

Act No. 305  
Public Acts of 1994  
Approved by the Governor  
July 13, 1994  
Filed with the Secretary of State  
July 14, 1994

**STATE OF MICHIGAN  
87TH LEGISLATURE  
REGULAR SESSION OF 1994**

**Introduced by Senator Wartner**

# **ENROLLED SENATE BILL No. 864**

AN ACT to amend 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 as amended being sections 257 1 to 257 923 of the Michigan Compiled Laws by adding section 233b

*The People of the State of Michigan enact*

Section 1 Act No 300 of the Public Acts of 1949 as amended being sections 257 1 to 257 923 of the Michigan Compiled Laws is amended by adding section 233b to read as follows

Sec 233b (1) As used in this section

(a) Distributor means that term as defined in section 3(1) of Act No 118 of the Public Acts of 1981 being section 445 1563 of the Michigan Compiled Laws

(b) Manufacturer means that term as defined in section 4(2) of Act No 118 of the Public Acts of 1981 being section 445 1564 of the Michigan Compiled Laws

(c) Program vehicle means a motor vehicle from either the current model year or the immediately preceding model year that was repurchased by a manufacturer or distributor from a rental car company

(2) Except as provided in this subsection a new motor vehicle dealer shall disclose in writing to a purchaser of a new motor vehicle demonstrator executive or manufacturer's vehicle or program vehicle before entering into a sales contract that after the vehicle completed the manufacturing process the vehicle was damaged and repaired including an itemization of repairs if the dealer has knowledge of the damage and repairs and if the cost of the cumulative repairs as calculated at the rate of the dealer's authorized warranty rate for labor and parts exceeds either 1 of the following

(a) Five percent of the manufacturer's suggested retail price of the vehicle

(b) Seven hundred fifty dollars in surface coating repairs or corrosion protection restoration or a combination of these items. If a new motor vehicle dealer fails to comply with this subsection, the purchaser shall retain all applicable remedies available under article 2 of the uniform commercial code. Act No. 174 of the Public Acts of 1962, being sections 440 2101 to 440 2725 of the Michigan Compiled Laws.

(3) A dealer in new motor vehicles is not required to disclose to a purchaser under this act that any glass, tires, wheels, bumpers, audio equipment, in dash components, or components contained in the living quarters of a motor home that are not required for the operation of the motor home as a motor vehicle were damaged at any time if the damaged item has been replaced with original manufacturer's parts and material.

(4) Repaired damage to a motor vehicle subject to this section not exceeding the cost of cumulative repairs as determined pursuant to subsection (2) shall not constitute grounds for revocation of acceptance by the purchaser. The right of revocation ceases upon the purchaser's acceptance of delivery of the vehicle.

Section 2. This amendatory act shall take effect January 2, 1995.

This act is ordered to take immediate effect.

Secretary of the Senate

Co. Clerk of the House of Representatives

Approved

Governor