

HOUSE BILL No. 6089

September 17, 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 and referred to the Committee on Transportation.

A bill 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 "Michigan vehicle code," 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. 96 of the Public Acts of 1990, 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:

1 Section 1. Sections 17a, 27a, 41a, 56b, 217c, 217f, 248,
2 248b, 248c, 249, 249a, 251, 807, and 810a of Act No. 300 of the
3 Public Acts of 1949, sections 248, 249, and 807 as amended and
4 sections 17a, 27a, 41a, 56b, 217f, 248b, 248c, 249a, and 810a as
5 added by Act No. 255 of the Public Acts of 1988, section 217c as
6 amended by Act No. 96 of the Public Acts of 1990, and section 251
7 as amended by Act No. 265 of the Public Acts of 1990, being sec-
8 tions 257.17a, 257.27a, 257.41a, 257.56b, 257.217c, 257.217f,
9 257.248, 257.248b, 257.248c, 257.249, 257.249a, 257.251, 257.807,
10 and 257.810a of the Michigan Compiled Laws, are amended to read
11 as follows:

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

17 ~~-(2) This section is repealed effective January 1, 1993.~~

18 Sec. 27a. ~~-(1)-~~ "Major component part" means 1 of the fol-
19 lowing parts of a motor vehicle:

20 (a) The engine.

21 (b) The transmission.

22 (c) The right or left front fender.

23 (d) The hood.

24 (e) A door allowing entrance to or egress from the vehicle's
25 passenger compartment of the vehicle.

26 (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, 1993.~~

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, 1993.~~

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, 1993.~~

Sec. 217c. (1) If an insurance company licensed to conduct business in this state determines that a late model vehicle that the company insures has become a distressed vehicle, the owner of the vehicle shall assign the certificate of title to the company who shall acquire ownership of the distressed vehicle through payment of damages, surrender a properly assigned certificate of title to the secretary of state, and apply for a salvage

1 certificate of title. The insurance company shall not sell the
2 vehicle without first receiving a salvage certificate of title,
3 which shall be assigned to the buyer. If an insurance company
4 acquires ownership of a vehicle other than a late model dis-
5 tressed vehicle through payment of damages due to an accident,
6 the company shall surrender a properly assigned title to the
7 buyer upon delivery.

8 (2) If a dealer, other than a vehicle scrap metal processor,
9 acquires ownership of a late model vehicle that is a distressed
10 vehicle from an owner and receives an assigned certificate of
11 title, the dealer shall surrender the assigned certificate of
12 title to the secretary of state and apply for a salvage certifi-
13 cate of title within 5 days after the dealer receives the
14 assigned certificate of title. The dealer may sell the vehicle
15 to another dealer by assigning the salvage certificate of title
16 to the buyer. If the vehicle is sold to a buyer other than a
17 dealer, application shall be made for a salvage certificate in
18 the name of the buyer. A vehicle scrap metal processor shall
19 surrender an assigned certificate of title to the secretary of
20 state within 30 days after acquiring a vehicle for which a cer-
21 tificate of title was received. A vehicle scrap metal processor
22 shall surrender an assigned salvage certificate of title to the
23 secretary of state within 30 days after acquiring a vehicle for
24 which a salvage certificate of title was received, and report
25 that the vehicle was destroyed or scrapped.

26 (3) If a person, other than a dealer or insurance company
27 that is subject to subsection (1) or (2), acquires ownership of a

1 late model vehicle that is a distressed vehicle, the person shall
2 surrender the title or assigned certificate of title to the sec-
3 retary of state and apply for a salvage certificate of title,
4 before the vehicle may be transported.

5 (4) An application for a salvage certificate of title shall
6 be made on a form prescribed by the secretary of state accom-
7 panied by a fee of \$10.00. The application shall contain all of
8 the following:

9 (a) The complete name and current address of the owner.

10 (b) A description of the vehicle, including its make, style
11 of body, model year, weight, color, and vehicle identification
12 number.

13 (c) A description of the damage to the vehicle.

14 (d) ~~Until January 1, 1993, a~~ A listing of each major com-
15 ponent part that was not salvageable.

16 (e) Further information as may reasonably be required by the
17 secretary of state.

18 (5) The secretary of state shall issue the salvage certifi-
19 cate within 5 business days after the time the application is
20 received at the secretary of state's office in Lansing. ~~Until~~
21 ~~January 1, 1993, each~~ EACH salvage certificate of title shall
22 include a listing of each major component part that was not
23 salvageable.

