

HOUSE BILL No. 4775

May 12, 1993, Introduced by Rep. Bandstra and referred to the Committee on Transportation.

A bill to amend section 251 of Act No. 300 of the Public Acts of 1949, entitled as amended

"Michigan vehicle code,"

as amended by Act No. 304 of the Public Acts of 1992, being section 257.251 of the Michigan Compiled Laws; and to add section 4c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 251 of Act No. 300 of the Public Acts of
2 1949, as amended by Act No. 304 of the Public Acts of 1992, being
3 section 257.251 of the Michigan Compiled Laws, is amended and
4 section 4c is added to read as follows:

5 SEC. 4C. "BUMPER REMANUFACTURER" MEANS A PERSON WHO PUR-
6 CHASES OR RECEIVES USED BUMPERS FOR THE PURPOSE OF THE
7 REMANUFACTURING AND SALE OF REMANUFACTURED BUMPERS.

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

6 (2) Each record shall contain the date of the purchase,
7 sale, or exchange or receipt for the purpose of sale, a descrip-
8 tion of the vehicle, together with the ~~name and address~~ NAMES
9 AND ADDRESSES of the seller, ~~of~~ the purchaser, and ~~of~~ the
10 alleged owner or other persons from whom the vehicle was pur-
11 chased or received, or to whom it was sold or delivered. The
12 record shall contain a copy of all odometer mileage statements
13 received by the dealer upon purchasing or acquiring a vehicle and
14 a copy of the odometer mileage statement furnished by the dealer
15 upon sale of a vehicle as prescribed in section 233a. A dealer
16 shall retain for not less than 5 years each odometer mileage
17 statement the dealer receives and each odometer mileage statement
18 furnished by the dealer upon the sale of a vehicle. The descrip-
19 tion of the vehicle, in the case of a motor vehicle, shall also
20 include the vehicle identification number ~~—~~ and other numbers
21 or identification marks as may be on the vehicle, and shall also
22 include a statement that a number has been obliterated, defaced,
23 or changed, if that is the fact. For a trailer or semitrailer,
24 the record shall include the vehicle identification number ~~—~~
25 and other numbers or identification marks as may be on the
26 trailer or semitrailer.

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

1 to deliver this written statement to the buyer ~~shall~~ DOES not
2 invalidate the sale between the seller and the buyer.

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

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

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

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

16 (6) A dealer licensed as a distressed vehicle transporter
17 shall maintain records in a form as prescribed by the secretary
18 of state. The records shall identify each distressed vehicle
19 that is bought, acquired, and sold by the dealer. The record
20 shall identify the person from whom a distressed vehicle was
21 bought or acquired and the dealer to whom the vehicle was sold.
22 The record shall indicate whether a certificate of title or sal-
23 vage certificate of title was obtained by the dealer for each
24 vehicle.

25 (7) A dealer licensed as a vehicle salvage pool operator or
26 broker shall maintain records in a form as prescribed by the
27 secretary of state. The records shall contain a description of

1 each vehicle stored by the dealer, the insurance company storing
2 the vehicle, the period of time the vehicle was stored, and the
3 person acquiring the vehicle. In addition, a dealer licensed as
4 a broker shall maintain a record of the odometer mileage reading
5 of each vehicle sold pursuant to an agreement between the broker
6 and the buyer or the broker and the seller. The record of odometer
7 mileage shall be maintained for 5 years and shall contain all
8 of the information required by section 233a.

9 (8) A dealer licensed as a used vehicle parts dealer shall
10 maintain records in a form prescribed by the secretary of state.
11 The records shall contain the date of purchase or acquisition of
12 the vehicle, a description of the vehicle including the color,
13 and the name and address of the person from whom the vehicle was
14 acquired. If the vehicle is sold, the record shall contain the
15 date of sale and the name and address of the purchaser. The
16 record shall indicate if the certificate of title or salvage certificate
17 of title was obtained by the dealer. In the case of a
18 late model vehicle, a record of the purchase or sale of a major
19 component of the vehicle shall be maintained identifying the part
20 purchased or sold, the name and address of the seller or purchaser,
21 the date of the purchase or sale, and the identification
22 number assigned to the part by the dealer, EXCEPT THAT A BUMPER
23 REMANUFACTURER IS NOT REQUIRED TO MAINTAIN A RECORD OF THE PURCHASE
24 OF A BUMPER. HOWEVER, A BUMPER REMANUFACTURER SHALL ASSIGN
25 AND ATTACH AN IDENTIFICATION NUMBER TO A REMANUFACTURED BUMPER
26 AND MAINTAIN A RECORD OF THE SALE OF THE BUMPER. The record of
27 the purchase or sale of a part shall be maintained in or attached

