

**SUBSTITUTE FOR
HOUSE BILL NO. 5577**

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending sections 226, 248, 248h, and 802 (MCL 257.226, 257.248,
257.248h, and 257.802), section 226 as amended by 2004 PA 163,
section 248 as amended by 2004 PA 495, section 248h as added by
1993 PA 300, and section 802 as amended by 2015 PA 78, and by
adding sections 248k, 250a, 250b, and 250c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 226. (1) A vehicle registration issued by the secretary
2 of state expires on the owner's birthday, unless another expiration
3 date is provided for under this act or unless the registration is
4 for the following vehicles, in which case registration expires on
5 the last day of February:

1 (a) A commercial vehicle except for a commercial vehicle
2 issued a registration under the international registration plan or
3 a pickup truck or van owned by an individual.

4 (b) Except for a trailer or semitrailer issued a registration
5 under the international registration plan, a trailer or semitrailer
6 owned by a business, corporation, or person other than an
7 individual; or a pole trailer.

8 (2) ~~Until February 1, 2005, the expiration date for a~~
9 ~~registration issued for a motorcycle is March 31. Beginning~~
10 ~~February 1, 2005, the~~ **THE** expiration date for a registration issued
11 for a motorcycle is the motorcycle owner's birthday.

12 (3) The expiration date for a registration bearing the letters
13 "SEN" or "REP" is February 1.

14 (4) In the case of a vehicle owned by a business, corporation,
15 or an owner other than an individual, the secretary of state may
16 assign or reassign the expiration date of the registration.

17 (5) The secretary of state shall do all of the following:

18 (a) After the October 1 immediately preceding the year
19 designated on the registration, issue a registration upon
20 application and payment of the proper fee for a commercial vehicle,
21 other than a pickup or van owned by an individual; or a trailer
22 owned by a business, corporation, or person other than an
23 individual.

24 (b) Beginning 60 days before the expiration date assigned on
25 an international registration plan registration plate, issue a
26 registration under section 801g upon application and payment of the
27 proper apportioned fee for a commercial vehicle engaged in

1 interstate commerce.

2 (c) Beginning 45 days before the owner's birthday and 120 days
3 before the expiration date assigned by the secretary of state,
4 issue a registration for a vehicle other than those designated in
5 subsection (1)(a) or (b). However, if an owner whose registration
6 period begins 45 days before his or her birthday will be out of the
7 state during the 45 days immediately preceding expiration of a
8 registration or for other good cause shown cannot apply for a
9 renewal registration within the 45-day period, application for a
10 renewal registration may be made not more than 6 months before
11 expiration.

12 (6) Except as otherwise provided in this subsection, the
13 secretary of state, upon application and payment of the proper fee,
14 shall issue a registration for a vehicle or a motorcycle to a
15 resident that shall expire on the owner's birthday. If the owner's
16 next birthday is at least 6 months but not more than 12 months in
17 the future, the owner shall receive a registration valid until the
18 owner's next birthday. If the owner's next birthday is less than 6
19 months in the future, the owner shall receive a registration valid
20 until the owner's birthday following the owner's next birthday. The
21 tax required under this act for a registration described in this
22 subsection shall be either of the following:

23 (a) For an original registration, the tax shall bear the same
24 relationship to the tax required under section 801 for a 12-month
25 registration as the length of the registration bears to 12 months.

26 (b) For a renewal of a registration, either of the following:

27 (i) For a registration that is for at least 6 months but not

1 more than 12 months, the same amount as for 12 months.

2 (ii) For a renewal of a registration that is for more than 12
3 months, 2 times the amount for 12 months.

4 Partial months shall be considered as whole months in the
5 calculation of the required tax and in the determination of the
6 length of time between the application for a registration and the
7 owner's next birthday. The tax required for that registration shall
8 be rounded off to whole dollars as provided in section 801.

9 (7) A certificate of title shall remain valid until canceled
10 by the secretary of state for cause or upon a transfer of an
11 interest shown on the certificate of title.

12 (8) The secretary of state, upon request, shall issue special
13 registration for commercial vehicles, valid for 6 months after the
14 date of issue, if the full registration fee exceeds \$50.00, on the
15 payment of 1/2 the full registration fee and a service charge as
16 enumerated in section 802(1).

17 (9) The secretary of state may issue a special registration
18 for each of the following:

19 (a) A new vehicle purchased or leased outside of this state
20 and delivered in this state to the purchaser or lessee by the
21 manufacturer of that vehicle for removal to a place outside of this
22 state, if a certification is made that the vehicle will be
23 primarily used, stored, and registered outside of this state and
24 will not be returned to this state by the purchaser or lessee for
25 use or storage.

26 (b) A vehicle purchased or leased in this state and delivered
27 to the purchaser or lessee by a dealer or by the owner of the

1 vehicle for removal to a place outside of this state, if a
2 certification is made that the vehicle will be primarily used,
3 stored, and registered outside of this state and will not be
4 returned to this state by the purchaser or lessee for use or
5 storage.

6 (10) A special registration issued under subsection (9) is
7 valid for not more than ~~14~~30 days after the date of issuance, and
8 a fee shall be collected for each special registration as provided
9 in section 802(3). The special registration may be in the form
10 determined by the secretary of state. If a dealer makes a retail
11 sale or lease of a vehicle to a purchaser or lessee who is
12 qualified and eligible to obtain a special registration, the dealer
13 shall apply for the special registration for the purchaser or
14 lessee. If a person other than a dealer sells or leases a vehicle
15 to a purchaser or lessee who is qualified and eligible to obtain a
16 special registration, the purchaser or lessee shall appear in
17 person, or by a person exercising the purchaser's or lessee's power
18 of attorney, at an office of the secretary of state and furnish a
19 certification that the person is the bona fide purchaser or lessee
20 or that the person has granted the power of attorney, together with
21 other forms required for the issuance of the special registration
22 and provide the secretary of state with proof that the vehicle is
23 covered by a Michigan no-fault insurance policy issued pursuant to
24 section 3101 of the insurance code of 1956, 1956 PA 218, MCL
25 500.3101, or proof that the vehicle is covered by a policy of
26 insurance issued by an insurer pursuant to section 3163 of the
27 insurance code of 1956, 1956 PA 218, MCL 500.3163. The

1 certification required in this subsection shall contain all of the
2 following:

3 (a) The address of the purchaser or lessee.