24 (6) A salvage certificate of title shall authorize the
25 holder of the title to possess, transport, but not drive upon a
26 highway, and transfer ownership in, a vehicle. A certificate of
27 title or registration plates shall not be issued for a vehicle

1 for which a salvage certificate of title was issued unless a
2 specially trained police officer certifies that the vehicle iden-
3 tification numbers and parts identification numbers have been
4 examined as to their accuracy, the applicant has proof of owner-
5 ship of repair parts used, the vehicle complies with the equip-
6 ment standards of this act, and that certification accompanies
7 the application for a certificate of title. ~~Until January 1,~~
8 ~~1993, an~~ AN application for a certificate of title shall contain
9 a description of each salvageable part used to repair the vehicle
10 and any identification number affixed to or inscribed upon the
11 part as required by federal law. A fee of \$25.00 shall be
12 received by the police agency for inspection of the vehicle.
13 Upon the satisfactory completion of the examination and other
14 requirements for application, a certificate of title, in the same
15 form as the original, shall be issued for the vehicle.

16 (7) If a dealer other than a vehicle scrap metal processor
17 acquires ownership of an older model vehicle from an owner and
18 receives an assigned certificate of title, the dealer shall
19 retain the assigned certificate of title as long as the dealer
20 retains the vehicle. A vehicle scrap metal processor shall sur-
21 render an assigned certificate of title to the secretary of state
22 within 30 days after the vehicle is destroyed or scrapped.

23 (8) A dealer other than a vehicle scrap metal processor
24 selling or assigning a vehicle to a vehicle scrap metal processor
25 shall make a record in triplicate on a form to be provided by the
26 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)

Vehicles

Model Year	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.

(9) 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.

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

3 (10) The secretary of state may conduct periodic reviews of
4 the records of a dealer to determine whether adequate notice is
5 given to a transferee of a rebuilt salvage vehicle of that
6 vehicle's prior designation as a salvage vehicle. The secretary
7 of state may request an insurance company to provide copies of
8 salvage title documents and claims reports involving major compo-
9 nent parts to assist the secretary of state in monitoring compli-
10 ance with this act.

11 ~~((11) Subsections (9) and (10) shall apply until January 1,~~
12 ~~1993.~~

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

18 ~~((2)) This section is repealed effective January 1, 1993.~~

19 Sec. 248. (1) A person shall not carry on or conduct the
20 business of buying, selling, brokering, or dealing in vehicles of
21 a type required to be titled under this act unless the person
22 obtains a dealer license from the secretary of state authorizing
23 the carrying on or conducting of that business. ~~Until~~
24 ~~January 1, 1993, a~~ A person shall not carry on or conduct the
25 business of buying, selling, brokering, or dealing in distressed
26 late model motor vehicles or salvageable parts, unless the person
27 obtains a used or secondhand vehicle parts dealer license from

1 the secretary of state or is an insurance company admitted to
2 conduct business in this state, except that a motor vehicle
3 repair facility registered under the motor vehicle service and
4 repair act, Act No. 300 of the Public Acts of 1974, being sec-
5 tions 257.1301 to 257.1340 of the Michigan Compiled Laws, may
6 purchase salvageable parts and salvage vehicles for the purposes
7 of using acquired parts and vehicles in the repair of other
8 vehicles. A person shall not carry on or conduct the business of
9 buying vehicles to process into scrap metal or store or display
10 vehicles as an agent or escrow agent of an insurance company,
11 unless the person obtains a dealer license from the secretary of
12 state. A vehicle scrap metal processor who does not purchase
13 vehicles from unlicensed persons shall not be required to obtain
14 a dealer license. ~~Until January 1, 1993, a~~ A person from
15 another state shall not purchase, sell, or otherwise deal in dis-
16 tressed, late model motor vehicles, unless the person obtains a
17 foreign salvage vehicle dealer license from the secretary of
18 state as prescribed under section 248b. The secretary of state
19 shall investigate and seek prosecution, if necessary, of persons
20 allegedly conducting a business without a license.

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

26 (a) Name of applicant.

1 (b) Location of applicant's established place of business in
2 this state.

3 (c) The name under which business is to be conducted.

4 (d) If the business is a corporation, the state of
5 incorporation.

6 (e) Name and address of each owner or partner and, if a cor-
7 poration, the name of the principal officers.

8 (f) The county in which the business is to be conducted and
9 the address of each place of business in that county.

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

16 (h) A statement of the previous history, record, and associ-
17 ations of the applicant and of each owner, partner, officer, and
18 director, which statement shall be sufficient to establish to the
19 satisfaction of the secretary of state the business reputation
20 and character of the applicant.

