

MICHIGAN VEHICLE CODE (EXCERPT)
Act 300 of 1949

257.235 Dealer as transferee of vehicle; requirements; duties; liability of dealer or transferee; transfer of title or interest to another dealer; duties of dealer; dealer reassignment of title form; buy back or off lease vehicle.

Sec. 235.

(1) If the transferee of a vehicle is a new motor vehicle dealer or a used or secondhand vehicle dealer that acquires the vehicle for resale, the dealer is not required to obtain a new registration of the vehicle or forward the certificate of title to the secretary of state, but shall retain and have in the dealer's immediate possession, or, upon providing prior written notice to the department and receiving the department's approval within 7 business days after the department receives the written notice, at a secondary location owned by the dealer that is located within a 15-mile radius, the assigned certificate of title with the odometer information properly completed, except as otherwise provided in section 235b. A dealer shall obtain a certificate of title for a vehicle that has a salvage certificate of title before the dealer may operate the vehicle under dealer's license plates. Upon transferring title or interest to another person that is not a dealer, the dealer shall complete an assignment and warranty of title upon the certificate of title, salvage certificate of title, or dealer reassignment of title form and apply for a registration and a new title as provided in section 217(4).

(2) The dealer or transferee is liable for all damages arising from the operation of the vehicle while the vehicle is in the dealer's or transferee's possession.

(3) Upon transferring title or interest to another dealer, the dealer shall complete an assignment and warranty of title on the certificate of title, salvage certificate of title, or dealer reassignment of title form and deliver it to the licensed dealer receiving the transfer.

(4) The secretary of state shall prescribe the dealer reassignment of title form. The form must contain the title number of the accompanying title; the name, address, and, if applicable, dealer license number of the transferee; the year, make, model, body type, and vehicle identification number of the vehicle; the name, address, dealer number, and signature of the transferor; an odometer mileage statement as prescribed under section 233a; and any other information the secretary of state requires.

(5) This section does not prohibit a dealer from selling a buy back vehicle while the certificate of title is in the possession of a manufacturer that obtained the certificate of title under the manufacturer's buy back vehicle program. The manufacturer shall mail the certificate of title to the dealer within 5 business days after the manufacturer's receipt of a signed statement from the purchaser of the vehicle acknowledging the purchaser was informed by the dealer that the manufacturer acquired title to the vehicle as the result of an arbitration proceeding, under a customer satisfaction policy adopted by the manufacturer, or under 1986 PA 87, MCL 257.1401 to 257.1410, or a similar law of another state.

(6) This section does not prohibit a dealer from selling an off lease vehicle while the certificate of title is in the possession of a lessor. The lessor shall mail the certificate of title to the dealer within 21 days after the lessor receives the purchase price of the vehicle and any other fees and charges due under the lease.

History: 1949, Act 300, Eff. Sept. 23, 1949 ;-- Am. 1951, Act 270, Eff. Sept. 28, 1951 ;-- Am. 1957, Act 90, Eff. Sept. 27, 1957 ;-- Am. 1964, Act 248, Eff. Jan. 1, 1965 ;-- Am. 1978, Act 507, Eff. July 1, 1979 ;-- Am. 1980, Act 398, Eff. Mar. 31, 1981 ;-- Am. 1988, Act 470, Eff. Apr. 1, 1989 ;-- Am. 2002, Act 652, Eff. Jan. 1, 2003 ;-- Am. 2012, Act 498, Eff. Mar. 28, 2013 ;-- Am. 2022, Act 224, Eff. Jan. 23, 2023