4 (b) A statement that the vehicle is purchased or leased for
5 registration outside of this state.

6 (c) A statement that the vehicle shall be primarily used,
7 stored, and registered outside of this state.

8 (d) The name of the jurisdiction in which the vehicle is to be
9 registered.

10 (e) Other information requested by the secretary of state.

11 ~~——(11) Upon request, the secretary of state may issue a~~
12 ~~registration valid for 6 months after the date of issuance for use~~
13 ~~on a trailer or semitrailer weighing 1,500 pounds or less and that~~
14 ~~is used for recreational purposes, upon payment of 1/2 the full~~
15 ~~registration fee imposed under section 801(1) (l). This subsection~~
16 ~~does not apply after October 1, 2003.~~

17 (11) ~~(12)~~—In the case of a commercial vehicle, trailer, or
18 semitrailer issued a registration under the international
19 registration plan, the secretary of state in mutual agreement with
20 the owner may assign or reassign the expiration date of the
21 registration. However, the expiration date agreed to shall be
22 either March 31, June 30, September 30, or December 31. Renewals
23 expiring on or after September 30, 1993 shall be for a minimum of
24 at least 12 months if there is a change in the established
25 expiration date.

26 (12) ~~(13)~~—The expiration date for a multiyear registration
27 issued for a leased vehicle shall be the date the lease expires but

1 shall not be for a period longer than 24 months.

2 Sec. 248. (1) The secretary of state shall not grant a dealer
3 license under this section until **THE SECRETARY CONDUCTS** an
4 investigation ~~is made~~ of the applicant's qualifications under this
5 act, except that this subsection does not apply to ~~license~~
6 ~~renewals.~~ **A LICENSE RENEWAL.** The secretary of state shall ~~make~~
7 **CONDUCT** the investigation within 15 days after receiving the
8 application and ~~make~~ **PREPARE** a report on the investigation.

9 (2) An applicant for a new vehicle dealer or a used or
10 secondhand vehicle dealer or broker license shall include a
11 properly executed bond or **A BOND** renewal certificate, **APPROVED BY**
12 **THE SECRETARY OF STATE**, with the **LICENSE** application. If a renewal
13 certificate is used, the bond is considered renewed for each
14 succeeding year in the same amount and with the same effect as an
15 original bond. The bond shall be in the ~~sum~~ **AMOUNT** of \$10,000.00.
16 ~~with good and sufficient surety to be approved by the secretary of~~
17 ~~state.~~ The bond shall indemnify or reimburse a purchaser, seller,
18 lessee, financing agency, or governmental agency for monetary loss
19 caused through fraud, cheating, or misrepresentation in the conduct
20 of the vehicle business whether the fraud, cheating, or
21 misrepresentation was made by the dealer or by an employee, agent,
22 or salesperson of the dealer. The surety shall make indemnification
23 or reimbursement for a monetary loss only after **A** judgment based on
24 fraud, cheating, or misrepresentation ~~has been~~ **IS** entered in a
25 court of record against the licensee **OR A FINAL ORDER THAT THE**
26 **LICENSEE HAS ENGAGED IN FRAUD, CHEATING, OR MISREPRESENTATION IS**
27 **ISSUED BY THE SECRETARY OF STATE AFTER AN ADMINISTRATIVE HEARING.**

1 The bond shall also indemnify or reimburse the state for any sales
 2 tax deficiency as provided in the general sales tax act, 1933 PA
 3 167, MCL 205.51 to 205.78, or use tax deficiency as provided in the
 4 use tax act, 1937 PA 94, MCL 205.91 to 205.111, for the year in
 5 which the bond is in force. The surety shall make indemnification
 6 or reimbursement only after ~~A final judgment has been~~**IS** entered in
 7 a court of record against the licensee **OR A FINAL ORDER IS ISSUED**
 8 **BY THE SECRETARY OF STATE AFTER AN ADMINISTRATIVE HEARING.** A dealer
 9 or applicant ~~who has furnished satisfactory proof~~**THAT PROVIDES**
 10 **PROOF THAT IS SATISFACTORY TO THE SECRETARY OF STATE** that a bond
 11 similar to the bond required by this subsection is executed and in
 12 force is exempt from the bond ~~provisions set forth in~~**REQUIREMENTS**
 13 **OF** this subsection. The aggregate liability of the surety shall not
 14 exceed the sum of the bond. The surety on the bond may cancel the
 15 bond ~~upon~~**BY** giving ~~30 days'~~ notice in writing to the secretary of
 16 state **OF THE CANCELLATION AT LEAST 30 DAYS BEFORE THE EFFECTIVE**
 17 **DATE OF THE CANCELLATION** and ~~thereafter~~ is not liable for a breach
 18 of condition occurring after the effective date of the
 19 cancellation.

20 (3) An applicant for a new vehicle dealer or a used or
 21 secondhand vehicle dealer license shall apply for not less than 2
 22 dealer plates ~~as provided by~~**UNDER** section 245 and shall include
 23 with the application the proper fee ~~as provided by~~**FOR THOSE PLATES**
 24 **UNDER** section 803.

25 (4) As a condition precedent to the granting of a license, a
 26 dealer shall file with the secretary of state an irrevocable
 27 written stipulation, authenticated by the applicant, stipulating

1 and agreeing that legal process affecting the dealer, served on the
2 secretary of state or a deputy of the secretary of state, has the
3 same effect as if personally served on the dealer. This appointment
4 remains in force as long as the dealer has any outstanding
5 liability within this state.

