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New! Online Dealer License Renewals!



Michigan law requires dealers to renew their licenses by December 31.

To make it easier for you, the Department of State now provides

online renewals. It's simple, fast and convenient. Go to www.Michigan.gov/sos, click on "Automotive-related Businesses" and "Information for Vehicle Dealers." You'll find the link to the application at the top of the page.

Go to www.Michigan.gov/sos, click on "Automotive-related Businesses" and "Information for Vehicle Dealers." You'll find the link to the application at the top of the page.

To use this service, you'll need:

- Your seven-character Master License number and PIN (found on the upper-right corner of your renewal form)
- A valid Visa or MasterCard

To begin, enter your Master License number and PIN and follow the instructions. Use the "License Home Page," "Questions," "Finish" and "Logout" links in the upper-left corner of the Web pages to move from one section of the application to another. The "Logout" link allows you to exit the application at any time; your information will be saved and waiting upon your return. A confirmation e-mail will be sent once you submit your completed application.

If there has been a change in your business ownership type or you do not intend to renew all active licenses or your dealer license has expired, do not renew online. Contact the Licensing Unit at licensing@Michigan.gov or call (888) SOS-MICH (767-6424) for assistance.

Does Business Licensing Have Your E-Mail Address?



Have you ever noticed that we ask for your e-mail address on your annual dealer license renewal? That's because we e-mail notices of new SOS Web site postings to licensees.

Please ensure we have an e-mail address for your dealership and that an employee will access information on our Web site and pass it on to those at the dealership who need to be aware of these announcements.

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In-Transit Repair Plate

MCL 257.226a(6) allows an In-Transit Repair plate to be used by an individual, partnership, corporation, or association, including vehicle dealers, who, in the ordinary course of business, has occasion to legally pick up or deliver a vehicle.



MCL 257.226a(7) allows the In-Transit Repair plate to be used by Class D and G dealers when **auctioning vehicles** to “legally pick up a vehicle which will be offered for sale at the auction, or deliver a vehicle which has been offered for sale at the auction. The registration plate shall be used only to move vehicles”

The plate is available for \$20 and can be renewed annually.

To apply for an original plate:

- Complete a [BDVR-124](#) Application for Repossession, In-transit Repair, or Special Farm Plate, certifying you are eligible for the plate and will use it only as allowed. The BDVR-124 is available on the department’s Web site at www.Michigan.gov/sos.
 - Make sure you mark the box for In-Transit Repair Plate.
- Proof of insurance for all non-owned vehicles must be presented.
- Make a check payable to the “State of Michigan” for the number of plates you desire.

Mail your completed BDVR-124 application, proof of insurance and check to the address at the bottom of the application.

BFS-4 Temporary Registrations Issuance to Out-of-State Customers

Do you have an out-of-state customer who purchased a vehicle after hours when Secretary of State offices are closed and wants to drive it to his or her own state? If so, there’s no need to ask your customer to return the next day or after the weekend before leaving Michigan. Simply issue a BFS-4 15-day temporary registration and send your customer on his or her way with a photocopy of the unvalidated RD-108 In-Transit application.

Process your RD-108 In-Transit application at your Secretary of State branch office on the next business day, then overnight your customer the validated In-Transit RD-108L receipt and the ownership documents. You are required to provide your customer with a copy of every document at the time it is signed.



Do You Need a Class E Distressed Vehicle Transporter License?

Class E vehicle dealer licenses are issued to individuals who buy, transport and sell vehicles only to a Class C Used Vehicle Parts Dealer; Class F Vehicle Scrap Metal Processor; or Class R Automotive Recycler.

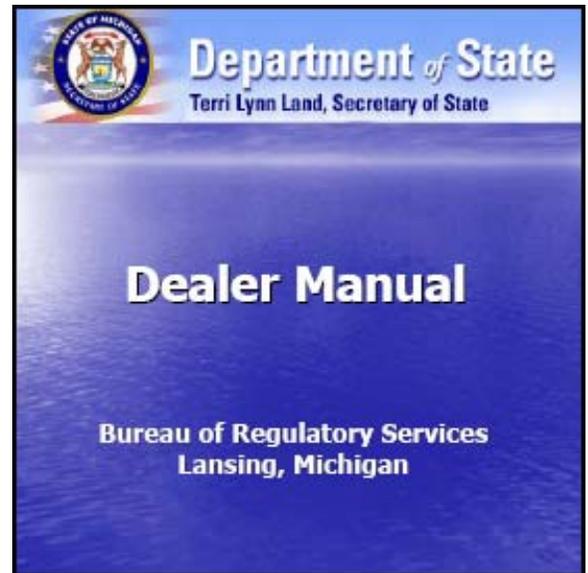
Class E dealer licensees **cannot** sell parts or dismantle vehicles, but may remove gas tanks, batteries, radiators, tires and wheels to sell as scrap or to make the vehicle acceptable to a Class F Vehicle Scrap Metal Processor.

