

HOUSE BILL No. 5358

October 29, 2001, Introduced by Reps. Allen, Howell, Gilbert and Julian and referred to the Committee on Commerce.

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 sections 17c
and 24d.

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 DOOR
4 SILL.

5 SEC. 24D. "LEMON LAW VEHICLE" MEANS A VEHICLE REACQUIRED BY
6 A MANUFACTURER BECAUSE IT HAS A DEFECT OR CONDITION THAT SUBSTAN-
7 Tially IMPAIRED THE USE OR VALUE OF THE VEHICLE TO A CONSUMER OR
8 THAT PREVENTED THE VEHICLE FROM CONFORMING TO THE MANUFACTURER'S
9 EXPRESS WARRANTY UNDER 1986 PA 87, MCL 257.1401 TO 257.1410, OR A

1 LAW OF ANOTHER STATE SUBSTANTIALLY CORRESPONDING TO 1986 PA 87,
2 MCL 257.1401 TO 257.1410.

3 Sec. 217. (1) An owner of a vehicle that is subject to reg-
4 istration under this act shall apply to the secretary of state,
5 upon an appropriate form furnished by the secretary of state, for
6 the registration of the vehicle and issuance of a certificate of
7 title for the vehicle. ~~Effective January 1, 1994, a~~ A vehicle
8 brought into this state from another state or jurisdiction that
9 has a rebuilt, salvage, scrap, FLOOD, LEMON, or comparable cer-
10 tificate of title issued by that other state or jurisdiction
11 shall be issued a rebuilt, salvage, ~~or~~ scrap, FLOOD, OR LEMON
12 certificate of title by the secretary of state. The application
13 shall be accompanied by the required fee. An application for a
14 certificate of title shall bear the signature of the owner. The
15 application shall contain all of the following:

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

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

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

23 (b) A description of the vehicle including the make or name,
24 style of body, and model year; the number of miles, not including
25 the tenths of a mile, registered on the vehicle's odometer at the
26 time of transfer; IF THE VEHICLE IS A LATE MODEL VEHICLE, WHETHER
27 THE VEHICLE IS A LEMON LAW VEHICLE OR HAS BEEN RETURNED TO A

1 MANUFACTURER IN ANOTHER STATE UNDER A LAW SUBSTANTIALLY
2 CORRESPONDING TO 1986 PA 87, MCL 257.1401 TO 257.1410; WHETHER
3 THE VEHICLE IS A FLOOD VEHICLE OR ANOTHER STATE PREVIOUSLY ISSUED
4 THE VEHICLE A FLOOD CERTIFICATE OF TITLE; WHETHER ANOTHER STATE
5 PREVIOUSLY ISSUED THE VEHICLE A CERTIFICATE OF TITLE THAT IS NOT
6 COMPARABLE TO A CERTIFICATE OF TITLE ISSUED UNDER THIS ACT;
7 whether the vehicle is to be or has been used as a taxi or police
8 vehicle, or by a political subdivision of this state, unless the
9 vehicle is owned by a dealer and loaned or leased to a political
10 subdivision of this state for use as a driver education vehicle;
11 whether the vehicle has previously been issued a salvage or
12 rebuilt certificate of title from this state or a comparable cer-
13 tificate of title from any other state or jurisdiction; vehicle
14 identification number; and the vehicle's weight fully equipped,
15 if a passenger vehicle registered in accordance with section
16 801(1)(a), and, if a trailer coach or pickup camper, in addition
17 to the weight, the manufacturer's serial number, or in the
18 absence of the serial number, a number assigned by the secretary
19 of state. A number assigned by the secretary of state shall be
20 permanently placed on the trailer coach or pickup camper in the
21 manner and place designated by the secretary of state.