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

25 (j) If the applicant is a corporation or partnership, a
26 statement showing whether a partner, employee, officer, or

1 director has been refused a license or has been the holder of a
2 license which was revoked or suspended.

3 (k) ~~Until January 1, 1993, if~~ IF the application is for a
4 used or secondhand vehicle parts dealer, ~~both~~ ALL of the
5 following:

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

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

11 (iii) Evidence of worker's compensation insurance coverage
12 for employees classified under the standard industrial classifi-
13 cation number 4015, entitled "motor vehicle parts -- used" or
14 under the national council on compensation insurance code number
15 3821, entitled "automobile dismantling", if applicable.

16 (3) A person shall make a separate application for a dealer
17 license for each county in which business is to be conducted and
18 a dealer, before moving 1 or more of his or her places of busi-
19 ness, or opening an additional place of business, shall apply to
20 the secretary of state for and obtain a supplemental dealer
21 license, for which a fee shall not be charged. The supplemental
22 dealer license shall entitle the dealer to conduct in the county
23 covered by the license the business of buying, selling, and deal-
24 ing in vehicles. ~~Until January 1, 1993, this~~ THIS subsection
25 shall not apply to a person licensed as a foreign salvage vehicle
26 dealer under section 248b.

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

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

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

- 20 (a) New vehicle dealer.
- 21 (b) Used or secondhand vehicle dealer.
- 22 (c) Used or secondhand vehicle parts dealer.
- 23 (d) Vehicle scrap metal processor.
- 24 (e) Vehicle salvage pool operator.
- 25 (f) Distressed vehicle transporter.
- 26 (g) Broker.

1 (h) ~~Until January 1, 1993, a~~ A foreign salvage vehicle
2 dealer.

3 (7) An applicant for a new vehicle dealer or a used or sec-
4 ondhand vehicle dealer or broker license shall accompany the
5 application with a properly executed bond or renewal
6 certificate. If a renewal certificate is used, the bond shall be
7 considered as renewed for each succeeding year in the same amount
8 and with the same effect as an original bond. The bond shall be
9 in the sum of \$10,000.00 with good and sufficient surety to be
10 approved by the secretary of state. The bond shall be condi-
11 tioned to indemnify or reimburse a purchaser, seller, financing
12 agency, or governmental agency for monetary loss caused through
13 fraud, cheating, or misrepresentation in the conduct of the vehi-
14 cle business, whether the fraud, cheating, or misrepresentation
15 was made by the dealer or by an employee, agent, or salesperson
16 of the dealer. The surety shall be required to make indemnifica-
17 tion or reimbursement for a monetary loss only after judgment
18 based on fraud, cheating, or misrepresentation has been entered
19 in a court of record against the licensee. The bond shall also
20 be conditioned to indemnify or reimburse the state for any sales
21 tax deficiency as provided in the general sales tax act, Act
22 No. 167 of the Public Acts of 1933, as amended, being sections
23 205.51 to 205.78 of the Michigan Compiled Laws, or use tax defi-
24 ciency as provided in the use tax act, Act No. 94 of the Public
25 Acts of 1937, as amended, being sections 205.91 to 205.111 of the
26 Michigan Compiled Laws, for the year in which the bond was in
27 force. The surety shall be required to make indemnification or

1 reimbursement only after final judgment has been entered in a
2 court of record against the licensee. A dealer or applicant who
3 has furnished satisfactory proof that a bond similar to the bond
4 required by this subsection is executed and in force shall be
5 exempt from the bond provisions set forth in this subsection.
6 The aggregate liability of the surety shall not exceed the sum of
7 the bond. The surety on the bond may cancel the bond upon giving
8 30 days' notice in writing to the secretary of state and thereaf-
9 ter shall not be liable for a breach of condition occurring after
10 the effective date of the cancellation.

11 (8) An applicant for a new vehicle dealer or a used or sec-
12 ondhand vehicle dealer license shall accompany the application
13 with an application for not less than 2 dealer plates as provided
14 by section 245, accompanied by the proper fee as provided by sec-
15 tion 803.

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

25 Sec. 248b. (1) A person from a foreign state shall not pur-
26 chase, sell, or otherwise deal in distressed late model motor

1 vehicles, unless the person first obtains a foreign salvage
2 vehicle dealer license from the secretary of state.

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

7 (a) Name of applicant.

8 (b) Location of applicant's established place of business in
9 a foreign state, and in this state, if any.