A Class E license is compatible with Class A, B, C, F, and R dealer licenses.

Class W Wholesaler License Limitations

The W Wholesaler Vehicle License allows the licensee to only wholesale vehicles. This means Class W license holders may only engage in the business of buying and selling used vehicles from and to licensed vehicle dealers. Michigan law does **not** allow Class W dealers to deal new vehicles because this requires a franchise agreement with a vehicle manufacturer.

The Class W license is compatible with a Class C or Class R license.



If a Class W dealer also holds a Class C or R license, the licensee can buy or otherwise deal in late-model major component parts for resale. The licensee may also acquire whole vehicles, including late-model distressed vehicles if the license holder also has a Salvage Vehicle Agent License to dismantle them for resale of their parts, selling the remains as scrap.

Check [Chapter 1: Licensing Requirements](#) of your Dealer Manual for further information on dealer license classifications and their compatibility with other license types.

Consignment Sales

The only dealer license classifications that have the authority to conduct consignment sales under Michigan law are Class D Vehicle Brokers and Class G Vehicle Salvage Pools. This includes RV dealers, motorcycle dealers and trailer dealers. No consignments are permitted without a Class D or G license!

All other license types must have a properly reassigned title or other ownership document assigned to the dealership and in their immediate possession for every vehicle acquired.

Publication of the Michigan Vehicle Code Book Discontinued

State law gives the Department of State the option of publishing a book containing the text of the Michigan Vehicle Code and other laws related to motor vehicle operation. While the department published this book periodically throughout the years, alternative electronic texts have become available and are updated frequently. The continued publication of the Michigan Vehicle Code has been discontinued to save costs.

The Michigan Legislature at <http://www.legislature.mi.gov> provides free access to all current state laws. This Web site is updated within days after a law is enacted and provides a strong search capability.

Rolling Stock; Does Your Customer Qualify for a Sales Tax Exemption?



When your dealership sells a truck or trailer to a purchaser engaged in interstate commercial transport, sales tax is due with the transaction unless your purchaser qualifies as an "interstate motor carrier" and the vehicle is a "qualified truck or trailer." The Michigan Sales Tax Act provides that trucks and trailers purchased, rented or leased by an interstate motor carrier are eligible

for a 100% exemption from sales tax only if both of the following conditions are met:

- 1) The qualified truck is a commercial motor vehicle power unit or bus with two axles and a gross vehicle weight rating (GVWR) over 10,000 lbs., or a commercial truck or bus with three or more axles. A qualifying trailer is one designed to be drawn behind a qualified truck, and
- 2) The interstate motor carrier is in the business of carrying people or property, other than themselves, their employees or their own property, for hire across state lines and whose fleet mileage was driven 10% outside of Michigan in the immediately preceding tax year. In computing fleet mileage, trucks used solely in Michigan cannot be counted.

If your purchaser does not qualify as an interstate motor carrier, or the unit purchased is not a qualified truck or trailer, sales tax is due on the sale price. An entity in the first year of business is not eligible for exemption as an interstate motor carrier. "Preceding tax year" is the period beginning October 1 and ending the following September 30.

If a purchaser qualifies as an "interstate motor carrier," dealers must show "interstate motor carrier" in the Remarks section of the RD-108.

White Paper/Originals

Michigan law requires the Secretary of State to maintain and guarantee the integrity of its records. As a licensed dealer, your responsibility is to submit accurate information with your RD-108 title applications to assist the department in fulfilling this requirement.



The documents you submit must be dark enough for microfilming. Submissions on colored paper do not microfilm well. We understand that some documents, such as separate odometer statements, may be a color other than white (usually blue) because they are on safety paper, but RD-108's must always be on white paper. Always submit the original, separate odometer statements, not the carbon copies.

You may also use recycled bond paper!