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

25 (d) Further information that the secretary of state reason-
26 ably requires to enable the secretary of state to determine
27 whether the vehicle is lawfully entitled to registration and the

1 owner entitled to a certificate of title. If the secretary of
2 state is not satisfied as to the ownership of a late model vehi-
3 cle or other vehicle having a value over \$2,500.00, before regis-
4 tering the vehicle and issuing a certificate of title, the secre-
5 tary of state may require the applicant to file a properly exe-
6 cuted surety bond in a form prescribed by the secretary of state
7 and executed by the applicant and a company authorized to conduct
8 a surety business in this state. The bond shall be in an amount
9 equal to twice the value of the vehicle as determined by the sec-
10 retary of state and shall be conditioned to indemnify or reim-
11 burse the secretary of state, any prior owner, and any subsequent
12 purchaser of the vehicle and their successors in interest against
13 any expense, loss, or damage, including reasonable attorney's
14 fees, by reason of the issuance of a certificate of title for the
15 vehicle or on account of any defect in the right, title, or
16 interest of the applicant in the vehicle. An interested person
17 has a right of action to recover on the bond for a breach of the
18 conditions of the bond, but the aggregate liability of the surety
19 to all persons shall not exceed the amount of the bond. The bond
20 shall be returned at the end of 3 years, or before 3 years if the
21 vehicle is no longer registered in this state and the currently
22 valid certificate of title is surrendered to the secretary of
23 state, unless the secretary of state has received notification of
24 the pendency of an action to recover on the bond. If the secre-
25 tary of state is not satisfied as to the ownership of a vehicle
26 that is valued at \$2,500.00 or less and that is not a late model
27 vehicle, the secretary of state shall require the applicant to

1 certify that the applicant is the owner of the vehicle and
2 entitled to register and title the vehicle.

3 (e) Except as provided in subdivision (f), an application
4 for a commercial vehicle shall also have attached a scale weight
5 receipt of the motor vehicle fully equipped as of the time the
6 application is made. A scale weight receipt is not necessary if
7 there is presented with the application a registration receipt of
8 the previous year that shows on its face the empty weight of the
9 motor vehicle as registered with the secretary of state that is
10 accompanied by a statement of the applicant that there has not
11 been structural change in the motor vehicle that has increased
12 the empty weight and that the previous registered weight is the
13 true weight.

14 (f) An application for registration of a vehicle on the
15 basis of elected gross weight shall include a declaration by the
16 applicant specifying the elected gross weight for which applica-
17 tion is being made.

18 (g) If the application is for a certificate of title of a
19 motor vehicle registered in accordance with section 801(1)(q),
20 the application shall include the manufacturer's suggested base
21 list price for the model year of the vehicle. Annually, the sec-
22 retary of state shall publish a list of the manufacturer's sug-
23 gested base list price for each vehicle being manufactured. Once
24 a base list price is published by the secretary of state for a
25 model year for a vehicle, the base list price shall not be
26 affected by subsequent increases in the manufacturer's suggested
27 base list price but shall remain the same throughout the model

1 year unless changed in the annual list published by the secretary of state. If the secretary of state's list has not been published for that vehicle by the time of the application for registration, the base list price shall be 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 manufacturer's suggested retail price is unavailable, the application shall list the purchase price of the vehicle as defined in section 801(4).

11 (2) ~~Beginning October 1, 1999, the secretary of state shall~~
12 ~~require an~~ AN applicant for registration of a leased pickup
13 truck or passenger vehicle that is subject to registration under
14 this act, except a vehicle that is subject to registration tax
15 under section 801g, ~~to~~ SHALL disclose in writing TO THE SECRETARY OF STATE the lessee's name, the lessee's bona fide residence, and either of the following:

18 (a) ~~The~~ IF THE LESSEE IS AN INDIVIDUAL, THE lessee's
19 Michigan driver license number or Michigan personal identification number or, if the lessee does not have a Michigan driver
20 license or Michigan personal identification number, the lessee's
21 mailing address. ~~, if the lessee is an individual.~~

