

# Legislative Analysis

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## USED TIRES, WHEELS, AND RIMS

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**Senate Bill 331 (S-2, as passed by the Senate)**

**Sponsor: Sen. Rick Jones**

**House Committee: Commerce and Trade**

**Senate Committee: Regulatory Reform**

**Complete to 3-4-16**

Analysis available at  
<http://www.legislature.mi.gov>

### SUMMARY:

The bill would amend Public Act 119 of 1986, which deals with buying and receiving used motor vehicle parts. It would specify that in transactions concerning the buying or receiving of any used motor vehicle tires, tire wheels or rims, or continuous tire tread, the only methods of payment a dealer may use to pay a customer are:

- a check,
- a money order,
- a bank draft, or
- a direct deposit or electronic transfer to the customer's account at a financial institution.

A violation would be a misdemeanor for a first offense, punishable by imprisonment for not more than one year and/or a fine of \$1,000. A second or subsequent violation would be a felony, punishable by imprisonment not more than two years and/or a fine of \$5,000. (These are the penalties currently in the act for violations.)

If a payment is made by check, money order, or bank draft, the dealer must mail that payment to the customer at the address shown on the customer's identification documents the dealer is required to maintain.

When payments are made by direct deposit or electronic transfer to a customer's account at a financial institution, the transaction number must be maintained in dealer records.

The bill also would amend the definition of "used motor vehicle part" to specifically add "a motor tire, tire wheel or rim, or continuous tire tread."

Also, the bill would require that when a transaction involved used tires, wheels or rims, and tire tread, the dealer or agent would have to place the transaction number on a tag that is to be attached to each of those items being bought or received. (The act currently requires that a record of transactions involving used motor vehicle parts.)

### FISCAL IMPACT:

This bill would have no fiscal impact on the Michigan State Police or local law enforcement agencies (but would probably make the job of mitigating the selling of stolen car parts easier).

To the extent that the bill results in a greater number of convictions, it would increase costs on state and local correctional systems. New felony convictions would result in increased costs related to state prisons, county jails, and/or state probation supervision. New misdemeanor convictions would increase costs related to county jails and/or local misdemeanor probation supervision. The average cost of prison incarceration in a state facility is roughly \$35,300 per prisoner per year, a figure that includes various fixed administrative and operational costs. The costs of local incarceration in a county jail and local misdemeanor probation supervision vary by jurisdiction. State costs for parole and felony probation supervision average about \$3,600 per supervised offender per year. Any increase in penal fine revenues would increase funding for local libraries, which are the constitutionally-designated recipients of those revenues.

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