6 (5) A person shall not carry on or conduct the business of
7 buying, selling, brokering, leasing, negotiating a lease, or
8 dealing in 5 or more vehicles of a type required to be titled under
9 this act in a 12-month period unless the person obtains a dealer
10 license from the secretary of state authorizing the carrying on or
11 conducting of that business. A person shall not carry on or conduct
12 the business of buying, selling, brokering, leasing, negotiating a
13 lease, or dealing in 5 or more distressed, late model vehicles or
14 salvageable parts to 5 or more of those vehicles in a 12-month
15 period unless the person obtains a used or secondhand vehicle parts
16 dealer, an automotive recycler, or a salvage pool license from the
17 secretary of state or is an insurance company admitted to conduct
18 business in this state. A person shall not carry on or conduct the
19 business of buying 5 or more vehicles in a 12-month period to
20 process into scrap metal or store or display 5 or more vehicles in
21 a 12-month period as an agent or escrow agent of an insurance
22 company unless the person obtains a dealer license from the
23 secretary of state. A vehicle scrap metal processor ~~who~~**THAT** does
24 not purchase vehicles or salvageable parts from unlicensed persons
25 is not required to obtain a dealer license. A person from another
26 state shall not purchase, sell, or otherwise deal in distressed,
27 late model vehicles or salvageable parts unless the person obtains

1 a foreign salvage vehicle dealer license from the secretary of
2 state ~~as prescribed~~ under section 248b. A person, including a
3 dealer, shall not purchase or acquire a distressed, late model
4 vehicle or a salvageable part through a salvage pool, auction, or
5 broker without a license as a salvage vehicle agent. The secretary
6 of state shall investigate and seek prosecution, if necessary, of
7 persons allegedly conducting a business without a license.

8 (6) The application for a dealer license shall be in the form
9 prescribed by the secretary of state and shall be signed by the
10 applicant. In addition to other information as may be required by
11 the secretary of state, the application shall include all of the
12 following:

13 (a) ~~Name of~~ **THE NAME OF THE** applicant.

14 (b) ~~Location~~ **THE LOCATION** of **THE** applicant's established place
15 of business in this state, together with written verification from
16 the appropriate governing or zoning authority that the established
17 place of business meets all applicable municipal and zoning
18 requirements.

19 (c) The name under which **THE DEALER WILL CONDUCT** business. ~~is~~
20 ~~to be conducted.~~

21 (d) If the business is a corporation, the state of
22 incorporation.

23 (e) ~~Name,~~ **IF THE BUSINESS IS A SOLE PROPRIETORSHIP OR**
24 **PARTNERSHIP, THE NAME,** address, **AND** date of birth ~~, and social~~
25 ~~security number~~ of each owner or partner; ~~and,~~ if **THE BUSINESS IS** a
26 corporation, the name, address, **AND** date of birth ~~, and social~~
27 ~~security number~~ of each of the principal officers.

1 (f) The county in which the **APPLICANT WILL CONDUCT** business ~~is~~
2 ~~to be conducted~~ and the address of each place of business in that
3 county.

4 (g) If **THE DEALER'S BUSINESS IS THE SALE OF** new vehicles, ~~are~~
5 ~~to be sold, the make to be handled.~~ **OR MAKES OF THOSE VEHICLES.**
6 Each new vehicle dealer shall send with the application for license
7 a certification that the dealer holds a bona fide contract to act
8 as factory representative, factory distributor, or distributor
9 representative to sell at retail (the make of vehicle to
10 be sold) **AND THAT THE CONTRACT MEETS THE REQUIREMENTS FOR A DEALER**
11 **AGREEMENT UNDER 1981 PA 118, MCL 445.1561 TO 445.1583.**

12 (h) A statement of the previous history, record, and
13 associations of the applicant and of each owner, partner, officer,
14 ~~and~~ **OR** director **OF THE APPLICANT.** The statement shall be sufficient
15 to establish to the satisfaction of the secretary of state the
16 business reputation and character of the applicant.

17 (i) A statement showing whether the applicant has previously
18 applied for a license, the result of the application, and whether
19 the applicant has ever been the holder of a dealer license that was
20 revoked or suspended.

21 (j) If the applicant is a corporation or partnership, a
22 statement showing whether a partner, employee, officer, or director
23 has been refused a license or has been the holder of a license that
24 was revoked or suspended.

25 (k) If the application is for a used or secondhand vehicle
26 parts dealer or an automotive recycler, ~~it shall include~~ all of the
27 following:

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1 (i) Evidence that the applicant maintains or will maintain an
2 established place of business.

3 (ii) Evidence that the applicant maintains or will maintain a
4 police book and vehicle parts purchase and sales and lease records
5 as required under this act.

6 (iii) Evidence of worker's compensation insurance coverage for
7 employees classified under the North American ~~industrial~~ **INDUSTRY**
8 classification system number 42114, entitled "motor vehicle parts
9 (used) **MERCHANT** wholesalers" or under the ~~national council on~~
10 ~~compensation insurance~~ **NATIONAL COUNCIL ON COMPENSATION INSURANCE**
11 classification code number 3821, entitled "automobile dismantling",
12 and ~~drivers~~", if applicable.

13 (l) ~~Certification~~ **A CERTIFICATION** that neither the applicant
14 nor another person named on the application is acting as the alter
15 ego of any other person or persons in seeking the license. For the
16 purpose of this subdivision, "alter ego" means a person ~~who~~ **THAT**
17 acts for and on behalf of, or in the place of, another person for
18 purposes of obtaining a vehicle dealer license.

