

**SUBSTITUTE FOR
SENATE BILL NO. 1050**

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 and 2 (MCL 257.1351 and 257.1352), as amended by 2016 PA 112.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Agent" means an individual who, for compensation or
3 valuable consideration, is employed either directly or indirectly
4 by a dealer.

5 (b) "Dealer" means any person that engages in the ordinary
6 course of repeated and recurrent transactions of buying or

receiving used motor vehicle parts from persons other than a licensee. The term includes any motor vehicle repair facility that engages in repeated and recurrent transactions of buying or receiving used motor vehicle parts from persons other than a licensee. The term does not include ~~a~~ **ANY OF THE FOLLOWING:**

(i) A scrap metal processor or automotive recycler that buys or otherwise acquires motor vehicles or motor vehicle component parts for the purpose of processing or selling the metal for remelting.

(ii) AN END-USER, SCRAP TIRE HAULER, OR SCRAP TIRE PROCESSOR.

(iii) A DISPOSAL AREA THAT IS LICENSED UNDER, OR A SOLID WASTE HAULER THAT IS SUBJECT TO, PART 115 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.11501 TO 324.11554.

(C) "END-USER" MEANS THAT TERM AS DEFINED IN SECTION 16901 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.16901.

(D) ~~(e)~~—"Late model vehicle" means a motor vehicle manufactured in the current model year or the 5 model years immediately preceding the current model year.

(E) ~~(d)~~—"Local police agency" means the police agency of a city, village, or township, or if none, the county sheriff.

(F) ~~(e)~~—"Major component part" means any of the following subassemblies of a motor vehicle regardless of its actual market value: front end assembly, including fenders, grills, hood, bumper, and related parts; engine; transmission; T-tops; rear clip assembly, including quarter panels and floor panel assembly; or

1 doors.

2 (G) ~~(f)~~ "Motor vehicle" means a motor vehicle as defined in
3 section 33 of the Michigan vehicle code, 1949 PA 300, MCL 257.33.

4 (H) ~~(g)~~ "Motor vehicle repair facility" means a place of
5 business which engages in the business of performing or employing
6 persons who perform maintenance, diagnosis, or repair service on a
7 motor vehicle for compensation.

8 (I) ~~(h)~~ "Licensee" means a person that is licensed under
9 section 248 of the Michigan vehicle code, 1949 PA 300, MCL 257.248,
10 or similarly licensed in another state.

11 (J) ~~(i)~~ "Person" means an individual, corporation, limited
12 liability company, partnership, association, or other legal entity.

13 (K) "SCRAP TIRE HAULER" MEANS THAT TERM AS DEFINED IN SECTION
14 16901 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION ACT,
15 1994 PA 451, MCL 324.16901.

16 (L) "SCRAP TIRE PROCESSOR" MEANS THAT TERM AS DEFINED IN
17 SECTION 16901 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
18 ACT, 1994 PA 451, MCL 324.16901.

19 (M) ~~(j)~~ "Used motor vehicle part" means any of the following:

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

23 (ii) A motor vehicle ~~tire, tire wheel or rim, or continuous~~
24 ~~tire tread.~~ THAT IS RECEIVED BY THE DEALER DIRECTLY FROM THE OWNER
25 OF THAT TIRE WHEEL OR RIM IN CONJUNCTION WITH THE PURCHASE OF A
26 REPLACEMENT TIRE OR REPLACEMENT TIRE WHEEL OR RIM. AS USED IN THIS
27 SUBPARAGRAPH AND SUBPARAGRAPH (iii), "TIRE WHEEL OR RIM" INCLUDES A

1 TIRE WHEEL OR RIM ON WHICH A TIRE IS MOUNTED.

2 (iii) A MOTOR VEHICLE TIRE, TIRE WHEEL OR RIM, OR CONTINUOUS
3 TIRE TREAD THAT IS RECEIVED BY THE DEALER DIRECTLY FROM THE OWNER
4 OF THAT TIRE, TIRE WHEEL OR RIM, OR TIRE TREAD, BUT IS NOT IN
5 CONJUNCTION WITH THE PURCHASE OF A REPLACEMENT TIRE OR REPLACEMENT
6 TIRE WHEEL OR RIM.

