



HOUSE BILL No. 4391

March 2, 1993, Introduced by Reps. Dobronski, Porreca, Willard, Owen, Joe Young, Jr., Wallace, Leland, Barns, Brackenridge, Harder, Olshove, Byrum, Anthony, Baade, Freeman, Curtis, Clack, Scott, Shepich, Profit, Gire, Saunders, Pitoniak, Stallworth, Keith, DeMars, Harrison, Voorhees, Llewellyn, Martin, Schroer, Agee, Hood, Murphy, Points, Rivers, Varga, Ciaramitaro, Richard A. Young, Kilpatrick and Bennane and referred to the Committee on Transportation.

A bill to amend sections 12a, 17a, 27a, 33, 41a, 56b, 217, 217c, 217f, 222, 248, 248b, 248c, 249, 251, 807, and 810a of Act No. 300 of the Public Acts of 1949, entitled as amended "Michigan vehicle code," sections 17a, 27a, 41a, 56b, 217c, 217f, 248, 248b, 248c, 249, 251, 807, and 810a as amended by Act No. 304 of the Public Acts of 1992, section 217 as amended by Act No. 117 of the Public Acts of 1992, and section 222 as amended by Act No. 265 of the Public Acts of 1990, being sections 257.12a, 257.17a, 257.27a, 257.33, 257.41a, 257.56b, 257.217, 257.217c, 257.217f, 257.222, 257.248, 257.248b, 257.248c, 257.249, 257.251, 257.807, and 257.810a of the Michigan Compiled Laws; to add sections 2a, 56c, 57d, 57e, 248e, 248f, 248g, 248h, and 248i; and to repeal certain parts of the act on a specific date.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 12a, 17a, 27a, 33, 41a, 56b, 217, 217c,
2 217f, 222, 248, 248b, 248c, 249, 251, 807, and 810a of Act
3 No. 300 of the Public Acts of 1949, sections 17a, 27a, 41a, 56b,
4 217c, 217f, 248, 248b, 248c, 249, 251, 807, and 810a as amended
5 by Act No. 304 of the Public Acts of 1992, section 217 as amended
6 by Act No. 117 of the Public Acts of 1992, and section 222 as
7 amended by Act No. 265 of the Public Acts of 1990, being
8 sections 257.12a, 257.17a, 257.27a, 257.33, 257.41a, 257.56b,
9 257.217, 257.217c, 257.217f, 257.222, 257.248, 257.248b,
10 257.248c, 257.249, 257.251, 257.807, and 257.810a of the Michigan
11 Compiled Laws, are amended and sections 2a, 56c, 57d, 57e, 248e,
12 248f, 248g, 248h, and 248i are added to read as follows:

13 SEC. 2A. "AUTOMOTIVE RECYCLER" MEANS A PERSON ENGAGED IN
14 THE BUSINESS OF BUYING OR OTHERWISE ACQUIRING VEHICLES FOR THE
15 PURPOSE OF DISMANTLING THE VEHICLES AND SELLING USED PARTS AND
16 REMAINING SCRAP MATERIAL.

17 Sec. 12a. "Distressed vehicle" means a vehicle that HAS A
18 MAJOR COMPONENT PART THAT has been wrecked, destroyed, ~~or~~
19 damaged, STOLEN, OR MISSING to ~~an~~ THE extent that the ~~owner or~~
20 ~~the insurance company which insures the vehicle considers it~~
21 ~~uneconomical to repair the vehicle and because of this the~~
22 ~~vehicle's ownership is transferred.~~ TOTAL ESTIMATED COST OF
23 REPAIRS TO REBUILD OR RECONSTRUCT THE VEHICLE, INCLUDING PARTS
24 AND LABOR, EXCEEDS 50% OF THE ACTUAL CASH VALUE OF THE VEHICLE IN
25 ITS PREDAMAGED CONDITION. THE VALUE OF THE PARTS SHALL BE
26 DETERMINED USING THE CURRENT PUBLISHED RETAIL COST OF ORIGINAL

1 MANUFACTURER EQUIPMENT OR THE CURRENT PUBLISHED RETAIL COST OF
2 LIKE KIND OR QUALITY PARTS OR A COMBINATION OF BOTH.

3 Sec. 17a. ~~(+)~~ "Foreign salvage vehicle dealer" means a
4 person who is a LICENSED dealer in another state and is engaged
5 in this state in the business of purchasing, selling, or other-
6 wise dealing on a wholesale basis in SALVAGEABLE PARTS OR vehi-
7 cles of a type required to have a salvage OR SCRAP certificate of
8 title under this act.

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

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

12 (a) The engine.

13 (b) The transmission.

14 (c) The right or left front fender.

15 (d) The hood.

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

18 (f) The front or rear bumper.

19 (g) The right or left rear quarter panel.

20 (h) The deck lid, tailgate, or hatchback.

21 ~~(i) The trunk floor pan.~~

22 (I) ~~(j)~~ The cargo box of a pickup.

23 (J) ~~(k)~~ The frame, or if the vehicle has a unitized body,
24 the supporting structure or structures ~~which~~ THAT serve as the
25 frame.

26 (K) ~~(l)~~ The cab of a truck.

1 (L) ~~(m)~~ The body of a passenger vehicle.

2 (M) RADIO.

3 (N) A RALLY OR ALLOY WHEEL.

4 (O) T TOP.

5 (P) A TAILLIGHT.

6 (Q) A COMPOSITE HEADLIGHT.

7 (R) A WIRE WHEEL COVER.

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

9 (S) THE FRONT END ASSEMBLY, FRONT CUT OFF, OR FRONT CLIP
10 WHICH SHALL CONSIST OF FENDERS, HOOD, RADIATOR, GRILLE, FRONT
11 BUMPER, HEADER PANEL, AND THE SUPPORTING STRUCTURES OR A SUBSTAN-
12 TIAL PORTION THEREOF, CONSISTING OF NOT LESS THAN 3 OF THESE
13 PARTS.

14 (T) THE REAR ASSEMBLY, REAR CUTOFF, OR REAR CLIP WHICH SHALL
15 CONSIST OF THE RIGHT AND LEFT QUARTER PANELS, THE REAR BUMPER,
16 THE DECK LID, THE TRUNK FLOOR PAN, AND THE TAILLIGHTS OR A SUB-
17 STANTIAL PORTION THEREOF, CONSISTING OF NOT LESS THAN 3 OF THESE
18 PARTS.

19 Sec. 33. "Motor vehicle" means every vehicle ~~which~~ THAT
20 is self-propelled. ~~and every vehicle which is propelled by elec-~~
21 ~~tric power obtained from over head trolley wires, but not oper-~~
22 ~~ated upon rails.~~

23 Sec. 41a. ~~(1)~~ "Police book" means a hardcover, bound
24 volume ~~which~~ THAT provides a bought and sold record for each
25 vehicle handled by a dealer, contains the information required by
26 section 251, and includes any other information required by law
27 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. 56C. "SALVAGE VEHICLE AGENT" MEANS A PERSON EMPLOYED BY A LICENSED AUTOMOTIVE RECYCLER OR FOREIGN SALVAGE VEHICLE DEALER AND AUTHORIZED BY THE SECRETARY OF STATE TO BUY, SELL, ACQUIRE, OR OTHERWISE DEAL IN LATE MODEL DISTRESSED VEHICLES, SCRAP VEHICLES, OR SALVAGEABLE PARTS THROUGH A SALVAGE POOL, AUCTION, OR BROKER.

SEC. 57D. "SCRAP CERTIFICATE OF TITLE" MEANS A DOCUMENT ISSUED BY THE SECRETARY OF STATE EVIDENCING OWNERSHIP OF A SCRAP VEHICLE, WHICH MAY BE ASSIGNED ONLY TO A SCRAP METAL PROCESSOR, AN AUTOMOTIVE RECYCLER, OR A FOREIGN SALVAGE VEHICLE DEALER AND REASSIGNABLE ONLY TO A VEHICLE SCRAP METAL PROCESSOR.

SEC. 57E. "SCRAP VEHICLE" MEANS A VEHICLE THAT IS WRECKED, DESTROYED, DAMAGED, OR THAT HAS A MAJOR COMPONENT PART STOLEN OR MISSING TO THE EXTENT THAT THE TOTAL ESTIMATED COST OF REPAIRS TO REBUILD OR RECONSTRUCT THE VEHICLE, INCLUDING PARTS AND LABOR, IS GREATER THAN 75% OF THE ACTUAL CASH VALUE OF THE VEHICLE IN ITS PREDAMAGED CONDITION. SCRAP VEHICLE MAY INCLUDE ANY VEHICLE THAT THE OWNER DETERMINES TO BE SCRAP.

Sec. 217. (1) An owner of a vehicle subject to registration under this act shall apply to the secretary of state, upon an appropriate form furnished by the secretary of state, for the

1 registration of the vehicle and issuance of a certificate of
2 title for the vehicle. A VEHICLE BROUGHT INTO THIS STATE FROM
3 ANOTHER STATE OR JURISDICTION THAT HAS A REBUILT OR SALVAGE CER-
4 TIFICATE OF TITLE ISSUED BY THAT OTHER STATE OR JURISDICTION
5 SHALL BE ISSUED A REBUILT OR SALVAGE CERTIFICATE OF TITLE BY THE
6 SECRETARY OF STATE. The application shall be accompanied by the
7 required fee. An application for a certificate of title shall
8 bear the signature of the owner written with pen and ink. The
9 application shall contain all of the following:

10 (a) The name, bona fide residence, and mailing address of
11 the owner or business address of a firm, association, or
12 corporation.

13 (b) A description of the vehicle including the make or name,
14 style of body, and model year; if the vehicle is a motor vehicle,
15 the number of miles, not including the tenths of a mile, regis-
16 tered on the vehicle's odometer at the time of transfer; whether
17 the vehicle is to be or has been used as a taxi or police vehi-
18 cle, or by a political subdivision of this state; whether the
19 vehicle has previously been issued a salvage or rebuilt certifi-
20 cate of title FROM THIS STATE OR A COMPARABLE CERTIFICATE OF
21 TITLE FROM ANY OTHER STATE OR JURISDICTION; vehicle identifica-
22 tion number; and the vehicle's weight fully equipped, if a pas-
23 senger vehicle registered pursuant to section 801(1)(a), and, if
24 a trailer coach or pickup camper, in addition to the weight the
25 manufacturer's serial number, or in the absence of the serial
26 number, a number assigned by the secretary of state. A number
27 assigned by the secretary of state shall be permanently placed on

1 the trailer coach or pickup camper in the manner and place
2 designated by the secretary of state.

3 (c) A statement of the applicant's title and the names and
4 addresses of the holders of security interests in the vehicle and
5 in an accessory to the vehicle, in the order of their priority.

6 (d) Further information that the secretary of state reason-
7 ably requires to enable the secretary of state to determine
8 whether the vehicle is lawfully entitled to registration and the
9 owner entitled to a certificate of title. If the secretary of
10 state is not satisfied as to the ownership of a late model vehi-
11 cle or other vehicle having a value over \$2,500.00, before regis-
12 tering the vehicle and issuing a certificate of title, the secre-
13 tary of state may require the applicant to file a properly exe-
14 cuted surety bond in a form prescribed by the secretary of state
15 and executed by the applicant and a company authorized to conduct
16 a surety business in this state. The bond shall be in an amount
17 equal to twice the value of the vehicle as determined by the sec-
18 retary of state and shall be conditioned to indemnify or reim-
19 burse the secretary of state, any prior owner, and any subsequent
20 purchaser of the vehicle and their successors in interest against
21 any expense, loss, or damage, including reasonable attorney's
22 fees, by reason of the issuance of a certificate of title to the
23 vehicle or on account of any defect in the right, title, or
24 interest of the applicant in the vehicle. An interested person
25 has a right of action to recover on the bond for a breach of the
26 conditions of the bond, but the aggregate liability of the surety
27 to all persons shall not exceed the amount of the bond. The bond

1 shall be returned at the end of 3 years, or before 3 years if the
2 vehicle is no longer registered in this state and the currently
3 valid certificate of title is surrendered to the secretary of
4 state, unless the secretary of state has received notification of
5 the pendency of an action to recover on the bond. If the secre-
6 tary of state is not satisfied as to the ownership of a vehicle
7 that is not a late model vehicle and whose value does not exceed
8 \$2,500.00, the secretary of state shall require the applicant to
9 certify that the applicant is the owner of the vehicle and enti-
10 tled to register and title the vehicle.

11 (e) Except as provided in subdivision (f), an application
12 for a commercial vehicle shall also have attached a scale weight
13 receipt of the motor vehicle fully equipped as of the time the
14 application is made. A scale weight receipt may not be necessary
15 if there is presented with the application a registration receipt
16 of the previous year that shows on its face the empty weight of
17 the motor vehicle as registered with the secretary of state that
18 is accompanied by a statement of the applicant that there has not
19 been structural change in the motor vehicle which has increased
20 the empty weight and that the previous registered weight is the
21 true weight.

