

**SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5360**

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending section 251 (MCL 257.251), as amended by 2000 PA
397.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 251. (1) Each new vehicle dealer, used vehicle dealer,
2 and broker shall maintain a record in a manner 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 OR EXCHANGE,
8 a description of the vehicle, ~~together with~~ the name and
9 address of the seller, the purchaser, and the alleged owner or
10 other persons from whom the vehicle was purchased or received, or

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1 to whom it was sold or delivered. The record shall contain a
2 copy of ~~all~~ ANY odometer mileage ~~statements~~ STATEMENT
3 received by the dealer ~~upon purchasing or acquiring~~ WHEN THE
4 DEALER PURCHASED OR ACQUIRED a vehicle and a copy of the odometer
5 mileage statement furnished by the dealer ~~upon sale of a~~ WHEN
6 THE DEALER SOLD OR EXCHANGED THE vehicle as prescribed in section
7 233a. If the vehicle is purchased, sold, leased, or exchanged
8 through a broker, the record shall include the broker's name and
9 dealer license number and the amount of the broker's fee, commis-
10 sion, compensation, or other valuable consideration paid by the
11 purchaser or lessee or paid by the dealer, or both. The records
12 of all vehicles purchased, sold, leased, or exchanged through a
13 broker maintained by the secretary of state shall be in an elec-
14 tronic format determined by the secretary of state. A dealer
15 shall retain for not less than 5 years each odometer mileage
16 statement the dealer receives and each odometer mileage statement
17 furnished by the dealer upon the sale OR EXCHANGE of a vehicle.
18 The description of the vehicle, in the case of a motor vehicle,
19 shall also include the vehicle identification number and other
20 numbers or identification marks as may be on the vehicle, and
21 shall also include a statement that a number has been obliterated,
22 defaced, or changed, if that is the fact. For a trailer or
23 semitrailer, the record shall include the vehicle identification
24 number and other numbers or identification marks as may be on the
25 trailer or semitrailer.

26 (3) Not more than 20 days after the delivery of the vehicle,
27 the seller shall deliver to the buyer in person or by mail to the

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

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

3 (a) The sale is evidenced by a written memorandum that con-
4 tains the agreement of the parties and is signed by the buyer and
5 the seller or the seller's agent.

6 (b) The agreement contains a place for acknowledgment by the
7 buyer of the receipt of a copy of the agreement or actual deliv-
8 ery of the vehicle is made to the buyer.

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

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

23 (7) A dealer licensed under this act shall maintain records
24 for a period of 5 years. The records shall be made available for
25 inspection by the secretary of state or other law enforcement
26 officials. ~~The~~ TO DETERMINE OR ENFORCE COMPLIANCE WITH THIS
27 CHAPTER OR OTHER APPLICABLE LAW, THE secretary of state ~~shall~~

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1 OR ANY LAW ENFORCEMENT OFFICIAL MAY inspect a dealer ~~once every~~
2 ~~4 years and as determined necessary by the secretary of state or~~
3 ~~a law enforcement officer~~ WHENEVER HE OR SHE DETERMINES IT IS
4 NECESSARY. The secretary of state may issue an order summarily
5 suspending the license of a dealer pursuant to section 92 of the
6 administrative procedures act of 1969, 1969 PA 306, MCL 24.292,
7 based on an affidavit by a person familiar with the facts set
8 forth in the affidavit that the dealer has failed to maintain the
9 records required by this act or failed to provide the records for
10 inspection as requested by the secretary of state, or has other-
11 wise hindered, obstructed, or prevented the inspection of records
12 authorized under this section. The dealer to whom the order is
13 directed shall comply immediately, but on application to the
14 department shall be afforded a hearing within 30 days pursuant to
15 the administrative procedures act of 1969, 1969 PA 306, MCL
16 24.201 to 24.328. On the basis of the hearing, the summary order
17 shall be continued, modified, or held in abeyance not later than
18 30 days after the hearing.

