

HOUSE SUBSTITUTE FOR
SENATE BILL NO. 331

A bill to amend 1986 PA 119, entitled

"An act to regulate the business of buying or receiving used motor vehicle parts; to prescribe the powers and duties of certain state and local officers; and to provide penalties,"

by amending sections 1, 2, and 4 (MCL 257.1351, 257.1352, and 257.1354) and by adding section 2a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Agent" means ~~a person~~ **AN INDIVIDUAL** who, for compensation
3 or valuable consideration, is employed either directly or
4 indirectly by a dealer.

5 (b) "Dealer" means any person ~~, corporation, partnership, or~~
6 ~~association, which, in whole or in part,~~ **THAT** engages in the
7 ordinary course of repeated and recurrent transactions of buying or
8 receiving used motor vehicle parts from persons other than a

1 licensee. ~~A dealer shall include~~ **THE TERM INCLUDES** any motor
 2 vehicle repair facility ~~which~~ **THAT** engages in repeated and
 3 recurrent transactions of buying or receiving used motor vehicle
 4 parts from persons other than a licensee. ~~Dealer~~ **THE TERM** does not
 5 include a scrap metal processor ~~who~~ **OR AUTOMOTIVE RECYCLER THAT**
 6 buys or otherwise acquires motor vehicles or motor vehicle
 7 component parts for the purpose of processing or selling the metal
 8 for remelting.

9 (c) "Late model vehicle" means a motor vehicle manufactured in
 10 the current model year or the 5 model years immediately preceding
 11 the current model year.

12 (d) "Local police agency" means the police agency of ~~the~~ **A**
 13 city, village, or township, or if none, the county sheriff.

14 (e) "Major component part" means ~~1~~ **ANY** of the following
 15 subassemblies of a motor vehicle regardless of its actual market
 16 value: front end assembly, including fenders, grills, hood, bumper,
 17 and related parts; engine; transmission; T-tops; rear clip
 18 assembly, including quarter panels and floor panel assembly; **OR**
 19 doors. ~~; tires, tire wheels, and continuous treads.~~

20 (f) "Motor vehicle" means a motor vehicle as defined in
 21 section 33 of the Michigan vehicle code, ~~Act No. 300 of the Public~~
 22 ~~Acts of 1949, being section 257.33 of the Michigan Compiled~~
 23 ~~Laws~~ **1949 PA 300, MCL 257.33.**

24 (g) "Motor vehicle repair facility" means a place of business
 25 which engages in the business of performing or employing persons
 26 who perform maintenance, diagnosis, or repair service on a motor
 27 vehicle for compensation.

(h) "Licensee" means a person ~~, partnership, corporation, or association~~ **THAT IS** licensed under section 248 of the Michigan vehicle code, ~~Act No. 300 of the Public Acts of 1949, being section 257.248 of the Michigan Compiled Laws, 1949 PA 300, MCL 257.248,~~ or similarly licensed in another state.

(I) "PERSON" MEANS AN INDIVIDUAL, CORPORATION, LIMITED LIABILITY COMPANY, PARTNERSHIP, ASSOCIATION, OR OTHER LEGAL ENTITY.

(J) ~~(i)~~ "Used motor vehicle part" means any OF THE FOLLOWING:

(i) A major component part, dashboard, radio, stereo, or seat of a late model motor vehicle for which a certificate of title and registration plate have been issued to a consumer or dealer.

(ii) A MOTOR VEHICLE TIRE, TIRE WHEEL OR RIM, OR CONTINUOUS TIRE TREAD.

Sec. 2. (1) A dealer shall maintain a permanent record of each transaction concerning the buying or receiving of any used motor vehicle part from a person other than a licensee, on **A** record of transaction ~~forms provided for~~ **FORM PRESCRIBED** in subsection (5), legibly written in ink in the English language. Each record of transaction form shall be filled out in duplicate by the dealer or agent with 1 copy ~~going~~ **GIVEN** to the customer ~~, and 1 copy to be~~ retained by the dealer. At the time a dealer receives or purchases a used motor vehicle part from a person other than a licensee, the dealer or agent shall accurately record all of the following information on a record of transaction form:

(a) A general description of the used motor vehicle part received or purchased.

(b) The vehicle identification number of the vehicle the used

1 motor vehicle part came from.

2 (c) The state of origin of the used motor vehicle part.

3 (d) The date of the transaction.

4 (e) The name of the ~~person~~**INDIVIDUAL WHO IS** conducting the
5 transaction ~~for~~**ON BEHALF OF** the dealer.

6 (f) The name, date of birth, driver's license number or state
7 of Michigan personal identification card number, and street and
8 house number of the ~~person~~**INDIVIDUAL** with whom the transaction is
9 being made, together with a legible imprint of the right thumb of
10 the ~~person~~**INDIVIDUAL** with whom the transaction is made, or if that
11 is not possible, then the left thumb or a finger of that ~~person~~.
12 **INDIVIDUAL**. However, the thumbprint or fingerprint ~~shall~~**IS** only be
13 required on the record of transaction form retained by the dealer.
14 The **DEALER OR AGENT SHALL MAKE A** thumbprint or fingerprint ~~shall be~~
15 ~~made~~ available to the local police agency or the department of
16 state police only during the course of a police investigation
17 involving a used motor vehicle part described on the record of
18 transaction. This ~~paragraph shall~~**SUBDIVISION DOES** not apply to a
19 transaction involving an insurance company that has acquired
20 ownership of a late model vehicle by the payment of damages due to
21 an accident and a dealer that buys the vehicle from the insurance
22 company for salvage.