22 (f) An application for registration of a vehicle on the
23 basis of elected gross weight shall include a declaration by the
24 applicant specifying the elected gross weight for which applica-
25 tion is being made.

26 (g) If the application is for a certificate of title of a
27 motor vehicle registered pursuant to section 801(1)(q), the

1 application shall include the manufacturer's suggested base list
2 price for the model year of the vehicle. Annually, the secretary
3 of state shall publish a list of the manufacturer's suggested
4 base list price for each vehicle being manufactured. Once a base
5 list price is published by the secretary of state for a model
6 year for a vehicle, the base list price shall not be affected by
7 subsequent increases in the manufacturer's suggested base list
8 price but shall remain the same throughout the model year unless
9 changed in the annual list published by the secretary of state.
10 If the secretary of state's list has not been published for that
11 vehicle by the time of the application for registration, the base
12 list price shall be the manufacturer's suggested retail price as
13 shown on the label required to be affixed to the vehicle under
14 section 3 of the automobile information disclosure act,
15 15 U.S.C. 1232. If the manufacturer's suggested retail price is
16 unavailable, the application shall list the purchase price of the
17 vehicle as defined in section 801(4).

18 (2) A dealer selling or exchanging vehicles required to be
19 titled, within 15 days after delivering a vehicle to the purchas-
20 er, and a person engaged in the sale of vessels required to be
21 numbered by the marine safety act, Act No. 303 of the Public Acts
22 of 1967, being sections 281.1001 to 281.1199 of the Michigan
23 Compiled Laws, within 15 days after delivering a boat trailer
24 weighing less than 2,500 pounds to the purchaser, shall apply to
25 the secretary of state for a new title, if required, and transfer
26 or secure registration plates and secure a certificate of
27 registration for the vehicle or boat trailer, in the name of the

1 purchaser. The dealer's license may be suspended or revoked as
2 provided in section 249 for failure to apply for a title when
3 required or for failure to transfer or secure registration plates
4 and certificate of registration within the 15 days required by
5 this section. If the dealer or person fails to apply for a title
6 when required, and to transfer or secure registration plates and
7 secure a certificate of registration and pay the required fees
8 within 15 days of delivery of the vehicle or boat trailer, a
9 title and registration for the vehicle or boat trailer may subse-
10 quently be acquired only upon the payment of a transfer fee of
11 \$15.00 in addition to the fees provided for in section 806. The
12 purchaser of the vehicle or boat trailer shall sign the applica-
13 tion, including, when applicable, the declaration specifying the
14 maximum elected gross weight, as required by subsection (1)(f),
15 and other necessary papers to enable the dealer or person to
16 secure the title, registration plates, and transfers from the
17 secretary of state.

18 (3) If a vehicle is delivered to a purchaser who has valid
19 Michigan registration plates that are to be transferred to the
20 vehicle, and an application for title, if required, and registra-
21 tion for the vehicle is not made before delivery of the vehicle
22 to the purchaser, the registration plates shall be affixed to the
23 vehicle immediately, and the dealer shall provide the purchaser
24 with an instrument in writing, on a form prescribed by the secre-
25 tary of state, which shall serve as a temporary registration for
26 the vehicle for a period of 15 days from the date the vehicle is
27 delivered.

1 (4) An application for a certificate of title that indicates
2 the existence of a security interest in the vehicle or in an
3 accessory to the vehicle, if requested by the security interest
4 holder, shall be accompanied by a copy of the security agreement
5 which need not be signed. The request may be made of the seller
6 on an annual basis. The secretary of state shall indicate on the
7 copy the date and place of filing of the application and return
8 the copy to the person submitting the application who shall for-
9 ward it to the holder of the security interest named in the
10 application.

11 (5) If the seller does not prepare the credit information,
12 contract note, and mortgage, and the holder, finance company,
13 credit union, or banking institution requires the installment
14 seller to record the lien on the title, the holder, finance com-
15 pany, credit union, or banking institution shall pay the seller a
16 service fee of not more than \$10.00. The service fee shall be
17 paid from the finance charges and shall not be charged to the
18 buyer in addition to the finance charges. The holder, finance
19 company, credit union, or banking institution shall issue its
20 check or bank draft for the principal amount financed, payable
21 jointly to the buyer and seller, and there shall be imprinted on
22 the back side of the check or bank draft the following:

23 "Under Michigan law, the seller must record a first lien in
24 favor of (name of lender) _____ on the vehicle with
25 vehicle identification number _____ and title the vehi-
26 cle only in the name(s) shown on the reverse side." On the front
27 of the sales check or draft, the holder, finance company, credit

1 union, or banking institution shall note the name(s) of the
 2 prospective owner(s). Failure of the holder, finance company,
 3 credit union, or banking institution to comply with these
 4 requirements frees the seller from any obligation to record the
 5 lien or from any liability that may arise as a result of the
 6 failure to record the lien. A service fee shall not be charged
 7 to the buyer.

8 (6) In the absence of actual malice proved independently and
 9 not inferred from lack of probable cause, a person who in any
 10 manner causes a prosecution for larceny of a motor vehicle; for
 11 embezzlement of a motor vehicle; for any crime an element of
 12 which is the taking of a motor vehicle without authority; or for
 13 buying, receiving, possessing, or aiding in the concealment of a
 14 stolen, embezzled, or converted motor vehicle knowing the motor
 15 vehicle has been stolen, embezzled, or converted, is not liable
 16 for damages in a civil action for causing the prosecution. This
 17 subsection shall not be construed to relieve a person from prov-
 18 ing any other element necessary to sustain his or her cause of
 19 action.

20 Sec. 217c. (1) ~~An~~ EXCEPT FOR A LATE MODEL VEHICLE THAT
 21 HAS BEEN STOLEN AND RECOVERED AND THAT HAS NO MAJOR COMPONENT
 22 PART REMOVED, MISSING, OR DESTROYED, OR DAMAGED AND NOT SALVAGEA-
 23 BLE, AN insurance company licensed to conduct business in this
 24 state that ~~determines that~~ ACQUIRES OWNERSHIP OF a late model
 25 vehicle ~~that the company insures has become a distressed~~
 26 ~~vehicle~~ THROUGH THE PAYMENT OF A CLAIM shall proceed under
 27 either of the following:

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

5 (i) Surrender a properly assigned certificate of title to
6 the secretary of state.

7 (ii) ~~Apply~~ IF THE ESTIMATED COST OF REPAIR, INCLUDING
8 PARTS AND LABOR, IS EQUAL TO OR LESS THAN 75% OF THE PREDAMAGED
9 ACTUAL CASH VALUE OF THE VEHICLE, APPLY for a salvage certificate
10 of title, OR IF THE ESTIMATED COST OF REPAIR, INCLUDING PARTS AND
11 LABOR, IS GREATER THAN 75% OF THE PREDAMAGED ACTUAL CASH VALUE OF
12 THE VEHICLE, APPLY FOR A SCRAP CERTIFICATE OF TITLE. The insur-
13 ance company shall not sell the vehicle without first receiving a
14 salvage OR SCRAP certificate of title, which shall be assigned to
15 the buyer.

16 (b) If after payment of a claim ~~—~~ the insurance company
17 permits the owner of the vehicle to retain ownership, the insur-
18 ance company shall do all of the following:

19 (i) ~~Require~~ IF THE ESTIMATED COST OF REPAIR, INCLUDING
20 PARTS AND LABOR, IS EQUAL TO OR LESS THAN 75% OF THE PREDAMAGED
21 ACTUAL CASH VALUE OF THE VEHICLE, REQUIRE each owner of the vehi-
22 cle to sign an application for a salvage certificate of title, OR
23 IF THE ESTIMATED COST OF REPAIR, INCLUDING PARTS AND LABOR, IS
24 GREATER THAN 75% OF THE PREDAMAGED ACTUAL CASH VALUE OF THE VEHI-
25 CLE, REQUIRE EACH OWNER OF THE VEHICLE TO SIGN AN APPLICATION FOR
26 A SCRAP VEHICLE CERTIFICATE OF TITLE.

1 (ii) Attach the owner's certificate of title to the
2 application for a salvage OR SCRAP certificate of title or have
3 the owner certify that the certificate of title is lost.

4 (iii) On behalf of the owner, apply to the secretary of
5 state for a salvage OR SCRAP certificate of title in the name of
6 the owner. The owner shall not sell or otherwise dispose of the
7 vehicle without first receiving a salvage OR SCRAP certificate of
8 title, which shall be assigned to the buyer. AN INSURANCE COM-
9 PANY MAY ASSIGN A SALVAGE OR SCRAP CERTIFICATE OF TITLE ONLY TO
10 AN AUTOMOTIVE RECYCLER, FOREIGN SALVAGE VEHICLE DEALER, OR VEHI-
11 CLE SCRAP METAL PROCESSOR.

12 (2) If an insurance company acquires ownership of a vehicle
13 other than a late model ~~distressed~~ vehicle through payment of
14 damages due to an accident, the company shall surrender a prop-
15 erly assigned title to the buyer upon delivery.

16 (3) If a dealer ~~other than a vehicle scrap metal~~
17 ~~processor~~, acquires ownership of a late model vehicle that is a
18 distressed vehicle from an owner, ~~and receives~~ THE DEALER SHALL
19 RECEIVE an assigned certificate of title. ~~IF~~ IF THE ASSIGNED
20 CERTIFICATE OF TITLE IS NOT A SALVAGE OR SCRAP CERTIFICATE OF
21 TITLE, the dealer, OTHER THAN A VEHICLE SCRAP METAL PROCESSOR,
22 shall surrender the assigned certificate of title to the secre-
23 tary of state, and IF THE ESTIMATED COST OF REPAIR, INCLUDING
24 PARTS AND LABOR, IS EQUAL TO OR LESS THAN 75% OF THE PREDAMAGED
25 ACTUAL CASH VALUE OF THE VEHICLE, apply for a salvage certificate
26 of title, OR IF THE ESTIMATED COST OF REPAIR, INCLUDING PARTS AND
27 LABOR, IS GREATER THAN 75% OF THE PREDAMAGED ACTUAL CASH VALUE OF

1 THE VEHICLE, APPLY FOR A SCRAP CERTIFICATE OF TITLE within 5 days
2 after the dealer receives the assigned certificate of title. The
3 dealer may sell ~~the~~ A SALVAGE vehicle to another ~~dealer~~
4 AUTOMOTIVE RECYCLER, FOREIGN SALVAGE VEHICLE DEALER, OR VEHICLE
5 SCRAP METAL PROCESSOR by assigning the salvage certificate of
6 title to the buyer. ~~if~~ UNLESS THE VEHICLE IS REBUILT,
7 INSPECTED, AND RECERTIFIED PURSUANT TO THIS SECTION, IF the vehi-
8 cle is sold to a buyer other than a dealer, application shall be
9 made for a salvage certificate in the name of the buyer IN THE
10 MANNER PROVIDED IN THIS ACT. THE DEALER MAY SELL A SCRAP VEHICLE
11 ONLY TO A VEHICLE SCRAP METAL PROCESSOR. AN INSURANCE COMPANY
12 MAY ASSIGN A SCRAP CERTIFICATE OF TITLE ONLY TO AN AUTOMOTIVE
13 RECYCLER, FOREIGN SALVAGE VEHICLE DEALER, OR VEHICLE SCRAP METAL
14 PROCESSOR. A vehicle scrap metal processor shall surrender an
15 assigned certificate of title to the secretary of state within 30
16 days after acquiring a vehicle for which a certificate of title
17 was received. A vehicle scrap metal processor shall surrender an
18 assigned salvage OR SCRAP certificate of title to the secretary
19 of state within 30 days after acquiring a vehicle for which a
20 salvage OR SCRAP certificate of title was received ~~—~~ and report
21 that the vehicle was destroyed or scrapped.

22 (4) AN APPLICATION FOR A SCRAP CERTIFICATE OF TITLE SHALL BE
23 MADE ON A FORM PRESCRIBED BY THE SECRETARY OF STATE ACCOMPANIED
24 BY A FEE OF \$10.00. THE APPLICATION SHALL CONTAIN ALL OF THE
25 FOLLOWING:

26 (A) THE COMPLETE NAME AND CURRENT ADDRESS OF THE OWNER.

1 (B) A DESCRIPTION OF THE VEHICLE, INCLUDING ITS MAKE, STYLE
2 OF BODY, MODEL YEAR, WEIGHT, COLOR, AND VEHICLE IDENTIFICATION
3 NUMBER.

4 (C) FURTHER INFORMATION AS MAY REASONABLY BE REQUIRED BY THE
5 SECRETARY OF STATE.