19 (8) A dealer licensed as a vehicle salvage pool operator or
20 broker shall maintain records in a form as prescribed by the sec-
21 retary of state. The records shall contain a description of each
22 vehicle or salvageable part stored by the dealer, the name and
23 address of the insurance company or person storing the vehicle or
24 salvageable part, the period of time the vehicle or salvageable
25 part was stored, and the person acquiring the vehicle or salvage-
26 able part. In the case of a late model vehicle, a record of the
27 purchase or sale of a major component part of the vehicle shall

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1 be maintained identifying the part purchased or sold, the name
2 and address of the seller or purchaser, the date of the purchase
3 or sale, and the identification number assigned to the part by
4 the dealer. The record of the purchase or sale of a part shall
5 be maintained in or attached to the dealer's police book or hard
6 copy of computerized data entries and reference codes and shall
7 be accessible at the dealer's location. In addition, a dealer
8 licensed as a broker shall maintain a record of the odometer
9 mileage reading of each vehicle sold pursuant to an agreement
10 between the broker and the buyer or the broker and the seller.
11 The record of odometer mileage shall be maintained for 5 years
12 and shall contain all of the information required by section
13 233a.

14 (9) A dealer licensed as a used vehicle parts dealer or an
15 automotive recycler shall maintain records in a form prescribed
16 by the secretary of state. The records shall contain the date of
17 purchase or acquisition of the vehicle, a description of the
18 vehicle including the color, and the name and address of the
19 person from whom the vehicle was acquired. If the vehicle is
20 sold, the record shall contain the date of sale and the name and
21 address of the purchaser. The record shall indicate if the cer-
22 tificate of title or salvage or scrap certificate of title was
23 obtained by the dealer. In the case of a late model vehicle, a
24 record of the purchase or sale of a major component of the vehi-
25 cle shall be maintained identifying the part purchased or sold,
26 the name and address of the seller or purchaser, the date of the
27 purchase or sale, and the identification number assigned to the

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1 part by the dealer, except that a bumper remanufacturer is not
2 required to maintain a record of the purchase of a bumper.
3 However, a bumper remanufacturer shall assign and attach an iden-
4 tification number to a remanufactured bumper and maintain a
5 record of the sale of the bumper. The record of the purchase or
6 sale of a part shall be maintained in or attached to the dealer's
7 police book or hard copy of computerized data entries and refer-
8 ence codes and shall be accessible at the dealer's location.

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

21 (11) A dealer licensed as a foreign salvage vehicle dealer
22 shall maintain records in a form prescribed by the secretary of
23 state. The records shall contain the date of purchase or acqui-
24 sition of each distressed vehicle, a description of the vehicle
25 including the color, and the name and address of the person from
26 whom the vehicle was acquired. If the vehicle is sold, the
27 record shall contain the date of sale and the name and address of

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1 the purchaser. The record shall indicate if the certificate of
2 title or salvage or scrap certificate of title was obtained by
3 the dealer. In the case of a late model vehicle, a record of the
4 purchase or sale of each salvageable part purchased or acquired
5 in this state shall be maintained and the record shall contain
6 the date of purchase or acquisition of the part, a description of
7 the part, the identification number assigned to the part, and the
8 name and address of the person to or from whom the part was pur-
9 chased, acquired, or sold. The record of the sale, purchase, or
10 acquisition of a part shall be maintained in the dealer's police
11 book. The police book shall only contain vehicles and salvagea-
12 ble parts purchased in this state or used in the repair of a
13 vehicle purchased in this state. The police book and the records
14 of vehicle part sales, purchases, or acquisitions shall be made
15 available at a location within the state for inspection by the
16 secretary of state within 48 hours after a request by the secre-
17 tary of state.

18 (12) The secretary of state shall make periodic unannounced
19 inspections of the records, facilities, and inventories of auto-
20 motive recyclers and used or secondhand vehicle parts dealers.

21 (13) The secretary of state may promulgate rules to imple-
22 ment this section pursuant to the administrative procedures act
23 of 1969, 1969 PA 306, MCL 24.201 to 24.328.