

**SUBSTITUTE FOR
HOUSE BILL NO. 5804**

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending sections 217, 222, and 251 (MCL 257.217, 257.222, and
257.251), as amended by 2000 PA 397, and by adding section 17c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 17C. "FLOOD VEHICLE" MEANS A VEHICLE THAT WAS SUB-
2 MERGED IN WATER TO THE POINT THAT WATER ENTERED THE PASSENGER
3 COMPARTMENT OR TRUNK OVER THE SILL OF THE TRUNK FLOOR PAN OR
4 DOORSILL OR A VEHICLE ACQUIRED BY AN INSURANCE COMPANY AS PART OF
5 THE SETTLEMENT OF A WATER DAMAGE CLAIM.
6 Sec. 217. (1) An owner of a vehicle that is subject to reg-
7 istration under this act shall apply to the secretary of state,
8 upon an appropriate form furnished by the secretary of state, for
9 the registration of the vehicle and issuance of a certificate of
10 title for the vehicle. ~~Effective January 1, 1994, a~~ A vehicle

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1 brought into this state from another state or jurisdiction that
2 has a rebuilt, salvage, scrap, FLOOD, or comparable certificate
3 of title issued by that other state or jurisdiction shall be
4 issued a rebuilt, salvage, ~~or~~ scrap, OR FLOOD certificate of
5 title by the secretary of state. The application shall be accom-
6 panied by the required fee. An application for a certificate of
7 title shall bear the signature of the owner. The application
8 shall contain all of the following:

9 (a) The owner's name, the owner's bona fide residence, and
10 either of the following:

11 (i) ~~The owner's mailing address, if~~ IF the owner is an
12 individual, THE OWNER'S MAILING ADDRESS.

13 (ii) ~~The owner's business address, if~~ IF the owner is a
14 firm, association, PARTNERSHIP, LIMITED LIABILITY COMPANY, or
15 corporation, THE OWNER'S BUSINESS ADDRESS.

16 (b) A description of the vehicle including the make or name,
17 style of body, and model year; the number of miles, not including
18 the tenths of a mile, registered on the vehicle's odometer at the
19 time of transfer; WHETHER THE VEHICLE IS A FLOOD VEHICLE OR
20 ANOTHER STATE PREVIOUSLY ISSUED THE VEHICLE A FLOOD CERTIFICATE
21 OF TITLE; whether the vehicle is to be or has been used as a taxi
22 or police vehicle, or by a political subdivision of this state,
23 unless the vehicle is owned by a dealer and loaned or leased to a
24 political subdivision of this state for use as a driver education
25 vehicle; whether the vehicle has previously been issued a salvage
26 or rebuilt certificate of title from this state or a comparable
27 certificate of title from any other state or jurisdiction;

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1 vehicle identification number; and the vehicle's weight fully
2 equipped, if a passenger vehicle registered in accordance with
3 section 801(1)(a), and, if a trailer coach or pickup camper, in
4 addition to the weight, the manufacturer's serial number, or in
5 the absence of the serial number, a number assigned by the secre-
6 tary of state. A number assigned by the secretary of state shall
7 be permanently placed on the trailer coach or pickup camper in
8 the manner and place designated by the secretary of state.

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

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

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1 fees, by reason of the issuance of a certificate of title for the
2 vehicle or on account of any defect in the right, title, or
3 interest of the applicant in the vehicle. An interested person
4 has a right of action to recover on the bond for a breach of the
5 conditions of the bond, but the aggregate liability of the surety
6 to all persons shall not exceed the amount of the bond. The bond
7 shall be returned at the end of 3 years, or before 3 years if the
8 vehicle is no longer registered in this state and the currently
9 valid certificate of title is surrendered to the secretary of
10 state, unless the secretary of state has received notification of
11 the pendency of an action to recover on the bond. If the secre-
12 tary of state is not satisfied as to the ownership of a vehicle
13 that is valued at \$2,500.00 or less and that is not a late model
14 vehicle, the secretary of state shall require the applicant to
15 certify that the applicant is the owner of the vehicle and enti-
16 tled to register and title the vehicle.

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

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1 (f) An application for registration of a vehicle on the
2 basis of elected gross weight shall include a declaration by the
3 applicant specifying the elected gross weight for which applica-
4 tion is being made.