6 THE SCRAP CERTIFICATE OF TITLE SHALL AUTHORIZE THE HOLDER OF THE
7 DOCUMENT TO TRANSPORT BUT NOT DRIVE UPON A HIGHWAY THE VEHICLE OR
8 PARTS OF A VEHICLE, AND ASSIGN OWNERSHIP TO A VEHICLE SCRAP METAL
9 PROCESSOR, AUTOMOTIVE RECYCLER, OR FOREIGN SALVAGE VEHICLE
10 DEALER. A CERTIFICATE OF TITLE SHALL NOT AGAIN BE ISSUED FOR
11 THIS VEHICLE. A PERSON SHALL NOT REBUILD OR REPAIR A SCRAP VEHI-
12 CLE AND ALLOW IT TO RETAIN THE ORIGINAL VEHICLE IDENTIFICATION
13 NUMBER.

14 (5) ~~(4)~~ If a person, other than a dealer or insurance com-
15 pany that is subject to subsection (1) or (3), acquires ownership
16 of a late model DISTRESSED vehicle, ~~that is a distressed~~
17 ~~vehicle,~~ the person shall surrender the title or assigned cer-
18 tificate of title to the secretary of state, and IF THE ESTIMATED
19 COST OF REPAIR, INCLUDING PARTS AND LABOR, IS EQUAL TO OR LESS
20 THAN 75% OF THE PREDAMAGED FAIR MARKET VALUE OF THE VEHICLE apply
21 for a salvage certificate of title, OR IF THE ESTIMATED COST OF
22 REPAIR, INCLUDING PARTS AND LABOR, IS GREATER THAN 75% OF THE
23 PREDAMAGED FAIR MARKET VALUE OF THE VEHICLE, APPLY FOR A SCRAP
24 CERTIFICATE OF TITLE before the vehicle may be transported. ~~If~~
25 ~~an owner retains ownership of a late model vehicle that should be~~
26 ~~a distressed vehicle, the owner shall surrender the title or~~
27 ~~assigned certificate of title to the owner's insurance company~~

1 ~~who, before payment of a claim, shall apply for a salvage~~
2 ~~certificate of title in the name of the owner.~~

3 (6) IF A LEASING COMPANY, VEHICLE MANUFACTURER, INSURANCE
4 COMPANY NOT LICENSED TO DO BUSINESS IN THIS STATE, ASSOCIATION,
5 REPOSSESSION COMPANY, SELF-INSURED OWNER, FINANCIAL INSTITUTION,
6 GOVERNMENTAL ENTITY, OR OTHER COMPANY, INSTITUTION, OR ENTITY,
7 OWNS A LATE MODEL DISTRESSED VEHICLE, THE TITLEHOLDER SHALL SUR-
8 RENDER THE TITLE OR ASSIGNED CERTIFICATE OF TITLE TO THE SECRE-
9 TARY OF STATE AND APPLY FOR A SALVAGE CERTIFICATE OF TITLE IF THE
10 RETAIL COST OF REPAIR, INCLUDING PARTS AND LABOR, IS EQUAL TO OR
11 LESS THAN 75% OF THE PREDAMAGED ACTUAL CASH VALUE OF THE VEHICLE,
12 OR IF THE RETAIL COST OF REPAIR, INCLUDING PARTS AND LABOR, IS
13 GREATER THAN 75% OF THE PREDAMAGED ACTUAL CASH VALUE OF THE VEHI-
14 CLE, APPLY FOR A SCRAP CERTIFICATE OF TITLE, BEFORE THE VEHICLE
15 MAY BE TRANSPORTED OR SOLD. IF OWNERSHIP IS TRANSFERRED, THE
16 OWNER SHALL SELL THE VEHICLE ONLY TO A DEALER WHO IS ELIGIBLE TO
17 BUY A SALVAGE OR SCRAP VEHICLE IN THIS STATE UNLESS THE OWNER
18 COMPLIES WITH SUBSECTION (9).

19 (7) ~~(5)~~ An application for a salvage certificate of title
20 shall be made on a form prescribed by the secretary of state
21 accompanied by a fee of \$10.00. The application shall contain
22 all of the following:

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

24 (b) A description of the vehicle, including its make, style
25 of body, model year, weight, color, and vehicle identification
26 number.

1 (c) A description of the damage to the vehicle, AND ESTIMATE
2 OF THE COST REPAIR, INCLUDING PARTS AND LABOR, AND AN ESTIMATE OF
3 THE PREDAMAGE ACTUAL VALUE OF THE VEHICLE.

4 (d) ~~Until January 1, 1994, a~~ A listing of each major com-
5 ponent part that was not salvageable.

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

8 (8) ~~(6)~~ The secretary of state shall issue AND MAIL the
9 salvage certificate within 5 business days after the time the
10 application is received at the secretary of state's office in
11 Lansing. ~~Until January 1, 1994, each~~ EACH salvage certificate
12 of title shall include a listing of each major component part
13 that was not salvageable.

14 (9) ~~(7)~~ A salvage certificate of title shall authorize the
15 holder of the title to possess, transport, but not drive upon a
16 highway, and transfer ownership in, a vehicle. A certificate of
17 title or registration plates shall not be issued for a vehicle
18 for which a salvage certificate of title was issued unless a spe-
19 cially trained ~~police~~ officer DESCRIBED IN SUBSECTION (10) cer-
20 tifies ~~that~~ ALL OF THE FOLLOWING:

21 (A) THAT the vehicle identification numbers and parts iden-
22 tification numbers have been examined as to their accuracy. ~~—~~

23 (B) THAT the applicant has proof of ownership of repair
24 parts used. ~~—~~

25 (C) THAT the vehicle complies with the equipment standards
26 of this act. ~~, and that~~

1 THE certification ~~accompanies~~ REQUIRED BY THIS SUBSECTION SHALL
2 BE MADE ON A FORM PRESCRIBED AND FURNISHED BY THE SECRETARY OF
3 STATE IN CONJUNCTION WITH THE DEPARTMENT OF STATE POLICE AND
4 SHALL ACCOMPANY the application THAT IS SUBMITTED TO THE SECRE-
5 TARY OF STATE for a certificate of title. ~~Until January 1,~~
6 ~~1994, an~~ AN application for a certificate of title shall contain
7 a description of each salvageable part used to repair the vehicle
8 and any identification number affixed to or inscribed upon the
9 part as required by STATE OR federal law. ~~A~~ THROUGH JUNE 30,
10 1993, A fee of \$25.00 shall be received by the police agency for
11 inspection of the vehicle AND SHALL BE EXPENDED BY THAT POLICE
12 AGENCY AS PROVIDED IN THIS SUBSECTION. Upon ~~the~~ satisfactory
13 completion of the ~~examination~~ INSPECTION AS REQUIRED BY THE
14 SECRETARY OF STATE and other requirements for application, FOR
15 THOSE VEHICLES THAT HAVE AN ESTIMATED COST OF REPAIR, INCLUDING
16 PARTS AND LABOR, OF 75% OR LESS THAN THE PREDAMAGED ACTUAL CASH
17 VALUE OF THE VEHICLE, a certificate of title, in the same form as
18 the original, WITHOUT ANY INDICATORS OF ITS PREVIOUS SALVAGE
19 STATUS shall be issued for the vehicle. THE SALVAGE VEHICLE
20 INSPECTION FEES COLLECTED BY A LOCAL POLICE AGENCY UNDER THIS
21 SUBSECTION SHALL BE CREDITED TO THE BUDGET OF THAT POLICE AGENCY
22 FOR LAW ENFORCEMENT PURPOSES THAT AFFECT STOLEN VEHICLES, STOLEN
23 VEHICLE PARTS, AND SALVAGE VEHICLE INSPECTIONS. A LOCAL POLICE
24 AGENCY SHALL COMPENSATE AN OFF-DUTY AND LIMITED ENFORCEMENT
25 POLICE OFFICER FOR A SALVAGE VEHICLE INSPECTION.

1 (10) AN OFFICER SPECIALLY TRAINED AS PROVIDED BY THE
2 SECRETARY OF STATE AND AUTHORIZED BY THE SECRETARY OF STATE TO
3 CONDUCT A SALVAGE VEHICLE INSPECTION IS EITHER OF THE FOLLOWING:

4 (A) AN ON-DUTY OR OFF-DUTY POLICE OFFICER.

5 (B) A PREVIOUSLY CERTIFIED POLICE OFFICER WHO IS APPOINTED
6 BY THE LOCAL POLICE AGENCY AS A LIMITED ENFORCEMENT OFFICER TO
7 CONDUCT SALVAGE VEHICLE INSPECTIONS. THE LOCAL POLICE AGENCY
8 SHALL GIVE THIS OFFICER ACCESS TO THE AGENCY'S LAW ENFORCEMENT
9 INFORMATION NETWORK SYSTEM AND THE AUTHORITY TO CONFISCATE ANY
10 STOLEN VEHICLE OR VEHICLE PARTS DISCOVERED DURING AN INSPECTION.
11 THE LOCAL POLICE AGENCY MAY GIVE THE OFFICER THE AUTHORITY TO
12 ARREST A PERSON SUSPECTED OF HAVING UNLAWFUL POSSESSION OF A
13 STOLEN VEHICLE OR VEHICLE PARTS.

14 (11) THE SECRETARY OF STATE SHALL ISSUE A CERTIFICATE TO AN
15 OFFICER WHO IS SPECIALLY TRAINED AS PROVIDED BY THE SECRETARY OF
16 STATE TO CONDUCT SALVAGE VEHICLE INSPECTIONS. ONLY A PERSON WHO
17 HAS A VALID CERTIFICATION FROM THE SECRETARY OF STATE MAY PERFORM
18 SALVAGE INSPECTIONS. THE SECRETARY OF STATE ON HIS OR HER OWN
19 INITIATIVE OR IN RESPONSE TO COMPLAINTS SHALL MAKE REASONABLE AND
20 NECESSARY PUBLIC OR PRIVATE INVESTIGATIONS WITHIN OR OUTSIDE OF
21 THIS STATE AND GATHER EVIDENCE AGAINST AN OFFICER WHO WAS ISSUED
22 A CERTIFICATE AND WHO VIOLATED OR IS ABOUT TO VIOLATE THIS ACT OR
23 A RULE PROMULGATED UNDER THIS ACT. THE SECRETARY OF STATE MAY
24 SUSPEND, REVOKE, OR DENY A CERTIFICATE AFTER AN INVESTIGATION IF
25 THE SECRETARY OF STATE DETERMINES THAT THE OFFICER COMMITTED 1 OR
26 MORE OF THE FOLLOWING:

1 (A) VIOLATED THIS ACT OR A RULE PROMULGATED UNDER THIS ACT.

2 (B) WAS FOUND GUILTY OF A FRAUDULENT ACT IN CONNECTION WITH

3 THE INSPECTION, PURCHASE, SALE, OR TRANSFER OF A SALVAGE

4 VEHICLE.

5 (C) WAS FOUND GUILTY OF THE THEFT, EMBEZZLEMENT, OR MISAP-

6 PROPRIATION OF SALVAGE VEHICLE INSPECTION FEES.

7 (D) PERFORMED IMPROPER, CARELESS, OR NEGLIGENT SALVAGE VEHI-

8 CLE INSPECTIONS.

9 (E) CEASED TO FUNCTION AS A POLICE OFFICER BECAUSE OF SUS-

10 PENSION, RETIREMENT, DISMISSAL, DISABILITY, OR TERMINATION OF

11 EMPLOYMENT.

12 (F) WAS CONVICTED OF A VIOLATION OR ATTEMPTED VIOLATION OF

13 ACT NO. 119 OF THE PUBLIC ACTS OF 1986, BEING SECTIONS 257.1351

14 TO 257.1355 OF THE MICHIGAN COMPILED LAWS.

15 (G) MADE A FALSE STATEMENT OF A MATERIAL FACT IN HIS OR HER

16 CERTIFICATION OF A SALVAGE VEHICLE INSPECTION OR ANY RECORD CON-

17 CERNING A SALVAGE VEHICLE INSPECTION.

18 UPON RECEIPT OF THE APPROPRIATE ABSTRACT OF CONVICTION FROM

19 A COURT AND WITHOUT ANY INVESTIGATION, THE SECRETARY OF STATE

20 SHALL IMMEDIATELY REVOKE THE CERTIFICATE OF AN OFFICER WHO HAS

21 BEEN CONVICTED OF A VIOLATION OR ATTEMPTED VIOLATION OF

22 SECTION 413, 414, 415, 535, 535A, OR 536A OF THE MICHIGAN PENAL

23 CODE, ACT NO. 328 OF THE PUBLIC ACTS OF 1931, BEING

24 SECTIONS 750.413, 750.414, 750.415, 750.535, 750.535A, AND

25 750.536A OF THE MICHIGAN COMPILED LAWS, OR HAS BEEN CONVICTED IN

26 FEDERAL COURT OR IN ANOTHER STATE OF A VIOLATION OR ATTEMPTED

27 VIOLATION OF A LAW SUBSTANTIALLY CORRESPONDING TO SECTION 413,

1 414, 415, 535, 535A, OR 536A OF THE MICHIGAN PENAL CODE, ACT
 2 NO. 328 OF THE PUBLIC ACTS OF 1931.

