

## Chapter 4

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# Odometer Mileage Disclosure Requirements

### Section 4-1

#### Disclosure

**4-1.1 Authorization.** Section 233a of the *Michigan Vehicle Code* (MCL 257.233a) requires the seller to give the buyer a written odometer mileage disclosure statement before delivery unless the vehicle is exempt from odometer mileage disclosure requirements (see Section 4-2 for exempt vehicles).

**4-1.2 Record Retention.** A copy of the *front and back of the incoming and outgoing title* must be kept in the dealer's records. All odometer mileage disclosure records must be kept for five years at the dealer's licensed location. For used vehicles, odometer mileage readings are disclosed on the title. For non-conforming titles, odometer mileage disclosure is made on a separate odometer mileage disclosure statement. In this situation, copies of both the odometer mileage disclosure statement and the non-conforming certificate of title must be retained for five years. For new vehicles, odometer mileage readings are disclosed on the Manufacturer Certificate of Origin (MCO) or a separate odometer statement.

**4-1.3 Record Accuracy.** Odometer mileage disclosure statements must be accurate and reflect all information available to the dealer.

*NOTE: According to Michigan law, improper odometer mileage disclosure constitutes prima facie fraud and may result in sanctions against a dealer's license. It is the selling dealer's responsibility to make sure the title is present before offering a vehicle for sale at retail or wholesale.*

### Section 4-2

#### Exempt Vehicles

Odometer mileage disclosure statements are not required for the following vehicles:

- a) A new vehicle being transferred from a manufacturer to a dealer;
- b) A vehicle with a gross vehicle weight rating (GVWR) of more than 16,000 pounds;
- c) A vehicle which is not self-propelled;
- d) A vehicle which is a 2010 Model Year or older;
- f) A scrap vehicle, regardless of the model year.

*NOTE: The new 20-year odometer capture exemption requirements apply only to vehicles that are 2011 model year or newer. Vehicles manufactured with a 2010 model year or older remain exempt under the 10-year exemption.*

## **Section 4-3**

### **Conforming Vs. Non-Conforming Titles**

**4-3.1 Conforming Titles.** All Michigan titles issued after November 1, 1989, are conforming titles. Michigan titles issued since November 1998 are 8½ by 11 inches and have one reassignment space on the front and four reassignment spaces on the back. According to the National Highway Traffic Safety Administration (NHTSA), all states have issued conforming titles since 1994.

**Definition.** A “conforming” title is one which conforms to federal and state odometer mileage disclosure laws. It contains an odometer mileage disclosure statement referencing the state and federal laws and a statement that failing to complete or providing false information may result in fines and/or imprisonment. Also, the title must contain space for the odometer mileage disclosure reading to be printed on its face and a disclosure statement in each reassignment which includes space for the following items:

- a) Odometer mileage disclosure reading (no tenths);
- b) Date of transfer;
- c) Signatures and hand-printed names of both buyer and seller (or seller’s agent);
- d) Name and current address of both buyer and seller;
- e) Indicate if the mileage is actual, exempt e.g. exceeds mechanical limits (odometer mileage rolled over) or is not actual mileage;

**4-3.2 Non-conforming Titles.** All Michigan titles issued before November 1, 1989, are non-conforming titles.

**Definition.** Non-conforming titles do not contain all of the odometer mileage disclosure information required by state and federal law. If a dealer receives a non-conforming title, either from Michigan or another state, the dealer completes the following:

- a) A separate odometer mileage disclosure statement containing the required language; and
- b) The odometer mileage disclosure on the title, even if the language is non-conforming. Dealers must not accept any conforming or non-conforming titles with an incomplete odometer mileage disclosure statement. When an odometer mileage disclosure statement is required, the information must be provided by the seller, not the buyer.

## **Section 4-4**

### **Odometer Mileage Disclosure Statements**

**4-4.1 Requirements.** All odometer mileage disclosure statements must be completed by the

seller. The statement is signed by both buyer and seller; both parties also print their names. “Print” means hand-printed in ink by the person whose signature appears – not typed or computer-generated

*NOTE: It is unlawful for a dealer, or a dealer appointed third party, to sign an odometer mileage disclosure statement (including the title) or any other documents, including a TR-34, on behalf of the purchaser. If the purchaser cannot appear to sign the odometer mileage disclosure statement, the purchaser may appoint a third party (not the dealer or an associate of the dealer) to sign on his/her behalf.*

**4-4.2 Retail Transactions.** For used vehicles, the dealer must show the title and reassignments to the buyer before delivering the vehicle. The buyer must inspect the title, and sign and print his/her name on the title’s odometer mileage disclosure statement. The dealer must provide a copy of the front and back of the title to the purchaser at the time the purchaser signs the title.

For new vehicles, the dealer discloses the odometer mileage reading on the Manufacturer Certificate of Origin (MCO) or a separate odometer statement.

**4-4.3 Multiple Buyers or Sellers.** If there is more than one buyer or seller, the odometer mileage disclosure statement may be signed by any of the buyers or sellers.

**4-4.4 Wholesale Transactions.** If odometer mileage disclosure is made on a conforming title, the selling dealer keeps a photocopy of the title for 5 years. If the title is non-conforming, and a separate odometer mileage disclosure statement is used, both the buying and selling dealers must maintain a copy of both the odometer mileage disclosure statement and assigned title for 5 years.