5 (g) If the application is for a certificate of title of a
6 motor vehicle registered in accordance with section 801(1)(q),
7 the application shall include the manufacturer's suggested base
8 list price for the model year of the vehicle. Annually, the sec-
9 retary of state shall publish a list of the manufacturer's sug-
10 gested base list price for each vehicle being manufactured. Once
11 a base list price is published by the secretary of state for a
12 model year for a vehicle, the base list price shall not be
13 affected by subsequent increases in the manufacturer's suggested
14 base list price but shall remain the same throughout the model
15 year unless changed in the annual list published by the secretary
16 of state. If the secretary of state's list has not been pub-
17 lished for that vehicle by the time of the application for regis-
18 tration, the base list price shall be the manufacturer's sug-
19 gested retail price as shown on the label required to be affixed
20 to the vehicle under section 3 of the automobile information dis-
21 closure act, Public Law 85-506, 15 U.S.C. 1232. If the
22 manufacturer's suggested retail price is unavailable, the appli-
23 cation shall list the purchase price of the vehicle as defined in
24 section 801(4).

25 (2) ~~Beginning October 1, 1999, the secretary of state shall~~
26 ~~require an~~ AN applicant for registration of a leased pickup
27 truck or passenger vehicle that is subject to registration under

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1 this act, except a vehicle that is subject to registration tax
2 under section 801g, ~~to~~ SHALL disclose in writing TO THE SECRE-
3 TARY OF STATE the lessee's name, the lessee's bona fide resi-
4 dence, and either of the following:

5 (a) ~~The~~ IF THE LESSEE IS AN INDIVIDUAL, THE lessee's
6 Michigan driver license number or Michigan personal identifica-
7 tion number or, if the lessee does not have a Michigan driver
8 license or Michigan personal identification number, the lessee's
9 mailing address. ~~, if the lessee is an individual.~~

10 (b) ~~The lessee's business address, if~~ IF the lessee is a
11 firm, association, PARTNERSHIP, LIMITED LIABILITY COMPANY, or
12 corporation, THE LESSEE'S BUSINESS ADDRESS.

13 (3) The secretary of state shall maintain the information
14 described in subsection (2) on the secretary of state's computer
15 records.

16 (4) A dealer selling or exchanging vehicles required to be
17 titled, within 15 days after delivering a vehicle to the purchas-
18 er, and a person engaged in the sale of vessels required to be
19 numbered by part 801 of the natural resources and environmental
20 protection act, 1994 PA 451, MCL 324.80101 to 324.80199, within
21 15 days after delivering a boat trailer weighing less than 2,500
22 pounds to the purchaser, shall apply to the secretary of state
23 for a new title, if required, and transfer or secure registration
24 plates and secure a certificate of registration for the vehicle
25 or boat trailer, in the name of the purchaser. The dealer's
26 license may be suspended or revoked in accordance with section
27 249 for failure to apply for a title when required or for failure

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

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

25 (6) An application for a certificate of title that indicates
26 the existence of a security interest in the vehicle or in an
27 accessory to the vehicle, if requested by the security interest

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1 holder, shall be accompanied by a copy of the security agreement
2 which need not be signed. The request may be made of the seller
3 on an annual basis. The secretary of state shall indicate on the
4 copy the date and place of filing of the application and return
5 the copy to the person submitting the application who shall for-
6 ward it to the holder of the security interest named in the
7 application.

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

20 "Under Michigan law, the seller must record a first lien in
21 favor of (name of lender) _____ on the vehicle with
22 vehicle identification number _____ and title the vehi-
23 cle only in the name(s) shown on the reverse side." On the front
24 of the sales check or draft, the holder, finance company, credit
25 union, or banking institution shall note the name(s) of the pro-
26 spective owner(s). Failure of the holder, finance company,
27 credit union, or banking institution to comply with these

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1 requirements frees the seller from any obligation to record the
2 lien or from any liability that may arise as a result of the
3 failure to record the lien. A service fee shall not be charged
4 to the buyer.