Dealer Reassignment Forms or Riders



Over the last year or so the department has received several inquiries regarding dealer reassignment forms/riders attached to out-of-state titles and their acceptability in the state of Michigan. In order for out-of-state forms to be acceptable, the following criteria must be met:

1. The form must contain a conforming odometer statement MCL (257.233a).
 - a. Odometer reading at the time of transfer, not including tenths of a mile.
 - b. A declaration of the odometer reading and whether the reading is actual, not actual, or exceeds mechanical limits.
 - c. The date of transfer.
 - d. The seller's printed name, signature and current address.
 - e. The buyer's printed name, signature and current address.
2. The form must be on state-issued safety paper, which prevents tampering with the odometer statement.

Some states have elected to issue a secure title reassignment form meeting the criteria listed above. These forms are acceptable after all reassignments on a title are used. Indiana issues a "Reassignment of a Vehicle by Registered Dealer" reassignment form only for use with its older titles. The Indiana form lacks a conforming odometer statement.

Indiana and Michigan began issuing conforming titles in 1989 and Indiana's reassignment form can only be used with titles prior to this date. Otherwise, the out-of-state dealer must apply for title in the dealership name and then assign it to your dealership.

Lien Terminations

The department no longer automatically terminates liens after seven years on its mainframe computer system. Therefore, dealers need to be aware that liens are now valid until discharged regardless of the age of the lien or the vehicle.

The dealer reassignment on the back of the Michigan Certificate of Title states:

"I (selling dealer) warrant that the title is free and clear of all liens and I have transferred ownership of this vehicle to the purchaser(s) listed below."

And the certification statement on the RD-108 that the dealer signs states:

"I certify I sold this vehicle to the purchaser named in this form. I warrant the title to the vehicle and certify that the vehicle is subject only to the security interests named above."

The dealer signs twice stating there are no outstanding liens. If you are a Class A or B dealer, you must have the lien release in your deal jacket, but do not need to provide this to the branch office. All other licensed dealer classifications must submit lien terminations with their RD-108 title applications.

Special Mailers

As a reminder, Public Act 552 of 2002 requires dealers to mail or deliver a purchaser's title within five days if a TR-114 Special Mailer is used with the vehicle transaction to have the title mailed to the dealer.

MICHIGAN DEPARTMENT OF STATE - Lansing, MI 48918			
Special Mailing of Certificate of Title			
Mail or Release Title To:			
As the owner of the vehicle or watercraft described on the accompanying title application, I direct the Michigan Department of State to mail or release my new title to the party listed on this form.		Name	
I understand that if this party is a lienholder, any duplicate title will also be sent to the lienholder until the lien is terminated.		Street Address	
_____X_____ Signature of Owner		City	
		State	
		Zip	
Description of vehicle or watercraft as shown on application:			
Year	Make	Vehicle Identification No.	

If you use a Special Mailer please note Section 257.217(4) of the Code states in part: ". . . 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 more than 5 days after receiving the certificate of title from the secretary of state."

Flood Vehicle Database Available

Have you ever wondered if a vehicle in your possession had been flood-damaged? The National Insurance Crime Bureau's (NICB's) VINCheckSM is a service provided to the public to assist in determining if a vehicle has been reported as stolen, but not recovered, has been reported as a previously declared total loss vehicle by NICB members, or is a possible flood vehicle.

A Vehicle Identification Number (VIN) is required to perform a search using VINCheckSM. Up to 5 VINCheckSM searches can be conducted within a 24-hour period. The NICB is a private, for-profit company providing services to the public. This service is not endorsed or regulated by the Michigan Department of State. Visit www.NICB.org to use the VINCheckSM service.

Imported Mini-Trucks (or mini-cabs)

A number of U.S. retailers are selling mini-trucks or mini-cabs with familiar foreign manufacturer names and may not be aware these models do not meet federal EPA emission or DOT safety standards. Mini-trucks are primarily built for the foreign markets and are not intended for road use in the U.S.

Mini-trucks or mini-cabs are imported as used “vehicles” rather than “motor vehicles” and are limited to off-road purposes in the U.S. This includes use on farms, industrial yards, airports, golf courses, nursery orchards, stadiums, campgrounds, theme parks, etc.

Mini-truck units cannot be modified to meet EPA and DOT standards. Mistaken owners may attempt to title these units for on-road use, but the department can only issue an ORV (off-road vehicle) title.



Signature On Vehicle Registration



Dealers can inform customers that Public Act 143 of 2007 removed the requirement for owners to sign the reverse side of their registration certificate for passenger vehicles. Per federal rules, signatures are still required for vehicles **used commercially**. Registration certificates must still be carried in the vehicle or on the person operating a vehicle. A person who does not have a vehicle registration in his or her possession can be issued a citation.

