

Act No. 384
Public Acts of 1998
Approved by the Governor
October 22, 1998
Filed with the Secretary of State
October 23, 1998
EFFECTIVE DATE: January 1, 1999

STATE OF MICHIGAN
89TH LEGISLATURE
REGULAR SESSION OF 1998

**Introduced by Senators Bullard, North, O'Brien, V. Smith, Hart, Steil, Dunaskiss, Bouchard, Rogers,
Shugars and Jaye**

ENROLLED SENATE BILL No. 941

AN ACT to amend 1949 PA 300, entitled "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of owners and operators of vehicles and service of process on residents and nonresidents; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending sections 41a, 226a, 248, 251, 801, and 807 (MCL 257.41a, 257.226a, 257.248, 257.251, 257.801, and 257.807), sections 41a, 248, 251, and 807 as amended by 1993 PA 300, section 226a as amended by 1996 PA 59, and section 801 as amended by 1997 PA 80.

The People of the State of Michigan enact:

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

Sec. 226a. (1) Temporary registration plates or markers may be issued to licensed dealers in vehicles and to persons engaged in the sale of vessels required to be numbered by part 801 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80101 to 324.80199, upon application accompanied by the proper fee, for use by purchasers of vehicles, for not to exceed 15 days pending receipt of regular registration plates from the dealer or person.

Only 1 temporary plate or marker may be issued to a purchaser of a vehicle. If a dealer or person requires a purchaser of a vehicle or vessel to pay for a temporary plate or marker, the dealer or person shall not charge the purchaser more than the dealer or person was charged by the secretary of state for the individual plate or marker. The temporary registration plates or markers shall be made of such material and design as the secretary of state shall determine.

(2) A temporary registration plate or marker shall show in ink the date of issue, a description of the vehicle for which issued, and such other information as the secretary of state may require. A dealer or person shall immediately notify the secretary of state of each temporary registration plate or marker issued by the dealer or person, on a form prescribed by the secretary of state. Upon the attachment of the regular plate to a vehicle for which a temporary registration plate or marker has been issued, the temporary plate shall be destroyed.

(3) All temporary registration plates or markers shall be serially numbered and upon issuance the number shall be noted on the statement of vehicle sale form or in the case of a boat trailer on a form prescribed by the secretary of state.

(4) A dealer or person, upon demand, shall immediately surrender any temporary registration plates or markers in his or her possession if the secretary of state finds, after investigation, that the dealer or person has violated this section, and the dealer or person shall immediately forfeit any right to the temporary registration plates or markers.

(5) Registration plates may be issued upon application and payment of the proper fee to an individual, partnership, corporation, or association who in the ordinary course of business has occasion to legally repossess a vehicle in which a security interest is held. A registration plate issued pursuant to this subsection shall be used to move and dispose of a vehicle.

(6) Registration plates may be issued upon application and payment of the proper fee to an individual, partnership, corporation, or association who in the ordinary course of business has occasion to legally pick up or deliver a vehicle not required to be titled under this act, or to repair or service a vehicle, or to persons defined as dealers under part 801 of Act No. 451 of the Public Acts of 1994, for the purpose of delivering a vessel or trailer to a customer or to and from a boat show or exposition. A registration plate issued under this subsection shall be used to move such a vehicle.

(7) Registration plates may be issued upon application and payment of the proper fee to an individual, partnership, corporation, or association who in the ordinary course of business operates an auto auction, and who in the ordinary course of business has occasion to legally pick up a vehicle which will be offered for sale at the auction, or deliver a vehicle which has been offered for sale at the auction. Such registration plates shall be used only to move vehicles as provided in this subsection. Auto auctions that make application for such registration plates shall furnish a surety bond as may be required by the secretary of state.

Sec. 248. (1) A dealer license shall not be granted under this section until an investigation is made of the applicant's qualifications under this act, except that this subsection does not apply to license renewals. The secretary of state shall make the investigation within 15 days after receiving the application and make a report on the investigation.