3 (12) ~~(8)~~ If a dealer ~~other than a vehicle scrap metal~~
 4 ~~processor~~ acquires ownership of an older model vehicle from an
 5 owner, ~~and receives~~ THE DEALER SHALL RECEIVE an assigned cer-
 6 tificate of title ~~, the dealer~~ AND shall retain ~~the assigned~~
 7 ~~certificate of title~~ IT as long as ~~the dealer~~ HE OR SHE
 8 retains the vehicle. A vehicle scrap metal processor shall sur-
 9 render an assigned certificate of title to the secretary of state
 10 within 30 days after the vehicle is destroyed or scrapped.

11 (13) ~~(9)~~ A dealer ~~other than a vehicle scrap metal~~
 12 ~~processor~~ selling or assigning a vehicle to a vehicle scrap
 13 metal processor shall make a record in triplicate on a form to be
 14 provided by the secretary of state in substantially the following
 15 form:

16 Scrap Vehicle Inventory:

17 SELLER: Dealer name _____
 18 Dealer address _____
 19 Dealer license number _____
 20 PURCHASER: Conveyed to: _____ Date _____
 21 (Vehicle scrap metal processor)
 22 DEALER ADDRESS _____
 23 DEALER LICENSE NUMBER _____

Vehicles

1						
2					DEALER'S	
3					STOCK	
4	Model Year	Vehicle Make	VIN	TITLE NUMBER	NUMBER	COLOR
5	1. _____	_____	_____	_____	_____	_____
6	2. _____	_____	_____	_____	_____	_____
7	3. _____	_____	_____	_____	_____	_____
8	etc.					

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

14 (14) ~~(10)~~ A person, other than ~~a used or secondhand vehi-~~
 15 ~~cle parts dealer~~ AN AUTOMOTIVE RECYCLER or a foreign salvage
 16 dealer, ~~or an insurance company admitted to conduct business in~~
 17 ~~this state,~~ receiving a salvage certificate of title shall not
 18 sell the vehicle to anyone other than 1 of the following:

19 (a) The vehicle's former owner.

20 (b) ~~A used or secondhand vehicle parts dealer~~ AN AUTOMO-
 21 TIVE RECYCLER.

22 (c) A vehicle scrap metal processor.

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

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

1 (15) A PERSON RECEIVING A SCRAP CERTIFICATE OF TITLE SHALL
2 NOT SELL THE VEHICLE TO ANYONE OTHER THAN 1 OF THE FOLLOWING:

3 (A) AN AUTOMOTIVE RECYCLER.

4 (B) A VEHICLE SCRAP METAL PROCESSOR.

5 (C) A FOREIGN SALVAGE VEHICLE DEALER LICENSED UNDER THIS
6 ACT.

7 (16) ~~(11)~~ The secretary of state may conduct periodic
8 reviews of the records of a dealer to determine whether adequate
9 notice is given to a transferee of a rebuilt salvage vehicle of
10 that vehicle's prior designation as a salvage vehicle. The sec-
11 retary of state may request an insurance company to provide
12 copies of salvage title documents and claims reports involving
13 major component parts to assist the secretary of state in moni-
14 toring compliance with this act.

15 ~~(12) Subsections (10) and (11) shall apply until January 1,~~
16 ~~1994.~~

17 (17) FOR THE PURPOSE OF THIS SECTION, THE ESTIMATED COST OF
18 REPAIR PARTS SHALL BE DETERMINED BY THE CURRENT PUBLISHED RETAIL
19 COST OF ORIGINAL MANUFACTURER EQUIPMENT OR THE CURRENT PUBLISHED
20 RETAIL COST OF LIKE KIND OR QUALITY PARTS OR A COMBINATION OF
21 BOTH.

22 (18) BEGINNING JULY 1, 1993, A FEE OF \$125.00 SHALL BE
23 RECEIVED BY A POLICE AGENCY FOR AN INSPECTION OF A VEHICLE PURSU-
24 ANT TO SUBSECTIONS (8) AND (9). THE FEE SHALL BE CREDITED TO THE
25 BUDGET OF THAT POLICE AGENCY AND USED FOR LAW ENFORCEMENT PUR-
26 POSES THAT AFFECT STOLEN VEHICLES, STOLEN VEHICLE PARTS, AND
27 SALVAGE VEHICLE INSPECTIONS. A LOCAL POLICE AGENCY SHALL

1 COMPENSATE AN OFF-DUTY AND LIMITED ENFORCEMENT POLICE OFFICER FOR
2 A SALVAGE VEHICLE INSPECTION. THIS SUBSECTION SHALL TAKE EFFECT
3 JULY 1, 1993.

4 Sec. 217f. ~~(1)~~ A vehicle salvage pool operator or broker
5 shall not sell, assign, or otherwise dispose of a vehicle for
6 which a salvage certificate of title is required, unless a sal-
7 vage OR SCRAP certificate of title has been issued for the vehi-
8 cle by the department.

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

10 Sec. 222. (1) Except as otherwise provided in this act, the
11 secretary of state shall issue a registration certificate and a
12 certificate of title when registering a vehicle and upon receipt
13 of the required fees. A VEHICLE BROUGHT INTO THIS STATE FROM
14 ANOTHER STATE OR JURISDICTION THAT HAS A REBUILT OR SALVAGE CER-
15 TIFICATE OF TITLE ISSUED BY THAT OTHER STATE OR JURISDICTION
16 SHALL BE ISSUED A REBUILT OR SALVAGE CERTIFICATE OF TITLE BY THE
17 SECRETARY OF STATE.

18 (2) The registration certificate shall be delivered to the
19 owner and shall contain on its face the date issued, the name and
20 address of the owner, the registration number assigned to the
21 vehicle, and a description of the vehicle as determined by the
22 secretary of state.

23 (3) The certificate of title shall be manufactured in a
24 manner to prohibit as nearly as possible the ability to repro-
25 duce, alter, counterfeit, forge, or duplicate the certificate of
26 title without ready detection and contain on its face the
27 identical information required on the face of the registration

1 certificate; if the vehicle is a motor vehicle, the number of
2 miles, not including the tenths of a mile, registered on the
3 vehicle's odometer at the time of transfer; except for a vehicle
4 owned by a dealer and loaned to a political subdivision of this
5 state for use as a driver education vehicle, if the vehicle is to
6 be used or has been used as a taxi, as a police vehicle, or by a
7 political subdivision of this state; ~~if~~ WHETHER the vehicle
8 ~~has been issued~~ IS a salvage ~~or a rebuilt certificate of~~
9 ~~title~~ VEHICLE; IF THE VEHICLE HAS PREVIOUSLY BEEN ISSUED A
10 REBUILT CERTIFICATE OF TITLE FROM THIS STATE OR A COMPARABLE CER-
11 TIFICATE OF TITLE FROM ANY OTHER STATE OR JURISDICTION; IF THE
12 VEHICLE HAS BEEN ISSUED A SCRAP CERTIFICATE OF TITLE; a statement
13 of the owner's title and of all security interests in the vehicle
14 or in an accessory on the vehicle as set forth in the applica-
15 tion; the date that the application was filed; and any other
16 information that the secretary of state may require.

17 (4) The certificate of title shall contain, upon the reverse
18 side, a form for assignment of title or interest and warranty of
19 title by the owner with space for the notation of a security
20 interest in the vehicle and in an accessory on the vehicle, that
21 at the time of a transfer shall be certified and signed, and
22 space for a written odometer mileage statement that is required
23 upon transfer pursuant to section 233a. The reverse side of the
24 certificate of title may also contain other forms that the secre-
25 tary of state considers necessary to facilitate the effective
26 administration of this act. The certificate shall bear the coat
27 of arms of this state.

1 (5) The certificate of title shall be mailed or delivered to
2 the owner or other person the owner may direct in a separate
3 instrument, in a form the secretary of state shall prescribe.

4 (6) A person who intentionally reproduces, alters, counter-
5 feits, forges, or duplicates a certificate of title or who uses a
6 reproduced, altered, counterfeited, forged, or duplicated certif-
7 icate of title shall be punished as follows:

8 (a) If the intent of reproduction, alteration, counterfeit-
9 ing, forging, duplication, or use was to commit or aid in the
10 commission of an offense punishable by imprisonment for 1 or more
11 years, the person committing the reproduction, alteration, coun-
12 terfeiting, forging, duplication, or use is guilty of a misde-
13 meanor, punishable by imprisonment for a period equal to that
14 which could be imposed for the commission of the offense the
15 person had the intent to aid or commit. The court may also
16 assess a fine of not more than \$10,000.00 against the person.

17 (b) If the intent of the reproduction, alteration, counter-
18 feiting, forging, duplication, or use was to commit or aid in the
19 commission of an offense punishable by imprisonment for not more
20 than 1 year, the person committing the reproduction, alteration,
21 counterfeiting, forging, duplication, or use is guilty of a mis-
22 demeanor, punishable by imprisonment for not more than 1 year, or
23 a fine of not more than \$1,000.00, or both.

24 (7) The certificate of title for a police vehicle, a vehicle
25 owned by a political subdivision of this state, a salvage vehi-
26 cle, ~~and~~ a rebuilt FORMER SALVAGE vehicle, AND A SCRAP VEHICLE
27 shall be different in color from the certificate of title for all

1 other vehicles EXCEPT FOR A SALVAGE VEHICLE THAT QUALIFIES FOR A
2 TITLE WITHOUT DISTINGUISHING INDICATORS OF ITS PREVIOUS SALVAGE
3 STATUS PURSUANT TO SECTION 217C.

4 (8) A REBUILT SALVAGE VEHICLE THAT DOES NOT QUALIFY FOR A
5 TITLE WITHOUT DISTINGUISHING INDICATORS OF ITS PREVIOUS SALVAGE
6 STATUS PURSUANT TO SECTION 217C SHALL CONTAIN A LEGEND, "REBUILT
7 FORMER SALVAGE VEHICLE".

8 (9) A SCRAP CERTIFICATE OF TITLE SHALL CONTAIN A LEGEND THAT
9 THE VEHICLE IS NOT TO BE TITLED OR REGISTERED AND IS TO BE USED
10 FOR PARTS OR SCRAP METAL ONLY.

11 Sec. 248. (1) A person shall not carry on or conduct the
12 business of buying, selling, brokering, or dealing in vehicles of
13 a type required to be titled under this act unless the person
14 obtains a dealer license from the secretary of state authorizing
15 the carrying on or conducting of that business. ~~Until~~

16 ~~January 1, 1994, a~~ A person shall not carry on or conduct the
17 business of buying, selling, brokering, or dealing in distressed
18 late model motor vehicles or salvageable parts ~~—~~ unless the
19 person obtains ~~a used or secondhand vehicle parts dealer~~ AN
20 AUTOMOTIVE RECYCLER OR SALVAGE POOL license from the secretary of
21 state or is an insurance company admitted to conduct business in
22 this state, except that a motor vehicle repair facility regis-
23 tered under the motor vehicle service and repair act, Act No. 300
24 of the Public Acts of 1974, being sections 257.1301 to 257.1340
25 of the Michigan Compiled Laws, may purchase salvageable parts and
26 salvage vehicles for the purposes of using acquired parts and
27 vehicles in the repair of ~~other~~ CUSTOMER'S vehicles. A person

1 shall not carry on or conduct the business of buying vehicles to
2 process into scrap metal or store or display vehicles as an agent
3 or escrow agent of an insurance company ~~—~~ unless the person
4 obtains a dealer license from the secretary of state. A vehicle
5 scrap metal processor who does not purchase vehicles OR SALVAGEA-
6 BLE PARTS from unlicensed persons ~~shall~~ IS not ~~be~~ required to
7 obtain a dealer license. ~~Until January 1, 1994, a~~ A person
8 from another state shall not purchase, sell, or otherwise deal in
9 distressed, late model motor vehicles ~~—~~ OR SALVAGEABLE PARTS
10 unless the person obtains a foreign salvage vehicle dealer
11 license from the secretary of state as prescribed under
12 section 248b. A PERSON, INCLUDING A DEALER, SHALL NOT PURCHASE
13 OR ACQUIRE A DISTRESSED LATE MODEL MOTOR VEHICLE OR A SALVAGEABLE
14 PART THROUGH A SALVAGE POOL, AUCTION, OR BROKER WITHOUT A LICENSE
15 AS A SALVAGE VEHICLE AGENT. The secretary of state shall investi-
16 gate and seek prosecution, if necessary, of persons allegedly
17 conducting a business without a license.

