

HOUSE BILL No. 5577

April 19, 2016, Introduced by Rep. Leutheuser and referred to the Committee on Regulatory Reform.

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 248, 248h, and 802 (MCL 257.248, 257.248h, and 257.802), 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. 248. (1) The secretary of state shall not grant a dealer
2 license under this section until **THE SECRETARY CONDUCTS** an
3 investigation ~~is made~~ of the applicant's qualifications under this
4 act, except that this subsection does not apply to license
5 ~~renewals.~~ **A LICENSE RENEWAL.** The secretary of state shall ~~make~~
6 **CONDUCT** the investigation within 15 days after receiving the
7 application and ~~make~~ **PREPARE** a report on the investigation.

1 (2) An applicant for a new vehicle dealer or a used or
2 secondhand vehicle dealer or broker license shall include a
3 properly executed bond or **A BOND** renewal certificate, **APPROVED BY**
4 **THE SECRETARY OF STATE**, with the **LICENSE** application. If a renewal
5 certificate is used, the bond is considered renewed for each
6 succeeding year in the same amount and with the same effect as an
7 original bond. The bond shall be in the ~~sum~~ **AMOUNT** of \$10,000.00.
8 ~~with good and sufficient surety to be approved by the secretary of~~
9 ~~state.~~The bond shall indemnify or reimburse a purchaser, seller,
10 lessee, financing agency, or governmental agency for monetary loss
11 caused through fraud, cheating, or misrepresentation in the conduct
12 of the vehicle business whether the fraud, cheating, or
13 misrepresentation was made by the dealer or by an employee, agent,
14 or salesperson of the dealer. The surety shall make indemnification
15 or reimbursement for a monetary loss only after **A** judgment based on
16 fraud, cheating, or misrepresentation ~~has been~~ **IS** entered in a
17 court of record against the licensee **OR A FINAL ORDER THAT THE**
18 **LICENSEE HAS ENGAGED IN FRAUD, CHEATING, OR MISREPRESENTATION IS**
19 **ISSUED BY THE SECRETARY OF STATE AFTER AN ADMINISTRATIVE HEARING.**
20 The bond shall also indemnify or reimburse the state for any sales
21 tax deficiency as provided in the general sales tax act, 1933 PA
22 167, MCL 205.51 to 205.78, or use tax deficiency as provided in the
23 use tax act, 1937 PA 94, MCL 205.91 to 205.111, for the year in
24 which the bond is in force. The surety shall make indemnification
25 or reimbursement only after **A** final judgment ~~has been~~ **IS** entered in
26 a court of record against the licensee **OR A FINAL ORDER IS ISSUED**
27 **BY THE SECRETARY OF STATE AFTER AN ADMINISTRATIVE HEARING.** A dealer

1 or applicant ~~who has furnished satisfactory proof~~ **THAT PROVIDES**
2 **PROOF THAT IS SATISFACTORY TO THE SECRETARY OF STATE** that a bond
3 similar to the bond required by this subsection is executed and in
4 force is exempt from the bond ~~provisions set forth in~~ **REQUIREMENTS**
5 **OF** this subsection. The aggregate liability of the surety shall not
6 exceed the sum of the bond. The surety on the bond may cancel the
7 bond ~~upon~~ **BY** giving ~~30 days'~~ notice in writing to the secretary of
8 state **OF THE CANCELLATION AT LEAST 30 DAYS BEFORE THE EFFECTIVE**
9 **DATE OF THE CANCELLATION** and ~~thereafter~~ is not liable for a breach
10 of condition occurring after the effective date of the
11 cancellation.

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

17 (4) As a condition precedent to the granting of a license, a
18 dealer shall file with the secretary of state an irrevocable
19 written stipulation, authenticated by the applicant, stipulating
20 and agreeing that legal process affecting the dealer, served on the
21 secretary of state or a deputy of the secretary of state, has the
22 same effect as if personally served on the dealer. This appointment
23 remains in force as long as the dealer has any outstanding
24 liability within this state.