(2) An applicant for a new vehicle dealer or a used or secondhand vehicle dealer or broker license shall accompany the application with a properly executed bond or renewal certificate. If a renewal certificate is used, the bond shall be considered as renewed for each succeeding year in the same amount and with the same effect as an original bond. The bond shall be in the sum of \$10,000.00 with good and sufficient surety to be approved by the secretary of state. The bond shall be conditioned to indemnify or reimburse a purchaser, seller, financing agency, or governmental agency for monetary loss caused through fraud, cheating, or misrepresentation in the conduct of the vehicle business whether the fraud, cheating, or misrepresentation was made by the dealer or by an employee, agent, or salesperson of the dealer. The surety is required to make indemnification or reimbursement for a monetary loss only after judgment based on fraud, cheating, or misrepresentation has been entered in a court of record against the licensee. The bond shall also be conditioned to indemnify or reimburse the state for any sales tax deficiency as provided in the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, or use tax deficiency as provided in the use tax act, 1937 PA 94, MCL 205.91 to 205.111, for the year in which the bond was in force. The surety is required to make indemnification or reimbursement only after final judgment has been entered in a court of record against the licensee. A dealer or applicant who has furnished satisfactory proof that a bond similar to the bond required by this subsection is executed and in force is exempt from the bond provisions set forth in this subsection. The aggregate liability of the surety shall not exceed the sum of the bond. The surety on the bond may cancel the bond upon giving 30 days' notice in writing to the secretary of state and thereafter is not liable for a breach of condition occurring after the effective date of the cancellation.

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

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

(5) A person shall not carry on or conduct the business of buying, selling, brokering, or dealing in vehicles of a type required to be titled under this act unless the person obtains a dealer license from the secretary of state authorizing the carrying on or conducting of that business. A person shall not carry on or conduct the business of buying, selling, brokering, or dealing in distressed, late model vehicles or salvageable parts unless the person obtains a used or secondhand vehicle parts dealer, an automotive recycler, or a salvage pool license from the secretary of state or is an

insurance company admitted to conduct business in this state. A person shall not carry on or conduct the business of buying vehicles to process into scrap metal or store or display vehicles as an agent or escrow agent of an insurance company, unless the person obtains a dealer license from the secretary of state. A vehicle scrap metal processor who does not purchase vehicles or salvageable parts from unlicensed persons shall not be required to obtain a dealer license. A person from another state shall not purchase, sell, or otherwise deal in distressed, late model vehicles or salvageable parts unless the person obtains a foreign salvage vehicle dealer license from the secretary of state as prescribed under section 248b. A person, including a dealer, shall not purchase or acquire a distressed, late model vehicle or a salvageable part through a salvage pool, auction, or broker without a license as a salvage vehicle agent. The secretary of state shall investigate and seek prosecution, if necessary, of persons allegedly conducting a business without a license.