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

17 Sec. 222. (1) Except as otherwise provided in this act, the
18 secretary of state shall issue a registration certificate and a
19 certificate of title when registering a vehicle ~~and~~ upon
20 receipt of the required fees. ~~—A—~~ THE SECRETARY OF STATE SHALL
21 ISSUE A FLOOD, REBUILT, SALVAGE, OR SCRAP CERTIFICATE OF TITLE
22 FOR A vehicle brought into this state from another state or
23 jurisdiction that has a FLOOD, rebuilt, salvage, or scrap certifi-
24 cate of title issued by that other state or jurisdiction. ~~shall~~
25 ~~be issued a rebuilt, salvage, or scrap certificate of title by~~
26 ~~the secretary of state.~~

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1 (2) The SECRETARY OF STATE SHALL DELIVER THE registration
2 certificate ~~shall be delivered~~ to the owner. ~~and~~ THE
3 CERTIFICATE shall contain on its face the date issued, the name
4 and address of the owner, the registration number assigned to the
5 vehicle, and a description of the vehicle as determined by the
6 secretary of state.

7 (3) The certificate of title shall be manufactured in a
8 manner to prohibit as nearly as possible the ability to repro-
9 duce, alter, counterfeit, forge, or duplicate the certificate of
10 title without ready detection. ~~and~~ THE CERTIFICATE SHALL con-
11 tain on its face the identical information required on the face
12 of the registration certificate; if the vehicle is a motor vehi-
13 cle, the number of miles, not including the tenths of a mile,
14 registered on the vehicle's odometer at the time of transfer;
15 whether the vehicle is to be used or has been used as a taxi, as
16 a police vehicle, or by a political subdivision of this state,
17 unless the vehicle is owned by a dealer and loaned or leased to a
18 political subdivision of this state for use as a driver education
19 vehicle; whether the vehicle is a salvage vehicle; if the vehicle
20 has previously been issued a rebuilt certificate of title from
21 this state or a comparable certificate of title from any other
22 state or jurisdiction; if the vehicle has been issued a scrap
23 certificate of title from this state or a comparable certificate
24 of title from any other state or jurisdiction; IF THE VEHICLE IS
25 A FLOOD VEHICLE OR HAS PREVIOUSLY BEEN ISSUED A FLOOD CERTIFICATE
26 OF TITLE FROM THIS STATE OR ANY OTHER STATE OR JURISDICTION; if
27 the owner or co-owner or lessee or co-lessee of the vehicle is

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1 subject to registration denial under section 219(1)(d); a
2 statement of the owner's title and of all security interests in
3 the vehicle or in an accessory on the vehicle as set forth in the
4 application; the date that the application was filed; and any
5 other information that the secretary of state may require.

6 (4) The certificate of title shall contain a form for
7 assignment of title or interest and warranty of title by the
8 owner with space for the notation of a security interest in the
9 vehicle and in an accessory on the vehicle, which at the time of
10 a transfer shall be certified and signed, and space for a written
11 odometer mileage statement that is required upon transfer pursu-
12 ant to section 233a. The certificate of title may also contain
13 other forms that the secretary of state considers necessary to
14 facilitate the effective administration of this act. The certif-
15 icate shall bear the coat of arms of this state.

16 (5) The SECRETARY OF STATE SHALL MAIL OR DELIVER THE certif-
17 icate of title ~~shall be mailed or delivered~~ to the owner or
18 other person the owner may direct in a separate instrument, in a
19 form PRESCRIBED BY the secretary of state. ~~shall prescribe.~~

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

24 (a) If the intent of reproduction, alteration, counterfeit-
25 ing, forging, duplication, or use was to commit or aid in the
26 commission of an offense punishable by imprisonment for 1 or more
27 years, the person committing the reproduction, alteration,

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1 counterfeiting, forging, duplication, or use is guilty of a
2 misdemeanor, punishable by imprisonment for a period equal to
3 that which could be imposed for the commission of the offense the
4 person had the intent to aid or commit. The court may also
5 assess a fine of not more than \$10,000.00 against the person.

6 (b) If the intent of the reproduction, alteration, counter-
7 feiting, forging, duplication, or use was to commit or aid in the
8 commission of an offense punishable by imprisonment for not more
9 than 1 year, the person committing the reproduction, alteration,
10 counterfeiting, forging, duplication, or use is guilty of a mis-
11 demeanor, punishable by imprisonment for not more than 1 year, or
12 a fine of not more than \$1,000.00, or both.

13 (7) The certificate of title for a police vehicle, a vehicle
14 owned by a political subdivision of this state, a salvage vehi-
15 cle, a rebuilt vehicle, ~~and~~ a scrap vehicle, OR A FLOOD VEHICLE
16 shall be different in color from the certificate of title for all
17 other vehicles unless the vehicle is loaned or leased to a polit-
18 ical subdivision of this state for use as a driver education
19 vehicle.

