

Act No. 240  
Public Acts of 2023  
Approved by the Governor  
November 29, 2023  
Filed with the Secretary of State  
November 30, 2023  
EFFECTIVE DATE: February 13, 2024

**STATE OF MICHIGAN  
102ND LEGISLATURE  
REGULAR SESSION OF 2023**

Introduced by Senators Geiss, Wojno, Anthony, Shink and Klinefelt

# ENROLLED SENATE BILL No. 533

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 manufacturers, the manufacturers of certain devices, the manufacturers of automated technology, upfitters, owners, and operators of vehicles and service of process on residents and nonresidents; to regulate the introduction and use of certain evidence; to regulate and certify the manufacturers of certain devices; to provide for approval and certification of installers and servicers of certain devices; 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 provide appropriations for certain purposes; 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 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:*

Sec. 217. (1) An owner of a vehicle that is subject to registration under this act shall apply to the secretary of state, on an appropriate form furnished by the secretary of state, for the registration of the vehicle and issuance of a certificate of title for the vehicle. A vehicle brought into this state from another state or jurisdiction that has a rebuilt, salvage, scrap, flood, or comparable certificate of title issued by that other state or jurisdiction must be issued a rebuilt, salvage, scrap, or flood certificate of title by the secretary of state. The application must be accompanied by the required fee. An application for a certificate of title must bear the signature or verification and certification of the owner. The application must contain all of the following:

- (a) The owner’s name, the owner’s bona fide residence, and either of the following:
  - (i) If the owner is an individual, the owner’s mailing address.
  - (ii) If the owner is a firm, association, partnership, limited liability company, or corporation, the owner’s business address.

(b) A description of the vehicle including the make or name, style of body, and model year; 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 a flood vehicle or another state previously issued the vehicle a flood certificate of title; whether the vehicle is to be or has been used as a taxi or 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 has previously been issued a salvage or rebuilt certificate of title from this state or a comparable certificate of title from any other state or jurisdiction; the vehicle identification number; and the vehicle's weight fully equipped, if a passenger vehicle registered in accordance with section 801(1)(a), and, if a trailer coach or pickup camper, in addition to the weight, the manufacturer's serial number, or in the absence of the serial number, a number assigned by the secretary of state. A number assigned by the secretary of state must be permanently placed on the trailer coach or pickup camper in the manner and place designated by the secretary of state.

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

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

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

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

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

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

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

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

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

(4) Except as provided in subsections (5), (11), and (12), a dealer selling, leasing, or exchanging vehicles required to be titled, within 21 days after delivering a vehicle to the purchaser or lessee, and a person engaged in the sale of vessels required to be numbered by part 801 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80101 to 324.80199, within 21 days after delivering a boat trailer weighing less than

2,500 pounds to the purchaser or lessee, shall apply to the secretary of state for a new title, if required, and transfer or secure registration plates and secure a certificate of registration for the vehicle or boat trailer, in the name of the purchaser or lessee. Subject to subsection (11), the dealer's license may be suspended or revoked in accordance with section 249 for failure to apply for a title when required or for failure to transfer or secure registration plates and certificate of registration within the 21 days required by this section. Subject to subsection (11), if the dealer or person fails to apply for a title when required, and to transfer or secure registration plates and secure a certificate of registration and pay the required fees within 21 days of delivery of the vehicle or boat trailer, a title and registration for the vehicle or boat trailer may subsequently be acquired only on the payment of a late transfer fee of \$50.00 for an individual or a dealer other than a dealer subject to section 235b in addition to the fees specified in section 806. Subject to subsection (11), for a used or secondhand vehicle dealer subject to section 235b, the late transfer fee is \$100.00 in addition to the fees specified in section 806. The purchaser or lessee of the vehicle or the purchaser of the boat trailer shall sign the application, including, if applicable, the declaration specifying the maximum elected gross weight as required by subsection (1)(f), and other necessary papers to enable the dealer or person to secure the title, registration plates, and transfers from the secretary of state. If the secretary of state mails or delivers a purchaser's certificate of title to a dealer, the dealer shall mail or deliver the certificate of title to the purchaser not later than 5 days after receiving the certificate of title from the secretary of state. However, as provided under section 238, the secretary of state is not required to issue a paper title to the owner of a vehicle or lienholder if the title is subject to a security interest, and may issue an electronic title as provided under section 222.

(5) Except as provided in subsection (12), a dealer selling or exchanging an off lease or buy back vehicle shall apply to the secretary of state for a new title for the vehicle within 21 days after it receives the certificate of title from the lessor or manufacturer under section 235 or section 235b and transfer or secure registration plates and secure a certificate of registration for the vehicle in the name of the purchaser. Subject to subsection (12), the dealer's license may be suspended or revoked in accordance with section 249 for failure to apply for a title when required or for failure to transfer or secure registration plates and certificate of registration within the 21-day period. Subject to subsection (12), if the dealer or person fails to apply for a title when required, and to transfer or secure registration plates and secure a certificate of registration and pay the required fees within the 21-day time period, a title and registration for the vehicle may subsequently be acquired only on the payment of a late transfer fee of \$50.00 for an individual or dealer other than a used or secondhand vehicle dealer subject to section 235b in addition to the fees specified in section 806. Subject to subsection (12), the late transfer fee for a used or secondhand vehicle dealer subject to section 235b is \$100.00 in addition to the fees specified in section 806. The purchaser of the vehicle shall sign the application, including, if applicable, the declaration specifying the maximum elected gross weight as required by subsection (1)(f), and other necessary papers to enable the dealer or person to secure the title, registration plates, and transfers from the secretary of state. If the secretary of state mails or delivers a purchaser's certificate of title to a dealer, the dealer shall mail or deliver the certificate of title to the purchaser not later than 5 days after receiving the certificate of title from the secretary of state. However, as provided under section 238, the secretary of state is not required to issue a paper title to the owner of a vehicle if the title is subject to a security interest, and may issue an electronic title as provided under section 222.