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

- (a) Name of applicant.
- (b) Location of applicant's established place of business in this state.
- (c) The name under which business is to be conducted.
- (d) If the business is a corporation, the state of incorporation.
- (e) Name, address, date of birth, and social security number of each owner or partner and, if a corporation, the name, address, date of birth, and social security numbers of each of the principal officers.
- (f) The county in which the business is to be conducted and the address of each place of business in that county.
- (g) If new vehicles are to be sold, the make to be handled. Each new vehicle dealer shall send with the application for license a certification that the dealer holds a bona fide contract to act as factory representative, factory distributor, or distributor representative to sell at retail (the make of vehicle to be sold).
- (h) A statement of the previous history, record, and associations of the applicant and of each owner, partner, officer, and director, which statement shall be sufficient to establish to the satisfaction of the secretary of state the business reputation and character of the applicant.
- (i) A statement showing whether the applicant has previously applied for a license, the result of the application, and whether the applicant has ever been the holder of a dealer license which was revoked or suspended.
- (j) If the applicant is a corporation or partnership, a statement showing whether a partner, employee, officer, or director has been refused a license or has been the holder of a license which was revoked or suspended.
- (k) If the application is for a used or secondhand vehicle parts dealer or an automotive recycler, all of the following:
 - (i) Evidence that the applicant maintains or will maintain an established place of business.
 - (ii) Evidence that the applicant maintains or will maintain a police book and vehicle parts purchase and sales records as required under this act.
 - (iii) Evidence of worker's compensation insurance coverage for employees classified under the standard industrial classification number 4015, entitled "motor vehicle parts — used" or under the national council on compensation insurance code number 3821, entitled "automobile dismantling", if applicable.
 - (l) Certification that neither the applicant nor another person named on the application is acting as the alter ego or in the place of or on behalf of any other person or persons in seeking the license. For the purpose of this subdivision, "alter ego" means a person who acts for and on behalf of, or in the place of, another person for purposes of obtaining a vehicle dealer license.

(7) A person shall make a separate application for a dealer license for each county in which business is to be conducted and a dealer, before moving 1 or more of his or her places of business, or opening an additional place of business, shall apply to the secretary of state for and obtain a supplemental dealer license, for which a fee shall not be charged. The dealer license shall entitle the dealer to conduct in the county covered by the license the business of buying, selling, and dealing in vehicles or salvageable parts. The dealer license shall also entitle the dealer to conduct at any other established place of business in this state only the business of buying, selling, or dealing in vehicles at wholesale.

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

- (a) New vehicle dealer.
- (b) Used or secondhand vehicle dealer.
- (c) Used or secondhand vehicle parts dealer.
- (d) Vehicle scrap metal processor.
- (e) Vehicle salvage pool operator.

- (f) Distressed vehicle transporter.
- (g) Broker.
- (h) Foreign salvage vehicle dealer.
- (i) Automotive recycler.

(9) A dealer license shall expire on December 31 of the last year for which the license is issued. The secretary of state may renew a dealer license for a period of not more than 4 years upon application and payment of the fee required by section 807.

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

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

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

(4) A retail vehicle sale is void unless both of the following conditions are met:

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

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

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

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

(7) A dealer licensed under this act shall maintain records for a period of 5 years. The records shall be made available for inspection by the secretary of state or other law enforcement officials. The secretary of state shall inspect a dealer once every 4 years and as determined necessary by the secretary of state or a law enforcement officer. The secretary of state may issue an order summarily suspending the license of a dealer pursuant to section 92 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.292, based on an affidavit by a person familiar with the facts set forth in the affidavit that the dealer has failed to maintain the records required by this act or failed to provide the records for inspection as requested by the secretary of state, or has otherwise hindered, obstructed, or prevented the inspection of

records authorized under this section. The dealer to whom the order is directed shall comply immediately, but on application to the department shall be afforded a hearing within 30 days pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. On the basis of the hearing, the summary order shall be continued, modified, or held in abeyance not later than 30 days after the hearing.

(8) A dealer licensed as a vehicle salvage pool operator or broker shall maintain records in a form as prescribed by the secretary of state. The records shall contain a description of each vehicle or salvageable part stored by the dealer, the name and address of the insurance company or person storing the vehicle or salvageable part, the period of time the vehicle or salvageable part was stored, and the person acquiring the vehicle or salvageable part. In the case of a late model vehicle, a record of the purchase or sale of a major component part of the vehicle shall be maintained identifying the part purchased or sold, the name and address of the seller or purchaser, the date of the purchase or sale, and the identification number assigned to the part by the dealer. The record of the purchase or sale of a part shall be maintained in or attached to the dealer's police book or hard copy of computerized data entries and reference codes and shall be accessible at the dealer's location. In addition, a dealer licensed as a broker shall maintain a record of the odometer mileage reading of each vehicle sold pursuant to an agreement between the broker and the buyer or the broker and the seller. The record of odometer mileage shall be maintained for 5 years and shall contain all of the information required by section 233a.