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

23 (a) Name of applicant.

24 (b) Location of applicant's established place of business in
25 this state.

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

1 (d) If the business is a corporation, the state of
2 incorporation.

3 (e) Name, ~~and~~ address, DATE OF BIRTH, AND SOCIAL SECURITY
4 NUMBER of each owner or partner and, if a corporation, the name,
5 ADDRESS, DATE OF BIRTH, AND SOCIAL SECURITY NUMBER OF EACH of the
6 principal officers.

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

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

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

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

24 (j) If the applicant is a corporation or partnership, a
25 statement showing whether a partner, employee, officer, or direc-
26 tor has been refused a license or has been the holder of a
27 license which was revoked or suspended.

1 (k) ~~Until January 1, 1994, if~~ IF the application is for ~~a~~
 2 ~~used or secondhand vehicle parts dealer~~ AN AUTOMOTIVE RECYCLER,
 3 all of the following:

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

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

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

14 (l) CERTIFICATION THAT NEITHER THE APPLICANT NOR ANOTHER
 15 PERSON NAMED ON THE APPLICATION IS ACTING AS THE ALTER EGO OR IN
 16 THE PLACE OF OR ON BEHALF OF ANY OTHER PERSON OR PERSONS IN SEEK-
 17 ING THE LICENSE. FOR THE PURPOSE OF THIS SUBDIVISION, "ALTER
 18 EGO" MEANS A PERSON WHO ACTS FOR OR ON BEHALF OF, OR IN THE PLACE
 19 OF, ANOTHER PERSON FOR THE PURPOSE OF OBTAINING A VEHICLE DEALER
 20 LICENSE.

21 (3) A person shall make a separate application for a dealer
 22 license for each county in which business is to be conducted and
 23 a dealer, before moving 1 or more of his or her places of busi-
 24 ness ~~—~~ or opening an additional place of business, shall apply
 25 to the secretary of state for and obtain a supplemental dealer
 26 license ~~—~~ for which a fee shall not be charged. The
 27 ~~supplemental~~ dealer license ~~shall entitle~~ ENTITLES the dealer

1 to conduct in the county covered by the license the business of
2 buying, selling, and dealing in vehicles OR SALVAGEABLE PARTS.
3 ~~Until January 1, 1994, this~~ THIS subsection ~~shall~~ DOES not
4 apply to a person licensed as a foreign salvage vehicle dealer
5 under section 248b.

6 (4) The secretary of state may divide the calendar year into
7 quarters and the total number of dealer licensees into approxi-
8 mately convenient quarter segments. Each dealer license granted
9 under subsection (1) shall expire on the last day of the month in
10 the quarter for the business year in which the license was issued
11 ~~—~~ and may be renewed upon application and payment of the fee
12 required by section 807.

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

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

25 (a) New vehicle dealer.

26 (b) Used or secondhand vehicle dealer.

1 (c) ~~Used or secondhand vehicle parts dealer~~ AN AUTOMOTIVE
2 RECYCLER.

3 (d) Vehicle scrap metal processor.

4 (e) Vehicle salvage pool operator.

5 (f) Distressed vehicle transporter.

6 (g) Broker.

7 (h) ~~Until January 1, 1994, a~~ A foreign salvage vehicle
8 dealer.

9 (7) An applicant for a new vehicle dealer or a used or sec-
10 ondhand vehicle dealer or broker license shall accompany the
11 application with a properly executed bond or renewal
12 certificate. If a renewal certificate is used, the bond shall be
13 considered as renewed for each succeeding year in the same amount
14 and with the same effect as an original bond. The bond shall be
15 in the sum of \$10,000.00 with good and sufficient surety to be
16 approved by the secretary of state. The bond shall be condi-
17 tioned to indemnify or reimburse a purchaser, seller, financing
18 agency, or governmental agency for monetary loss caused through
19 fraud, cheating, or misrepresentation in the conduct of the vehi-
20 cle business ~~—~~ whether the fraud, cheating, or misrepresenta-
21 tion was made by the dealer or by an employee, agent, or sales-
22 person of the dealer. The surety ~~shall be~~ IS required to make
23 indemnification or reimbursement for a monetary loss only after
24 judgment based on fraud, cheating, or misrepresentation has been
25 entered in a court of record against the licensee. The bond
26 shall also be conditioned to indemnify or reimburse the state for
27 any sales tax deficiency as provided in the general sales tax

1 act, Act No. 167 of the Public Acts of 1933, as amended, being
2 sections 205.51 to 205.78 of the Michigan Compiled Laws, or use
3 tax deficiency as provided in the use tax act, Act No. 94 of the
4 Public Acts of 1937, as amended, being sections 205.91 to 205.111
5 of the Michigan Compiled Laws, for the year in which the bond was
6 in force. The surety ~~shall be~~ IS required to make indemnifica-
7 tion or reimbursement only after final judgment has been entered
8 in a court of record against the licensee. A dealer or applicant
9 who has furnished satisfactory proof that a bond similar to the
10 bond required by this subsection is executed and in force ~~shall~~
11 ~~be~~ IS exempt from the bond provisions set forth in this
12 subsection. The aggregate liability of the surety shall not
13 exceed the sum of the bond. The surety on the bond may cancel
14 the bond upon giving 30 days' notice in writing to the secretary
15 of state and thereafter ~~shall~~ IS not ~~be~~ liable for a breach
16 of condition occurring after the effective date of the
17 cancellation.

18 (8) An applicant for a new vehicle dealer or a used or sec-
19 ondhand vehicle dealer license shall accompany the application
20 with an application for not less than 2 dealer plates as provided
21 by section 245, accompanied by the proper fee as provided by sec-
22 tion 803.

23 (9) A dealer required to be licensed under this section, as
24 a condition precedent to the granting of a license, shall file
25 with the secretary of state ~~—~~ an irrevocable written stipula-
26 tion, authenticated by the applicant, stipulating and agreeing
27 that legal process affecting the dealer, served on the secretary

1 of state or a deputy of the secretary of state, ~~shall have~~ HAS
2 the same effect as if personally served on the dealer. This
3 appointment ~~shall remain~~ REMAINS in force as long as any
4 liability of the dealer remains outstanding within this state.

5 Sec. 248b. (1) A person from a foreign state shall not pur-
6 chase, sell, or otherwise deal in distressed late model motor
7 vehicles ~~—~~ OR SALVAGEABLE PARTS unless the person first obtains
8 a foreign salvage vehicle dealer license from the secretary of
9 state.

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

14 (a) Name of applicant.

15 (b) Location of applicant's established place of business in
16 a foreign state. ~~—, and in this state, if any.~~

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

18 (d) If the business is a corporation, the state of incorpo-
19 ration and a copy of the articles of incorporation filed in that
20 state.

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

24 (f) A statement of the previous history, record, and associ-
25 ations of the applicant and of each owner, partner, officer, and
26 director, which statement shall be sufficient to establish to the

1 satisfaction of the secretary of state the business reputation
2 and character of the applicant.

3 (g) A statement showing whether the applicant has previously
4 applied for a license in any other state, the result of the
5 application, and whether the applicant has ever been the holder
6 of a license ~~which~~ THAT was revoked or suspended.

7 (h) If the applicant is a corporation or partnership, a
8 statement showing whether a partner, employee, officer, or direc-
9 tor has been refused a license or has been the holder of a
10 license ~~which~~ THAT was revoked or suspended.

11 (i) Evidence that the applicant holds ~~a~~ THE APPROPRIATE
12 license ~~as a salvage vehicle dealer~~ TO BUY, SELL, OR OTHERWISE
13 DEAL IN DISTRESSED, LATE MODEL MOTOR VEHICLES OR SALVAGEABLE
14 PARTS in a foreign state and ACTUALLY engages in the business of
15 buying, selling, or otherwise dealing in distressed, late model
16 motor vehicles OR SALVAGEABLE PARTS IN THE FOREIGN STATE.

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

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

22 ~~(l) Location of the applicant's established place of busi-~~
23 ~~ness in a foreign state.~~

24 (l) ~~(m)~~ Evidence of worker's compensation insurance cover-
25 age for employees classified under the standard industrial clas-
26 sification number 4015, entitled "motor vehicle parts -- used" or

1 under the national council on compensation insurance code number
2 3821, entitled "automobile dismantling", if applicable.

3 (M) ~~(n)~~ Federal employer tax identification number.

4 (N) CERTIFICATION THAT NEITHER THE APPLICANT NOR ANOTHER
5 PERSON NAMED ON THE APPLICATION IS ACTING AS THE ALTER EGO OR IN
6 THE PLACE OF OR ON BEHALF OF ANY OTHER PERSON OR PERSONS IN SEEK-
7 ING THE LICENSE. FOR THE PURPOSE OF THIS SUBDIVISION, "ALTER
8 EGO" MEANS A PERSON WHO ACTS FOR OR ON BEHALF OF, OR IN THE PLACE
9 OF, ANOTHER PERSON FOR PURPOSES OF OBTAINING A VEHICLE DEALER
10 LICENSE.

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

18 (4) A license shall not be granted until an investigation is
19 made of the applicant's qualifications under this act and a crim-
20 inal history investigation of the applicant is conducted through
21 a law enforcement informational network. This subsection ~~shall~~
22 DOES not apply to license renewals. The secretary of state shall
23 make the investigations within 15 days after receipt of the
24 application and make a report on the investigations.

25 (5) A dealer required to be licensed under this section, as
26 a condition precedent to the granting of a license, shall file
27 with the secretary of state ~~an~~ an irrevocable written

1 stipulation, authenticated by the applicant, stipulating and
 2 agreeing that legal process affecting the dealer, served on the
 3 secretary of state or a deputy of the secretary of state, ~~shall~~
 4 ~~have~~ HAS the same effect as if personally served on the dealer.
 5 This appointment ~~shall remain~~ REMAINS in force as long as any
 6 liability of the dealer remains outstanding within this state.

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

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

11 (a) The vehicle's former owner.

12 (b) A ~~used or secondhand vehicle parts dealer~~ LICENSED
 13 SALVAGE AGENT OF AN AUTOMOTIVE RECYCLER.

14 ~~(c) A vehicle scrap metal processor.~~

15 (C) ~~(d)~~ A ~~foreign~~ LICENSED SALVAGE AGENT OF A FOREIGN
 16 salvage vehicle dealer. ~~licensed under this act.~~

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

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

20 SEC. 248E. (1) BEGINNING JANUARY 1, 1994, A PERSON, INCLUD-
 21 ING A DEALER, SHALL NOT PURCHASE, ACQUIRE, SELL, OR OTHERWISE
 22 DEAL IN DISTRESSED LATE MODEL VEHICLES OR SALVAGEABLE PARTS
 23 THROUGH A SALVAGE POOL, AUCTION, OR BROKER WITHOUT A SALVAGE
 24 VEHICLE AGENT LICENSE FROM THE SECRETARY OF STATE. ONLY A
 25 LICENSED AUTOMOTIVE RECYCLER OR A LICENSED FOREIGN SALVAGE VEHI-
 26 CLE DEALER MAY APPLY TO THE SECRETARY OF STATE FOR A SALVAGE
 27 VEHICLE AGENT LICENSE. A DEALER SHALL NOT HAVE MORE THAN 2

1 INDIVIDUALS, INCLUDING HIMSELF OR HERSELF, LICENSED AS A SALVAGE
2 VEHICLE AGENT.

3 (2) THE APPLICATION FOR A SALVAGE VEHICLE AGENT LICENSE
4 SHALL BE IN THE FORM PRESCRIBED BY THE SECRETARY OF STATE AND
5 SHALL BE SIGNED BY BOTH THE AGENT AND THE DEALER WHO IS APPOINT-
6 ING THE INDIVIDUAL AS A SALVAGE VEHICLE AGENT. IN ADDITION TO
7 OTHER INFORMATION AS MAY BE REQUIRED BY THE SECRETARY OF STATE,
8 THE APPLICATION SHALL INCLUDE ALL OF THE FOLLOWING:

9 (A) BUSINESS NAME, ADDRESS, AND DEALER LICENSE NUMBER OF THE
10 DEALER-APPLICANT.

11 (B) NAME, ADDRESS, SOCIAL SECURITY NUMBER, AND DATE OF BIRTH
12 OF THE AGENT-APPLICANT.

13 (C) A STATEMENT OF THE PREVIOUS HISTORY, RECORD, AND ASSOCI-
14 ATIONS OF THE AGENT, WHICH STATEMENT SHALL BE SUFFICIENT TO
15 ESTABLISH TO THE SATISFACTION OF THE SECRETARY OF STATE THE BUSI-
16 NESS REPUTATION AND CHARACTER OF THE AGENT.