10 (c) The name under which business is to be conducted.

11 (d) If the business is a corporation, the state of incorpo-
12 ration and a copy of the articles of incorporation filed in that
13 state.

14 (e) Name, address, date of birth, and social security number
15 of each owner or partner and, if a corporation, the name of the
16 principal officers.

17 (f) A statement of the previous history, record, and associ-
18 ations of the applicant and of each owner, partner, officer, and
19 director, which statement shall be sufficient to establish to the
20 satisfaction of the secretary of state the business reputation
21 and character of the applicant.

22 (g) A statement showing whether the applicant has previously
23 applied for a license in any other state, the result of the
24 application, and whether the applicant has ever been the holder
25 of a license which was revoked or suspended.

26 (h) If the applicant is a corporation or partnership, a
27 statement showing whether a partner, employee, officer, or

1 director has been refused a license or has been the holder of a
2 license which was revoked or suspended.

3 (i) Evidence that the applicant holds a license as a salvage
4 vehicle dealer in a foreign state and engages in the business of
5 buying, selling, or otherwise dealing in distressed, late model
6 motor vehicles.

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

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

12 (l) Location of the applicant's established place of busi-
13 ness in a foreign state.

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

19 (n) Federal employer tax identification number.

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

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

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

17 ~~(6) This section is repealed effective January 1, 1993.~~

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

21 (a) The vehicle's former owner.

22 (b) A used or secondhand vehicle parts dealer.

23 (c) A vehicle scrap metal processor.

24 (d) A foreign salvage vehicle dealer licensed under this
25 act.

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

~~(2) This section is repealed effective January 1, 1993.~~

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

1 refusing, revoking, or suspending a license issued to the
2 officer, director, or partner as an individual.

3 (h) Has possessed a vehicle or a vehicle part which has been
4 confiscated under section 415 of the Michigan penal code, Act
5 No. 328 of the Public Acts of 1931, as amended, being section
6 750.415 of the Michigan Compiled Laws. The secretary of state
7 shall conduct a hearing pursuant to the administrative procedures
8 act of 1969, Act No. 306 of the Public Acts of 1969, as amended,
9 being sections 24.201 to 24.328 of the Michigan Compiled Laws,
10 before the secretary of state takes any action under this
11 subdivision.

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

14 (j) ~~Until January 1, 1993, has~~ HAS been convicted of vio-
15 lating Act No. 119 of the Public Acts of 1986, being sections
16 257.1351 to 257.1355 of the Michigan Compiled Laws.

17 Sec. 249a. (1) The secretary of state may deny the applica-
18 tion of a person for a license as a used or secondhand vehicle
19 parts dealer, a vehicle scrap metal processor, or a foreign sal-
20 vage vehicle dealer and refuse that person a license as a used or
21 secondhand vehicle parts dealer, a vehicle scrap metal processor,
22 or a foreign salvage vehicle dealer, or may suspend or revoke a
23 license already issued, if the secretary of state finds that the
24 applicant or licensee has done 1 or more of the following:

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

1 (b) Has not complied with this act.

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

5 (d) If the applicant or licensee is a foreign salvage vehi-
6 cle dealer, has had his or her dealer license in another state
7 expire, or has had his or her dealer license in another state
8 revoked, suspended, or canceled.

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

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

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

4 (b) Has possessed a vehicle or a vehicle part which has been
5 confiscated under section 415 of the Michigan penal code, Act
6 No. 328 of the Public Acts of 1931, being section 750.415 of the
7 Michigan Compiled Laws. The secretary of state shall conduct a
8 hearing pursuant to the administrative procedures act of 1969,
9 Act No. 306 of the Public Acts of 1969, being sections 24.201 to
10 24.328 of the Michigan Compiled Laws, before the secretary of
11 state takes any action under this subdivision.

12 (c) Has been convicted under section 413, 415, 535, 535a, or
13 536a of the Michigan penal code, Act No. 328 of the Public Acts
14 of 1931, being sections 750.413, 750.415, 750.535, 750.535a, and
15 750.536a of the Michigan Compiled Laws, or has been convicted in
16 a foreign state of a law or a local ordinance substantially cor-
17 responding to section 413, 415, 535, 535a, or 536a of the
18 Michigan penal code, Act No. 328 of the Public Acts of 1931.