(9) A dealer licensed as a used vehicle parts dealer or an automotive recycler shall maintain records in a form prescribed by the secretary of state. The records shall contain the date of purchase or acquisition of the vehicle, a description of the vehicle including the color, and the name and address of the person from whom the vehicle was acquired. If the vehicle is sold, the record shall contain the date of sale and the name and address of the purchaser. The record shall indicate if the certificate of title or salvage or scrap certificate of title was obtained by the dealer. In the case of a late model vehicle, a record of the purchase or sale of a major component of the vehicle shall be maintained identifying the part purchased or sold, the name and address of the seller or purchaser, the date of the purchase or sale, and the identification number assigned to the part by the dealer, except that a bumper remanufacturer is not required to maintain a record of the purchase of a bumper. However, a bumper remanufacturer shall assign and attach an identification number to a remanufactured bumper and maintain a record of the sale of the bumper. The record of the purchase or sale of a part shall be maintained in or attached to the dealer's police book or hard copy of computerized data entries and reference codes and shall be accessible at the dealer's location.

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

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

(12) The secretary of state shall make periodic unannounced inspections of the records, facilities, and inventories of automotive recyclers and used or secondhand vehicle parts dealers.

(13) The secretary of state may promulgate rules to implement this section pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

Sec. 801. (1) The secretary of state shall collect the following taxes at the time of registering a vehicle, which shall exempt the vehicle from all other state and local taxation, except the fees and taxes provided by law to be paid by certain carriers operating motor vehicles and trailers under the motor carrier act, 1933 PA 254, MCL 475.1 to 479.43; the taxes imposed by the motor carrier fuel tax act, 1980 PA 119, MCL 207.211 to 207.234; a fee or fees imposed pursuant to the local road improvements and operations revenue act, 1987 PA 237, MCL 247.521 to 247.525; and except as otherwise provided by this act:

(a) For a motor vehicle, including a motor home, except as otherwise provided, and a pickup truck or van, which pickup truck or van weighs not more than 5,000 pounds and is not taxed under subdivision (p), except as otherwise provided, according to the following schedule of empty weights:

Empty weights	Fee
0 to 3,000 pounds	\$ 29.00
3,001 to 3,500 pounds	32.00
3,501 to 4,000 pounds	37.00
4,001 to 4,500 pounds	43.00
4,501 to 5,000 pounds	47.00
5,001 to 5,500 pounds	52.00
5,501 to 6,000 pounds	57.00
6,001 to 6,500 pounds	62.00
6,501 to 7,000 pounds	67.00
7,001 to 7,500 pounds	71.00
7,501 to 8,000 pounds	77.00
8,001 to 8,500 pounds	81.00
8,501 to 9,000 pounds	86.00
9,001 to 9,500 pounds	91.00
9,501 to 10,000 pounds	95.00
over 10,000 pounds	\$ 0.90 per 100 pounds of empty weight

On October 1, 1983, and October 1, 1984, the tax assessed under this subdivision shall be annually revised for the registrations expiring on the appropriate October 1 or after that date by multiplying the tax assessed in the preceding fiscal year times the personal income of Michigan for the preceding calendar year divided by the personal income of Michigan for the calendar year which preceded that calendar year. In performing the calculations under this subdivision, the secretary of state shall use the spring preliminary report of the United States department of commerce or its successor agency. A van which is owned by a person who uses a wheelchair or by a person who transports a resident of his or her household who uses a wheelchair and for which registration plates are issued pursuant to section 803d shall be assessed at the rate of 50% of the tax provided for in this subdivision.

(b) For a trailer coach attached to a motor vehicle 76 cents per 100 pounds of empty weight of the trailer coach. A trailer coach not under 1959 PA 243, MCL 125.1035 to 125.1043, and while located on land otherwise assessable as real property under the general property tax act, 1893 PA 206, MCL 211.1 to 211.157, if the trailer coach is used as a place of habitation, and whether or not permanently affixed to the soil, shall not be exempt from real property taxes.

