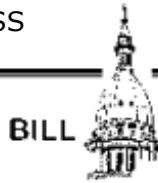




Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bill 805 (as introduced 10-11-05)

Sponsor: Senator Valde Garcia

Committee: Commerce and Labor

Date Completed: 12-12-05

## **CONTENT**

**The bill would amend the Michigan Vehicle Code to revise the requirements for an established place of business for a class (a) or class (b) dealer.**

Under the Code, an established place of business for a class (a) or class (b) dealer must contain a permanently enclosed building or structure that is owned, leased, or rented by a dealer, and that is not a residence, tent, temporary stand, or temporary quarters. The bill would delete the exclusion of a residence.

The Code requires an established place of business to have at least 1,300 square feet of land space to accommodate the display of at least 10 vehicles and an additional 650 square feet for customer parking. The display and parking areas must be adequately surfaced and well-lit during business hours. Under the bill, these provisions would not apply to a person who was engaged in the business of a class (b) dealer before December 31, 2004.

The premises of an established place of business must contain a conspicuous posting of the dealer's hours of operation, which must be at least 30 hours per week. The bill would require the posted hours of operation to be at least 20 hours per week.

The Code requires that the premises contain a registered repair facility on site, unless the dealer has entered into a written servicing agreement with a registered repair facility within 10 miles of the established place of business. Under the bill, the registered repair facility could be up to 30 miles from the established place of business.

(Under the Code, "dealer" means: (a) a person who in a 12-month period engaged in purchasing, selling, exchanging, brokering, leasing, or dealing in either vehicles required to be titled under the Code, or salvageable parts of five or more vehicles, or engaged in the business of buying five or more vehicles to sell vehicle parts or to process into scrap metal; or (b) a person engaged in the actual remanufacturing of engines or transmissions.)

MCL 257.14 & 257.248

Legislative Analyst: Curtis Walker

## **FISCAL IMPACT**

According to the Department of State, the bill would result in additional administrative costs for the Department.

Fiscal Analyst: Bill Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.