Holding Titles

Section 257.235(1) of the Michigan Vehicle Code requires that dealers, “. . . shall retain and have in the dealer’s immediate possession the assigned certificate of title with the odometer information properly completed.” Any floor-planner or financial institution holding titles for vehicles you have displayed for sale on your lot places you in violation of Section 235(1).

This means that if you floor-plan your vehicles, you must make some type of arrangement to have those titles at your dealership.

Applying for a resale title and showing the floor-planner or financial institution as a secured interest on the face of the title and having the title in your possession keeps you in compliance with Michigan law.



The three things you must have if law enforcement or a regulation agent from the Secretary of State visits your dealership are:

1. The vehicle.
2. A properly assigned vehicle title.
3. A Police Book with properly completed entries.



If you are taking a vehicle in on trade, your customer must provide you with a properly reassigned title, or other ownership document for the trade vehicle, with proper odometer disclosure.

Alternative or “other ownership” documents include the BDVR-141 Statement of Seizure and Forfeiture, TR-42 Garage Keeper’s Lien Form, TR-52L Notice of Abandoned Vehicle Bill of Sale, or TR-10 Certification of Repossession.

These documents contain conforming odometer language and may be reassigned to your dealership, if there is an open reassignment available. If there is not an open reassignment, customers must apply for a title in their name, and reassign their title to you.

If you are a Class C Used Vehicle Parts Dealer and you have purchased a whole vehicle to dismantle for parts, your customer must provide you with a properly reassigned title, or other ownership document for that vehicle, with proper odometer disclosure. The same alternative ownership documents listed above may be reassigned to a Class C dealer, if there are reassignments available.

If you are a Class F Scrap Metal Processor, your customer must provide you with a Michigan title or out-of-state title, MSO/MCO, or a TR-208 Certificate of Scrapping.

Salvage/Scrap Vehicle Titles

Michigan dealers, when applying for a Michigan Salvage or Scrap branded title, must submit form TR-12 Application for Original Michigan Salvage or Scrap Title, along with the vehicle title and an RD-108 to a Secretary of State office.

When a vehicle is being sold with a current or previous salvage brand, dealers are required to check the appropriate vehicle use and history disclosure box; “salvage title has previously been issued,” on the RD-108.

Refer to [Chapter 5: Salvage](#) of your Dealer Manual for further information on salvage and scrap titled vehicles.

TR-9 Scrap Vehicle Inventory Forms

The updated TR-9 Scrap Vehicle Inventory form is entering its second year of use by Michigan dealers. Dealers are reminded of the following when using the TR-9:

1. If you are sending one or two vehicles to a Class F Scrap Metal Processor, simply reassign the title in your possession to the Class F dealer. There is no need to list these on a TR-9 form.
2. Ordering TR-9 Forms:
 - a. Orders may only be sent to the licensee address on file with the Licensing Unit.
 - b. Each licensee must request his or her own forms.
 - c. Dealers eligible to request forms are limited to 10 pads per year. Orders must be in writing and include your dealer number. They may be submitted either by mail or fax to:

Inventory Control Unit
Michigan Department of State
Richard H. Austin Building - 4th Floor
430 W. Allegan St.
Lansing, MI 48918
Fax: (517) 373-1475

- d. Requests for quantities over the 10-pad maximum will be reviewed on a case-by-case basis. Written requests must be submitted to:

Dealer and Repair Resource Section
Business Licensing and Regulation Division
Michigan Department of State
Richard H. Austin Building - 3rd Floor
430 W. Allegan St.
Lansing, MI 48918
Fax: (517) 373-7419

If you have questions, please contact the Dealer and Repair Resource Section at (517) 373-6993.

The image shows a sample of the TR-9 Scrap Vehicle Inventory form. The form is titled "SCRAP VEHICLE INVENTORY (Please print or type)" and includes a Michigan Department of State logo with the number "SD 0000000". It is divided into sections for "SELLER" and "PURCHASER", each with fields for Name, Address, and License Number. Below these is a table for "VEHICLES" with columns for Model Year, Vehicle Make, Vehicle Identification Number, Title Number, Dealer's Stock Number, and Color. The table has 10 rows. At the bottom, there are instructions for how to use the form: Part 1 - Dealer retains as permanent record; Part 2 - Send to Department of State, Bureau of Driver and Vehicle Records, Conversion Unit, Lansing, MI, 48918; Part 3 - Send to Vehicle Scrap Metal Processor with vehicle remains. A large, diagonal "SAMPLE" watermark is overlaid on the form.