(c) For a road tractor, truck, or truck tractor owned by a farmer and used exclusively in connection with the farmer's farming operations, or used for the transportation of the farmer and the farmer's family, and not used for hire, 74 cents per 100 pounds of empty weight of the road tractor, truck, or truck tractor. If the road tractor, truck, or truck tractor owned by a farmer is also used for a nonfarming operation, the farmer shall be subject to the highest registration tax applicable to the nonfarm use of the vehicle but shall not be subject to more than 1 tax rate under this act.

(d) For a road tractor, truck, or truck tractor owned by a wood harvester and used exclusively in connection with the wood harvesting operations, 74 cents per 100 pounds of empty weight of the road tractor, truck, or truck tractor. A registration secured by payment of the fee as prescribed in this subdivision shall continue in full force and effect until the regular expiration date of the registration. As used in this subdivision, "wood harvester" includes the person or persons hauling and transporting raw materials only from the forest to the mill site. "Wood harvesting operations" does not include the transportation of processed lumber.

(e) For a hearse or ambulance used exclusively by a licensed funeral director in the general conduct of the licensee's funeral business, including a hearse or ambulance whose owner is engaged in the business of leasing or renting the hearse or ambulance to others, \$1.17 per 100 pounds of the empty weight of the hearse or ambulance.

(f) For a motor vehicle owned and operated by this state, a state institution, a municipality, a privately incorporated, nonprofit volunteer fire department, or a nonpublic, nonprofit college or university, \$5.00 per set; and for each motor vehicle operating under municipal franchise, weighing less than 2,500 pounds, 65 cents per 100 pounds of the empty weight of the motor vehicle, weighing from 2,500 to 4,000 pounds, 80 cents per 100 pounds of the empty weight of the motor vehicle, weighing 4,001 to 6,000 pounds, \$1.00 per 100 pounds of the empty weight of the motor vehicle, and weighing over 6,000 pounds, \$1.25 per 100 pounds of the empty weight of the motor vehicle.

(g) For a bus including a station wagon, carryall, or similarly constructed vehicle owned and operated by a nonprofit parents' transportation corporation used for school purposes, parochial school or society, church Sunday school, or any other grammar school, or by a nonprofit youth organization or nonprofit rehabilitation facility; or a motor vehicle owned and operated by a senior citizen center, \$10.00 per set, if the bus, station wagon, carryall, or similarly constructed vehicle or motor vehicle is designated by proper signs showing the organization operating the vehicle.

(h) For a vehicle owned by a nonprofit organization and used to transport equipment for providing dialysis treatment to children at camp; for a vehicle owned by the civil air patrol, as organized under sections 1 to 8 of chapter

527, 60 Stat. 346, 36 U.S.C. 201 to 208, \$10.00 per plate, if the vehicle is designated by a proper sign showing the civil air patrol's name; for a vehicle owned and operated by a nonprofit veterans center; for a vehicle owned and operated by a nonprofit recycling center or a federally recognized nonprofit conservation organization until December 31, 2000; for a motor vehicle having a truck chassis and a locomotive or ship's body which is owned by a nonprofit veterans organization and used exclusively in parades and civic events; or for an emergency support vehicle used exclusively for emergencies and owned and operated by a federally recognized nonprofit charitable organization, \$10.00 per plate.

(i) For each truck owned and operated free of charge by a bona fide ecclesiastical or charitable corporation, or red cross, girl scout, or boy scout organization, 65 cents per 100 pounds of the empty weight of the truck.

