

Act No. 304
Public Acts of 1992
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**STATE OF MICHIGAN
86TH LEGISLATURE
REGULAR SESSION OF 1992**

Introduced by Reps. Dobronski, Pitoniak, Webb, Weeks, Anthony, Wozniak, DeMars, Baade, Leland, Hood, Joe Young, Sr., Harrison, Clarke, Palamara, Jonker, Olshove, Byrum, Wallace, Yokich, Gire, Barns and Owen

ENROLLED HOUSE BILL No. 6089

AN ACT to amend sections 17a, 27a, 41a, 56b, 217c, 217f, 248, 248b, 248c, 249, 249a, 251, 807, and 810a of Act No. 300 of the Public Acts of 1949, entitled as amended "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," sections 248, 249, and 807 as amended and sections 17a, 27a, 41a, 56b, 217f, 248b, 248c, 249a, and 810a as added by Act No. 255 of the Public Acts of 1988, section 217c as amended by Act No. 118 of the Public Acts of 1992, and section 251 as amended by Act No. 265 of the Public Acts of 1990, being sections 257.17a, 257.27a, 257.41a, 257.56b, 257.217c, 257.217f, 257.248, 257.248b, 257.248c, 257.249, 257.249a, 257.251, 257.807, and 257.810a of the Michigan Compiled Laws; and to repeal certain parts of the act.

The People of the State of Michigan enact:

Section 1. Sections 17a, 27a, 41a, 56b, 217c, 217f, 248, 248b, 248c, 249, 249a, 251, 807, and 810a of Act No. 300 of the Public Acts of 1949, sections 248, 249, and 807 as amended and sections 17a, 27a, 41a, 56b, 217f, 248b, 248c, 249a, and 810a as added by Act No. 255 of the Public Acts of 1988, section 217c as amended by Act No. 118 of the Public Acts of 1992, and section 251 as amended by Act No. 265 of the Public Acts of 1990, being sections 257.17a, 257.27a, 257.41a, 257.56b, 257.217c, 257.217f, 257.248, 257.248b, 257.248c, 257.249, 257.249a, 257.251, 257.807, and 257.810a of the Michigan Compiled Laws, are amended to read as follows:

Sec. 17a. (1) "Foreign salvage vehicle dealer" means a person who is a dealer in another state and is engaged in this state in the business of purchasing, selling, or otherwise dealing on a wholesale basis in vehicles of a type required to have a salvage certificate of title under this act.

(2) This section is repealed effective January 1, 1994.

Sec. 27a. (1) "Major component part" means 1 of the following parts of a motor vehicle:

- (a) The engine.
 - (b) The transmission.
 - (c) The right or left front fender.
 - (d) The hood.
 - (e) A door allowing entrance to or egress from the vehicle's passenger compartment of the vehicle.
 - (f) The front or rear bumper.
 - (g) The right or left rear quarter panel.
 - (h) The deck lid, tailgate, or hatchback.
 - (i) The trunk floor pan.
 - (j) The cargo box of a pickup.
 - (k) The frame, or if the vehicle has a unitized body, the supporting structure or structures which serve as the frame.
 - (l) The cab of a truck.
 - (m) The body of a passenger vehicle.
- (2) This section is repealed effective January 1, 1994.

Sec. 41a. (1) "Police book" means a hardcover, bound volume which provides a bought and sold record for each vehicle handled by a dealer, contains the information required by section 251, and includes any other information required by law or the secretary of state.

- (2) This section is repealed effective January 1, 1994.

Sec. 56b. (1) "Salvageable part" means a major component part of a late model vehicle or a vehicle manufactured in the current model year, if the part is serviceable to the extent that it can be reused.

- (2) This section is repealed effective January 1, 1994.

Sec. 217c. (1) An insurance company licensed to conduct business in this state that determines that a late model vehicle that the company insures has become a distressed vehicle shall proceed under either of the following:

(a) If the insurance company acquires ownership of the vehicle through payment of a claim, the owner of the vehicle shall assign the certificate of title to the insurance company who shall do all of the following:

- (i) Surrender a properly assigned certificate of title to the secretary of state.
- (ii) Apply for a salvage certificate of title. The insurance company shall not sell the vehicle without first receiving a salvage certificate of title, which shall be assigned to the buyer.