17 (D) A STATEMENT SHOWING WHETHER THE AGENT HAS PREVIOUSLY
18 APPLIED FOR A DEALER LICENSE OR AN AGENT'S LICENSE, THE RESULT OF
19 THE APPLICATION, AND WHETHER THE AGENT HAS EVER BEEN THE HOLDER
20 OF A DEALER LICENSE OR AGENT'S LICENSE THAT WAS REVOKED OR SUS-
21 PENDED IN THIS STATE OR ANY OTHER STATE.

22 (E) A CERTIFICATION THAT THE AGENT IS NOT ACTING AS THE
23 ALTER EGO OR IN THE PLACE OR ON THE BEHALF OF ANY OTHER PERSON OR
24 PERSONS IN SEEKING THE LICENSE. FOR THE PURPOSE OF THIS SUBDIVI-
25 SION, "ALTER EGO" MEANS A PERSON WHO ACTS FOR AND ON BEHALF OF,
26 OR IN THE PLACE OF, ANOTHER PERSON FOR PURPOSES OF OBTAINING A
27 SALVAGE VEHICLE AGENT LICENSE.

1 (3) A DEALER SHALL MAKE A SEPARATE APPLICATION FOR EACH
2 AGENT LICENSE AND FORWARD THE APPLICATION TO THE SECRETARY OF
3 STATE ALONG WITH THE APPLICATION OF THE DEALER FOR A DEALER
4 LICENSE. A FEE OF \$15.00 SHALL ACCOMPANY EACH APPLICATION FOR AN
5 AGENT LICENSE. THE LICENSE OF AN AGENT ISSUES, RENEWS, AND
6 EXPIRES WITH THE ISSUANCE, RENEWAL, AND EXPIRATION OF THE LICENSE
7 OF A DEALER. IF NECESSARY, A DEALER MAY APPLY FOR THE LICENSE
8 FOR AN AGENT AT ANY TIME DURING THE TIME PERIOD THAT THE DEALER
9 LICENSE IS VALID.

10 (4) A LICENSE FOR AN AGENT SHALL NOT BE GRANTED UNTIL AN
11 INVESTIGATION IS MADE OF THE AGENT'S QUALIFICATIONS UNDER THIS
12 ACT, EXCEPT THAT THIS SUBSECTION DOES NOT APPLY TO LICENSE
13 RENEWALS. THE SECRETARY OF STATE SHALL MAKE THE INVESTIGATION
14 WITHIN 15 DAYS AFTER RECEIVING THE APPLICATION AND MAKE A REPORT
15 ON THE INVESTIGATION.

16 (5) THE SECRETARY OF STATE SHALL ISSUE A LICENSE TO AN AGENT
17 BEARING A FULL-FACE PHOTOGRAPH OF THE AGENT AND THE FOLLOWING
18 INFORMATION:

19 (A) AGENT'S NAME AND ADDRESS.

20 (B) PHYSICAL DESCRIPTION.

21 (C) THE AGENT'S SIGNATURE.

22 (D) THE AGENT'S LICENSE NUMBER.

23 (E) NAME, ADDRESS, AND DEALER LICENSE NUMBER OF THE DEALER
24 FOR WHOM THE AGENT MAY CONDUCT BUSINESS.

25 (6) A DEALER SHALL IMMEDIATELY NOTIFY THE SECRETARY OF STATE
26 IN WRITING IF THERE IS ANY FACTUAL OR MATERIAL CHANGE IN THE

1 INFORMATION STATED IN AN AGENT'S LICENSE OR APPLICATION FOR THE
2 LICENSE.

3 (7) A DEALER MAY CANCEL THE LICENSE OF AN AGENT AT ANY
4 TIME. IF A DEALER CANCELS THE LICENSE OF AN AGENT, THE DEALER
5 SHALL NOTIFY, IN WRITING, THE SECRETARY OF STATE WITHIN 5 DAYS OF
6 THE CANCELLATION AND FORWARD THE CANCELED LICENSE TO THE SECRE-
7 TARY OF STATE ALONG WITH THIS NOTICE. THE DEALER SHALL ADVISE
8 EACH SALVAGE POOL OR SALVAGE AUCTION WHERE THE DEALER DOES BUSI-
9 NESS OF THE CANCELLATION. AN AGENT'S LICENSE IS AUTOMATICALLY
10 CANCELED, BY OPERATION OF LAW, AT THE END OF THE EMPLOYMENT OF
11 THE AGENT BY THE DEALER.

12 (8) WITHIN 5 DAYS OF THE CANCELLATION, EXPIRATION, SUSPEN-
13 SION, OR REVOCATION OF THE LICENSE OF AN AGENT, THE AGENT SHALL
14 SURRENDER THE LICENSE TO THE DEALER OR SECRETARY OF STATE.

15 (9) IF AN AGENT'S LICENSE BECOMES LOST, MUTILATED, OR ILLEG-
16 IBLE, THE DEALER SHALL PROMPTLY APPLY TO THE SECRETARY OF STATE
17 FOR THE ISSUANCE OF A DUPLICATE LICENSE. APPLICATION SHALL BE
18 MADE ON A FORM AS PRESCRIBED BY THE SECRETARY OF STATE AND BE
19 ACCOMPANIED BY A FEE OF \$15.00 AND THE MUTILATED OR ILLEGIBLE
20 LICENSE.

21 (10) A DEALER SHALL INDEMNIFY THE SECRETARY OF STATE AND ANY
22 MEMBER OF THE PUBLIC WHO SUFFERS OR SUSTAINS ANY LOSS BY REASON
23 OF ANY VIOLATION OF THIS ACT BY AN AGENT THAT OCCURS WITHIN THE
24 ACTUAL OR APPARENT SCOPE OF THE AGENT'S AUTHORITY DURING THE
25 PERIOD THAT THE AGENT'S LICENSE IS VALID.

26 (11) AN AGENT REQUIRED TO BE LICENSED UNDER THIS SECTION, AS
27 A CONDITION PRECEDENT TO THE GRANTING OF A LICENSE, SHALL FILE

1 WITH THE SECRETARY OF STATE AN IRREVOCABLE WRITTEN STIPULATION,
2 AUTHENTICATED BY THE AGENT APPLICANT, STIPULATING AND AGREEING
3 THAT LEGAL PROCESS AFFECTING THE AGENT, SERVED ON THE SECRETARY
4 OF STATE OR A DEPUTY OF THE SECRETARY OF STATE, HAS THE SAME
5 EFFECT AS IF PERSONALLY SERVED ON THE AGENT. THIS APPOINTMENT
6 REMAINS IN FORCE AS LONG AS ANY LIABILITY OF THE AGENT REMAINS
7 OUTSTANDING WITHIN THIS STATE.

8 SEC. 248F. (1) THE SECRETARY OF STATE SHALL INVESTIGATE THE
9 CRIMINAL HISTORY OF EACH PERSON REQUIRED TO BE NAMED ON AN APPLI-
10 CATION FOR A VEHICLE DEALER OR SALVAGE VEHICLE AGENT LICENSE
11 BEFORE THE LICENSE IS GRANTED.

12 (2) EACH PERSON REQUIRED TO BE NAMED ON AN APPLICATION SHALL
13 SUBMIT TO THE SECRETARY OF STATE 2 SETS OF HIS OR HER FINGER-
14 PRINTS WHICH SHALL HAVE BEEN TAKEN BY A LAW ENFORCEMENT OFFICIAL
15 FOR INVESTIGATION UNDER THIS SECTION. ONE SET OF FINGERPRINTS
16 SHALL BE SUBMITTED ON A FORM FURNISHED BY THE DEPARTMENT OF STATE
17 POLICE AND BE ACCOMPANIED BY A CHECK OR MONEY ORDER MADE PAYABLE
18 TO THE DEPARTMENT OF STATE POLICE FOR THE FEE THE DEPARTMENT OF
19 STATE POLICE REQUIRES TO PROCESS THE PRINTS. THE OTHER SET OF
20 FINGERPRINTS SHALL BE SUBMITTED ON A FORM FURNISHED BY THE FED-
21 ERAL BUREAU OF INVESTIGATION AND BE ACCOMPANIED BY A CHECK OR
22 MONEY ORDER MADE PAYABLE TO THE FEDERAL BUREAU OF INVESTIGATION
23 FOR THE FEE THE FEDERAL BUREAU OF INVESTIGATION REQUIRES TO PRO-
24 CESS THE PRINTS.

25 (3) EACH SET OF FINGERPRINTS REQUIRED IN ORDER TO PROCESS AN
26 APPLICATION FOR A VEHICLE DEALER OR SALVAGE VEHICLE AGENT LICENSE

1 SHALL BE SUBMITTED TO THE SECRETARY OF STATE WITH THE
2 APPLICATION.

3 (4) THE SECRETARY OF STATE SHALL FORWARD THE FINGERPRINTS ON
4 THE DEPARTMENT OF STATE POLICE FORM WITH THE REQUIRED FEES TO THE
5 DEPARTMENT OF STATE POLICE FOR THE PURPOSE OF RECEIVING THE
6 INFORMATION MAINTAINED BY THE DEPARTMENT OF STATE POLICE OF THE
7 FINGERPRINT OWNER'S CONVICTION AND NONCONVICTION CRIMINAL HISTORY
8 RECORD. THE SECRETARY OF STATE SHALL FORWARD THE FINGERPRINTS ON
9 THE FEDERAL BUREAU OF INVESTIGATION FORM WITH THE REQUIRED FEES
10 TO THE FEDERAL BUREAU OF INVESTIGATION OR OTHER AGENCY DESIGNATED
11 BY THE FEDERAL BUREAU OF INVESTIGATION FOR THE PURPOSE OF RECEIV-
12 ING THE INFORMATION MAINTAINED BY THE FEDERAL BUREAU OF INVESTI-
13 GATION OF THE FINGERPRINT OWNER'S CONVICTION AND NONCONVICTION
14 CRIMINAL HISTORY RECORD.

15 (5) IF A LICENSED VEHICLE DEALER HAS A CHANGE IN AN OWNER,
16 PARTNER, DIRECTOR, OR OFFICER OF THE DEALER AND THE OWNER, PART-
17 NER, DIRECTOR, OR OFFICER IS A PERSON REQUIRED TO BE NAMED ON AN
18 APPLICATION FOR A VEHICLE DEALER LICENSE, THE FINGERPRINTS OF THE
19 NEW OWNER, PARTNER, DIRECTOR, OR OFFICER AND THE REQUIRED PRO-
20 CESSING FEES SHALL BE SUBMITTED TO THE SECRETARY OF STATE WITHIN
21 15 DAYS OF THE CHANGE IN OWNER, PARTNER, DIRECTOR, OR OFFICER FOR
22 THE INVESTIGATION AUTHORIZED PURSUANT TO THIS SECTION.

23 (6) THIS SECTION DOES NOT APPLY TO A PERSON WHOSE FINGER-
24 PRINTS HAVE PREVIOUSLY BEEN INVESTIGATED BY THE SECRETARY OF
25 STATE AND WHO IS APPLYING FOR THE RENEWAL OF A VEHICLE DEALER
26 LICENSE.

1 SEC. 248G. A SALVAGE VEHICLE AGENT SHALL COMPLY WITH THIS
2 ACT AND SHALL DO ALL OF THE FOLLOWING:

3 (A) PURCHASE OR ACQUIRE SALVAGE VEHICLES ONLY FOR THE DEALER
4 INDICATED UPON HIS OR HER AGENT'S LICENSE. A SALVAGE VEHICLE
5 AGENT SHALL NOT BE AN AGENT FOR MORE THAN 1 LICENSED DEALER AT A
6 GIVEN TIME.

7 (B) PROMINENTLY DISPLAY HIS OR HER AGENT'S LICENSE ON HIS OR
8 HER PERSON AT ALL TIMES WHEN HE OR SHE IS PRESENT AT A PLACE
9 WHERE SALVAGE VEHICLES ARE PURCHASED, SOLD, OR OFFERED FOR SALE.

10 (C) UPON DEMAND, IMMEDIATELY DISPLAY HIS OR HER AGENT'S
11 LICENSE TO A PEACE OFFICER OR AN AUTHORIZED REPRESENTATIVE OF THE
12 SECRETARY OF STATE.

13 (D) IMMEDIATELY CONTACT THE DEALER IF THERE IS ANY FACTUAL
14 OR MATERIAL CHANGE IN THE INFORMATION STATED IN HIS OR HER
15 AGENT'S LICENSE OR LICENSE APPLICATION.

16 (E) UPON THE CANCELLATION, CESSATION, OR TRANSFER OF HIS OR
17 HER EMPLOYMENT, IMMEDIATELY SURRENDER HIS OR HER LICENSE TO THE
18 DEALER WHO SHALL MAIL THE LICENSE TO THE SECRETARY OF STATE FOR
19 CANCELLATION.