25 (5) A person shall not carry on or conduct the business of
26 buying, selling, brokering, leasing, negotiating a lease, or
27 dealing in 5 or more vehicles of a type required to be titled under

1 this act in a 12-month period unless the person obtains a dealer
2 license from the secretary of state authorizing the carrying on or
3 conducting of that business. A person shall not carry on or conduct
4 the business of buying, selling, brokering, leasing, negotiating a
5 lease, or dealing in 5 or more distressed, late model vehicles or
6 salvageable parts to 5 or more of those vehicles in a 12-month
7 period unless the person obtains a used or secondhand vehicle parts
8 dealer, an automotive recycler, or a salvage pool license from the
9 secretary of state or is an insurance company admitted to conduct
10 business in this state. A person shall not carry on or conduct the
11 business of buying 5 or more vehicles in a 12-month period to
12 process into scrap metal or store or display 5 or more vehicles in
13 a 12-month period as an agent or escrow agent of an insurance
14 company unless the person obtains a dealer license from the
15 secretary of state. A vehicle scrap metal processor ~~who~~**THAT** does
16 not purchase vehicles or salvageable parts from unlicensed persons
17 is not required to obtain a dealer license. A person from another
18 state shall not purchase, sell, or otherwise deal in distressed,
19 late model vehicles or salvageable parts unless the person obtains
20 a foreign salvage vehicle dealer license from the secretary of
21 state ~~as prescribed~~ under section 248b. A person, including a
22 dealer, shall not purchase or acquire a distressed, late model
23 vehicle or a salvageable part through a salvage pool, auction, or
24 broker without a license as a salvage vehicle agent. The secretary
25 of state shall investigate and seek prosecution, if necessary, of
26 persons allegedly conducting a business without a license.

27 (6) The application for a dealer license shall be in the form

1 prescribed by the secretary of state and shall be signed by the
2 applicant. In addition to other information as may be required by
3 the secretary of state, the application shall include all of the
4 following:

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

6 (b) ~~Location~~ **THE LOCATION** of **THE** applicant's established place
7 of business in this state, together with written verification from
8 the appropriate governing or zoning authority that the established
9 place of business meets all applicable municipal and zoning
10 requirements.

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

13 (d) If the business is a corporation, the state of
14 incorporation.

15 (e) ~~Name,~~ **IF THE BUSINESS IS A SOLE PROPRIETORSHIP OR**
16 **PARTNERSHIP, THE NAME,** address, **AND** date of birth, ~~and social~~
17 ~~security number~~ of each owner or partner; ~~and,~~ **if THE BUSINESS IS** a
18 corporation, the name, address, **AND** date of birth, ~~and social~~
19 ~~security number~~ of each of the principal officers.

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

23 (g) If **THE DEALER'S BUSINESS IS THE SALE OF** new vehicles, ~~are~~
24 ~~to be sold,~~ the make ~~to be handled.~~ **OR MAKES OF THOSE VEHICLES.**

25 Each new vehicle dealer shall send with the application for license
26 a certification that the dealer holds a bona fide contract to act
27 as factory representative, factory distributor, or distributor

1 representative to sell at retail (the make of vehicle to
2 be sold) **AND THAT THE CONTRACT MEETS THE REQUIREMENTS FOR A DEALER**
3 **AGREEMENT UNDER 1981 PA 118, MCL 445.1561 TO 445.1583.**

4 (h) A statement of the previous history, record, and
5 associations of the applicant and of each owner, partner, officer,
6 ~~and~~**OR** director **OF THE APPLICANT**. The statement shall be sufficient
7 to establish to the satisfaction of the secretary of state the
8 business reputation and character of the applicant.

9 (i) A statement showing whether the applicant has previously
10 applied for a license, the result of the application, and whether
11 the applicant has ever been the holder of a dealer license that was
12 revoked or suspended.

13 (j) If the applicant is a corporation or partnership, a
14 statement showing whether a partner, employee, officer, or director
15 has been refused a license or has been the holder of a license that
16 was revoked or suspended.

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

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

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

25 (iii) Evidence of worker's compensation insurance coverage for
26 employees classified under the North American ~~industrial~~**INDUSTRY**
27 classification system number 42114, entitled "motor vehicle parts

1 (used) **MERCHANT** wholesalers" or under the ~~national council on~~
2 ~~compensation insurance~~ **NATIONAL COUNCIL ON COMPENSATION INSURANCE**
3 classification code number 3821, entitled "automobile dismantling",
4 ~~and drivers",~~ if applicable.