(b) If after payment of a claim, the insurance company permits the owner of the vehicle to retain ownership, the insurance company shall do all of the following:

- (i) Require each owner of the vehicle to sign an application for a salvage certificate of title.
- (ii) Attach the owner's certificate of title to the application for a salvage certificate of title or have the owner certify that the certificate of title is lost.
- (iii) On behalf of the owner, apply to the secretary of state for a salvage certificate of title in the name of the owner. The owner shall not sell or otherwise dispose of the vehicle without first receiving a salvage certificate of title, which shall be assigned to the buyer.

(2) If an insurance company acquires ownership of a vehicle other than a late model distressed vehicle through payment of damages due to an accident, the company shall surrender a properly assigned title to the buyer upon delivery.

(3) If a dealer, other than a vehicle scrap metal processor, acquires ownership of a late model vehicle that is a distressed vehicle from an owner and receives an assigned certificate of title, the dealer shall surrender the assigned certificate of title to the secretary of state and apply for a salvage certificate of title within 5 days after the dealer receives the assigned certificate of title. The dealer may sell the vehicle to another dealer by assigning the salvage certificate of title to the buyer. If the vehicle is sold to a buyer other than a dealer, application shall be made for a salvage certificate in the name of the buyer. A vehicle scrap metal processor shall surrender an assigned certificate of title to the secretary of state within 30 days after acquiring a vehicle for which a certificate of title was received. A vehicle scrap metal processor shall surrender an assigned salvage certificate of title to the secretary of state within 30 days after acquiring a vehicle for which a salvage certificate of title was received, and report that the vehicle was destroyed or scrapped.

(4) If a person, other than a dealer or insurance company that is subject to subsection (1) or (3), acquires ownership of a late model vehicle that is a distressed vehicle, the person shall surrender the title or assigned certificate of title to the secretary of state and apply for a salvage certificate of title, before the vehicle may be transported. If an owner retains ownership of a late model vehicle that should be a distressed vehicle, the owner shall surrender the title or assigned certificate of title to the owner's insurance company who, before payment of a claim, shall apply for a salvage certificate of title in the name of the owner.

(5) An application for a salvage certificate of title shall be made on a form prescribed by the secretary of state accompanied by a fee of \$10.00. The application shall contain all of the following:

- (a) The complete name and current address of the owner.
- (b) A description of the vehicle, including its make, style of body, model year, weight, color, and vehicle identification number.
- (c) A description of the damage to the vehicle.
- (d) Until January 1, 1994, a listing of each major component part that was not salvageable.
- (e) Further information as may reasonably be required by the secretary of state.

(6) The secretary of state shall issue the salvage certificate within 5 business days after the time the application is received at the secretary of state's office in Lansing. Until January 1, 1994, each salvage certificate of title shall include a listing of each major component part that was not salvageable.

(7) A salvage certificate of title shall authorize the holder of the title to possess, transport, but not drive upon a highway, and transfer ownership in, a vehicle. A certificate of title or registration plates shall not be issued for a vehicle for which a salvage certificate of title was issued unless a specially trained police officer certifies that the vehicle identification numbers and parts identification numbers have been examined as to their accuracy, the applicant has proof of ownership of repair parts used, the vehicle complies with the equipment standards of this act, and that certification accompanies the application for a certificate of title. Until January 1, 1994, an application for a certificate of title shall contain a description of each salvageable part used to repair the vehicle and any identification number affixed to or inscribed upon the part as required by federal law. A fee of \$25.00 shall be received by the police agency for inspection of the vehicle. Upon the satisfactory completion of the examination and other requirements for application, a certificate of title, in the same form as the original, shall be issued for the vehicle.

(8) If a dealer other than a vehicle scrap metal processor acquires ownership of an older model vehicle from an owner and receives an assigned certificate of title, the dealer shall retain the assigned certificate of title as long as the dealer retains the vehicle. A vehicle scrap metal processor shall surrender an assigned certificate of title to the secretary of state within 30 days after the vehicle is destroyed or scrapped.

(9) A dealer other than a vehicle scrap metal processor selling or assigning a vehicle to a vehicle scrap metal processor shall make a record in triplicate on a form to be provided by the secretary of state in substantially the following form:

Scrap Vehicle Inventory:

Dealer name _____
Dealer address _____
Dealer license number _____
Conveyed to: _____ Date _____

(Vehicle scrap metal processor)

	Model Year	Vehicles Vehicle Make	VIN
1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
etc.			