23 (g) The price paid or to be paid by the dealer for the used
24 motor vehicle part.

25 (h) ~~The~~**SUBJECT TO SECTION 2A, THE** form of payment made to the
26 customer. The dealer **OR AGENT** shall indicate the number of a check,
27 money order, or bank draft **AND THE TRANSACTION NUMBER OF ANY DIRECT**

1 DEPOSIT OR ELECTRONIC TRANSFER TO THE CUSTOMER'S ACCOUNT AT A
2 FINANCIAL INSTITUTION.

3 (i) The signature of the ~~person~~**INDIVIDUAL** with whom the
4 transaction is made.

5 (2) ~~The~~**A DEALER OR AGENT SHALL NUMBER THE** record of each
6 transaction ~~shall be numbered~~ consecutively, commencing with the
7 number 1 and the calendar year; **AND, IF THE TRANSACTION INCLUDES**
8 **THE BUYING OR RECEIVING OF 1 OR MORE USED MOTOR VEHICLE TIRES, TIRE**
9 **WHEELS OR RIMS, OR CONTINUOUS TIRE TREAD, SHALL PLACE THE**
10 **TRANSACTION NUMBER ON A TAG THAT THE DEALER OR AGENT MUST ATTACH TO**
11 **EACH OF THOSE ITEMS THE DEALER OR AGENT BOUGHT OR RECEIVED.**

12 (3) The record of transaction forms of a dealer and each used
13 motor vehicle part received by a dealer as the result of a
14 transaction ~~shall be~~**ARE** open to an inspection by the local police
15 agency and the Michigan state police at all times during the
16 ordinary business hours of the dealer. As a condition of doing
17 business, a dealer ~~shall be~~**IS** considered to have given consent to
18 the inspection ~~prescribed by~~**DESCRIBED IN** this subsection. The
19 record of transaction forms of a dealer ~~shall~~**ARE** not ~~be~~ open to
20 inspection by the general public.

21 (4) ~~Each~~**A DEALER SHALL RETAIN EACH** record of a transaction
22 ~~shall be retained by the dealer for not less than~~**AT LEAST** 1 year
23 after the transaction to which the record pertains. A dealer ~~who~~
24 **THAT** goes out of business or changes ~~his or her~~**THE DEALER'S**
25 business address to another local jurisdiction either within or out
26 of this state shall transmit to the local police agency the records
27 of all transactions made by the dealer ~~not more than 1 year before~~

~~his or her closing or moving.~~ **IN THE 1-YEAR PERIOD BEFORE THE DEALER CLOSES OR MOVES.** After a period of 1 year from the date of the transaction, if a police investigation concerning a used motor vehicle part described on the record of transaction has not occurred, the dealer and local police agency shall destroy, and not keep a permanent record of, the records of the transaction.

(5) The form of the record of transaction shall be 8-1/2 by 11 inches in size and shall be as follows:

"Record of Transaction

(Transaction number printed
on the form)

(1) Description of Property _____

(2) _____ (3) _____
(Vehicle Identification Number) (State of Origin)

(4) _____, 19 ____ (5) _____
(Date) (Name of Dealer/Employee)

(6) _____, 19 ____
(Name of Customer) (Date of Birth)

_____, _____
(Driver's License No./ (Street Address)

1 Mich. Personal ID Number) _____
 2 (City & State) (Zip)
 3 (7) _____
 4 (Price Paid)
 5 (8) _____
 6 (Check no., bank draft
 7 no., money order no.,
 8 TRANSACTION NO., or cash)
 9
 10
 11
 12 _____"
 13 Thumbprint (Signature of Customer)

14 SEC. 2A. IN A TRANSACTION CONCERNING THE BUYING OR RECEIVING
 15 OF ANY USED MOTOR VEHICLE TIRES, TIRE WHEELS OR RIMS, OR CONTINUOUS
 16 TIRE TREAD, THE ONLY METHODS OF PAYMENT A DEALER MAY USE TO PAY A
 17 CUSTOMER ARE A CHECK, A MONEY ORDER, A BANK DRAFT, OR A DIRECT
 18 DEPOSIT OR ELECTRONIC TRANSFER TO THE CUSTOMER'S ACCOUNT AT A
 19 FINANCIAL INSTITUTION. IF A PAYMENT IS MADE BY CHECK, MONEY ORDER,
 20 OR BANK DRAFT UNDER THIS SECTION, THE DEALER MUST MAIL THAT PAYMENT
 21 TO THE CUSTOMER AT THE ADDRESS SHOWN ON THE IDENTIFICATION REQUIRED
 22 UNDER SECTION 2(1)(F).

23 Sec. 4. (1) A dealer ~~who~~ OR AGENT THAT knowingly violates
 24 section 2(3), (4), or (5) OR SECTION 2A is guilty of a misdemeanor,
 25 punishable by imprisonment for not more than 1 year, or a fine of
 26 \$1,000.00, or both.

27 (2) A dealer ~~who~~ OR AGENT THAT knowingly violates section

1 2(3), (4), or (5) **OR SECTION 2A** a second or subsequent time is
2 guilty of a felony, punishable by imprisonment for not more than 2
3 years, or a fine of \$5,000.00, or both.

4 Enacting section 1. This amendatory act takes effect 90 days
5 after the date it is enacted into law.