**4-4.5 Inventory Lender Transactions.** Since the title is not present when a used vehicle dealer sells a vehicle financed through a registered inventory lender, the dealer must provide the purchaser with a separate odometer mileage disclosure statement. Title and registration instructions for dealers transacting sales through registered inventory lenders can be found in Chapter 7 of the Dealer Manual.

**4-4.6 Out-of-state Titles.** Out-of-state titles are handled the same as Michigan titles. Odometer mileage disclosure is made in the appropriate space provided on out-of-state titles. If all reassignment spaces are used, the Michigan dealer must surrender the out-of-state title and obtain a Michigan resale title prior to the vehicle being offered for sale.

**4-4.7 Salvage or Rebuilt Salvage Titles.** If the title is branded as salvage or rebuilt salvage, a separate odometer statement is required.

## **Section 4-5**

### **Certificates of Origin -Manufacturer Certificate of Origin (MCO) Manufacturer Statement of Origin (MSO)**

**4-5.1 Requirements** Odometer mileage disclosure must be made with every transfer of ownership (excluding manufacturer to dealer). This includes “dealer trades” of new vehicles. The purchasing dealer must receive a separate odometer mileage disclosure statement unless odometer mileage disclosure statement is on an MCO.

**4-5.2 Vehicles Never Titled.** If a vehicle has never been titled or if an electronic MCO is used, odometer mileage disclosure must be made on a separate document or on an MCO. Unless odometer mileage disclosure is disclosed using the MCO, an MCO does not need to be shown to the purchaser before delivery, nor is the purchaser required to sign the MCO.

## **Section 4-6**

### **Replacing or Repairing an Odometer**

**4-6.1 Actual Odometer Mileage Known.** If an odometer is being repaired or replaced and the actual reading is known, the new or repaired odometer may be adjusted to register the actual mileage. No door pillar sticker is required in this instance (see Section 4-7).

**4-6.2 Unable to Register Same Mileage.** When repairing or replacing an odometer incapable of registering the same mileage as before the repair or replacement, the odometer must be reset to zero. A notice is then attached to the left front door pillar specifying the odometer reading before the repair or replacement and the date it was done. Thereafter, the vehicle must be sold with the mileage indicated as “Not Actual.”

## **Section 4-7**

### **Door Pillar Stickers**

Door pillar stickers for odometer repair and replacement are usually provided with the replacement odometer. Stickers may also be obtained from business forms suppliers or printing companies specializing in dealer forms and supplies.

## **Section 4-8**

### **Vehicles Without Odometers or With Broken Odometers**

**4-8.1 Requirements.** If a vehicle has a missing, broken or non-working odometer, the vehicle may be sold without repairing or installing an odometer if proper disclosure is made to the purchaser (see Section 4-8.2).

**4-8.2 Completing Odometer Mileage Disclosure Statement.** When completing the odometer mileage disclosure statement for a vehicle with a missing odometer or broken odometer, enter the word “NONE” in the mileage boxes on the title’s odometer disclosure statement and select the “Not Actual” brand. Enter the same information in the “Odometer Mileage Disclosure” section of the RD-108 form. Dealer must add a note to the “Remarks” section indicating the odometer is broken or missing.

The front of the purchaser’s new title will not indicate mileage and the odometer brand field on the face of the title will remain blank. A person who subsequently repairs or replaces the odometer is required to adjust the odometer to zero, affix a notice to the left front door pillar and indicate “None” or “No Odometer” on the door frame notice.

## **Section 4-9**

### **Kilometers vs. Miles**

**4-9.1 Instructions.** According to NHTSA, when selling a vehicle with an odometer registering

in kilometers rather than miles, the seller strikes the word “miles” and inserts “kilometers” in the disclosure statement and on the RD-108. Both the buyer and the seller initial the change.

**4-9.2 Applying for Michigan Resale Title for Canadian Vehicles.** When a Canadian vehicle’s odometer/speedometer is converted from kilometers to miles, a Michigan dealer must apply for a Michigan resale title with the following documents accompanying the RD-108 Application for Michigan Title & Registration:

- a) The Canadian ownership document showing the information listed below:
  - 1) The date of purchase.
  - 2) The odometer mileage disclosure reading in kilometers when sold to the Michigan dealer.
  - 3) The names and addresses of both the seller and the buyer.
- b) Form TR-34, *Certification*, completed by the registered importer or the importer’s speedometer conversion service explaining the odometer conversion from kilometers to miles. This certification must list the following information:
  - 1) What the odometer reading was in kilometers and exact calculations on how the mileage was determined from the reading in kilometers. The standard Federal conversion rate is 0.621371;
  - 2) The current odometer reading in miles; and
  - 3) A statement indicating the odometer mileage disclosure reading represents “actual,” “not actual,” or “mileage in excess of mechanical limits.”

*NOTE: For newer vehicles with electronic odometers that can change the odometer display between miles and kilometers by pressing a button, the TR-34 certification can be completed by certifying the odometer can display both miles and kilometers.*

- c) The Customs CBP 7501 Entry Summary form.

*NOTE: An ownership document (a.k.a. “permit” or “ownership”) is the Canadian equivalent of a Certificate of Title. This is considered the same as a vehicle title from another state. The odometer conversion information must also be recorded in the Remarks section of the RD-108.*

For questions regarding odometer requirements for vehicles from other countries, please contact the Business Regulation Section at 517-335-1799.