One copy shall be retained as a permanent record by the dealer, 1 copy shall be forwarded with the vehicle to be retained by the vehicle scrap metal processor, and 1 copy shall be forwarded to the secretary of state along with an assigned certificate of title or a salvage certificate.

(10) A person, other than a used or secondhand vehicle parts dealer or a foreign salvage dealer, or an insurance company admitted to conduct business in this state, receiving a salvage certificate of title shall not sell the vehicle to anyone other than 1 of the following:

- (a) The vehicle's former owner.

- (b) A used or secondhand vehicle parts dealer.
- (c) A vehicle scrap metal processor.
- (d) A foreign salvage vehicle dealer licensed under this act.
- (e) A registered motor vehicle repair facility engaging in body work.

(11) The secretary of state may conduct periodic reviews of the records of a dealer to determine whether adequate notice is given to a transferee of a rebuilt salvage vehicle of that vehicle's prior designation as a salvage vehicle. The secretary of state may request an insurance company to provide copies of salvage title documents and claims reports involving major component parts to assist the secretary of state in monitoring compliance with this act.

(12) Subsections (10) and (11) shall apply until January 1, 1994.

Sec. 217f. (1) A vehicle salvage pool operator or broker shall not sell, assign, or otherwise dispose of a vehicle for which a salvage certificate of title is required, unless a salvage certificate of title has been issued for the vehicle by the department.

(2) This section is repealed effective January 1, 1994.

Sec. 248. (1) A person shall not carry on or conduct the business of buying, selling, brokering, or dealing in vehicles of a type required to be titled under this act unless the person obtains a dealer license from the secretary of state authorizing the carrying on or conducting of that business. Until January 1, 1994, a person shall not carry on or conduct the business of buying, selling, brokering, or dealing in distressed late model motor vehicles or salvageable parts, unless the person obtains a used or secondhand vehicle parts dealer license from the secretary of state or is an insurance company admitted to conduct business in this state, except that a motor vehicle repair facility registered under the motor vehicle service and repair act, Act No. 300 of the Public Acts of 1974, being sections 257.1301 to 257.1340 of the Michigan Compiled Laws, may purchase salvageable parts and salvage vehicles for the purposes of using acquired parts and vehicles in the repair of other vehicles. A person shall not carry on or conduct the business of buying vehicles to process into scrap metal or store or display vehicles as an agent or escrow agent of an insurance company, unless the person obtains a dealer license from the secretary of state. A vehicle scrap metal processor who does not purchase vehicles from unlicensed persons shall not be required to obtain a dealer license. Until January 1, 1994, a person from another state shall not purchase, sell, or otherwise deal in distressed, late model motor vehicles, unless the person obtains a foreign salvage vehicle dealer license from the secretary of state as prescribed under section 248b. The secretary of state shall investigate and seek prosecution, if necessary, of persons allegedly conducting a business without a license.

(2) The application for a dealer license shall be in the form prescribed by the secretary of state and shall be signed by the applicant. In addition to other information as may be required by the secretary of state, the application shall include all of the following:

- (a) Name of applicant.
- (b) Location of applicant's established place of business in this state.
- (c) The name under which business is to be conducted.
- (d) If the business is a corporation, the state of incorporation.
- (e) Name and address of each owner or partner and, if a corporation, the name of the principal officers.
- (f) The county in which the business is to be conducted and the address of each place of business in that county.

(g) If new vehicles are to be sold, the make to be handled. Each new vehicle dealer shall send with the application for license a certification that the dealer holds a bona fide contract to act as factory representative, factory distributor, or distributor representative to sell at retail the make of vehicle to be sold.

(h) A statement of the previous history, record, and associations of the applicant and of each owner, partner, officer, and director, which statement shall be sufficient to establish to the satisfaction of the secretary of state the business reputation and character of the applicant.

(i) A statement showing whether the applicant has previously applied for a license, the result of the application, and whether the applicant has ever been the holder of a dealer license which was revoked or suspended.

(j) If the applicant is a corporation or partnership, a statement showing whether a partner, employee, officer, or director has been refused a license or has been the holder of a license which was revoked or suspended.

(k) Until January 1, 1994, if the application is for a used or secondhand vehicle parts dealer, all of the following:

(i) Evidence that the applicant maintains or will maintain an established place of business.