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

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

4 (4) A dealer selling or exchanging vehicles required to be
5 titled, within 15 days after delivering a vehicle to the purchas-
6 er, and a person engaged in the sale of vessels required to be
7 numbered by part 801 of the natural resources and environmental
8 protection act, 1994 PA 451, MCL 324.80101 to 324.80199, within
9 15 days after delivering a boat trailer weighing less than 2,500
10 pounds to the purchaser, shall apply to the secretary of state
11 for a new title, if required, and transfer or secure registration
12 plates and secure a certificate of registration for the vehicle
13 or boat trailer, in the name of the purchaser. The dealer's
14 license may be suspended or revoked in accordance with section
15 249 for failure to apply for a title when required or for failure
16 to transfer or secure registration plates and certificate of reg-
17 istration within the 15 days required by this section. If the
18 dealer or person fails to apply for a title when required, and to
19 transfer or secure registration plates and secure a certificate
20 of registration and pay the required fees within 15 days of
21 delivery of the vehicle or boat trailer, a title and registration
22 for the vehicle or boat trailer may subsequently be acquired only
23 upon the payment of a transfer fee of \$15.00 in addition to the
24 fees specified in section 806. The purchaser of the vehicle or
25 boat trailer shall sign the application, including, when applica-
26 ble, the declaration specifying the maximum elected gross weight,
27 as required by subsection (1)(f), and other necessary papers to

1 enable the dealer or person to secure the title, registration
2 plates, and transfers from the secretary of state.

3 (5) If a vehicle is delivered to a purchaser who has valid
4 Michigan registration plates that are to be transferred to the
5 vehicle, and an application for title, if required, and registra-
6 tion for the vehicle is not made before delivery of the vehicle
7 to the purchaser, the registration plates shall be affixed to the
8 vehicle immediately, and the dealer shall provide the purchaser
9 with an instrument in writing, on a form prescribed by the secre-
10 tary of state, which shall serve as a temporary registration for
11 the vehicle for a period of 15 days from the date the vehicle is
12 delivered.

13 (6) An application for a certificate of title that indicates
14 the existence of a security interest in the vehicle or in an
15 accessory to the vehicle, if requested by the security interest
16 holder, shall be accompanied by a copy of the security agreement
17 which need not be signed. The request may be made of the seller
18 on an annual basis. The secretary of state shall indicate on the
19 copy the date and place of filing of the application and return
20 the copy to the person submitting the application who shall for-
21 ward it to the holder of the security interest named in the
22 application.

23 (7) If the seller does not prepare the credit information,
24 contract note, and mortgage, and the holder, finance company,
25 credit union, or banking institution requires the installment
26 seller to record the lien on the title, the holder, finance
27 company, credit union, or banking institution shall pay the

1 seller a service fee of not more than \$10.00. The service fee
2 shall be paid from the finance charges and shall not be charged
3 to the buyer in addition to the finance charges. The holder,
4 finance company, credit union, or banking institution shall issue
5 its check or bank draft for the principal amount financed, pay-
6 able jointly to the buyer and seller, and there shall be
7 imprinted on the back side of the check or bank draft the
8 following:

9 "Under Michigan law, the seller must record a first lien in
10 favor of (name of lender) _____ on the vehicle with
11 vehicle identification number _____ and title the vehi-
12 cle only in the name(s) shown on the reverse side." On the front
13 of the sales check or draft, the holder, finance company, credit
14 union, or banking institution shall note the name(s) of the pro-
15 spective owner(s). Failure of the holder, finance company,
16 credit union, or banking institution to comply with these
17 requirements frees the seller from any obligation to record the
18 lien or from any liability that may arise as a result of the
19 failure to record the lien. A service fee shall not be charged
20 to the buyer.

21 (8) In the absence of actual malice proved independently and
22 not inferred from lack of probable cause, a person who in any
23 manner causes a prosecution for larceny of a motor vehicle; for
24 embezzlement of a motor vehicle; for any crime an element of
25 which is the taking of a motor vehicle without authority; or for
26 buying, receiving, possessing, or aiding in the concealment of a
27 stolen, embezzled, or converted motor vehicle knowing that the

1 motor vehicle has been stolen, embezzled, or converted, is not
2 liable for damages in a civil action for causing the
3 prosecution. This subsection does not relieve a person from
4 proving any other element necessary to sustain his or her cause
5 of action.