(j) For each truck, weighing 8,000 pounds or less, and not used to tow a vehicle, for each privately owned truck used to tow a trailer for recreational purposes only and not involved in a profit making venture, and for each vehicle designed and used to tow a mobile home or a trailer coach, except as provided in subdivision (b), \$38.00 or an amount computed according to the following schedule of empty weights, whichever is greater:

Empty weights	Per 100 pounds
0 to 2,500 pounds	\$ 1.40
2,501 to 4,000 pounds	1.76
4,001 to 6,000 pounds	2.20
6,001 to 8,000 pounds	2.72
8,001 to 10,000 pounds	3.25
10,001 to 15,000 pounds	3.77
15,001 pounds and over	4.39

If the tax required under subdivision (q) for a vehicle of the same model year with the same list price as the vehicle for which registration is sought under this subdivision is more than the tax provided under the preceding provisions of this subdivision for an identical vehicle, the tax required under this subdivision shall not be less than the tax required under subdivision (q) for a vehicle of the same model year with the same list price.

(k) For each truck weighing 8,000 pounds or less towing a trailer or any other combination of vehicles and for each truck weighing 8,001 pounds or more, road tractor or truck tractor, except as provided in subdivision (j) according to the following schedule of elected gross weights:

Elected gross weight	Fee
0 to 24,000 pounds	\$491.00
24,001 to 26,000 pounds	558.00
26,001 to 28,000 pounds	558.00
28,001 to 32,000 pounds	649.00
32,001 to 36,000 pounds	744.00
36,001 to 42,000 pounds	874.00
42,001 to 48,000 pounds	1,005.00
48,001 to 54,000 pounds	1,135.00
54,001 to 60,000 pounds	1,268.00
60,001 to 66,000 pounds	1,398.00
66,001 to 72,000 pounds	1,529.00
72,001 to 80,000 pounds	1,660.00
80,001 to 90,000 pounds	1,793.00
90,001 to 100,000 pounds	2,002.00
100,001 to 115,000 pounds	2,223.00
115,001 to 130,000 pounds	2,448.00
130,001 to 145,000 pounds	2,670.00
145,001 to 160,000 pounds	2,894.00
over 160,000 pounds	3,117.00

For each commercial vehicle registered pursuant to this subdivision \$15.00 shall be deposited in a truck safety fund to be expended for the purposes prescribed in section 25 of 1951 PA 51, MCL 247.675.

If a truck or road tractor without trailer is leased from an individual owner-operator, the lessee, whether a person, firm, or corporation, shall pay to the owner-operator 60% of the fee prescribed in this subdivision for the truck tractor or road tractor at the rate of 1/12 for each month of the lease or arrangement in addition to the compensation the owner-operator is entitled to for the rental of his or her equipment.

(l) For each pole trailer, semitrailer, or trailer, according to the following schedule of rates:

Empty weights	Fee
0 to 500 pounds	\$ 17.00
501 to 1,500 pounds	24.00
1,501 pounds and over	39.00

(m) For each commercial vehicle used for the transportation of passengers for hire except for a vehicle for which a payment is made pursuant to 1960 PA 2, MCL 257.971 to 257.972, according to the following schedule of empty weights:

Empty weights	Per 100 pounds
0 to 4,000 pounds	\$ 1.76
4,001 to 6,000 pounds	2.20
6,001 to 10,000 pounds	2.72
10,001 pounds and over	3.25

(n) For each motorcycle \$ 23.00

On October 1, 1983, and October 1, 1984, the tax assessed under this subdivision shall be annually revised for the registrations expiring on the appropriate October 1 or after that date by multiplying the tax assessed in the preceding fiscal year times the personal income of Michigan for the preceding calendar year divided by the personal income of Michigan for the calendar year which preceded that calendar year. In performing the calculations under this subdivision, the secretary of state shall use the spring preliminary report of the United States department of commerce or its successor agency.