19 **[(M) A CERTIFICATION THAT THE APPLICANT IF THE APPLICANT IS AN**
20 **INDIVIDUAL OR SOLE PROPRIETORSHIP, THE PARTNERS OF THE APPLICANT IF THE**
21 **APPLICANT IS A PARTNERSHIP, THE PRINCIPAL OFFICERS OF THE APPLICANT IF**
22 **THE APPLICANT IS A CORPORATION, OR ANY OTHER INDIVIDUAL WHO IS**
23 **RESPONSIBLE FOR THE DAILY OPERATIONS OF THE DEALERSHIP, AS APPLICABLE,**
24 **HAS REVIEWED AND UNDERSTANDS THE REQUIREMENTS OF THIS ACT, THE RULES**
25 **PROMULGATED UNDER THIS ACT, THE DEALER MANUAL PUBLISHED BY THE SECRETARY**
26 **OF STATE, AND ANY OTHER APPLICABLE MATERIAL PROVIDED BY THE DEPARTMENT.**

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1 (7) A person shall apply separately for a dealer license for
 2 each county in which business is to be conducted. Before moving 1
 3 or more ~~of his or her~~ places of business or opening an additional
 4 place of business, a dealer shall apply to the secretary of state
 5 for and obtain a supplemental dealer license. ~~, for which a fee~~
 6 ~~shall not be charged. A~~ **THE SECRETARY OF STATE SHALL NOT CHARGE A**
 7 **FEE FOR A** supplemental dealer license **AND shall be issued** **ISSUE A**
 8 **SUPPLEMENTAL DEALER LICENSE** only for a location, including a tent,
 9 temporary stand, or any temporary quarters, that does not meet the
 10 definition of an established place of business, within the county
 11 in which the dealer's established place of business is located. A
 12 dealer license entitles the dealer to conduct the business of
 13 buying, selling, leasing, and dealing in vehicles or salvageable
 14 parts in the county covered by the license. The dealer license
 15 shall also entitle the dealer to conduct at any other licensed
 16 dealer's established place of business in this state only the
 17 business of buying, selling, leasing, or dealing in vehicles at
 18 wholesale. [

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23 (8) The secretary of state shall classify and differentiate
 24 vehicle dealers according to the type of activity they perform. A
 25 dealer shall not engage in activities of a particular
 26 classification as provided in this act unless the dealer is
 27 licensed in that classification. An applicant may apply for a

1 dealer license in 1 or more of the following classifications:

2 (a) New vehicle dealer.

3 (b) Used or secondhand vehicle dealer. **A USED OR SECONDHAND**
 4 **VEHICLE DEALER MAY BE ELIGIBLE FOR A MOBILITY DEALER ENDORSEMENT**
 5 **UNDER SECTION 248K.**

6 (c) Used or secondhand vehicle parts dealer.

7 (d) Vehicle scrap metal processor.

8 (e) Vehicle salvage pool operator.

9 (f) Distressed vehicle transporter.

10 (g) Broker.

11 (h) Foreign salvage vehicle dealer.

12 (i) Automotive recycler.

13 (j) Beginning April 1, 2005, wholesaler.

14 (9) **ALL OF THE FOLLOWING APPLY TO THE ISSUANCE, RENEWAL, AND**
 15 **EXPIRATION OF A DEALER LICENSE UNDER THIS SECTION:**

16 (A) A dealer license **THAT IS ISSUED BEFORE THE EFFECTIVE DATE**
 17 **OF THE AMENDATORY ACT THAT ADDED SECTION 248K** expires on December
 18 31 of the last year for which the license is issued.

19 (B) **A DEALER SHALL RENEW ITS DEALER LICENSE ANNUALLY.** The
 20 secretary of state may renew a dealer license for a period of not
 21 more than 4 years ~~upon~~ **IF THE SECRETARY RECEIVES A RENEWAL**
 22 application and payment of the fee required ~~by~~ **UNDER** section 807.

23 (C) **AN INITIAL DEALER LICENSE ISSUED ON OR AFTER THE EFFECTIVE**
 24 **DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBDIVISION EXPIRES 1**
 25 **YEAR AFTER THE DATE THE LICENSE IS ISSUED.**

26 (D) **TO RENEW A DEALER LICENSE, THE DEALER SHALL FILE AN**
 27 **APPLICATION FOR RENEWAL WITH THE SECRETARY OF STATE AT LEAST 30**

1 DAYS BEFORE THE EXPIRATION OF ITS CURRENT LICENSE.

2 (E) IF A DEALER HAS NOT RENEWED ITS DEALER LICENSE ON OR
3 BEFORE THE EXPIRATION DATE OF ITS CURRENT LICENSE, THE SECRETARY OF
4 STATE WITHIN 10 BUSINESS DAYS AFTER THAT EXPIRATION DATE MUST
5 NOTIFY THE DEALER THAT THE SECRETARY OF STATE HAS NOT RECEIVED ITS
6 RENEWAL APPLICATION. THE NOTICE SHALL INCLUDE THE AMOUNT OF THE
7 LATE RENEWAL FEE.

8 (F) A DEALER MAY CONTINUE TO OPERATE ITS DEALER BUSINESS AFTER
9 THE EXPIRATION OF ITS DEALER LICENSE, PENDING APPROVAL OF THE
10 RENEWAL APPLICATION, IF THE RENEWAL APPLICATION IS DELIVERED IN
11 PERSON OR MAILED TO THE SECRETARY OF STATE ON OR BEFORE THE
12 EXPIRATION DATE OF THE LICENSE. IF REQUESTED BY THE DEPARTMENT, A
13 DEALER THAT MAILES AN APPLICATION UNDER THIS SUBDIVISION MUST
14 PROVIDE PROOF OF MAILING OF THE RENEWAL APPLICATION THAT IS
15 SATISFACTORY TO THE DEPARTMENT.