19 ~~(3) This section is repealed effective January 1, 1993.~~

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

25 (2) Each record shall contain the date of the purchase,
26 sale, or exchange or receipt for the purpose of sale, a
27 description of the vehicle, together with the name and address of

1 the seller, of the purchaser, and of the alleged owner or other
2 persons from whom the vehicle was purchased or received, or to
3 whom it was sold or delivered. The record shall contain a copy
4 of all odometer mileage statements received by the dealer upon
5 purchasing or acquiring a vehicle and a copy of the odometer
6 mileage statement furnished by the dealer upon sale of a vehicle
7 as prescribed in section 233a. A dealer shall retain for not
8 less than 5 years each odometer mileage statement the dealer
9 receives and each odometer mileage statement furnished by the
10 dealer upon the sale of a vehicle. The description of the vehi-
11 cle, in the case of a motor vehicle, shall also include the vehi-
12 cle identification number, and other numbers or identification
13 marks as may be on the vehicle, and shall also include a state-
14 ment that a number has been obliterated, defaced, or changed, if
15 that is the fact. For a trailer or semitrailer, the record shall
16 include the vehicle identification number, and other numbers or
17 identification marks as may be on the trailer or semitrailer.

18 (3) Not more than 20 days after the delivery of the vehicle,
19 the seller shall deliver to the buyer in person or by mail to the
20 buyer's last known address a duplicate of a written statement, on
21 a form prescribed by the secretary of state in conjunction with
22 the department of treasury, describing clearly the name and
23 address of the seller, the name and address of the buyer, the
24 vehicle sold to the buyer, the cash sale price of the vehicle,
25 the cash paid down by the buyer, the amount credited the buyer
26 for a trade-in, a description of the trade-in, the amount of the
27 finance charge, the amount charged for vehicle insurance, stating

1 the types of insurance covered by the insurance policy, the
2 amount of any other charge and specifying its purpose, the net
3 balance due from the buyer, the terms of the payment of the net
4 balance, and a summary of insurance coverage to be affected. If
5 the vehicle sold is a new motor home, the written statement shall
6 contain a description, including the year of manufacture, of
7 every major component part of the vehicle that has its own
8 manufacturer's certificate of origin. The written statement
9 shall disclose if the vehicle sold is a vehicle that the seller
10 had loaned to a political subdivision of this state for use as a
11 driver education vehicle. The written statement shall be dated,
12 but not later than the actual date of delivery of the vehicle to
13 the buyer. The original and all copies of the prescribed form
14 shall contain identical information. The statement shall be fur-
15 nished by the seller, shall be signed by the seller or the
16 seller's agent and by the buyer, and shall be filed with the
17 application for new title or registration. Failure of the seller
18 to deliver this written statement to the buyer shall not invali-
19 date the sale between the seller and the buyer.

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

22 (a) The sale is evidenced by a written memorandum which con-
23 tains the agreement of the parties and is signed by the buyer and
24 the seller or the seller's agent.

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

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

6 (6) A dealer licensed as a distressed vehicle transporter
7 shall maintain records in a form as prescribed by the secretary
8 of state. The records shall identify each distressed vehicle
9 that is bought, acquired, and sold by the dealer. The record
10 shall identify the person from whom a distressed vehicle was
11 bought or acquired and the dealer to whom the vehicle was sold.
12 The record shall indicate whether a certificate of title or sal-
13 vage certificate of title was obtained by the dealer for each
14 vehicle.

15 (7) A dealer licensed as a vehicle salvage pool operator or
16 broker shall maintain records in a form as prescribed by the sec-
17 retary of state. The records shall contain a description of each
18 vehicle stored by the dealer, the insurance company storing the
19 vehicle, the period of time the vehicle was stored, and the
20 person acquiring the vehicle. In addition, a dealer licensed as
21 a broker shall maintain a record of the odometer mileage reading
22 of each vehicle sold pursuant to an agreement between the broker
23 and the buyer or the broker and the seller. The record of odome-
24 ter mileage shall be maintained for 5 years and shall contain all
25 of the information required by section 233a.

26 (8) A dealer licensed as a used vehicle parts dealer shall
27 maintain records in a form prescribed by the secretary of state.

1 The records shall contain the date of purchase or acquisition of
2 the vehicle, a description of the vehicle including the color,
3 and the name and address of the person from whom the vehicle was
4 acquired. If the vehicle is sold, the record shall contain the
5 date of sale and the name and address of the purchaser. The
6 record shall indicate if the certificate of title or salvage cer-
7 tificate of title was obtained by the dealer. In the case of a
8 late model vehicle, a record of the purchase or sale of a major
9 component of the vehicle shall be maintained identifying the part
10 purchased or sold, the name and address of the seller or purchas-
11 er, the date of the purchase or sale, and the identification
12 number assigned to the part by the dealer. The record of the
13 purchase or sale of a part shall be maintained in or attached to
14 the dealer's police book or hard copy of computerized data
15 entries and reference codes and shall be accessible at the
16 dealer's location.