Beginning January 1, 1984, the registration tax for each motorcycle shall be increased by \$3.00. The \$3.00 increase shall not be considered as part of the tax assessed under this subdivision for the purpose of the annual October 1 revisions but shall be in addition to the tax assessed as a result of the annual October 1 revisions. Beginning January 1, 1984, \$3.00 of each motorcycle fee shall be placed in a motorcycle safety fund in the state treasury and shall be used only for funding the motorcycle safety education program as provided for under sections 312b and 811a.

(o) For each truck weighing 8,001 pounds or more, road tractor, or truck tractor used exclusively as a moving van or part of a moving van in transporting household furniture and household effects or the equipment or those engaged in conducting carnivals, at the rate of 80% of the schedule of elected gross weights in subdivision (k) as modified by the operation of that subdivision.

(p) Until October 1, 1997, for each pickup truck or van, which pickup truck or van weighs not more than 5,000 pounds and is owned by a business, corporation, or person other than an individual, according to the following schedule of empty weights:

Empty weights	Fee
0 to 4,000 pounds	\$ 39.00
4,001 to 4,500 pounds	44.00
4,501 to 5,000 pounds	49.00

(q) After September 30, 1983, each motor vehicle of the 1984 or a subsequent model year as shown on the application required under section 217 which has not been previously subject to the tax rates of this section and which is of the motor vehicle category otherwise subject to the tax schedule described in subdivision (a) and beginning October 1, 1997 each motor vehicle previously subject to the tax schedule described in subdivision (p) according to the following schedule based upon registration periods of 12 months:

(r) Except as otherwise provided in this subdivision, for the first registration, which is not a transfer registration under section 809 and for the first registration after a transfer registration under section 809, according to the following schedule based on the vehicle's list price:

List Price	Tax
\$0 - \$6,000.00	\$ 30.00
More than \$6,000.00 - \$7,000.00.....	\$ 33.00
More than \$7,000.00 - \$8,000.00.....	\$ 38.00
More than \$8,000.00 - \$9,000.00.....	\$ 43.00
More than \$9,000.00 - \$10,000.00.....	\$ 48.00
More than \$10,000.00 - \$11,000.00.....	\$ 53.00
More than \$11,000.00 - \$12,000.00.....	\$ 58.00
More than \$12,000.00 - \$13,000.00.....	\$ 63.00
More than \$13,000.00 - \$14,000.00.....	\$ 68.00
More than \$14,000.00 - \$15,000.00.....	\$ 73.00
More than \$15,000.00 - \$16,000.00.....	\$ 78.00
More than \$16,000.00 - \$17,000.00.....	\$ 83.00
More than \$17,000.00 - \$18,000.00.....	\$ 88.00
More than \$18,000.00 - \$19,000.00.....	\$ 93.00
More than \$19,000.00 - \$20,000.00.....	\$ 98.00
More than \$20,000.00 - \$21,000.00.....	\$103.00
More than \$21,000.00 - \$22,000.00.....	\$108.00
More than \$22,000.00 - \$23,000.00.....	\$113.00
More than \$23,000.00 - \$24,000.00.....	\$118.00

More than \$24,000.00 - \$25,000.00.....	\$123.00
More than \$25,000.00 - \$26,000.00.....	\$128.00
More than \$26,000.00 - \$27,000.00.....	\$133.00
More than \$27,000.00 - \$28,000.00.....	\$138.00
More than \$28,000.00 - \$29,000.00.....	\$143.00
More than \$29,000.00 - \$30,000.00.....	\$148.00

More than \$30,000.00, the fee shall of \$148.00 shall be increased by \$5.00 for each \$1,000.00 increment or fraction of a \$1,000.00 increment over \$30,000.00. If a current fee increases or decreases as a result of the 1998 amendatory act that added this sentence, only a vehicle purchased or transferred after the effective date of the 1998 amendatory act that added this sentence shall be assessed the increased or decreased fee.

- (ii) For the second registration, 90% of the tax assessed under subparagraph (i).
- (iii) For the third registration, 90% of the tax assessed under subparagraph (ii).
- (iv) For the fourth and subsequent registrations, 90% of the tax assessed under subparagraph (iii).

