

HOUSE BILL No. 4364

March 5, 2013, Introduced by Reps. Yonker, Victory and Muxlow and referred to the Committee on Regulatory Reform.

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 249 and 249a (MCL 257.249 and 257.249a), section 249 as amended by 2004 PA 495 and section 249a as amended by 1993 PA 300, and by adding sections 49c and 710h.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 49C. "REGISTERED REPAIR FACILITY" MEANS A MOTOR VEHICLE**
2 **REPAIR FACILITY, AS DEFINED IN SECTION 2 OF THE MOTOR VEHICLE**
3 **SERVICE AND REPAIR ACT, 1974 PA 300, MCL 257.1302, REGISTERED UNDER**
4 **THAT ACT.**

5 Sec. 249. The secretary of state may deny the application of a
6 person for a license as a dealer and refuse to issue the person a
7 license as a dealer, or may suspend or revoke a license already
8 issued, if the secretary of state finds that 1 or more of the

1 following apply:

2 (a) The applicant or licensee has made a false statement of a
3 material fact in ~~his or her~~ **THE LICENSE** application.

4 (b) The applicant or licensee has not complied with the
5 provisions of this chapter or a rule promulgated under this
6 chapter.

7 (c) The applicant or licensee has sold or leased or offered
8 for sale or lease a new vehicle of a type required to be registered
9 under this act without ~~having~~ authority ~~of~~ **TO DO SO UNDER** a
10 contract with a manufacturer or distributor of the new vehicle.

11 (d) The applicant or licensee has been guilty of a fraudulent
12 act in connection with selling, leasing, or otherwise dealing in
13 vehicles of a type required to be registered under this act.

14 (e) The applicant or licensee has entered into or is about to
15 enter into a contract or agreement with a manufacturer or
16 distributor of vehicles of a type required to be registered under
17 this act that ~~is contrary to any~~ **VIOLATES A** provision of this act.

18 (f) The applicant or licensee ~~has no~~ **DOES NOT HAVE AN**
19 established place of business that is used or will be used for the
20 purpose of selling, leasing, displaying, or offering for sale or
21 lease or dealing in vehicles of a type required to be registered
22 **UNDER THIS ACT**, and does not have proper servicing facilities.

23 (g) The applicant or licensee is a corporation or partnership,
24 and a stockholder, officer, director, or partner of the applicant
25 or licensee has been guilty of any act or omission that would be
26 cause for refusing, revoking, or suspending a license issued to the
27 stockholder, officer, director, or partner as an individual.

1 (h) The applicant or licensee has possessed a vehicle or a
2 vehicle part that has been confiscated under section 415 of the
3 Michigan penal code, 1931 PA 328, MCL 750.415. The secretary of
4 state shall conduct a hearing ~~pursuant to~~ **UNDER** the administrative
5 procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, before
6 the secretary of state takes any action under this subdivision.

7 (i) The applicant or licensee has been convicted under section
8 415 of the Michigan penal code, 1931 PA 328, MCL 750.415.

9 (j) The applicant or licensee has been convicted of violating
10 1986 PA 119, MCL 257.1351 to 257.1355.

11 (k) The established place of business of the applicant or
12 licensee ~~is not in compliance~~ **DOES NOT COMPLY** with all applicable
13 zoning requirements and municipal requirements.

14 (l) The applicant or licensee has ~~engaged in the business of~~
15 ~~buying, selling, trading, or exchanging new, used, or secondhand~~
16 ~~motor vehicles or has offered to buy, sell, trade, or exchange, or~~
17 ~~participate in the negotiation thereof, or attempted to buy, sell,~~
18 ~~trade, or exchange any motor vehicle or interest in any motor~~
19 ~~vehicle or any written instrument pertaining to a motor vehicle on~~
20 ~~a Sunday, as prohibited by~~ **VIOLATED SECTION 1 OF** 1953 PA 66, MCL
21 435.251. ~~to 435.254.~~

22 **(M) THE APPLICANT OR LICENSEE HAS BEEN CONVICTED OF VIOLATING**
23 **SECTION 710H.**

24 Sec. 249a. (1) The secretary of state may deny the application
25 of a person for a license as an automotive recycler, a used or
26 secondhand vehicle parts dealer, a vehicle scrap metal processor,
27 or a foreign salvage vehicle dealer and refuse that person a

1 license as an automotive recycler, a used or secondhand vehicle
2 parts dealer, a vehicle scrap metal processor, or a foreign salvage
3 vehicle dealer, or may suspend or revoke a license already issued,
4 if the secretary of state finds that 1 or more of the following
5 apply:

6 (a) The applicant or licensee has made a false statement of a
7 material fact in ~~his or her~~ **THE LICENSE** application.

8 (b) The applicant or licensee has not complied with this act
9 or a rule promulgated under this chapter.

10 (c) The applicant or licensee has been convicted of violating
11 ~~Act No. 119 of the Public Acts of 1986, being sections 257.1351 to~~
12 ~~257.1355 of the Michigan Compiled Laws.~~ **1986 PA 119, MCL 257.1351 TO**
13 **257.1355.**

14 (d) If the applicant or licensee is a foreign salvage vehicle
15 dealer, has had his or her dealer license in another state expire,
16 or has had his or her dealer license in another state revoked,
17 suspended, or canceled.