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 222. (1) Except as otherwise provided in this act, the secretary of state shall issue a registration certificate when registering a vehicle upon receipt of the required fees. Except as otherwise provided in this act, the secretary of state shall issue a paper certificate of title, unless a security interest is entered electronically under section 238, or may issue a title electronically, upon receipt of the required fees. The secretary of state shall issue a flood, rebuilt, rebuilt salvage, 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 must 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 must be created 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 must contain all of the following:

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

(b) 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.

(c) 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.

(d) Whether the vehicle is a salvage vehicle.

(e) 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.

(f) Whether 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.

(g) Whether 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.

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

(i) 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.

(j) The date that the application was filed.

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

(4) A paper certificate of title must 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 must be certified and signed, and space for a written odometer mileage statement that is required upon transfer under section 233a. The certificate of title must include a description of the proper procedure for transferring the title of a motor vehicle and for maintaining records of that transfer as provided under this act, including, but not limited to, the electronic lien title system established under section 241. 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 must bear the coat of arms of this state.

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

(6) A person that intentionally reproduces, alters, counterfeits, forges, or duplicates a certificate of title or a document releasing a security interest or that uses a reproduced, altered, counterfeited, forged, or duplicated certificate of title or document releasing a security interest must 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) A paper 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 must be a different 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 must 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 must not be issued for a vehicle that has had a salvage certificate of title unless the certificate of title contains the legend "rebuilt salvage".

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

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

(b) The date of transfer.

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

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

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

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

(g) One of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(g) A low-speed vehicle.

(h) A scrap vehicle.

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

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

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

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

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

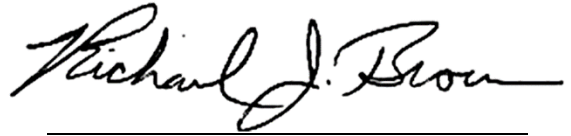
(b) The current odometer reading, not including tenths of miles.

- (c) The date of the statement.
- (d) The lessee's name and current address.
- (e) The lessor's name and current address.
- (f) The identity of the vehicle, including its make, model, year, body type, and vehicle identification number.
- (g) The date that the lessor notified the lessee of the requirements of this subsection.
- (h) The date that the completed disclosure statement was received by the lessor.
- (i) The signature of the lessor.
- (j) One of the following:
  - (i) A statement by the lessee certifying that to the best of the lessee's knowledge the odometer reading reflects the actual mileage of the vehicle.
  - (ii) If the lessee knows that the odometer reading reflects the amount of mileage in excess of the designed mechanical odometer limit, a statement to that effect.
  - (iii) If the lessee knows that the odometer reading differs from the mileage and that the difference is greater than that caused by odometer calibration error, a statement that the odometer reading is not the actual mileage and should not be relied on.
- (10) If the lessor transfers a leased vehicle without obtaining possession of the vehicle, the lessor may indicate on the certificate of title the mileage disclosed by the lessee under subsection (9), unless the lessor has reason to believe that the mileage disclosed by the lessee does not reflect the actual mileage of the vehicle.
- (11) A dealer that is required by this section to execute an odometer mileage statement shall retain for 5 years a photostatic, carbon, or other facsimile copy of each odometer mileage statement the dealer issues or receives. The dealer shall retain the odometer mileage statements at the dealer's primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.
- (12) A lessor shall retain, for 5 years following the date of transfer of ownership of each leased vehicle, the odometer mileage statement received from the lessee. The lessor shall retain the odometer mileage statements at the lessor's primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.
- (13) An auction dealer or vehicle salvage pool operator shall establish and retain at the auction dealer's or vehicle salvage pool operator's primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval, for 5 years following the date of sale of each motor vehicle, the following records:
  - (a) The name and the most recent owner, other than the auction dealer or salvage pool operator.
  - (b) The name of the buyer.
  - (c) The vehicle identification number.
  - (d) The odometer reading, not including the tenths of a mile, on the date the auction dealer or salvage pool operator took possession of the motor vehicle.
- (14) A violation of subsection (1) or (6) by any dealer licensed under this act is prima facie evidence of a fraudulent act as provided in section 249.
- (15) A person who, with intent to defraud, violates any requirement under subsection (1) or (6), or a dealer that fails to retain for 5 years each odometer mileage statement the dealer receives and each odometer mileage statement furnished by the dealer upon the sale of a vehicle, is liable in an amount equal to 3 times the amount of actual damages sustained or \$1,500.00 whichever is greater, and in the case of a successful recovery of damages, the costs of the action together with reasonable attorney fees.
- (16) For the purposes of this section, the department may accept an electronically signed odometer disclosure document that complies with all of the following:
  - (a) Is submitted on a form that is approved by the department.
  - (b) Is electronically signed using software that provides antitamper and identification verification technology and is approved for this use by the department.
  - (c) Is otherwise fully compliant with 49 CFR part 580.
- (17) The department may establish, implement, and operate an electronic system to process the notification and transfer of a vehicle ownership interest between private parties through an electronic transfer instead of the collection of paper documents otherwise required under this act. If the electronic system is established, a private party that uses the electronic system shall comply with any requirement of this section that the department determines is necessary and provide any information that is required by the department. The department may enter into 1 or more contracts to establish, implement, and operate the electronic system under this subsection. The contract must require the protection of proprietary information contained in the electronic system and other information as protected under this act.

(18) As used in this section, “private parties” means that both a vehicle’s buyer and seller are not a dealer.



Secretary of the Senate



Clerk of the House of Representatives

Approved \_\_\_\_\_

\_\_\_\_\_  
Governor