For a vehicle of the 1984 or a subsequent model year which has been previously registered by a person other than the person applying for registration or for a vehicle of the 1984 or a subsequent model year which has been previously registered in another state or country and is registered for the first time in this state, the tax under this subdivision shall be determined by subtracting the model year of the vehicle from the calendar year for which the registration is sought. If the result is zero or a negative figure, the first registration tax shall be paid. If the result is 1, 2, or 3 or more, then, respectively, the second, third, or subsequent registration tax shall be paid. A van which is owned by a person who uses a wheelchair or by a person who transports a resident of his or her household who uses a wheelchair and for which registration plates are issued pursuant to section 803d shall be assessed at the rate of 50% of the tax provided for in this subdivision.

(r) For a wrecker, \$200.00.

(s) When the secretary of state computes a tax under this section, a computation which does not result in a whole dollar figure shall be rounded to the next lower whole dollar when the computation results in a figure ending in 50 cents or less and shall be rounded to the next higher whole dollar when the computation results in a figure ending in 51 cents or more, unless specific fees are specified, and may accept the manufacturer's shipping weight of the vehicle fully equipped for the use for which the registration application is made. If the weight is not correctly stated or is not satisfactory, the secretary of state shall determine the actual weight. Each application for registration of a vehicle under subdivisions (j) and (m) shall have attached to the application a scale weight receipt of the vehicle fully equipped as of the time the application is made. The scale weight receipt is not necessary if there is presented with the application a registration receipt of the previous year which shows on its face the weight of the motor vehicle as registered with the secretary of state and which is accompanied by a statement of the applicant that there has not been a structural change in the motor vehicle which has increased the weight and that the previous registered weight is the true weight.

(2) A manufacturer is not exempted under this act from paying ad valorem taxes on vehicles in stock or bond, except on the specified number of motor vehicles registered. A dealer is exempt from paying ad valorem taxes on vehicles in stock or bond.

(3) The fee for a vehicle with an empty weight over 10,000 pounds imposed pursuant to subsection (1)(a) and the fees imposed pursuant to subsection (1)(b), (c), (d), (e), (f), (i), (j), (m), (o), and (q) shall each be increased by \$5.00. This increase shall be credited to the Michigan transportation fund and used to defray the costs of processing the registrations under this section.

(4) As used in this section:

(a) "Gross proceeds" means gross proceeds as defined in section 1 of the general sales tax act, 1933 PA 167, MCL 205.51. However, gross proceeds shall include the value of the motor vehicle used as part payment of the purchase price as that value is agreed to by the parties to the sale, as evidenced by the signed agreement executed pursuant to section 251.

(b) "List price" means the manufacturer's suggested base list price as published by the secretary of state, or the manufacturer's suggested retail price as shown on the label required to be affixed to the vehicle under section 3 of the automobile information disclosure act, Public Law 85-506, 15 U.S.C. 1232, if the secretary of state has not at the time of the sale of the vehicle published a manufacturer's suggested retail price for that vehicle, or the purchase price of the vehicle if the manufacturer's suggested base list price is unavailable from the sources described in this subdivision.

(c) "Purchase price" means the gross proceeds received by the seller in consideration of the sale of the motor vehicle being registered.

Sec. 807. (1) Except as provided in subsection (2), an application for a license under section 248 shall be accompanied by the following fee:

Full year's license	\$ 10.00
Half year's license (after June 30)	5.00
Multiple year license	10.00 per year

(2) An application for a used or secondhand vehicle parts dealer, an automotive recycler, or foreign salvage vehicle dealer license shall be accompanied by the following fees:

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

Enacting section 1. This amendatory act takes effect January 1, 1999.

This act is ordered to take immediate effect.

Carol Morey Viventi

Secretary of the Senate.

Mary R. Buehler

Clerk of the House of Representatives.

Approved

Governor.