

# SENATE BILL No. 712

September 18, 2003, Introduced by Senators CHERRY, JACOBS and GOSCHKA and referred to the Committee on Transportation.

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending section 248e (MCL 257.248e), as added by 1993 PA 300.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

SENATE BILL No. 712

1       Sec. 248e. (1) Beginning January 1, 1994, a person,  
2 including a dealer, shall not purchase, acquire, sell, or  
3 otherwise deal in distressed **vehicles**, late model vehicles, or  
4 salvageable parts through a salvage pool without a salvage  
5 vehicle agent license from the secretary of state. Only a  
6 licensed automotive recycler, licensed used or secondhand vehicle  
7 parts dealer, or a licensed foreign salvage vehicle dealer may  
8 apply to the secretary of state for a salvage vehicle agent  
9 license. A dealer shall not have more than ~~2~~ 4 individuals,  
10 including himself or herself, licensed as a salvage vehicle

1 agent.

2 (2) The application for a salvage vehicle agent license shall  
3 be in the form prescribed by the secretary of state and shall be  
4 signed by both the agent and the dealer who is appointing the  
5 individual as a salvage vehicle agent. In addition to other  
6 information as may be required by the secretary of state, the  
7 application shall include all of the following:

8 (a) Business name, address, and dealer license number of the  
9 dealer-applicant.

10 (b) Name, address, social security number, and date of birth  
11 of the agent-applicant.

12 (c) A statement of the previous history, record, and  
13 associations of the agent, which statement shall be sufficient to  
14 establish to the satisfaction of the secretary of state the  
15 business reputation and character of the agent.

16 (d) A statement showing whether the agent has previously  
17 applied for a dealer license or an agent's license, the result of  
18 the application, and whether the agent has ever been the holder  
19 of a dealer license or agent's license that was revoked or  
20 suspended in this state or any other state.

21 (e) A certification that the agent is not acting as the alter  
22 ego or in the place or on the behalf of any other person or  
23 persons in seeking the license. For the purpose of this  
24 subdivision, "alter ego" means a person who acts for and on  
25 behalf of, or in the place of, another person for purposes of  
26 obtaining a salvage vehicle agent license.

27 (3) A dealer shall make a separate application for each agent

1 license and forward the application to the secretary of state  
2 along with the application of the dealer for a dealer license. A  
3 fee of \$50.00 shall accompany each application for an agent  
4 license. The license of an agent issues, renews, and expires  
5 with the issuance, renewal, and expiration of the license of a  
6 dealer. If necessary, a dealer may apply for the license for an  
7 agent at any time during the time period that the dealer license  
8 is valid.

9 (4) A license for an agent shall not be granted until an  
10 investigation is made of the agent's qualifications under this  
11 act, except that this subsection does not apply to license  
12 renewals. The secretary of state shall make the investigation  
13 within 15 days after receiving the application and make a report  
14 on the investigation.

15 (5) The secretary of state shall issue a license to an agent  
16 bearing a full-face photograph of the agent and the following  
17 information:

- 18 (a) Agent's name and address.  
19 (b) Physical description.  
20 (c) The agent's signature.  
21 (d) The agent's license number.  
22 (e) Name, address, and dealer license number of the dealer  
23 for whom the agent may conduct business.

24 (6) The secretary of state shall maintain a copy or a  
25 negative of the photograph for purposes of renewing or issuing  
26 duplicate salvage vehicle agent licenses.

27 (7) A dealer shall immediately notify the secretary of state

1 in writing if there is any factual or material change in the  
2 information stated in an agent's license or application for the  
3 license.

4 (8) A dealer may cancel the license of an agent at any time.  
5 If a dealer cancels the license of an agent, the dealer shall  
6 notify, in writing, the secretary of state within 5 days of the  
7 cancellation and forward the canceled license to the secretary of  
8 state along with this notice. The dealer shall advise each  
9 salvage pool or salvage auction where the dealer does business of  
10 the cancellation. An agent's license is automatically canceled,  
11 by operation of law, at the end of the employment of the agent by  
12 the dealer.

13 (9) Within 5 days of the cancellation, expiration,  
14 suspension, or revocation of the license of an agent, the agent  
15 shall surrender the license to the dealer or secretary of state.

16 (10) If an agent's license becomes lost, mutilated, or  
17 illegible, the dealer shall promptly apply to the secretary of  
18 state for the issuance of a duplicate license. Application shall  
19 be made on a form as prescribed by the secretary of state and be  
20 accompanied by a fee of \$50.00 and the mutilated or illegible  
21 license.

22 (11) A dealer shall indemnify the secretary of state and any  
23 member of the public who suffers or sustains any loss by reason  
24 of any violation of this act by an agent that occurs within the  
25 actual or apparent scope of the agent's authority during the  
26 period that the agent's license is valid.

27 (12) An agent required to be licensed under this section, as

1 a condition precedent to the granting of a license, shall file  
2 with the secretary of state an irrevocable written stipulation,  
3 authenticated by the agent applicant, stipulating and agreeing  
4 that legal process affecting the agent, served on the secretary  
5 of state or a deputy of the secretary of state, has the same  
6 effect as if personally served on the agent. This appointment  
7 remains in force as long as any liability of the agent remains  
8 outstanding within this state.