6 (9) BEFORE COMPLETING THE SALE OR TRANSFER OF A LATE MODEL
7 VEHICLE PREVIOUSLY RETURNED TO A MANUFACTURER UNDER 1986 PA 87,
8 MCL 257.1401 TO 257.1410, OR A LAW OF ANOTHER STATE SUBSTANTIALLY
9 CORRESPONDING TO 1986 PA 87, MCL 257.1401 TO 257.1410, A DEALER
10 SHALL DELIVER TO THE PURCHASER OR TRANSFEREE AN INSTRUMENT IN
11 WRITING SETTING FORTH THE FOLLOWING INFORMATION IN AT LEAST
12 12-POINT OR LARGER BOLD FACED CAPITAL TYPE: "IMPORTANT: THIS
13 VEHICLE WAS RETURNED TO THE MANUFACTURER UNDER A STATE LEMON
14 LAW.".

15 Sec. 222. (1) Except as otherwise provided in this act, the
16 secretary of state shall issue a registration certificate and a
17 certificate of title when registering a vehicle ~~and~~ upon
18 receipt of the required fees. ~~A~~ THE SECRETARY OF STATE SHALL
19 ISSUE A FLOOD, REBUILT, SALVAGE, OR SCRAP CERTIFICATE OF TITLE
20 FOR A vehicle brought into this state from another state or
21 jurisdiction that has a FLOOD, rebuilt, salvage, or scrap certifi-
22 cate of title issued by that other state or jurisdiction. ~~shall~~
23 ~~be issued a rebuilt, salvage, or scrap certificate of title by~~
24 ~~the secretary of state.~~ A VEHICLE BROUGHT INTO THIS STATE FROM
25 ANOTHER STATE THAT HAS A CERTIFICATE OF TITLE ISSUED BY THAT
26 STATE OR UNDER A LAW SUBSTANTIALLY CORRESPONDING TO 1986 PA 87,
27 MCL 257.1401 TO 257.1410, SHALL BE ISSUED A LEMON LAW CERTIFICATE

1 OF TITLE BY THE SECRETARY OF STATE. IF A VEHICLE BROUGHT INTO
2 THIS STATE FROM ANOTHER STATE HAS BEEN ISSUED A CERTIFICATE OF
3 TITLE BY THAT STATE THAT IS NOT COMPARABLE TO A CERTIFICATE OF
4 TITLE ISSUED UNDER THIS ACT, THE SECRETARY OF STATE SHALL ISSUE A
5 CERTIFICATE OF TITLE THAT RECOGNIZES THE CERTIFICATE OF TITLE
6 ISSUED IN THE OTHER STATE FOR THAT VEHICLE.

7 (2) The SECRETARY OF STATE SHALL DELIVER THE registration
8 certificate ~~shall be delivered~~ to the owner. ~~and~~ THE
9 CERTIFICATE shall contain on its face the date issued, the name
10 and address of the owner, the registration number assigned to the
11 vehicle, and a description of the vehicle as determined by the
12 secretary of state.

13 (3) The certificate of title shall be manufactured in a
14 manner to prohibit as nearly as possible the ability to repro-
15 duce, alter, counterfeit, forge, or duplicate the certificate of
16 title without ready detection. ~~and~~ THE CERTIFICATE SHALL con-
17 tain on its face the identical information required on the face
18 of the registration certificate; if the vehicle is a motor vehi-
19 cle, the number of miles, not including the tenths of a mile,
20 registered on the vehicle's odometer at the time of transfer;
21 whether the vehicle is to be used or has been used as a taxi, as
22 a 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 IS A LEMON LAW VEHICLE; whether the
26 vehicle is a salvage vehicle; if the vehicle has previously been
27 issued a rebuilt certificate of title from this state or a

1 comparable certificate of title from any other state or
2 jurisdiction; if the vehicle has been issued a scrap certificate
3 of title from this state or a comparable certificate of title
4 from any other state or jurisdiction; IF THE VEHICLE IS A FLOOD
5 VEHICLE OR HAS PREVIOUSLY BEEN ISSUED A FLOOD CERTIFICATE OF
6 TITLE FROM THIS STATE OR ANY OTHER STATE; WHETHER THE VEHICLE HAS
7 BEEN ISSUED A CERTIFICATE OF TITLE FROM ANY OTHER STATE THAT IS
8 NOT COMPARABLE TO A CERTIFICATE OF TITLE ISSUED UNDER THIS ACT;
9 if the owner or co-owner or lessee or co-lessee of the vehicle is
10 subject to registration denial under section 219(1)(d); a state-
11 ment of the owner's title and of all security interests in the
12 vehicle or in an accessory on the vehicle as set forth in the
13 application; the date that the application was filed; and any
14 other information that the secretary of state may require.