20 SEC. 248H. (1) A PERSON WHO HAS ENGAGED IN CONDUCT PROHIB-
21 ITED BY SUBSECTION (2) IS SUBJECT TO 1 OR MORE OF THE FOLLOWING
22 PENALTIES:

23 (A) PLACEMENT OF A LIMITATION ON THE PERSON'S LICENSE.

24 (B) SUSPENSION OR REVOCATION OF A LICENSE.

25 (C) DENIAL OF AN ORIGINAL OR RENEWAL APPLICATION.

26 (D) A CIVIL FINE PAID TO THE DEPARTMENT IN AN AMOUNT NOT TO
27 EXCEED \$25,000.00.

1 (E) CONDITION OF PROBATION.

2 (F) A REQUIREMENT TO TAKE AFFIRMATIVE ACTION, INCLUDING PAY-
3 MENT OF RESTITUTION.

4 (G) A LETTER OF CENSURE.

5 (2) THE SECRETARY OF STATE MAY DENY THE APPLICATION OF A
6 DEALER FOR THE LICENSING OF AN INDIVIDUAL AS A SALVAGE VEHICLE
7 AGENT AND REFUSE TO ISSUE OR RENEW THE LICENSE OF AN AGENT OR MAY
8 SUSPEND OR REVOKE AN AGENT'S LICENSE ALREADY ISSUED IF THE SECRE-
9 TARY OF STATE FINDS THAT THE DEALER, APPLICANT AGENT, OR LICENSED
10 AGENT HAS DONE 1 OR MORE OF THE FOLLOWING:

11 (A) MADE A FALSE STATEMENT OF A MATERIAL FACT IN THE AGENT'S
12 APPLICATION.

13 (B) VIOLATED THIS CHAPTER OR A RULE PROMULGATED UNDER THIS
14 CHAPTER, OR ASSISTED OTHERS IN THE VIOLATION OF THIS CHAPTER OR A
15 RULE PROMULGATED UNDER THIS CHAPTER.

16 (C) PURCHASED OR ACQUIRED A SALVAGE OR SCRAP VEHICLE OR SAL-
17 VAGEABLE PART FOR A DEALER FOR WHOM THE AGENT IS NOT LICENSED, OR
18 FUNCTIONED AS AN AGENT FOR HIMSELF OR HERSELF ALONE AND WITHOUT
19 RESPECT TO ANY DEALER.

20 (D) COMMITTED A FRAUDULENT ACT IN CONNECTION WITH PURCHASING
21 OR ACQUIRING OR OTHERWISE DEALING IN VEHICLES OF A TYPE REQUIRED
22 TO BE REGISTERED UNDER THIS ACT OR IN SALVAGE OR SCRAP VEHICLES
23 OR IN VEHICLE PARTS.

24 (E) ENGAGED IN A METHOD, ACT, OR PRACTICE THAT IS UNFAIR OR
25 DECEPTIVE, INCLUDING THE MAKING OF AN UNTRUE STATEMENT OF A MATE-
26 RIAL FACT.

1 (F) VIOLATED A CONDITION OF PROBATION.

2 (G) FAILED TO COMPLY WITH THE TERMS OF A FINAL CEASE AND
3 DESIST ORDER.

4 (H) FAILED TO PAY OVER FUNDS OR TO SURRENDER OR RETURN PROP-
5 ERTY RECEIVED IN THE COURSE OF EMPLOYMENT TO A DEALER OR OTHER
6 PERSON ENTITLED TO THE FUNDS OR PROPERTY.

7 (I) ACTED AS A DEALER'S AGENT BY PURCHASING, ACQUIRING,
8 SELLING, OR DISPOSING OF A VEHICLE WHILE EMPLOYED BY A LICENSED
9 DEALER WITHOUT REPORTING THE PURCHASE, ACQUISITION, SALE, OR DIS-
10 POSING OF THE VEHICLE TO THE DEALER.

11 (J) SERVED IN A MANAGERIAL CAPACITY FOR A DEALER DURING THE
12 TIME ANOTHER AGENT OR EMPLOYEE OF THAT DEALER, ACTING UNDER THE
13 DIRECTION AND CONTROL OF THE DEALER OR LICENSED AGENT, COMMITTED
14 A VIOLATION OF THIS CHAPTER OR OF A RULE PROMULGATED UNDER THIS
15 CHAPTER OR OF A SIMILAR LAW IN ANOTHER STATE OR JURISDICTION.

16 (K) ACTED FOR MORE THAN 1 PARTY IN A TRANSACTION WITHOUT THE
17 KNOWLEDGE OF THE OTHER PARTIES.

18 (L) PERMITTED AN UNLAWFUL USE OF THE AGENT'S LICENSE.

19 (M) ACCEPTED A COMMISSION, BONUS, OR OTHER VALUABLE CONSID-
20 ERATION FOR THE SALE OF A VEHICLE FROM A PERSON OTHER THAN THE
21 DEALER UNDER WHOM THE AGENT IS LICENSED.

22 (N) BECAME INSOLVENT OR FILED FOR BANKRUPTCY.

23 (O) POSSESSED A VEHICLE OR A VEHICLE PART THAT HAS BEEN CON-
24 FISCATED UNDER SECTION 415 OF THE MICHIGAN PENAL CODE, ACT
25 NO. 328 OF THE PUBLIC ACTS OF 1931, BEING SECTION 750.415 OF THE
26 MICHIGAN COMPILED LAWS, OR OF A SIMILAR LAW IN ANOTHER STATE OR
27 JURISDICTION.

1 (3) UPON RECEIPT OF THE APPROPRIATE ABSTRACT OF CONVICTION
2 AND WITHOUT AN OPPORTUNITY FOR A HEARING, THE SECRETARY OF STATE
3 SHALL DENY THE APPLICATION OF A PERSON FOR A LICENSE AS A SALVAGE
4 VEHICLE AGENT OR IMMEDIATELY REVOKE THE LICENSE OF A PERSON AS A
5 SALVAGE VEHICLE AGENT FOR NOT LESS THAN 5 YEARS AFTER THE DATE OF
6 THE PERSON'S LAST CONVICTION IF THE APPLICANT OR LICENSEE, OR A
7 STOCKHOLDER, OFFICER, DIRECTOR, OR PARTNER OF THE APPLICANT OR
8 LICENSEE, HAS BEEN CONVICTED OF A VIOLATION OR ATTEMPTED VIOLA-
9 TION OF SECTION 254 OF THIS ACT OR OF SECTION 413, 414, 415, 535,
10 OR 535A OF THE MICHIGAN PENAL CODE, ACT NO. 328 OF THE PUBLIC
11 ACTS OF 1931, BEING SECTIONS 750.413, 750.414, 750.415, 750.535,
12 AND 750.535A OF THE MICHIGAN COMPILED LAWS, OR HAS BEEN CONVICTED
13 IN FEDERAL COURT OR IN ANOTHER STATE OF A VIOLATION OR ATTEMPTED
14 VIOLATION OF A LAW SUBSTANTIALLY CORRESPONDING TO SECTION 254 OF
15 THIS ACT OR OF SECTION 413, 414, 415, 535, OR 535A OF ACT NO. 328
16 OF THE PUBLIC ACTS OF 1931.

17 (4) UPON RECEIPT OF THE APPROPRIATE ABSTRACT OF CONVICTION
18 FROM THE COURT AND WITHOUT AN OPPORTUNITY FOR A HEARING, THE SEC-
19 RETARY OF STATE SHALL DENY THE APPLICATION OF A PERSON FOR A
20 LICENSE AS A SALVAGE VEHICLE AGENT OR IMMEDIATELY REVOKE THE
21 LICENSE OF A PERSON AS A SALVAGE VEHICLE AGENT AND SHALL NEVER
22 ISSUE THE PERSON A SALVAGE VEHICLE AGENT LICENSE IF THE APPLICANT
23 OR LICENSEE HAS ANY COMBINATION OF 2 OR MORE CONVICTIONS OF A
24 VIOLATION OR ATTEMPTED VIOLATION OF SECTION 254 OF THIS ACT OR OF
25 SECTION 413, 414, 415, 535, OR 535A OF ACT NO. 328 OF THE PUBLIC
26 ACTS OF 1931, BEING SECTIONS 750.413, 750.414, 750.415, 750.535,
27 AND 750.535A OF THE MICHIGAN COMPILED LAWS, OR HAS BEEN CONVICTED

1 IN FEDERAL COURT OR IN ANOTHER STATE OF A VIOLATION OR ATTEMPTED
2 VIOLATION OF A LAW SUBSTANTIALLY CORRESPONDING TO SECTION 254 OF
3 THIS ACT OR OF SECTION 413, 414, 415, OR 535A OF ACT NO. 328 OF
4 THE PUBLIC ACTS OF 1931.

5 SEC. 248I. (1) EXCEPT FOR DEPARTMENT OF STATE PERSONNEL,
6 INSURANCE COMPANY REPRESENTATIVES, GOVERNMENTAL OFFICIALS, OR LAW
7 ENFORCEMENT PERSONNEL, A PERSON SHALL NOT ATTEND A POOL OR AUC-
8 TION SELLING SALVAGE OR SCRAP TITLED VEHICLES UNLESS THE PERSON
9 IS LICENSED UNDER THIS ACT AS A SALVAGE VEHICLE AGENT.

10 (2) A LICENSED SALVAGE VEHICLE AGENT SHALL NOT USE OR POS-
11 SESS A TELEPHONE OR OTHER TELECOMMUNICATION DEVICE ON THE
12 PREMISES OF A SALVAGE OR SCRAP VEHICLE POOL OR AUCTION.

13 Sec. 249. (1) The secretary of state may deny the applica-
14 tion of a person for a license as a dealer and refuse to issue
15 the person a license as a dealer, or may suspend or revoke a
16 license already issued, if the secretary of state finds that ~~the~~
17 ~~applicant or licensee has done~~ 1 or more of the following
18 APPLY:

19 (a) ~~Has~~ THE APPLICANT OR LICENSEE HAS made a false state-
20 ment of a material fact in his or her application.

21 (b) ~~Has~~ THE APPLICANT OR LICENSEE HAS not complied with
22 ~~the provisions of~~ this chapter OR A RULE PROMULGATED UNDER THIS
23 CHAPTER.

24 (c) ~~Has~~ THE APPLICANT OR LICENSEE HAS sold or offered for
25 sale a new vehicle of a type required to be registered under this
26 act without having THE authority of a contract with a
27 manufacturer or distributor of the new vehicle.

1 (d) ~~Has~~ THE APPLICANT OR LICENSEE HAS been guilty of a
2 fraudulent act in connection with selling or otherwise dealing in
3 vehicles of a type required to be registered under this act OR IN
4 SALVAGEABLE PARTS OF VEHICLES.

5 (e) ~~Has~~ THE APPLICANT OR LICENSEE HAS entered into or is
6 about to enter into a contract or agreement with a manufacturer
7 or distributor of vehicles of a type required to be registered
8 under this act ~~, which~~ THAT is contrary to any provision of
9 this act.

10 (f) ~~Has~~ THE APPLICANT OR LICENSEE HAS no established place
11 of business ~~which~~ THAT is used or will be used for the purpose
12 of selling, displaying, and offering for sale or dealing in vehi-
13 cles of a type required to be registered, and does not have
14 proper servicing facilities.

15 (g) ~~If the~~ THE applicant OR LICENSEE is a corporation or
16 partnership, AND a stockholder, officer, director, ~~or~~ partner,
17 OR EMPLOYEE of the applicant OR LICENSEE has been guilty of any
18 act or omission ~~which~~ THAT would be cause for refusing, revok-
19 ing, or suspending a license issued to the STOCKHOLDER, officer,
20 director, ~~or~~ partner, OR EMPLOYEE as an individual.

21 (h) ~~Has~~ THE APPLICANT OR LICENSEE, OR A STOCKHOLDER, OFFI-
22 CER, DIRECTOR, OR PARTNER OF THE APPLICANT OR LICENSEE, HAS pos-
23 sessed a vehicle or a vehicle part ~~which~~ THAT has been confis-
24 cated under section 415 of the Michigan penal code, Act No. 328
25 of the Public Acts of 1931, as amended, being section 750.415 of
26 the Michigan Compiled Laws, OR HAS POSSESSED A VEHICLE,
27 SALVAGEABLE PART, OR OTHER PROPERTY THAT HAS BEEN FORFEITED

1 PURSUANT TO SECTION 535A OF ACT NO. 328 OF THE PUBLIC ACTS OF
2 1931, BEING SECTION 750.535A OF THE MICHIGAN COMPILED LAWS. ~~The~~
3 ~~secretary of state shall conduct a hearing pursuant to the admin-~~
4 ~~istrative procedures act of 1969, Act No. 306 of the Public Acts~~
5 ~~of 1969, as amended, being sections 24.201 to 24.328 of the~~
6 ~~Michigan Compiled Laws, before the secretary of state takes any~~
7 ~~action under this subdivision.~~

8 (i) ~~Has~~ THE APPLICANT OR LICENSEE, OR A STOCKHOLDER, OFFI-
9 CER, DIRECTOR, OR PARTNER OF THE APPLICANT OR LICENSEE, HAS been
10 convicted ~~under~~ OF A VIOLATION OR ATTEMPTED VIOLATION OF sec-
11 tion ~~415~~ 414 OR 536A of the Michigan penal code, Act No. 328 of
12 the Public Acts of 1931, as amended, BEING SECTIONS 750.414 AND
13 750.536A OF THE MICHIGAN COMPILED LAWS.