(ii) Evidence that the applicant maintains or will maintain a police book and vehicle parts purchase and sales records as required under this act.

(iii) Evidence of worker's compensation insurance coverage for employees classified under the standard industrial classification number 4015, entitled "motor vehicle parts — used" or under the national council on compensation insurance code number 3821, entitled "automobile dismantling", if applicable.

(3) A person shall make a separate application for a dealer license for each county in which business is to be conducted and a dealer, before moving 1 or more of his or her places of business, or opening an additional place of business, shall apply to the secretary of state for and obtain a supplemental dealer license, for which a fee shall not be charged. The supplemental dealer license shall entitle the dealer to conduct in the county covered by the license the business of buying, selling, and dealing in vehicles. Until January 1, 1994, this subsection shall not apply to a person licensed as a foreign salvage vehicle dealer under section 248b.

(4) The secretary of state may divide the calendar year into quarters and the total number of dealer licensees into approximately convenient quarter segments. Each dealer license granted under subsection (1) shall expire on the last day of the month in the quarter for the business year in which the license was issued, and may be renewed upon application and payment of the fee required by section 807.

(5) A license shall not be granted until an investigation is made of the applicant's qualifications under this act, except that this subsection shall not apply to license renewals. The secretary of state shall make the investigation within 15 days after receiving the application and make a report on the investigation.

(6) The secretary of state shall classify and differentiate vehicle dealers according to the type of activity they perform. A dealer shall not engage in activities of a particular classification as provided in this act, unless the dealer is licensed in that classification. An applicant may apply for a dealer license in 1 or more of the following classifications:

- (a) New vehicle dealer.
- (b) Used or secondhand vehicle dealer.
- (c) Used or secondhand vehicle parts dealer.
- (d) Vehicle scrap metal processor.
- (e) Vehicle salvage pool operator.
- (f) Distressed vehicle transporter.
- (g) Broker.
- (h) Until January 1, 1994, a foreign salvage vehicle dealer.

(7) An applicant for a new vehicle dealer or a used or secondhand vehicle dealer or broker license shall accompany the application with a properly executed bond or renewal certificate. If a renewal certificate is used, the bond shall be considered as renewed for each succeeding year in the same amount and with the same effect as an original bond. The bond shall be in the sum of \$10,000.00 with good and sufficient surety to be approved by the secretary of state. The bond shall be conditioned to indemnify or reimburse a purchaser, seller, financing agency, or governmental agency for monetary loss caused through fraud, cheating, or misrepresentation in the conduct of the vehicle business, whether the fraud, cheating, or misrepresentation was made by the dealer or by an employee, agent, or salesperson of the dealer. The surety shall be required to make indemnification or reimbursement for a monetary loss only after judgment based on fraud, cheating, or misrepresentation has been entered in a court of record against the licensee. The bond shall also be conditioned to indemnify or reimburse the state for any sales tax deficiency as provided in the general sales tax act, Act No. 167 of the Public Acts of 1933, as amended, being sections 205.51 to 205.78 of the Michigan Compiled Laws, or use tax deficiency as provided in the use tax act, Act No. 94 of the Public Acts of 1937, as amended, being sections 205.91 to 205.111 of the Michigan Compiled Laws, for the year in which the bond was in force. The surety shall be required to make indemnification or reimbursement only after final judgment has been entered in a court of record against the licensee. A dealer or applicant who has furnished satisfactory proof that a bond similar to the bond required by this subsection is executed and in force shall be exempt from the bond provisions set forth in this subsection. The aggregate liability of the surety shall not exceed the sum of the bond. The surety on the bond may cancel the bond upon giving 30 days' notice in writing to the secretary of state and thereafter shall not be liable for a breach of condition occurring after the effective date of the cancellation.

(8) An applicant for a new vehicle dealer or a used or secondhand vehicle dealer license shall accompany the application with an application for not less than 2 dealer plates as provided by section 245, accompanied by the proper fee as provided by section 803.

(9) A dealer required to be licensed under this section, as a condition precedent to the granting of a license, shall file with the secretary of state, an irrevocable written stipulation, authenticated by the applicant, stipulating and agreeing that legal process affecting the dealer, served on the secretary of state or a deputy of

the secretary of state, shall have the same effect as if personally served on the dealer. This appointment shall remain in force as long as any liability of the dealer remains outstanding within this state.