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

25 (5) The SECRETARY OF STATE SHALL MAIL OR DELIVER THE certif-
26 icate of title ~~shall be mailed or delivered~~ to the owner or

1 other person the owner may direct in a separate instrument, in a
2 form PRESCRIBED BY the secretary of state. ~~shall prescribe.~~

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

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

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

23 (7) The certificate of title for a police vehicle, a vehicle
24 owned by a political subdivision of this state, A LEMON LAW
25 VEHICLE, a salvage vehicle, a rebuilt vehicle, ~~and~~ a scrap
26 vehicle, A FLOOD VEHICLE, OR ANY OTHER VEHICLE PREVIOUSLY ISSUED
27 A CERTIFICATE OF TITLE BY ANOTHER STATE THAT IS NOT COMPARABLE TO

1 A CERTIFICATE OF TITLE ISSUED UNDER THIS ACT shall be different
2 in color from the certificate of title for all other vehicles
3 unless the vehicle is loaned or leased to a political subdivision
4 of this state for use as a driver education vehicle.

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

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

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

17 (2) Each record shall contain the date of the purchase,
18 sale, or exchange or receipt for the purpose of sale OR EXCHANGE,
19 a description of the vehicle, ~~together with~~ the name and
20 address of the seller, the purchaser, and the alleged owner or
21 other persons from whom the vehicle was purchased or received, or
22 to whom it was sold or delivered. The record shall contain a
23 copy of ~~all~~ ANY odometer mileage ~~statements~~ STATEMENT
24 received by the dealer ~~upon purchasing or acquiring~~ WHEN THE
25 DEALER PURCHASED OR ACQUIRED a vehicle and a copy of the odometer
26 mileage statement furnished by the dealer ~~upon sale of a~~ WHEN
27 THE DEALER SOLD OR EXCHANGED THE vehicle as prescribed in section

1 233a. If the vehicle is purchased, sold, leased, or exchanged
2 through a broker, the record shall include the broker's name and
3 dealer license number and the amount of the broker's fee, commis-
4 sion, compensation, or other valuable consideration paid by the
5 purchaser or lessee or paid by the dealer, or both. The records
6 of all vehicles purchased, sold, leased, or exchanged through a
7 broker maintained by the secretary of state shall be in an elec-
8 tronic format determined by the secretary of state. A dealer
9 shall retain for not less than 5 years each odometer mileage
10 statement the dealer receives and each odometer mileage statement
11 furnished by the dealer upon the sale OR EXCHANGE of a vehicle.
12 The description of the vehicle, in the case of a motor vehicle,
13 shall also include the vehicle identification number and other
14 numbers or identification marks as may be on the vehicle, and
15 shall also include a statement that a number has been obliterated,
16 defaced, or changed, if that is the fact. For a trailer or
17 semitrailer, the record shall include the vehicle identification
18 number and other numbers or identification marks as may be on the
19 trailer or semitrailer.

20 (3) Not more than 20 days after the delivery of the vehicle,
21 the seller shall deliver to the buyer in person or by mail to the
22 buyer's last known address a duplicate of a written statement, on
23 a form prescribed by the secretary of state in conjunction with
24 the department of treasury, describing clearly the name and
25 address of the seller, the name and address of the buyer, the
26 vehicle sold to the buyer, the cash sale price of the vehicle,
27 the cash paid down by the buyer, the amount credited the buyer

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

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

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

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

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

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

18 (7) A dealer licensed under this act shall maintain records
19 for a period of 5 years. The records shall be made available for
20 inspection by the secretary of state or other law enforcement
21 officials. The secretary of state shall inspect a dealer once
22 every 4 years and as determined necessary by the secretary of
23 state or a law enforcement officer. The secretary of state may
24 issue an order summarily suspending the license of a dealer pur-
25 suant to section 92 of the administrative procedures act of 1969,
26 1969 PA 306, MCL 24.292, based on an affidavit by a person
27 familiar with the facts set forth in the affidavit that the