7 Sec. 2. (1) A dealer shall maintain a permanent record of each
8 transaction concerning the buying or receiving of any used motor
9 vehicle part from a person, other than a—AN END-USER OR SCRAP TIRE
10 PROCESSOR THAT IS REGULATED UNDER PART 169 OF THE NATURAL RESOURCES
11 AND ENVIRONMENTAL PROTECTION ACT, 1994 PA 451, MCL 324.16901 TO
12 324.16911, OR A licensee, on a record of transaction form
13 prescribed in subsection (5), legibly written in ink in the English
14 language. Each record of transaction form shall be filled out in
15 duplicate by the dealer or agent with 1 copy given to the customer
16 and 1 copy retained by the dealer. At the time a dealer receives or
17 purchases a used motor vehicle part from a person other than a—AN
18 END-USER, SCRAP TIRE PROCESSOR, OR licensee, the dealer or agent
19 shall accurately record all of the following information on a
20 record of transaction form:

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

23 (b) The vehicle identification number of the vehicle the used
24 motor vehicle part came from.

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

26 (d) The date of the transaction.

27 (e) The name of the individual who is conducting the

1 transaction on behalf of the dealer.

2 (f) The name, date of birth, driver's license number or state
3 of Michigan personal identification card number, and street and
4 house number of the individual with whom the transaction is being
5 made, together with a legible imprint of the right thumb of the
6 individual with whom the transaction is made, or if that is not
7 possible, then the left thumb or a finger of that individual.
8 However, the thumbprint or fingerprint is only required on the
9 record of transaction form retained by the dealer. The dealer or
10 agent shall make a thumbprint or fingerprint available to the local
11 police agency or the department of state police only during the
12 course of a police investigation involving a used motor vehicle
13 part described on the record of transaction. This subdivision does
14 not apply to a transaction involving an insurance company that has
15 acquired ownership of a late model vehicle by the payment of
16 damages due to an accident and a dealer that buys the vehicle from
17 the insurance company for salvage.

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

20 (h) Subject to section 2a, the form of payment made to the
21 customer. The dealer or agent shall indicate the number of a check,
22 money order, or bank draft and the transaction number of any direct
23 deposit or electronic transfer to the customer's account at a
24 financial institution.

25 (i) The signature of the individual with whom the transaction
26 is made.

27 (2) A dealer or agent shall number the record of each

1 transaction consecutively, commencing with the number 1 and the
2 calendar year; and, if the transaction includes the buying or
3 receiving of 1 or more used motor vehicle tires, tire wheels or
4 rims, or continuous tire tread, shall place the transaction number
5 on a tag that the dealer or agent must attach to each of those
6 items the dealer or agent bought or received.

7 (3) The record of transaction forms of a dealer and each used
8 motor vehicle part received by a dealer as the result of a
9 transaction are open to an inspection by the local police agency
10 and the Michigan state police at all times during the ordinary
11 business hours of the dealer. As a condition of doing business, a
12 dealer is considered to have given consent to the inspection
13 described in this subsection. The record of transaction forms of a
14 dealer are not open to inspection by the general public.

15 (4) A dealer shall retain each record of a transaction for at
16 least 1 year after the transaction to which the record pertains. A
17 dealer that goes out of business or changes the dealer's business
18 address to another local jurisdiction either within or out of this
19 state shall transmit to the local police agency the records of all
20 transactions made by the dealer in the 1-year period before the
21 dealer closes or moves. After a period of 1 year from the date of
22 the transaction, if a police investigation concerning a used motor
23 vehicle part described on the record of transaction has not
24 occurred, the dealer and local police agency shall destroy, and not
25 keep a permanent record of, the records of the transaction.

26 (5) The form of the record of transaction shall be 8-1/2 by 11
27 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)

Mich. Personal ID Number) _____
 (City & State) (Zip)

(7) _____
 (Price Paid)

(8) _____
 (Check no., bank draft
 no., money order no.,
 transaction no., or cash)

1

2

3

4

5

Thumbprint

(Signature of Customer)

"

6

Enacting section 1. This amendatory act takes effect 90 days

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after the date it is enacted into law.