Sec. 248b. (1) A person from a foreign state shall not purchase, sell, or otherwise deal in distressed late model motor vehicles, unless the person first obtains a foreign salvage vehicle dealer license from the secretary of state.

(2) The application for a foreign salvage vehicle dealer license shall be in the form prescribed by the secretary of state and shall be signed by the applicant. The application shall include the following:

- (a) Name of applicant.
- (b) Location of applicant's established place of business in a foreign state, and in this state, if any.
- (c) The name under which business is to be conducted.
- (d) If the business is a corporation, the state of incorporation and a copy of the articles of incorporation filed in that state.
- (e) Name, address, date of birth, and social security number of each owner or partner and, if a corporation, the name of the principal officers.
- (f) A statement of the previous history, record, and associations of the applicant and of each owner, partner, officer, and director, which statement shall be sufficient to establish to the satisfaction of the secretary of state the business reputation and character of the applicant.
- (g) A statement showing whether the applicant has previously applied for a license in any other state, the result of the application, and whether the applicant has ever been the holder of a license which was revoked or suspended.
- (h) If the applicant is a corporation or partnership, a statement showing whether a partner, employee, officer, or director has been refused a license or has been the holder of a license which was revoked or suspended.
- (i) Evidence that the applicant holds a license as a salvage vehicle dealer in a foreign state and engages in the business of buying, selling, or otherwise dealing in distressed, late model motor vehicles.
- (j) Evidence that the applicant maintains or will maintain an established place of business.
- (k) Evidence that the applicant maintains or will maintain a police book and vehicle parts purchase and sales records as required under this act.
- (l) Location of the applicant's established place of business in a foreign state.
- (m) Evidence of worker's compensation insurance coverage for employees classified under the standard industrial classification number 4015, entitled "motor vehicle parts — used" or under the national council on compensation insurance code number 3821, entitled "automobile dismantling", if applicable.
- (n) Federal employer tax identification number.

(3) The secretary of state may divide the calendar year into quarters and the total number of dealer licensees into approximately convenient quarter segments. Each dealer license granted under subsection (1) shall expire on the last day of the month in the quarter for the business year in which the license was issued, and may be renewed upon application and payment of the fee required by section 807.

(4) A license shall not be granted until an investigation is made of the applicant's qualifications under this act and a criminal history investigation of the applicant is conducted through a law enforcement informational network. This subsection shall not apply to license renewals. The secretary of state shall make the investigations within 15 days after receipt of the application and make a report on the investigations.

(5) A dealer required to be licensed under this section, as a condition precedent to the granting of a license, shall file with the secretary of state, an irrevocable written stipulation, authenticated by the applicant, stipulating and agreeing that legal process affecting the dealer, served on the secretary of state or a deputy of the secretary of state, shall have the same effect as if personally served on the dealer. This appointment shall remain in force as long as any liability of the dealer remains outstanding within this state.

(6) This section is repealed effective January 1, 1994.

Sec. 248c. (1) A vehicle salvage pool or broker shall not sell, transfer, or release a distressed late model motor vehicle to anyone other than 1 or more of the following:

- (a) The vehicle's former owner.
- (b) A used or secondhand vehicle parts dealer.
- (c) A vehicle scrap metal processor.
- (d) A foreign salvage vehicle dealer licensed under this act.

(e) A registered motor vehicle repair facility engaging in body work.

(2) This section is repealed effective January 1, 1994.

Sec. 249. The secretary of state may deny the application of a person for a license as a dealer and refuse to issue the person a license as a dealer, or may suspend or revoke a license already issued, if the secretary of state finds that the applicant or licensee has done 1 or more of the following:

(a) Has made a false statement of a material fact in his or her application.

(b) Has not complied with the provisions of this chapter.

(c) Has sold or offered for sale a new vehicle of a type required to be registered under this act without having authority of a contract with a manufacturer or distributor of the new vehicle.

(d) Has been guilty of a fraudulent act in connection with selling or otherwise dealing in vehicles of a type required to be registered under this act.

(e) Has entered into or is about to enter into a contract or agreement with a manufacturer or distributor of vehicles of a type required to be registered under this act, which is contrary to any provision of this act.