1 dealer has failed to maintain the records required by this act or
2 failed to provide the records for inspection as requested by the
3 secretary of state, or has otherwise hindered, obstructed, or
4 prevented the inspection of records authorized under this
5 section. The dealer to whom the order is directed shall comply
6 immediately, but on application to the department shall be
7 afforded a hearing within 30 days pursuant to the administrative
8 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. On
9 the basis of the hearing, the summary order shall be continued,
10 modified, or held in abeyance not later than 30 days after the
11 hearing.

12 (8) A dealer licensed as a vehicle salvage pool operator or
13 broker shall maintain records in a form as prescribed by the sec-
14 retary of state. The records shall contain a description of each
15 vehicle or salvageable part stored by the dealer, the name and
16 address of the insurance company or person storing the vehicle or
17 salvageable part, the period of time the vehicle or salvageable
18 part was stored, and the person acquiring the vehicle or salvage-
19 able part. In the case of a late model vehicle, a record of the
20 purchase or sale of a major component part of the vehicle shall
21 be maintained identifying the part purchased or sold, the name
22 and address of the seller or purchaser, the date of the purchase
23 or sale, and the identification number assigned to the part by
24 the dealer. The record of the purchase or sale of a part shall
25 be maintained in or attached to the dealer's police book or hard
26 copy of computerized data entries and reference codes and shall
27 be accessible at the dealer's location. In addition, a dealer

1 licensed as a broker shall maintain a record of the odometer
2 mileage reading of each vehicle sold pursuant to an agreement
3 between the broker and the buyer or the broker and the seller.
4 The record of odometer mileage shall be maintained for 5 years
5 and shall contain all of the information required by section
6 233a.

7 (9) A dealer licensed as a used vehicle parts dealer or an
8 automotive recycler shall maintain records in a form prescribed
9 by the secretary of state. The records shall contain the date of
10 purchase or acquisition of the vehicle, a description of the
11 vehicle including the color, and the name and address of the
12 person from whom the vehicle was acquired. If the vehicle is
13 sold, the record shall contain the date of sale and the name and
14 address of the purchaser. The record shall indicate if the cer-
15 tificate of title or salvage or scrap certificate of title was
16 obtained by the dealer. In the case of a late model vehicle, a
17 record of the purchase or sale of a major component of the vehi-
18 cle shall be maintained identifying the part purchased or sold,
19 the name and address of the seller or purchaser, the date of the
20 purchase or sale, and the identification number assigned to the
21 part by the dealer, except that a bumper remanufacturer is not
22 required to maintain a record of the purchase of a bumper.
23 However, a bumper remanufacturer shall assign and attach an iden-
24 tification number to a remanufactured bumper and maintain a
25 record of the sale of the bumper. The record of the purchase or
26 sale of a part shall be maintained in or attached to the dealer's
27 police book or hard copy of computerized data entries and

1 reference codes and shall be accessible at the dealer's
2 location.

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

15 (11) 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 or scrap certificate of title was obtained by
24 the dealer. In the case of a late model vehicle, a record of the
25 purchase or sale of each salvageable part purchased or acquired
26 in this state shall be maintained and the record shall contain
27 the date of purchase or acquisition of the part, a description of

1 the part, the identification number assigned to the part, and the
2 name and address of the person to or from whom the part was pur-
3 chased, acquired, or sold. The record of the sale, purchase, or
4 acquisition of a part shall be maintained in the dealer's police
5 book. The police book shall only contain vehicles and salvagea-
6 ble parts purchased in this state or used in the repair of a
7 vehicle purchased in this state. The police book and the records
8 of vehicle part sales, purchases, or acquisitions shall be made
9 available at a location within the state for inspection by the
10 secretary of state within 48 hours after a request by the secre-
11 tary of state.

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

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

18 Enacting section 1. This amendatory act does not take
19 effect unless Senate Bill No. _____ or House Bill No. 5359
20 (request no. 02988'01 a) of the 91st Legislature is enacted into
21 law.