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

1 (10) A dealer licensed as a foreign salvage vehicle dealer
2 shall maintain records in a form prescribed by the secretary of
3 state. The records shall contain the date of purchase or acqui-
4 sition of each distressed vehicle, a description of the vehicle
5 including the color, and the name and address of the person from
6 whom the vehicle was acquired. If the vehicle is sold, the
7 record shall contain the date of sale and the name and address of
8 the purchaser. The record shall indicate if the certificate of
9 title or salvage certificate of title was obtained by the
10 dealer. In the case of a late model vehicle, a record of the
11 purchase or sale of each major component part purchased or
12 acquired in this state shall be maintained and the record shall
13 contain the date of purchase or acquisition of the part, a
14 description of the part, the identification number assigned to
15 the part, and the name and address of the person to or from whom
16 the part was purchased or acquired or sold. The record of the
17 sale, purchase, or acquisition of a part shall be maintained in
18 the dealer's police book. The police book shall only contain
19 vehicles and major component parts purchased in this state or
20 used in the repair of a vehicle purchased in this state. The
21 police book and the records of vehicle part sales, purchases, or
22 acquisitions shall be made available at a location within the
23 state for inspection by the secretary of state within 48 hours
24 after a request by the secretary of state. ~~This subsection~~
25 ~~shall apply until January 1, 1993.~~

26 (11) The secretary of state shall make periodic unannounced
27 inspections of the records, facilities, and inventories of used

1 or secondhand vehicle parts dealers. ~~This subsection shall~~
2 ~~apply until January 1, 1993.~~

3 (12) A dealer licensed under this act shall maintain records
4 for a period of 5 years. The records shall be made available for
5 inspection by the secretary of state or other law enforcement
6 officials. The secretary of state shall make inspection of a
7 dealer once every 4 years and as determined necessary by the sec-
8 retary of state or a law enforcement officer. The secretary of
9 state may issue an order summarily suspending the license of a
10 dealer pursuant to section 92 of the administrative procedures
11 act of 1969, Act No. 306 of the Public Acts of 1969, being sec-
12 tion 24.292 of the Michigan Compiled Laws, based on an affidavit
13 by a person familiar with the facts set forth in the affidavit
14 that the dealer has failed to maintain the records required by
15 this act or failed to provide the records for inspection as
16 requested by the secretary of state, or has otherwise hindered,
17 obstructed, or prevented the inspection of records authorized
18 under this section. The dealer to whom the order is directed
19 shall comply immediately but on application to the department
20 shall be afforded a hearing within 30 days pursuant to the admin-
21 istrative procedures act of 1969, Act No. 306 of the Public Acts
22 of 1969, BEING SECTIONS 24.201 TO 24.328 OF THE MICHIGAN COMPILED
23 LAWS. On the basis of the hearing, the summary order shall be
24 continued, modified, or held in obedience not later than 30 days
25 after the hearing. ~~This subsection shall apply until January 1,~~
26 ~~1993.~~

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

6 (14) The secretary of state may promulgate rules to imple-
 7 ment this section pursuant to Act No. 306 of the Public Acts of
 8 1969, as amended. ~~being sections 24.201 to 24.328 of the~~
 9 ~~Michigan Compiled Laws.~~

10 Sec. 807. (1) An application for a license under section
 11 248 shall be accompanied by the following fee:

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

14 (2) ~~Until January 1, 1993, an~~ AN application for a used or
 15 secondhand vehicle parts dealer or foreign salvage vehicle dealer
 16 licensed shall be accompanied by the following fees:

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

19 Sec. 810a. ~~(1)~~ The secretary of state shall collect an
 20 assessment of 50 cents in connection with the issuance of a sal-
 21 vage vehicle certificate of title or a certificate of title. The
 22 assessment shall be collected in the same manner and at the same
 23 time as fees collected by the secretary of state pursuant to sec-
 24 tions 217c and 806. Each assessment collected shall be deposited
 25 in a vehicle theft prevention account to be expended for purposes

1 of developing a vehicle theft prevention program, including the
2 administration, inspection, and enforcement of antitheft proce-
3 dures, as described in this act.

4 ~~(2) This section is repealed effective January 1, 1993.~~

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