16 (G) IF AN APPLICATION TO RENEW A DEALER LICENSE IS FILED WITH
17 THE SECRETARY OF STATE AFTER THE EXPIRATION OF THAT LICENSE, THE
18 DEALER MAY OPERATE ITS DEALER BUSINESS BEGINNING ON THE DATE ON
19 WHICH THE APPLICATION IS DELIVERED OR MAILED TO THE SECRETARY OF
20 STATE, PENDING APPROVAL OF THE RENEWAL APPLICATION. IF REQUESTED BY
21 THE DEPARTMENT, A DEALER THAT MAILES AN APPLICATION UNDER THIS
22 SUBDIVISION MUST PROVIDE PROOF OF MAILING OF THE RENEWAL
23 APPLICATION THAT IS SATISFACTORY TO THE DEPARTMENT. A DEALER SHALL
24 PAY A RENEWAL FEE EQUAL TO 150% OF THE NORMAL RENEWAL FEE FOR A
25 RENEWAL DESCRIBED IN THIS SUBDIVISION.

26 (H) IF A DEALER FILES AN APPLICATION TO RENEW A DEALER LICENSE
27 MORE THAN 30 DAYS AFTER THE EXPIRATION OF THAT LICENSE, THE DEALER

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1 IS CONSIDERED A NEW APPLICANT FOR A DEALER LICENSE UNDER THIS
2 SECTION.

3 (I) THE SECRETARY OF STATE SHALL DEPOSIT THE LATE RENEWAL FEES
4 COLLECTED UNDER SUBDIVISIONS (E) AND (G) IN THE TRANSPORTATION
5 ADMINISTRATION COLLECTION FUND CREATED IN SECTION 810B.

6 (10) A dealer may conduct the business of buying, selling, or
7 dealing in motor homes, trailer coaches, trailers, or pickup
8 campers at a recreational vehicle show conducted at a location in
9 this state without obtaining a separate or supplemental license
10 under subsection (7) if all of the following apply:

11 (a) The dealer is licensed as a new vehicle dealer or used or
12 secondhand vehicle dealer.

13 (b) The duration of the recreational vehicle show is not more
14 than 14 days.

15 (c) Not less than 14 days before the beginning date of the
16 recreational vehicle show, the show producer notifies the secretary
17 of state, in a manner and form prescribed by the secretary of
18 state, that the recreational vehicle show is scheduled, the
19 location, dates, and times of the recreational vehicle show, and
20 the name, address, and dealer license number of each dealer
21 participating in the recreational vehicle show. [

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Sec. 248h. (1) A person ~~who has engaged in conduct prohibited~~

1 ~~by~~ **THAT ENGAGES IN CONDUCT THAT IS PROHIBITED UNDER** subsection (2)
 2 is subject to 1 or more of the following penalties:

- 3 (a) Placement of a limitation on the person's license.
 4 (b) Suspension or revocation of a license.
 5 (c) Denial of an original or renewal application.
 6 (d) A civil fine paid to the department in an amount ~~not to~~
 7 **THAT DOES NOT** exceed \$25,000.00.

8 ~~—— (e) Condition of probation.~~

9 ~~—— (f) A requirement to take affirmative action, including~~
 10 ~~payment of restitution.~~

11 **(E)** ~~(g)~~ A letter of censure.

12 (2) The secretary of state may deny the application of a
 13 dealer after an appropriate hearing for the licensing of an
 14 individual as a salvage vehicle agent and refuse to issue or renew
 15 the license of an agent, or may suspend or revoke an agent's
 16 license **THAT IS** already issued, if the secretary of state finds
 17 that the dealer, applicant agent, or licensed agent has done 1 or
 18 more of the following:

19 (a) Made a false statement of a material fact in the agent's
 20 application.

21 (b) Violated this chapter or a rule promulgated under this
 22 chapter, or assisted others in the violation of this chapter or a
 23 rule promulgated under this chapter.

24 (c) Purchased or acquired a salvage or scrap vehicle or
 25 salvageable part for a dealer for ~~whom~~ **WHICH** the agent is not
 26 licensed, or functioned as an agent for himself or herself alone
 27 and without respect to any dealer.

1 (d) Committed a fraudulent act in connection with purchasing
2 or acquiring or otherwise dealing in vehicles of a type required to
3 be registered under this act or in salvage or scrap vehicles or in
4 vehicle parts.

5 (e) Engaged in a method, act, or practice that is unfair or
6 deceptive, including the making of an untrue statement of a
7 material fact.

8 (f) Violated a condition of probation **UNDER SECTION 250A.**

9 (g) Failed to comply with the terms of a final cease and
10 desist order **UNDER SECTION 250B.**

11 (h) Failed to pay over funds or to surrender or return
12 property received in the course of employment to a dealer or ~~other~~
13 **TO ANOTHER** person **THAT IS** entitled to the funds or property.

14 (i) Acted as a dealer's agent by purchasing, acquiring,
15 selling, or disposing of a vehicle while employed by a licensed
16 dealer without reporting the purchase, acquisition, sale, or
17 disposing of the vehicle to the dealer.

18 (j) Served in a managerial capacity for a dealer during the
19 time another agent or employee of that dealer, acting under the
20 direction and control of the dealer or licensed agent, committed a
21 violation of this chapter or of a rule promulgated under this
22 chapter or of a similar law in another state or jurisdiction.

23 (k) Acted for more than 1 party in a transaction without the
24 knowledge of the other parties.

25 (l) Permitted an unlawful use of the agent's license.

26 (m) Accepted a commission, bonus, or other valuable
27 consideration for the sale of a vehicle from a person other than

1 the dealer under ~~whom~~ **WHICH** the agent is licensed.

2 (n) Possessed a vehicle or a vehicle part that has been
3 confiscated under section 415 of the Michigan penal code, ~~Act No.~~
4 ~~328 of the Public Acts of 1931, being section 750.415 of the~~
5 ~~Michigan Compiled Laws, 1931 PA 328, MCL 750.413,~~ or of a similar
6 law in another state or jurisdiction.