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

11 (M) **A CERTIFICATION THAT WITHIN THE 6-MONTH PERIOD PRECEDING**
12 **THE DATE OF THE APPLICATION, THE APPLICANT, THE PARTNERS OF THE**
13 **APPLICANT, OR THE PRINCIPAL OFFICERS OF THE APPLICANT, AS**
14 **APPLICABLE, COMPLETED THE DEALER TRAINING PROGRAM DESCRIBED IN**
15 **SUBSECTION (12). THIS SUBDIVISION DOES NOT APPLY TO AN APPLICATION**
16 **TO RENEW A LICENSE AND DOES NOT APPLY TO ANY NEW LICENSE THAT WAS**
17 **GRANTED BEFORE, AND IS VALID ON, THE EFFECTIVE DATE OF THE**
18 **AMENDATORY ACT THAT ADDED THIS SUBDIVISION.**

19 (7) A person shall apply separately for a dealer license for
20 each county in which business is to be conducted. Before moving 1
21 or more of his or her places of business or opening an additional
22 place of business, a dealer shall apply to the secretary of state
23 for and obtain a supplemental dealer license. ~~, for which a fee~~
24 ~~shall not be charged.~~ **A THE SECRETARY OF STATE SHALL NOT CHARGE A**
25 **FEE FOR A** supplemental dealer license **AND shall be issued** **ISSUE A**
26 **SUPPLEMENTAL DEALER LICENSE** only for a location, including a tent,
27 temporary stand, or any temporary quarters, that does not meet the

1 definition of an established place of business, within the county
2 in which the dealer's established place of business is located. A
3 dealer license entitles the dealer to conduct the business of
4 buying, selling, leasing, and dealing in vehicles or salvageable
5 parts in the county covered by the license. The dealer license
6 shall also entitle the dealer to conduct at any other licensed
7 dealer's established place of business in this state only the
8 business of buying, selling, leasing, or dealing in vehicles at
9 wholesale.

10 (8) The secretary of state shall classify and differentiate
11 vehicle dealers according to the type of activity they perform. A
12 dealer shall not engage in activities of a particular
13 classification as provided in this act unless the dealer is
14 licensed in that classification. An applicant may apply for a
15 dealer license in 1 or more of the following classifications:

16 (a) New vehicle dealer.

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

20 (c) Used or secondhand vehicle parts dealer.

21 (d) Vehicle scrap metal processor.

22 (e) Vehicle salvage pool operator.

23 (f) Distressed vehicle transporter.

24 (g) Broker.

25 (h) Foreign salvage vehicle dealer.

26 (i) Automotive recycler.

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

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

3 (A) A dealer license expires on December 31 of the last year
4 for which the license is issued.

5 (B) The secretary of state may renew a dealer license for a
6 period of not more than 4 years ~~upon~~ **IF THE SECRETARY RECEIVES A**
7 **RENEWAL** application and payment of the fee required ~~by~~ **UNDER**
8 section 807.

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

12 (D) **A DEALER SHALL RENEW ITS DEALER LICENSE ANNUALLY. TO RENEW**
13 **A DEALER LICENSE, THE DEALER SHALL FILE AN APPLICATION FOR RENEWAL**
14 **WITH THE SECRETARY OF STATE AT LEAST 30 DAYS BEFORE THE EXPIRATION**
15 **OF ITS CURRENT LICENSE.**

16 (E) **IF A DEALER HAS NOT RENEWED ITS DEALER LICENSE ON OR**
17 **BEFORE THE EXPIRATION DATE OF ITS CURRENT LICENSE, THE SECRETARY OF**
18 **STATE WITHIN 10 BUSINESS DAYS AFTER THAT EXPIRATION DATE MUST**
19 **NOTIFY THE DEALER THAT THE SECRETARY OF STATE HAS NOT RECEIVED ITS**
20 **RENEWAL APPLICATION. THE NOTICE SHALL INCLUDE THE AMOUNT OF THE**
21 **LATE RENEWAL FEE.**

22 (F) **A DEALER MAY CONTINUE TO OPERATE ITS DEALER BUSINESS AFTER**
23 **THE EXPIRATION OF ITS DEALER LICENSE, PENDING APPROVAL OF THE**
24 **RENEWAL APPLICATION, IF THE RENEWAL APPLICATION IS DELIVERED IN**
25 **PERSON OR MAILED TO THE SECRETARY OF STATE ON OR BEFORE THE**
26 **EXPIRATION DATE OF THE LICENSE. IF REQUESTED BY THE DEPARTMENT, A**
27 **DEALER THAT MAILES AN APPLICATION UNDER THIS SUBDIVISION MUST**