(f) Has no established place of business which is used or will be used for the purpose of selling, displaying, and offering for sale or dealing in vehicles of a type required to be registered, and does not have proper servicing facilities.

(g) If the applicant is a corporation or partnership, a stockholder, officer, director, or partner of the applicant has been guilty of any act or omission which would be cause for refusing, revoking, or suspending a license issued to the officer, director, or partner as an individual.

(h) Has possessed a vehicle or a vehicle part which has been confiscated under section 415 of the Michigan penal code, Act No. 328 of the Public Acts of 1931, as amended, being section 750.415 of the Michigan Compiled Laws. The secretary of state shall conduct a hearing pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, as amended, being sections 24.201 to 24.328 of the Michigan Compiled Laws, before the secretary of state takes any action under this subdivision.

(i) Has been convicted under section 415 of the Michigan penal code, Act No. 328 of the Public Acts of 1931, as amended.

(j) Until January 1, 1994, has been convicted of violating Act No. 119 of the Public Acts of 1986, being sections 257.1351 to 257.1355 of the Michigan Compiled Laws.

Sec. 249a. (1) The secretary of state may deny the application of a person for a license as a used or secondhand vehicle parts dealer, a vehicle scrap metal processor, or a foreign salvage vehicle dealer and refuse that person a license as a used or secondhand vehicle parts dealer, a vehicle scrap metal processor, or a foreign salvage vehicle dealer, or may suspend or revoke a license already issued, if the secretary of state finds that the applicant or licensee has done 1 or more of the following:

(a) Has made a false statement of a material fact in his or her application.

(b) Has not complied with this act.

(c) Has been convicted of violating Act No. 119 of the Public Acts of 1986, being sections 257.1351 to 257.1355 of the Michigan Compiled Laws.

(d) If the applicant or licensee is a foreign salvage vehicle dealer, has had his or her dealer license in another state expire, or has had his or her dealer license in another state revoked, suspended, or canceled.

(e) If the applicant or licensee is a used or secondhand vehicle parts dealer or a foreign salvage vehicle dealer and has no established place of business used for the purpose of selling, displaying, or offering for sale used or secondhand vehicle parts or does not have a vehicle dismantling facility or does not have evidence of worker's compensation insurance coverage for employees classified under the standard industrial classification number 4015, entitled "motor vehicle parts — used" or under the national council on compensation insurance code number 3821, entitled "automobile dismantling", if applicable.

(2) The secretary of state shall deny the application of a person for a license as a used or secondhand vehicle parts dealer, a vehicle scrap metal processor, or a foreign salvage vehicle dealer and refuse that person a license as a used or secondhand vehicle parts dealer, a vehicle scrap metal processor, or a foreign salvage vehicle dealer, or shall suspend or revoke a license already issued, if the secretary of state finds that the applicant or licensee has done 1 or more of the following:

(a) Has been guilty of a fraudulent act in connection with selling or otherwise dealing in major component parts or vehicles of a type required to be registered under this act.

(b) Has possessed a vehicle or a vehicle part which has been confiscated under section 415 of the Michigan penal code, Act No. 328 of the Public Acts of 1931, being section 750.415 of the Michigan Compiled Laws. The

secretary of state shall conduct a hearing pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws, before the secretary of state takes any action under this subdivision.

(c) Has been convicted under section 413, 415, 535, 535a, or 536a of the Michigan penal code, Act No. 328 of the Public Acts of 1931, being sections 750.413, 750.415, 750.535, 750.535a, and 750.536a of the Michigan Compiled Laws, or has been convicted in a foreign state of a law or a local ordinance substantially corresponding to section 413, 415, 535, 535a, or 536a of the Michigan penal code, Act No. 328 of the Public Acts of 1931.

(3) This section is repealed effective January 1, 1994.

Sec. 251. (1) Each new vehicle dealer and used vehicle dealer shall maintain a record in form as prescribed by the secretary of state of each vehicle of a type subject to titling under this act that is bought, sold, or exchanged by the dealer or received or accepted by the dealer for sale or exchange.