18 (e) If the applicant or licensee is an automotive recycler, a
19 used or secondhand vehicle parts dealer, or a foreign salvage
20 vehicle dealer and has no established place of business used for
21 the purpose of selling, displaying, or offering for sale used or
22 secondhand vehicle parts or does not have a vehicle dismantling
23 facility or does not have evidence of worker's compensation
24 insurance coverage for employees classified under the ~~standard~~
25 ~~industrial classification number 4015, entitled "motor vehicle~~
26 ~~parts used"~~ **NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM NUMBER**
27 **42114, ENTITLED "MOTION VEHICLE PARTS (USED) WHOLESALERS"** or under

1 the national council on compensation insurance code number 3821,
2 entitled "automobile dismantling **AND DRIVERS**", if applicable.

3 **(F) THE APPLICANT OR LICENSEE HAS BEEN CONVICTED OF VIOLATING**
4 **SECTION 710H.**

5 (2) The secretary of state shall deny the application of a
6 person for a license as an automotive recycler, a used or
7 secondhand vehicle parts dealer, a vehicle scrap metal processor,
8 or a foreign salvage vehicle dealer and refuse that person a
9 license as an automotive recycler, a used or secondhand vehicle
10 parts dealer, a vehicle scrap metal processor, or a foreign salvage
11 vehicle dealer, or shall suspend or revoke a license already
12 issued, if the secretary of state finds that 1 or more of the
13 following apply:

14 (a) The applicant or licensee has been guilty of a fraudulent
15 act in connection with selling or otherwise dealing in major
16 component parts or vehicles of a type required to be registered
17 under this act.

18 (b) The applicant or licensee has possessed a vehicle or a
19 vehicle part which has been confiscated under section 415 of the
20 Michigan penal code, ~~Act No. 328 of the Public Acts of 1931, being~~
21 ~~section 750.415 of the Michigan Compiled Laws~~ **1931 PA 328, MCL**
22 **750.415**. The secretary of state shall conduct a hearing ~~pursuant to~~
23 **UNDER** the administrative procedures act of 1969, ~~Act No. 306 of the~~
24 ~~Public Acts of 1969, being sections 24.201 to 24.328 of the~~
25 ~~Michigan Compiled Laws~~ **1969 PA 306, MCL 24.201 TO 24.328**, before
26 the secretary of state takes any action under this subdivision.

27 (c) The applicant or licensee has been convicted under section

1 413, 415, 535, 535a, or 536a of Act No. 328 of the Public Acts of
2 1931, being sections 750.413, 750.415, 750.535, 750.535a, and
3 750.536a of the Michigan Compiled Laws **THE MICHIGAN PENAL CODE,**
4 **1931 PA 328, MCL 750.413, 750.415, 750.535, 750.535A, AND 750.536A,**
5 or has been convicted in a foreign state of a law or a local
6 ordinance substantially corresponding to ~~section 413, 415, 535,~~
7 ~~535a, or 536a of Act No. 328 of the Public Acts of 1931.~~ **ANY OF**
8 **THOSE SECTIONS.**

9 (d) The applicant or licensee is a corporation or partnership,
10 and a stockholder, officer, director, or partner of the applicant
11 or licensee has been guilty of any act or omission that would be
12 cause for refusing, revoking, or suspending a license issued to the
13 stockholder, officer, director, or partner as an individual.

14 (e) Effective July 1, 1994, the applicant or licensee has
15 removed a scrap vehicle from this state for the purpose of
16 rebuilding it or has sold or transferred the vehicle as a unit for
17 purposes of rebuilding it.

18 **SEC. 710H. (1) IF A DEALER OR REGISTERED REPAIR FACILITY THAT**
19 **SELLS OR TRADES A MOTOR VEHICLE HAS ACTUAL KNOWLEDGE THAT AN AIR**
20 **BAG IN THE MOTOR VEHICLE IS INOPERABLE, THE DEALER OR REGISTERED**
21 **REPAIR FACILITY SHALL NOTIFY THE PERSON ACQUIRING THE MOTOR**
22 **VEHICLE, IN WRITING, THAT THE AIR BAG IS INOPERABLE.**

23 **(2) A DEALER OR REGISTERED REPAIR FACILITY THAT VIOLATES**
24 **SUBSECTION (1) IS GUILTY OF A MISDEMEANOR PUNISHABLE BY**
25 **IMPRISONMENT FOR NOT MORE THAN 30 DAYS OR A FINE OF NOT MORE THAN**
26 **\$1,000.00 FOR A FIRST VIOLATION OF SUBSECTION (1) OR \$2,500.00 FOR**
27 **A SECOND OR SUBSEQUENT VIOLATION, OR BOTH.**

1 (3) AS USED IN THIS SECTION, "AIR BAG" MEANS ANY COMPONENT OF
2 AN INFLATABLE OCCUPANT RESTRAINT SYSTEM THAT IS DESIGNED IN
3 ACCORDANCE WITH FEDERAL SAFETY REGULATIONS FOR THE MAKE, MODEL, AND
4 YEAR OF THE MOTOR VEHICLE TO BE INSTALLED AND TO OPERATE IN A MOTOR
5 VEHICLE TO ACTIVATE, AS SPECIFIED BY THE VEHICLE MANUFACTURER, IN
6 THE EVENT OF A CRASH. AIR BAG COMPONENTS INCLUDE, BUT ARE NOT
7 LIMITED TO, SENSORS, CONTROLLERS, WIRING, AND THE AIR BAG ITSELF.