

**SUBSTITUTE FOR
SENATE BILL NO. 246**

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending section 11 (MCL 257.11), as amended by 2002 PA 652.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 11. (1) Except as provided in this section, "dealer"
2 means a person who is 1 or more of the following:
3 (a) A person who in a 12-month period did 1 or more of the
4 following:
5 (i) Engaged in the business of purchasing, selling,
6 exchanging, brokering, leasing, or dealing in vehicles of a type
7 required to be titled under this act.
8 (ii) Engaged in the business of purchasing, selling,
9 exchanging, brokering, or dealing in salvageable parts of 5 or
10 more vehicles.
11 (iii) Engaged in the business of buying 5 or more vehicles to

1 sell vehicle parts or process into scrap metal.

2 (b) A person engaged in the actual remanufacturing of engines
3 or transmissions.

4 (2) There is a rebuttable presumption that a person who in a
5 12-month period buys and sells, exchanges, brokers, leases, or
6 deals in 5 or more vehicles, or buys and sells, exchanges,
7 brokers, or deals in salvageable parts for 5 or more vehicles, or
8 buys 5 or more vehicles to sell vehicle parts or to process into
9 scrap metal is engaged in a business described in subsection
10 (1).

11 (3) Dealer does not include any of the following:

12 (a) A financial institution, as defined in section 10 of 1909
13 PA 99, MCL 129.40, or an entity wholly owned by 1 or more
14 financial institutions.

15 (b) A bank holding company.

16 (c) A person who buys or sells remanufactured vehicle engine
17 and transmission salvageable vehicle parts or who receives in
18 exchange used engines or transmissions if the primary business of
19 the person is the selling of new vehicle parts and the person is
20 not engaged in any other activity that requires a dealer license
21 under this act.

22 (d) For purposes of dealer licensing, a person who negotiates
23 the lease of a vehicle of a type required to be titled under this
24 act for a lease term of less than 120 days.

25 (e) A person whose business is the financing of the purchase,
26 sale, or lease of vehicles of a type required to be titled under
27 this act and that is not otherwise engaged in activities

1 described in subsection (1).

2 (f) An employee or agent of a dealer acting in the scope of
3 his or her employment or agency.

4 (g) An insurer, as defined in section 106 of the insurance
5 code of 1956, 1956 PA 218, MCL 500.106.

6 (h) A person engaged in leasing vehicles solely for
7 commercial or other nonhousehold use.

8 **(i) A lessor selling 1 or more off lease vehicles.**