7 (3) ~~Upon receipt of the~~ **IF THE SECRETARY OF STATE RECEIVES AN**
8 appropriate abstract of conviction, ~~and without an opportunity for~~
9 ~~a hearing,~~ the secretary of state shall, **WITHOUT PROVIDING AN**
10 **OPPORTUNITY FOR A HEARING,** deny the application of a person for a
11 license as a salvage vehicle agent or immediately revoke the
12 license of a person as a salvage vehicle agent for not less than 5
13 years after the date of the person's last conviction if the
14 applicant or licensee, or a stockholder, officer, director, or
15 partner of the applicant or licensee, ~~has been~~ **IS** convicted of a
16 violation or attempted violation of section 254 of this act or of
17 section 413, 414, 415, 535, or 535a of the Michigan penal code, ~~Act~~
18 ~~No. 328 of the Public Acts of 1931, being sections 750.413,~~
19 ~~750.414, 750.415, 750.535, and 750.535a of the Michigan Compiled~~
20 ~~Laws, 1931 PA 328, MCL 750.413, 750.414, 750.415, 750.535, AND~~
21 **750.535A,** or ~~has been~~ **IS** convicted in federal court or in another
22 state of a violation or attempted violation of a law substantially
23 corresponding to section 254 of this act or of ~~section 413, 414,~~
24 ~~415, 535, or 535a of Act No. 328 of the Public Acts of 1931.~~ **THOSE**
25 **SECTIONS OF THE MICHIGAN PENAL CODE.**

26 (4) ~~Upon receipt of the~~ **IF THE SECRETARY OF STATE RECEIVES AN**
27 appropriate abstract of conviction from the court, ~~and without an~~

1 ~~opportunity for a hearing,~~ the secretary of state, **WITHOUT**
 2 **PROVIDING AN OPPORTUNITY FOR A HEARING,** shall deny the application
 3 of a person for a license as a salvage vehicle agent or immediately
 4 revoke the license of a person as a salvage vehicle agent and shall
 5 never issue the person a salvage vehicle agent license if the
 6 applicant or licensee has any combination of 2 or more convictions
 7 of a violation or attempted violation of section 254 of this act or
 8 of section 413, 414, 415, 535, or 535a of ~~Act No. 328 of the Public~~
 9 ~~Acts of 1931, being sections 750.413, 750.414, 750.415, 750.535,~~
 10 ~~and 750.535a of the Michigan Compiled Laws,~~ **THE MICHIGAN PENAL**
 11 **CODE, 1931 PA 328, MCL 750.413, 750.414, 750.415, 750.535, AND**
 12 **750.535A,** or ~~has been~~ **IS** convicted in federal court or in another
 13 state of a violation or attempted violation of a law substantially
 14 corresponding to section 254 of this act or of ~~section 413, 414,~~
 15 ~~415, or 535a of Act No. 328 of the Public Acts of 1931.~~ **THOSE**
 16 **SECTIONS OF THE MICHIGAN PENAL CODE.**

17 **SEC. 248K. (1) THE SECRETARY OF STATE MAY CREATE A MOBILITY**
 18 **DEALER ENDORSEMENT FOR THE PURPOSES OF THIS ACT. ALL OF THE**
 19 **FOLLOWING APPLY IF THE SECRETARY OF STATE CREATES A MOBILITY DEALER**
 20 **ENDORSEMENT UNDER THIS SECTION:**

21 **(A) ONLY A LICENSED USED OR SECONDHAND VEHICLE DEALER IS**
 22 **ELIGIBLE FOR A MOBILITY DEALER ENDORSEMENT.**

23 **(B) THE SECRETARY OF STATE SHALL PRESCRIBE THE FORM AND**
 24 **CONTENT OF AN APPLICATION FOR A MOBILITY DEALER ENDORSEMENT AND THE**
 25 **APPLICATION SHALL REQUIRE THE SIGNATURE OF THE APPLICANT.**

26 **(C) A MOBILITY DEALER IS NOT PROHIBITED FROM ALSO OBTAINING A**
 27 **BROKER LICENSE, IF THAT BROKER LICENSE IS ISSUED FOR THE SOLE**

1 PURPOSE OF BROKERING NEW VEHICLES THAT ARE MODIFIED BY THE ADDITION
2 OF PERMANENTLY AFFIXED AMBULATORY ASSISTANCE DEVICES.

3 (2) NOTWITHSTANDING ANY OTHER LAW OF THIS STATE, A MOBILITY
4 DEALER MAY DO ANY OF THE FOLLOWING:

5 (A) DISPLAY, HOLD IN INVENTORY, DEMONSTRATE, SOLICIT THE SALE
6 OF, OR OFFER FOR SALE A MOBILITY VEHICLE, REGARDLESS OF THE CHASSIS
7 MAKE OF THE MOBILITY VEHICLE.

8 (B) IF THE TRANSACTION OCCURS THROUGH OR BY A FRANCHISED
9 DEALER OF THE MOTOR VEHICLE'S CHASSIS LINE MAKE, ARRANGE FOR THE
10 SALE AND DELIVERY OF A NEW MOBILITY MOTOR VEHICLE TO A PURCHASER AT
11 THE MOBILITY DEALER'S PLACE OF BUSINESS.

12 (C) SELL AND INSTALL MOBILITY EQUIPMENT AND ACCESSORIES AND
13 OTHER GOODS AND SERVICES TO MEET THE PARTICULAR NEEDS OF DISABLED
14 DRIVERS AND PASSENGERS.

15 (D) PROVIDE MOBILITY VEHICLE MAINTENANCE AND REPAIR SERVICES,
16 SUBJECT TO THE FOLLOWING:

17 (i) EXCEPT AS PROVIDED IN SUBPARAGRAPH (ii), A MOBILITY DEALER
18 SHALL NOT PERFORM REPAIRS ON MOBILITY VEHICLES OR OTHER MOTOR
19 VEHICLES WITHOUT A LICENSE AS A REPAIR FACILITY UNDER THE MOTOR
20 VEHICLE SERVICE AND REPAIR ACT, 1974 PA 300, MCL 257.1301 TO
21 257.1340.