20 (8) A scrap certificate of title shall contain a legend that
21 the vehicle is not to be titled or registered and is to be used
22 for parts or scrap metal only.

23 (9) A certificate of title shall not be issued for a vehicle
24 which has had a salvage certificate of title unless the certifi-
25 cate of title contains a legend that discloses the vehicle's
26 former condition to consumers and potential purchasers.

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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
11 to whom it was sold or delivered. The record shall contain a
12 copy of ~~all~~ ANY odometer mileage ~~statements~~ STATEMENT
13 received by the dealer ~~upon purchasing or acquiring~~ WHEN THE
14 DEALER PURCHASED OR ACQUIRED a vehicle and a copy of the odometer
15 mileage statement furnished by the dealer ~~upon sale of a~~ WHEN
16 THE DEALER SOLD OR EXCHANGED THE vehicle as prescribed in section
17 233a. If the vehicle is purchased, sold, leased, or exchanged
18 through a broker, the record shall include the broker's name and
19 dealer license number and the amount of the broker's fee, commis-
20 sion, compensation, or other valuable consideration paid by the
21 purchaser or lessee or paid by the dealer, or both. The records
22 of all vehicles purchased, sold, leased, or exchanged through a
23 broker maintained by the secretary of state shall be in an elec-
24 tronic format determined by the secretary of state. A dealer
25 shall retain for not less than 5 years each odometer mileage
26 statement the dealer receives and each odometer mileage statement
27 furnished by the dealer upon the sale OR EXCHANGE of a vehicle.

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1 The description of the vehicle, in the case of a motor vehicle,
2 shall also include the vehicle identification number and other
3 numbers or identification marks as may be on the vehicle, and
4 shall also include a statement that a number has been obliterated,
5 defaced, or changed, if that is the fact. For a trailer or
6 semitrailer, the record shall include the vehicle identification
7 number and other numbers or identification marks as may be on the
8 trailer or semitrailer.

9 (3) Not more than 20 days after the delivery of the vehicle,
10 the seller shall deliver to the buyer in person or by mail to the
11 buyer's last known address a duplicate of a written statement, on
12 a form prescribed by the secretary of state in conjunction with
13 the department of treasury, describing clearly the name and
14 address of the seller, the name and address of the buyer, the
15 vehicle sold to the buyer, the cash sale price of the vehicle,
16 the cash paid down by the buyer, the amount credited the buyer
17 for a trade-in, a description of the trade-in, the amount charged
18 for vehicle insurance, stating the types of insurance covered by
19 the insurance policy, the amount charged for a temporary registration
20 plate, the amount of any other charge and specifying its
21 purpose, the net balance due from the buyer, and a summary of
22 insurance coverage to be affected. If the vehicle sold is a new
23 motor home, the written statement shall contain a description,
24 including the year of manufacture, of every major component part
25 of the vehicle that has its own manufacturer's certificate of
26 origin. The written statement shall disclose if the vehicle sold
27 is a vehicle that the seller had loaned or leased to a political

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1 subdivision of this state for use as a driver education vehicle.
2 The written statement shall be dated, but not later than the
3 actual date of delivery of the vehicle to the buyer. The origi-
4 nal and all copies of the prescribed form shall contain identical
5 information. The statement shall be furnished by the seller,
6 shall be signed by the seller or the seller's agent and by the
7 buyer, and shall be filed with the application for new title or
8 registration. Failure of the seller to deliver this written
9 statement to the buyer does not invalidate the sale between the
10 seller and the buyer.

11 (4) A retail vehicle sale is void unless both of the follow-
12 ing conditions are met:

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

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

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

24 (6) A dealer licensed as a distressed vehicle transporter
25 shall maintain records in a form as prescribed by the secretary
26 of state. The records shall identify each distressed vehicle
27 that is bought, acquired, and sold by the dealer. The record

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1 shall identify the person from whom a distressed vehicle was
2 bought or acquired and the dealer to whom the vehicle was sold.
3 The record shall indicate whether a certificate of title or sal-
4 vage certificate of title was obtained by the dealer for each
5 vehicle.