14 (j) ~~Until January 1, 1994,~~ THE APPLICANT OR LICENSEE, OR A
15 STOCKHOLDER, OFFICER, DIRECTOR, OR PARTNER OF THE APPLICANT OR
16 LICENSEE, has been convicted of ~~violating~~ A VIOLATION OR
17 ATTEMPTED VIOLATION OF Act No. 119 of the Public Acts of 1986,
18 being sections 257.1351 to 257.1355 of the Michigan Compiled
19 Laws.

20 (K) THE APPLICANT OR LICENSEE IS A FOREIGN SALVAGE VEHICLE
21 DEALER AND HAS HAD HIS OR HER DEALER LICENSE IN ANOTHER STATE
22 EXPIRE, REVOKED, SUSPENDED, OR CANCELED.

23 (L) THE APPLICANT OR LICENSEE IS AN AUTOMOTIVE RECYCLER OR A
24 FOREIGN SALVAGE VEHICLE DEALER AND HAS NO ESTABLISHED PLACE OF
25 BUSINESS USED FOR THE PURPOSE OF SELLING, DISPLAYING, OR OFFERING
26 FOR SALE USED OR SECONDHAND VEHICLE PARTS OR DOES NOT HAVE
27 EVIDENCE OF WORKERS' COMPENSATION INSURANCE COVERAGE FOR

1 EMPLOYEES CLASSIFIED UNDER THE STANDARD INDUSTRIAL CLASSIFICATION
2 NUMBER 4015, ENTITLED "MOTOR VEHICLE PARTS -- USED" OR UNDER THE
3 NATIONAL COUNCIL ON COMPENSATION INSURANCE CODE NUMBER 3821,
4 ENTITLED "AUTOMOBILE DISMANTLING", IF APPLICABLE.

5 (M) THE APPLICANT OR LICENSEE IS A SOLE PROPRIETORSHIP AND
6 THE APPLICANT OR LICENSEE PREVIOUSLY HAD BEEN A CORPORATION OR
7 PARTNERSHIP, AND A STOCKHOLDER, OFFICER, DIRECTOR, PARTNER, OR
8 EMPLOYEE OF THE CORPORATION OR PARTNERSHIP HAS BEEN GUILTY OF AN
9 ACT OR OMISSION THAT WOULD BE CAUSE FOR REFUSING, REVOKING, OR
10 SUSPENDING A LICENSE ISSUED TO THE STOCKHOLDER, OFFICER, DIREC-
11 TOR, PARTNER, OR EMPLOYEE AS AN INDIVIDUAL.

12 (N) THE APPLICANT OR LICENSEE HAS REMOVED A SCRAP VEHICLE
13 FROM THIS STATE FOR THE PURPOSE OF REBUILDING IT OR SELLING OR
14 TRANSFERING THE VEHICLE AS A UNIT FOR PURPOSES OF REBUILDING IT.

15 (2) UPON RECEIPT OF THE APPROPRIATE ABSTRACTS OF CONVICTION
16 AND WITHOUT AN OPPORTUNITY FOR A HEARING, THE SECRETARY OF STATE
17 SHALL DENY THE APPLICATION OF A PERSON FOR A LICENSE AS A DEALER
18 OR SALVAGE VEHICLE AGENT OR IMMEDIATELY REVOKE THE LICENSE OF A
19 PERSON AS A DEALER OR SALVAGE VEHICLE AGENT FOR NOT LESS THAN 5
20 YEARS AFTER THE DATE OF THE PERSON'S LAST CONVICTION IF THE
21 APPLICANT OR LICENSEE, OR A STOCKHOLDER, OFFICER, DIRECTOR, OR
22 PARTNER OF THE APPLICANT OR LICENSEE, HAS BEEN CONVICTED OF A
23 VIOLATION OR ATTEMPTED VIOLATION OF SECTION 254 OF THIS ACT OR OF
24 SECTION 413, 415, 535, OR 535A OF THE MICHIGAN PENAL CODE, ACT
25 NO. 328 OF THE PUBLIC ACTS OF 1931, BEING SECTIONS 750.413,
26 750.415, 750.535, AND 750.535A OF THE MICHIGAN COMPILED LAWS, OR
27 HAS BEEN CONVICTED IN FEDERAL COURT OR IN ANOTHER STATE OF A

1 VIOLATION OR ATTEMPTED VIOLATION OF A LAW SUBSTANTIALLY
2 CORRESPONDING TO SECTION 254 OF THIS ACT OR OF SECTION 413, 415,
3 535, OR 535A OF ACT NO. 328 OF THE PUBLIC ACTS OF 1931.

4 (3) UPON RECEIPT OF THE APPROPRIATE ABSTRACT OF CONVICTION
5 FROM THE COURT AND WITHOUT AN OPPORTUNITY FOR A HEARING, THE SEC-
6 RETARY OF STATE SHALL DENY THE APPLICATION OF A PERSON FOR A
7 LICENSE AS A DEALER OR SALVAGE VEHICLE AGENT OR IMMEDIATELY
8 REVOKE THE LICENSE OF A PERSON AS A DEALER OR SALVAGE VEHICLE
9 AGENT AND SHALL NEVER ISSUE THE PERSON A DEALER OR SALVAGE VEHI-
10 CLE AGENT LICENSE IF THE APPLICANT OR LICENSEE HAS ANY COMBINA-
11 TION OF 2 OR MORE CONVICTIONS FOR A VIOLATION OR ATTEMPTED VIOLA-
12 TION OF SECTION 254 OF THIS ACT OR OF SECTION 413, 414, 415, 535,
13 OR 535A OF ACT NO. 328 OF THE PUBLIC ACTS OF 1931, BEING SECTIONS
14 750.413, 750.414, 750.415, 750.535, AND 750.535A OF THE MICHIGAN
15 COMPILED LAWS, OR HAS BEEN CONVICTED IN FEDERAL COURT OR IN
16 ANOTHER STATE OF A VIOLATION OR ATTEMPTED VIOLATION OF A LAW SUB-
17 STANTIALLY CORRESPONDING TO SECTION 254 OF THIS ACT OR OF SECTION
18 413, 414, 415, 535, OR 535A OF ACT NO. 328 OF THE PUBLIC ACTS OF
19 1931.

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
2 other persons from whom the vehicle was purchased or received, or
3 to whom it was sold or delivered. The record shall contain a
4 copy of all odometer mileage statements received by the dealer
5 upon 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
17 or 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~~ DOES not
19 invalidate the sale between the seller and the buyer.

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

22 (a) The sale is evidenced by a written memorandum ~~which~~
23 THAT contains the agreement of the parties and is signed by the
24 buyer and 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 NAME AND ADDRESS OF THE insur-
19 ance company OR PERSON storing the vehicle OR SALVAGEABLE PART,
20 the period of time the vehicle was stored, and the person acquir-
21 ing the vehicle OR SALVAGEABLE PART. In addition, a dealer
22 licensed as a broker shall maintain a record of the odometer
23 mileage reading of each vehicle sold pursuant to an agreement
24 between the broker and the buyer or the broker and the seller.
25 The record of odometer mileage shall be maintained for 5 years
26 and shall contain all of the information required by section
27 233a.

1 (8) A dealer licensed as ~~a used vehicle parts dealer~~ AN
2 AUTOMOTIVE RECYCLER shall maintain records in a form prescribed
3 by the secretary of state. The records shall contain the date of
4 purchase or acquisition of the vehicle, a description of the
5 vehicle including the color, and the name and address of the
6 person from whom the vehicle was acquired. If the vehicle is
7 sold, the record shall contain the date of sale and the name and
8 address of the purchaser. The record shall indicate if the cer-
9 tificate of title or salvage OR SCRAP certificate of title was
10 obtained by the dealer. In the case of a late model vehicle, a
11 record of the purchase or sale of a major OR MINOR component of
12 the vehicle shall be maintained identifying the part purchased or
13 sold, the name and address of the seller or purchaser, the date
14 of the purchase or sale, and the identification number assigned
15 to the part by the dealer. The record of the purchase or sale of
16 a part shall be maintained in or attached to the dealer's police
17 book or hard copy of computerized data entries and reference
18 codes and shall be accessible at the dealer's location.

19 (9) A dealer licensed as a vehicle scrap metal processor
20 shall maintain records as prescribed by the secretary of state.
21 As provided in section 217c, the records shall contain, for a
22 vehicle purchased from a dealer, a copy of the scrap vehicle
23 inventory, including the name and address of the dealer, a
24 description of the vehicle acquired, and the date of
25 acquisition. If a vehicle is purchased or acquired from a person
26 other than a dealer the record shall contain the date of
27 acquisition, A DESCRIPTION OF THE VEHICLE, INCLUDING THE COLOR,

1 the name and address of the person from whom the vehicle was
2 acquired, and whether a certificate of title or salvage certifi-
3 cate of title was obtained by the dealer.

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

1 state within 48 hours after a request by the secretary of state.

2 ~~This subsection shall apply until January 1, 1994.~~

3 (11) The secretary of state shall make periodic unannounced
4 inspections of the records, facilities, and inventories of
5 AUTOMOTIVE RECYCLERS. ~~used or secondhand vehicle parts dealers.~~

6 ~~This subsection shall apply until January 1, 1994.~~

7 (12) A dealer licensed under this act shall maintain records
8 for a period of 5 years. The records shall be made available for
9 inspection by the secretary of state or other law enforcement
10 officials. The secretary of state shall ~~make inspection of~~
11 INSPECT a dealer once every 4 years and as determined necessary
12 by the secretary of state or a law enforcement officer. The sec-
13 retary of state may issue an order summarily suspending the
14 license of a dealer pursuant to section 92 of the administrative
15 procedures act of 1969, Act No. 306 of the Public Acts of 1969,
16 being section 24.292 of the Michigan Compiled Laws, based on an
17 affidavit by a person familiar with the facts set forth in the
18 affidavit that the dealer has failed to maintain the records
19 required by this act or failed to provide the records for inspec-
20 tion as requested by the secretary of state, or has otherwise
21 hindered, obstructed, or prevented the inspection of records
22 authorized under this section. The dealer to whom the order is
23 directed shall comply immediately but on application to the
24 department shall be afforded a hearing within 30 days pursuant to
25 the administrative procedures act of 1969, Act No. 306 of the
26 Public Acts of 1969, being sections 24.201 to 24.328 of the
27 Michigan Compiled Laws. On the basis of the hearing, the summary

1 order shall be continued, modified, or held in ~~obeyance~~
 2 ABEYANCE not later than 30 days after the hearing. ~~This subsec-~~
 3 ~~tion shall apply until January 1, 1994.~~

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

9 (14) The secretary of state may promulgate rules to imple-
 10 ment this section pursuant to Act No. 306 of the Public Acts of
 11 1969, as amended.

12 Sec. 807. (1) An application for a license under section
 13 248 shall be accompanied by the following fee:

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

16 (2) ~~Until January 1, 1994, an~~ AN application for ~~a used~~
 17 ~~or secondhand vehicle parts dealer~~ AN AUTOMOTIVE RECYCLER or
 18 foreign salvage vehicle dealer ~~licensed~~ LICENSE shall be accom-
 19 panied by the following fees:

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

22 Sec. 810a. ~~(+)~~ The secretary of state shall collect an
 23 assessment of 50 cents in connection with the issuance of a sal-
 24 vage vehicle certificate of title or a certificate of title. The
 25 assessment shall be collected in the same manner and at the same

1 time as fees collected by the secretary of state pursuant to
2 sections 217c and 806. Each assessment collected shall be depos-
3 ited in a vehicle theft prevention account to be expended for
4 purposes of developing a vehicle theft prevention program,
5 including the administration, inspection, and enforcement of
6 antitheft procedures, as described in this act.

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

8 Section 2. Sections 78a and 249a of Act No. 300 of the
9 Public Acts of 1949, being sections 257.78a and 257.249a of the
10 Michigan Compiled Laws, are repealed.

11 Section 3. Except as provided in section 217c, this amenda-
12 tory act shall take effect January 1, 1994.