(2) Each record shall contain the date of the purchase, sale, or exchange or receipt for the purpose of sale, a description of the vehicle, together with the name and address of the seller, of the purchaser, and of the alleged owner or other persons from whom the vehicle was purchased or received, or to whom it was sold or delivered. The record shall contain a copy of all odometer mileage statements received by the dealer upon purchasing or acquiring a vehicle and a copy of the odometer mileage statement furnished by the dealer upon sale of a vehicle as prescribed in section 233a. A dealer shall retain for not less than 5 years each odometer mileage statement the dealer receives and each odometer mileage statement furnished by the dealer upon the sale of a vehicle. The description of the vehicle, in the case of a motor vehicle, shall also include the vehicle identification number, and other numbers or identification marks as may be on the vehicle, and shall also include a statement that a number has been obliterated, defaced, or changed, if that is the fact. For a trailer or semitrailer, the record shall include the vehicle identification number, and other numbers or identification marks as may be on the trailer or semitrailer.

(3) Not more than 20 days after the delivery of the vehicle, the seller shall deliver to the buyer in person or by mail to the buyer's last known address a duplicate of a written statement, on a form prescribed by the secretary of state in conjunction with the department of treasury, describing clearly the name and address of the seller, the name and address of the buyer, the vehicle sold to the buyer, the cash sale price of the vehicle, the cash paid down by the buyer, the amount credited the buyer for a trade-in, a description of the trade-in, the amount of the finance charge, the amount charged for vehicle insurance, stating the types of insurance covered by the insurance policy, the amount of any other charge and specifying its purpose, the net balance due from the buyer, the terms of the payment of the net balance, and a summary of insurance coverage to be affected. If the vehicle sold is a new motor home, the written statement shall contain a description, including the year of manufacture, of every major component part of the vehicle that has its own manufacturer's certificate of origin. The written statement shall disclose if the vehicle sold is a vehicle that the seller had loaned to a political subdivision of this state for use as a driver education vehicle. The written statement shall be dated, but not later than the actual date of delivery of the vehicle to the buyer. The original and all copies of the prescribed form shall contain identical information. The statement shall be furnished by the seller, shall be signed by the seller or the seller's agent and by the buyer, and shall be filed with the application for new title or registration. Failure of the seller to deliver this written statement to the buyer shall not invalidate the sale between the seller and the buyer.

(4) A retail vehicle sale shall be void unless the following conditions are met:

(a) The sale is evidenced by a written memorandum which contains the agreement of the parties and is signed by the buyer and the seller or the seller's agent.

(b) The agreement contains a place for acknowledgment, by the buyer, of the receipt of a copy of the agreement or actual delivery of the vehicle is made to the buyer.

(5) Each dealer record and inventory, including the record and inventory of a vehicle scrap metal processor not required to obtain a dealer license, shall be open to inspection by a police officer or an authorized officer or investigator of the secretary of state during reasonable or established business hours.

(6) A dealer licensed as a distressed vehicle transporter shall maintain records in a form as prescribed by the secretary of state. The records shall identify each distressed vehicle that is bought, acquired, and sold by the dealer. The record shall identify the person from whom a distressed vehicle was bought or acquired and the dealer to whom the vehicle was sold. The record shall indicate whether a certificate of title or salvage certificate of title was obtained by the dealer for each vehicle.

(7) A dealer licensed as a vehicle salvage pool operator or broker shall maintain records in a form as prescribed by the secretary of state. The records shall contain a description of each vehicle stored by the dealer, the insurance company storing the vehicle, the period of time the vehicle was stored, and the person acquiring the vehicle. In addition, a dealer licensed as a broker shall maintain a record of the odometer mileage reading of

each vehicle sold pursuant to an agreement between the broker and the buyer or the broker and the seller. The record of odometer mileage shall be maintained for 5 years and shall contain all of the information required by section 233a.

(8) A dealer licensed as a used vehicle parts dealer shall maintain records in a form prescribed by the secretary of state. The records shall contain the date of purchase or acquisition of the vehicle, a description of the vehicle including the color, and the name and address of the person from whom the vehicle was acquired. If the vehicle is sold, the record shall contain the date of sale and the name and address of the purchaser. The record shall indicate if the certificate of title or salvage certificate of title was obtained by the dealer. In the case of a late model vehicle, a record of the purchase or sale of a major component of the vehicle shall be maintained identifying the part purchased or sold, the name and address of the seller or purchaser, the date of the purchase or sale, and the identification number assigned to the part by the dealer. The record of the purchase or sale of a part shall be maintained in or attached to the dealer's police book or hard copy of computerized data entries and reference codes and shall be accessible at the dealer's location.