6 (7) A dealer licensed under this act shall maintain records
7 for a period of 5 years. The records shall be made available for
8 inspection by the secretary of state or other law enforcement
9 officials. The secretary of state shall inspect a dealer once
10 every 4 years and as determined necessary by the secretary of
11 state or a law enforcement officer. The secretary of state may
12 issue an order summarily suspending the license of a dealer pur-
13 suant to section 92 of the administrative procedures act of 1969,
14 1969 PA 306, MCL 24.292, based on an affidavit by a person famil-
15 iar with the facts set forth in the affidavit that the dealer has
16 failed to maintain the records required by this act or failed to
17 provide the records for inspection as requested by the secretary
18 of state, or has otherwise hindered, obstructed, or prevented the
19 inspection of records authorized under this section. The dealer
20 to whom the order is directed shall comply immediately, but on
21 application to the department shall be afforded a hearing within
22 30 days pursuant to the administrative procedures act of 1969,
23 1969 PA 306, MCL 24.201 to 24.328. On the basis of the hearing,
24 the summary order shall be continued, modified, or held in abey-
25 ance not later than 30 days after the hearing.

26 (8) A dealer licensed as a vehicle salvage pool operator or
27 broker shall maintain records in a form as prescribed by the

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1 secretary of state. The records shall contain a description of
2 each vehicle or salvageable part stored by the dealer, the name
3 and address of the insurance company or person storing the vehi-
4 cle or salvageable part, the period of time the vehicle or sal-
5 vageable part was stored, and the person acquiring the vehicle or
6 salvageable part. In the case of a late model vehicle, a record
7 of the purchase or sale of a major component part of the vehicle
8 shall be maintained identifying the part purchased or sold, the
9 name and address of the seller or purchaser, the date of the pur-
10 chase or sale, and the identification number assigned to the part
11 by the dealer. The record of the purchase or sale of a part
12 shall be maintained in or attached to the dealer's police book or
13 hard copy of computerized data entries and reference codes and
14 shall be accessible at the dealer's location. In addition, a
15 dealer licensed as a broker shall maintain a record of the odome-
16 ter mileage reading of each vehicle sold pursuant to an agreement
17 between the broker and the buyer or the broker and the seller.
18 The record of odometer mileage shall be maintained for 5 years
19 and shall contain all of the information required by section
20 233a.

21 (9) A dealer licensed as a used vehicle parts dealer or an
22 automotive recycler shall maintain records in a form prescribed
23 by the secretary of state. The records shall contain the date of
24 purchase or acquisition of the vehicle, a description of the
25 vehicle including the color, and the name and address of the
26 person from whom the vehicle was acquired. If the vehicle is
27 sold, the record shall contain the date of sale and the name and

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1 address of the purchaser. The record shall indicate if the
2 certificate of title or salvage or scrap certificate of title was
3 obtained by the dealer. In the case of a late model vehicle, a
4 record of the purchase or sale of a major component of the vehi-
5 cle shall be maintained identifying the part purchased or sold,
6 the name and address of the seller or purchaser, the date of the
7 purchase or sale, and the identification number assigned to the
8 part by the dealer, except that a bumper remanufacturer is not
9 required to maintain a record of the purchase of a bumper.
10 However, a bumper remanufacturer shall assign and attach an iden-
11 tification number to a remanufactured bumper and maintain a
12 record of the sale of the bumper. The record of the purchase or
13 sale of a part shall be maintained in or attached to the dealer's
14 police book or hard copy of computerized data entries and refer-
15 ence codes and shall be accessible at the dealer's location.
16 (10) A dealer licensed as a vehicle scrap metal processor
17 shall maintain records as prescribed by the secretary of state.
18 As provided in section 217c, the records shall contain for a
19 vehicle purchased from a dealer a copy of the scrap vehicle
20 inventory, including the name and address of the dealer, a
21 description of the vehicle acquired, and the date of
22 acquisition. If a vehicle is purchased or acquired from a person
23 other than a dealer, the record shall contain the date of acqui-
24 sition, a description of the vehicle, including the color, the
25 name and address of the person from whom the vehicle was
26 acquired, and whether a certificate of title or salvage or scrap
27 certificate of title was obtained by the dealer.

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

25 (12) The secretary of state shall make periodic unannounced
26 inspections of the records, facilities, and inventories of

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1 automotive recyclers and used or secondhand vehicle parts
2 dealers.

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

6 Enacting section 1. This amendatory act takes effect
7 October 1, 2002.