

23 (6) A person shall not alter, set back, or disconnect an
24 odometer; cause or allow an odometer to be altered, set back, or
25 disconnected; or advertise for sale, sell, use, install, or cause
26 or allow to be installed a device which causes an odometer to
27 register other than the actual mileage driven. This subsection does
28 not prohibit the service, repair, or replacement of an odometer if
29 the mileage indicated on the odometer remains the same as before

1 the service, repair, or replacement. If the odometer is incapable
2 of registering the same mileage as before the service, repair, or
3 replacement, the odometer must be adjusted to read zero and a
4 notice in writing must be attached to the left door frame of the
5 vehicle by the owner or the owner's agent specifying the mileage
6 prior to service, repair, or replacement of the odometer and the
7 date on which it was serviced, repaired, or replaced. A person
8 shall not remove, deface, or alter any notice affixed to a motor
9 vehicle under this subsection.

10 (7) A person who violates subsection (6) is guilty of a
11 felony.

12 (8) Before executing a transfer of ownership document, a
13 lessor of a leased vehicle shall notify the lessee in writing that
14 ownership of the vehicle is being transferred and that the lessee
15 is required to provide a written statement to the lessor regarding
16 the mileage of the vehicle. This notice must inform the lessee of
17 the penalties for failure to comply with the requirement.

18 (9) Upon receiving notification from the lessor of a leased
19 vehicle that ownership of the vehicle is to be transferred, the
20 lessee shall furnish to the lessor a written statement regarding
21 the mileage of the vehicle. This statement must be signed by the
22 lessee and must contain all of the following:

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

24 (b) The current odometer reading, not including tenths of
25 miles.

26 (c) The date of the statement.

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

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

29 (f) The identity of the vehicle, including its make, model,

1 year, body type, and vehicle identification number.

2 (g) The date that the lessor notified the lessee of the
3 requirements of this subsection.

4 (h) The date that the completed disclosure statement was
5 received by **the** lessor.

6 (i) The signature of the lessor.

7 (j) One of the following:

8 (i) A statement by the lessee certifying that to the best of
9 the lessee's knowledge the odometer reading reflects the actual
10 mileage of the vehicle.

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

14 (iii) If the lessee knows that the odometer reading differs from
15 the mileage and that the difference is greater than that caused by
16 odometer calibration error, a statement that the odometer reading
17 is not the actual mileage and should not be relied ~~upon~~-on.

18 (10) If the lessor transfers a leased vehicle without
19 obtaining possession of the vehicle, the lessor may indicate on the
20 certificate of title the mileage disclosed by the lessee under
21 subsection (9), unless the lessor has reason to believe that the
22 mileage disclosed by the lessee does not reflect the actual mileage
23 of the vehicle.

24 (11) A dealer that is required by this section to execute an
25 odometer mileage statement shall retain for 5 years a photostatic,
26 carbon, or other facsimile copy of each odometer mileage statement
27 the dealer issues or receives. The dealer shall retain the odometer
28 mileage statements at the dealer's primary place of business in an
29 order that is appropriate to business requirements and that permits

1 systematic retrieval.

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

8 (13) An auction dealer or vehicle salvage pool operator shall
9 establish and retain at ~~his or her~~ **the auction dealer's or vehicle**
10 **salvage pool operator's** primary place of business in an order that
11 is appropriate to business requirements and that permits systematic
12 retrieval, for 5 years following the date of sale of each motor
13 vehicle, the following records:

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

16 (b) The name of the buyer.

17 (c) The vehicle identification number.

18 (d) The odometer reading, not including the tenths of a mile,
19 on the date the auction dealer or salvage pool operator took
20 possession of the motor vehicle.

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

24 (15) A person who, with intent to defraud, violates any
25 requirement under subsection (1) or (6), or a dealer that fails to
26 retain for 5 years each odometer mileage statement the dealer
27 receives and each odometer mileage statement furnished by the
28 dealer upon the sale of a vehicle, is liable in an amount equal to
29 3 times the amount of actual damages sustained or \$1,500.00

1 whichever is greater, and in the case of a successful recovery of
2 damages, the costs of the action together with reasonable attorney
3 fees.

4 (16) For the purposes of this section, the department may
5 accept an electronically signed odometer disclosure document that
6 complies with all of the following:

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

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

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

12 (17) **The department may establish, implement, and operate an**
13 **electronic system to process the notification and transfer of a**
14 **vehicle ownership interest between private parties through an**
15 **electronic transfer instead of the collection of paper documents**
16 **otherwise required under this act. If the electronic system is**
17 **established, a private party that uses the electronic system shall**
18 **comply with any requirement of this section that the department**
19 **determines is necessary and provide any information that is**
20 **required by the department. The department may enter into 1 or more**
21 **contracts to establish, implement, and operate the electronic**
22 **system under this subsection. The contract must require the**
23 **protection of proprietary information contained in the electronic**
24 **system and other information as protected under this act.**

25 (18) As used in this section, "private parties" means that
26 both a vehicle's buyer and seller are not a dealer.