(9) A dealer licensed as a vehicle scrap metal processor shall maintain records as prescribed by the secretary of state. As provided in section 217c, the records shall contain, for a vehicle purchased from a dealer, a copy of the scrap vehicle inventory, including the name and address of the dealer, a description of the vehicle acquired, and the date of acquisition. If a vehicle is purchased or acquired from a person other than a dealer the record shall contain the date of acquisition, the name and address of the person from whom the vehicle was acquired, and whether a certificate of title or salvage certificate of title was obtained by the dealer.

(10) A dealer licensed as a foreign salvage vehicle dealer shall maintain records in a form prescribed by the secretary of state. The records shall contain the date of purchase or acquisition of each distressed vehicle, a description of the vehicle including the color, and the name and address of the person from whom the vehicle was acquired. If the vehicle is sold, the record shall contain the date of sale and the name and address of the purchaser. The record shall indicate if the certificate of title or salvage certificate of title was obtained by the dealer. In the case of a late model vehicle, a record of the purchase or sale of each major component part purchased or acquired in this state shall be maintained and the record shall contain the date of purchase or acquisition of the part, a description of the part, the identification number assigned to the part, and the name and address of the person to or from whom the part was purchased or acquired or sold. The record of the sale, purchase, or acquisition of a part shall be maintained in the dealer's police book. The police book shall only contain vehicles and major component parts purchased in this state or used in the repair of a vehicle purchased in this state. The police book and the records of vehicle part sales, purchases, or acquisitions shall be made available at a location within the state for inspection by the secretary of state within 48 hours after a request by the secretary of state. This subsection shall apply until January 1, 1994.

(11) The secretary of state shall make periodic unannounced inspections of the records, facilities, and inventories of used or secondhand vehicle parts dealers. This subsection shall apply until January 1, 1994.

(12) A dealer licensed under this act shall maintain records for a period of 5 years. The records shall be made available for inspection by the secretary of state or other law enforcement officials. The secretary of state shall make inspection of a dealer once every 4 years and as determined necessary by the secretary of state or a law enforcement officer. The secretary of state may issue an order summarily suspending the license of a dealer pursuant to section 92 of the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being section 24.292 of the Michigan Compiled Laws, based on an affidavit by a person familiar with the facts set forth in the affidavit that the dealer has failed to maintain the records required by this act or failed to provide the records for inspection as requested by the secretary of state, or has otherwise hindered, obstructed, or prevented the inspection of records authorized under this section. The dealer to whom the order is directed shall comply immediately but on application to the department shall be afforded a hearing within 30 days pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws. On the basis of the hearing, the summary order shall be continued, modified, or held in obedience not later than 30 days after the hearing. This subsection shall apply until January 1, 1994.

(13) Each dealer record of the purchase, acquisition, sale, receipt, or acceptance for the purpose of sale, delivery, or exchange of a vehicle shall contain the vehicle dealer license number of the dealer from whom the vehicle was obtained and of the dealer to whom the vehicle was sold or delivered.

(14) The secretary of state may promulgate rules to implement this section pursuant to Act No. 306 of the Public Acts of 1969, as amended.

Sec. 807. (1) An application for a license under section 248 shall be accompanied by the following fee:

Full year's license.....	\$ 10.00
Half year's license (after June 30th).....	5.00

(2) Until January 1, 1994, an application for a used or secondhand vehicle parts dealer or foreign salvage vehicle dealer licensed shall be accompanied by the following fees:

Full year's license.....	\$100.00
Half year's license (after June 30)	50.00

Sec. 810a. (1) The secretary of state shall collect an assessment of 50 cents in connection with the issuance of a salvage vehicle certificate of title or a certificate of title. The assessment shall be collected in the same manner and at the same time as fees collected by the secretary of state pursuant to sections 217c and 806. Each assessment collected shall be deposited in a vehicle theft prevention account to be expended for purposes of developing a vehicle theft prevention program, including the administration, inspection, and enforcement of antitheft procedures, as described in this act.

(2) This section is repealed effective January 1, 1994.

Section 2. Section 248d of Act No. 300 of the Public Acts of 1949, being section 257.248d of the Michigan Compiled Laws, is repealed.

This act is ordered to take immediate effect.

.....
Clerk of the House of Representatives.

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Secretary of the Senate.

Approved.....

.....
Governor.