1 to the dealer's police book or hard copy of computerized data
2 entries and reference codes and shall be accessible at the
3 dealer's location.

4 (9) A dealer licensed as a vehicle scrap metal processor
5 shall maintain records as prescribed by the secretary of state.
6 As provided in section 217c, the records shall contain, for a
7 vehicle purchased from a dealer, a copy of the scrap vehicle
8 inventory, including the name and address of the dealer, a
9 description of the vehicle acquired, and the date of
10 acquisition. If a vehicle is purchased or acquired from a person
11 other than a dealer, the record shall contain the date of acqui-
12 sition, the name and address of the person from whom the vehicle
13 was acquired, and whether a certificate of title or salvage cer-
14 tificate of title was obtained by the dealer.

15 (10) A dealer licensed as a foreign salvage vehicle dealer
16 shall maintain records in a form prescribed by the secretary of
17 state. The records shall contain the date of purchase or acqui-
18 sition of each distressed vehicle, a description of the vehicle
19 including the color, and the name and address of the person from
20 whom the vehicle was acquired. If the vehicle is sold, the
21 record shall contain the date of sale and the name and address of
22 the purchaser. The record shall indicate if the certificate of
23 title or salvage certificate of title was obtained by the
24 dealer. In the case of a late model vehicle, a record of the
25 purchase or sale of each major component part purchased or
26 acquired in this state shall be maintained, and the record shall
27 contain the date of purchase or acquisition of the part, a

1 description of the part, the identification number assigned to
2 the part, and the name and address of the person to or from whom
3 the part was purchased, ~~or~~ acquired, or sold. The record of
4 the sale, purchase, or acquisition of a part shall be maintained
5 in the dealer's police book. The police book shall only contain
6 vehicles and major component parts purchased in this state or
7 used in the repair of a vehicle purchased in this state. The
8 police book and the records of vehicle part sales, purchases, or
9 acquisitions shall be made available at a location within the
10 state for inspection by the secretary of state within 48 hours
11 after a request by the secretary of state. This subsection
12 ~~shall apply~~ APPLIES until January 1, 1994.

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

17 (12) A dealer licensed under this act shall maintain records
18 for a period of 5 years. The records shall be made available for
19 inspection by the secretary of state or other law enforcement
20 officials. The secretary of state shall ~~make inspection of~~
21 INSPECT a dealer once every 4 years and as determined necessary
22 by the secretary of state or a law enforcement officer. The sec-
23 retary of state may issue an order summarily suspending the
24 license of a dealer pursuant to section 92 of the administrative
25 procedures act of 1969, Act No. 306 of the Public Acts of 1969,
26 being section 24.292 of the Michigan Compiled Laws, based on an
27 affidavit by a person familiar with the facts set forth in the

1 affidavit that the dealer has failed to maintain the records
2 required by this act or failed to provide the records for inspec-
3 tion as requested by the secretary of state, or has otherwise
4 hindered, obstructed, or prevented the inspection of records
5 authorized under this section. The dealer to whom the order is
6 directed shall comply immediately, but on application to the
7 department shall be afforded a hearing within 30 days pursuant to
8 the administrative procedures act of 1969, Act No. 306 of the
9 Public Acts of 1969, being sections 24.201 to 24.328 of the
10 Michigan Compiled Laws. On the basis of the hearing, the summary
11 order shall be continued, modified, or held in ~~obeyance~~
12 ABEYANCE not later than 30 days after the hearing. This subsec-
13 tion ~~shall apply~~ APPLIES until January 1, 1994.

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

19 (14) The secretary of state may promulgate rules to imple-
20 ment this section pursuant to Act No. 306 of the Public Acts of
21 1969, as amended.