22 (ii) A MOBILITY DEALER MAY PERFORM REPAIRS ON PARTS THAT ARE
23 UNIQUE TO A MOBILITY VEHICLE, DO NOT ALTER THE OPERATING CONDITION
24 OF A MOBILITY VEHICLE, AND WERE NOT PART OF THE ORIGINAL
25 MANUFACTURED MOTOR VEHICLE WITHOUT A LICENSE AS A REPAIR FACILITY
26 UNDER THE MOTOR VEHICLE SERVICE AND REPAIR ACT, 1974 PA 300, MCL
27 257.1301 TO 257.1340.

1 (3) A MOBILITY DEALER SHALL NOT DO ANY OF THE FOLLOWING:

2 (A) REPRESENT THAT IT IS ENGAGED IN THE SALE OF NEW MOTOR
3 VEHICLES.

4 (B) SELL OR TRANSFER, OR OFFER TO SELL OR TRANSFER, A NEW
5 MOTOR VEHICLE BY ASSIGNING THE VEHICLE'S CERTIFICATE OF ORIGIN.

6 (C) SELL OR OFFER TO SELL AN ADAPTED VEHICLE THAT DOES NOT
7 HAVE PROOF THAT IT HAS BEEN ADAPTED OR MODIFIED IN COMPLIANCE WITH
8 49 CFR PART 568 OR 49 CFR PART 595.

9 (4) AS USED IN THIS SECTION:

10 (A) "MOBILITY DEALER" MEANS A USED OR SECONDHAND VEHICLE
11 DEALER THAT HOLDS AN ENDORSEMENT AS A MOBILITY DEALER FROM THE
12 DEPARTMENT UNDER THIS SECTION.

13 (B) "MOBILITY EQUIPMENT" MEANS MECHANICAL OR ELECTRONIC
14 DEVICES, PARTS, OR ACCESSORIES THAT ARE SPECIFICALLY DESIGNED TO
15 FACILITATE THE USE OF A MOTOR VEHICLE BY AN AGING OR DISABLED
16 INDIVIDUAL, IN COMPLIANCE WITH 49 CFR PART 571, AND THAT ARE
17 PERMANENTLY ATTACHED TO OR INCORPORATED IN THE VEHICLE.

18 (C) "MOBILITY VEHICLE" MEANS A MOTOR VEHICLE THAT IS SPECIALLY
19 DESIGNED AND EQUIPPED TO TRANSPORT AN INDIVIDUAL WITH A DISABILITY,
20 IN COMPLIANCE WITH 49 CFR PART 568 OR 49 CFR PART 595, AND THAT
21 MEETS ALL OF THE FOLLOWING:

22 (i) IS DESIGNED AND BUILT OR MODIFIED TO ALLOW VEHICLE INGRESS
23 AND EGRESS FOR AN INDIVIDUAL WHO IS IN A WHEELCHAIR OR SCOOTER.

24 (ii) IS EQUIPPED WITH 1 OR MORE OF THE FOLLOWING:

25 (A) AN ELECTRONIC OR MECHANICAL WHEELCHAIR, SCOOTER, OR
26 PLATFORM LIFT THAT ENABLES AN INDIVIDUAL TO ENTER OR EXIT THE
27 VEHICLE WHILE OCCUPYING A WHEELCHAIR OR SCOOTER.

1 (B) AN ELECTRONIC OR MECHANICAL WHEELCHAIR RAMP.

2 (C) A SYSTEM TO SECURE A WHEELCHAIR OR SCOOTER THAT ALLOWS FOR
3 SAFE TRANSPORTATION OF AN INDIVIDUAL WHILE HE OR SHE IS OCCUPYING
4 THE WHEELCHAIR OR SCOOTER AND THAT IS INSTALLED AS AN INTEGRAL PART
5 OR PERMANENT ATTACHMENT TO THE VEHICLE'S CHASSIS.

6 SEC. 250A. AS AN ALTERNATIVE OR IN ADDITION TO ADMINISTRATIVE
7 ACTION UNDER SECTION 248H(1) FOR A VIOLATION OR ALLEGED VIOLATION
8 OF SECTION 248H(2), SECTION 249 FOR A VIOLATION OR ALLEGED
9 VIOLATION OF SECTION 249, SECTION 249A(1) FOR A VIOLATION OR
10 ALLEGED VIOLATION OF SECTION 249A(1), OR SECTION 249A(2) FOR A
11 VIOLATION OR ALLEGED VIOLATION OF SECTION 249A(2), THE SECRETARY OF
12 STATE MAY, BY WRITTEN AGREEMENT WITH A PERSON THAT HOLDS THE
13 LICENSE DESCRIBED IN THAT SECTION, PLACE THAT LICENSE ON PROBATION
14 AND INCLUDE CONDITIONS OF PROBATION IN THE AGREEMENT.

15 SEC. 250B. (1) IF THE SECRETARY OF STATE DETERMINES AFTER
16 NOTICE AND OPPORTUNITY FOR A HEARING THAT A PERSON HAS VIOLATED
17 THIS CHAPTER, THE SECRETARY OF STATE MAY ISSUE AN ORDER REQUIRING
18 THE PERSON TO CEASE AND DESIST FROM THE VIOLATION OR TO TAKE AN
19 AFFIRMATIVE ACTION THAT IN THE JUDGMENT OF THE SECRETARY OF STATE
20 WOULD CARRY OUT THE PURPOSES OF THIS ACT, INCLUDING, BUT NOT
21 LIMITED TO, PAYMENT OF RESTITUTION TO A CUSTOMER.

22 (2) IF THE SECRETARY OF STATE MAKES A FINDING OF FACT IN
23 WRITING THAT THE PUBLIC INTEREST WILL BE IRREPARABLY HARMED BY A
24 DELAY IN ISSUING AN ORDER, THE SECRETARY OF STATE MAY ISSUE A
25 TEMPORARY CEASE AND DESIST ORDER. BEFORE ISSUING A TEMPORARY CEASE
26 AND DESIST ORDER, THE SECRETARY OF STATE, WHEN POSSIBLE, BY
27 TELEPHONE OR OTHERWISE, SHALL NOTIFY THE PERSON THAT VIOLATED THIS

1 CHAPTER OF THE SECRETARY OF STATE'S INTENTION TO ISSUE A TEMPORARY
2 CEASE AND DESIST ORDER. A TEMPORARY CEASE AND DESIST ORDER SHALL
3 INCLUDE IN ITS TERMS A PROVISION THAT STATES THAT THE SECRETARY OF
4 STATE SHALL ON REQUEST HOLD A HEARING WITHIN 30 DAYS TO DETERMINE
5 WHETHER OR NOT THE ORDER SHALL BECOME PERMANENT.

6 SEC. 250C. THE REMEDIES AND SANCTIONS UNDER THIS CHAPTER ARE
7 INDEPENDENT AND CUMULATIVE. THE USE OF A REMEDY OR SANCTION UNDER
8 THIS CHAPTER, INCLUDING, BUT NOT LIMITED TO, ADMINISTRATIVE ACTION
9 BY THE SECRETARY OF STATE UNDER SECTION 248H(2), 249, OR 249A(1),
10 AN AGREEMENT FOR PROBATION UNDER SECTION 250A, OR AN ORDER UNDER
11 SECTION 250B, DOES NOT BAR OTHER LAWFUL REMEDIES AND SANCTIONS
12 AGAINST A PERSON AND DOES NOT LIMIT A PERSON'S CRIMINAL OR CIVIL
13 LIABILITY UNDER LAW.

14 Sec. 802. (1) For a special registration issued under section
15 226(8), the registrant shall pay 1/2 the tax imposed under section
16 801 and a service fee of \$10.00.

17 (2) For all commercial vehicles registered after August 31 for
18 the period expiring the last day of February, the secretary of
19 state shall collect a tax of 1/2 the rate otherwise imposed under
20 this act. This subsection does not apply to vehicles registered by
21 manufacturers or dealers under sections 244 to 247.

22 (3) For each special registration under section 226(9), the
23 secretary of state shall collect a service fee of \$10.00.

24 (4) For temporary registration plates or markers under section
25 226a(1), the secretary of state shall collect a service fee of
26 ~~\$5.00 for each group of 5 of these~~ **IN AN AMOUNT DETERMINED BY THE**
27 **SECRETARY OF STATE TO REFLECT THE ACTUAL COST OF ADMINISTERING THE**

House Bill No. 5577 as amended June 1, 2016

1 temporary registration plates ~~or~~ **AND** markers **PROGRAM** [, **OR IN THE AMOUNT**
2 **OF \$4.00 PER PLATE OR MARKER, WHICHEVER IS LESS**].

3 (5) For a temporary registration under section 226b, the fee
4 shall be either of the following:

5 (a) For a 30-day temporary registration, 1/10 of the tax
6 prescribed under section 801 or \$20.00, whichever is greater, and
7 an additional \$10.00 service fee.

8 (b) For a 60-day temporary registration, 1/5 of the tax
9 prescribed under section 801 or \$40.00, whichever is greater, and
10 an additional \$10.00 service fee.

11 (6) For registration plates as provided for in section
12 226a(5), (6), and (7), the secretary of state shall collect a
13 service fee of \$40.00 for 2 registration plates and \$20.00 for each
14 additional registration plate.

15 (7) For special registrations issued for special mobile
16 equipment as provided in section 216(d), the secretary of state
17 shall collect a service fee of \$15.00 each for the first 3 special
18 registrations, and \$5.00 for each special registration issued in
19 excess of the first 3.

20 (8) The secretary of state, upon request, may issue a
21 registration valid for 3 months for use on a vehicle with an
22 elected gross weight of 24,000 pounds or greater on the payment of
23 1/4 the tax provided in section 801(1)(k) and a service fee of
24 \$10.00.

25 (9) Upon application to the secretary of state, an owner of a
26 truck, truck tractor, or road tractor that is used exclusively for
27 the purpose of gratuitously transporting farm crops or livestock
bedding between the field where produced and the place of storage,

1 feed from on-farm storage to an on-farm feeding site, or
2 fertilizer, seed, or spray material from the farm location to the
3 field may obtain a special registration. The service fee for each
4 special registration issued under this subsection is \$20.00. The
5 special registration is valid for a period of up to 12 months and
6 expires on December 31. As used in this subsection:

7 (a) "Feed" means hay or silage.

8 (b) "Livestock bedding" means straw, sawdust, or sand.

9 (10) The secretary of state, upon request, may issue a special
10 registration valid for 3 or more months for a road tractor, truck,
11 or truck tractor owned by a farmer, if the motor vehicle is used
12 exclusively in connection with the farmer's farming operations or
13 for the transportation of the farmer and the farmer's family and
14 not used for hire. The fee for the registration is 1/10 of the tax
15 provided in section 801(1)(c) times the number of months for which
16 the special registration is requested and, in addition, a service
17 fee of \$10.00. The secretary of state shall not issue a special
18 registration for a motor vehicle for which the tax under section
19 801(1)(c) would be less than \$50.00.

20 (11) The secretary of state, upon request, may issue a
21 registration valid for 3 months or more for use on a vehicle with
22 an elected gross weight of 24,000 pounds or greater. The fee for
23 the registration shall be 1/12 of the tax provided in section
24 801(1)(k), times the number of months for which the special
25 registration is requested and, in addition, a service fee of
26 \$10.00.

27 (12) The secretary of state shall deposit the service fees

1 collected under subsections (1), (3), (4), (5), (6), (7), (8), (9),
2 (10), and (11) in the transportation administration collection fund
3 created in section 810b through October 1, 2019.

4 Enacting section 1. This amendatory act takes effect 90 days
5 after the date it is enacted into law.