1 PROVIDE PROOF OF MAILING OF THE RENEWAL APPLICATION THAT IS
2 SATISFACTORY TO THE DEPARTMENT.

3 (G) IF AN APPLICATION TO RENEW A DEALER LICENSE IS FILED WITH
4 THE SECRETARY OF STATE AFTER THE EXPIRATION OF THAT LICENSE, THE
5 DEALER MAY OPERATE ITS DEALER BUSINESS BEGINNING ON THE DATE ON
6 WHICH THE SECRETARY OF STATE RECEIVES THE APPLICATION, PENDING
7 APPROVAL OF THE RENEWAL APPLICATION. A DEALER SHALL PAY A RENEWAL
8 FEE EQUAL TO 150% OF THE NORMAL RENEWAL FEE FOR A RENEWAL DESCRIBED
9 IN THIS SUBDIVISION.

10 (H) IF A DEALER FILES AN APPLICATION TO RENEW A DEALER LICENSE
11 MORE THAN 30 DAYS AFTER THE EXPIRATION OF THAT LICENSE, THE DEALER
12 IS CONSIDERED A NEW APPLICANT FOR A DEALER LICENSE UNDER THIS
13 SECTION.

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

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

22 (a) The dealer is licensed as a new vehicle dealer or used or
23 secondhand vehicle dealer.

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

26 (c) Not less than 14 days before the beginning date of the
27 recreational vehicle show, the show producer notifies the secretary

1 of state, in a manner and form prescribed by the secretary of
2 state, that the recreational vehicle show is scheduled, the
3 location, dates, and times of the recreational vehicle show, and
4 the name, address, and dealer license number of each dealer
5 participating in the recreational vehicle show.

6 (11) THE SECRETARY OF STATE SHALL ESTABLISH EACH OF THE
7 FOLLOWING DEALER TRAINING PROGRAMS:

8 (A) A PRELICENSURE DEALER TRAINING PROGRAM THAT MEETS ALL OF
9 THE FOLLOWING:

10 (i) IS CONDUCTED BY THE DEPARTMENT OR ANOTHER PERSON
11 DESIGNATED BY THE SECRETARY OF STATE AND IS OFFERED AT LEAST 2
12 TIMES EACH CALENDAR QUARTER. IF APPROVED BY THE DEPARTMENT, THE
13 TRAINING PROGRAM MAY BE CONDUCTED ONLINE OR BY OTHER ELECTRONIC
14 MEANS.

15 (ii) IS AVAILABLE TO ANY INDIVIDUAL WHO IS AN APPLICANT FOR A
16 DEALER LICENSE OR IS A PARTNER OR OFFICER OF AN APPLICANT FOR A
17 DEALER LICENSE.

18 (iii) INCLUDES TRAINING RELATED TO THIS ACT AND ANY OTHER
19 SUBJECT MATTER SELECTED BY THE SECRETARY OF STATE.

20 (B) A TRAINING PROGRAM FOR LICENSED DEALERS THAT MEETS ALL OF
21 THE FOLLOWING:

22 (i) IS CONDUCTED BY THE DEPARTMENT OR ANOTHER PERSON
23 DESIGNATED BY THE SECRETARY OF STATE AND IS OFFERED AT LEAST 2
24 TIMES EACH CALENDAR QUARTER. IF APPROVED BY THE DEPARTMENT, THE
25 TRAINING PROGRAM MAY BE CONDUCTED ONLINE OR BY OTHER ELECTRONIC
26 MEANS.

27 (ii) IS AVAILABLE TO ANY INDIVIDUAL WHO IS A LICENSED DEALER,

1 IS A PARTNER OR OFFICER OF A LICENSED DEALER, OR IS AN EMPLOYEE WHO
2 IS RESPONSIBLE FOR PREPARING TITLE DOCUMENTS FOR A LICENSED DEALER.

3 (iii) INCLUDES TRAINING IN TRANSFERRING VEHICLE TITLES,
4 DOCUMENTATION OF TITLE TRANSFERS, RECORD KEEPING, AND ANY OTHER
5 SUBJECT MATTER SELECTED BY THE SECRETARY OF STATE.

6 (12) IN THE 6-MONTH PERIOD PRECEDING THE DATE OF THE
7 APPLICATION FOR AN INITIAL DEALER LICENSE, EACH INDIVIDUAL WHO IS
8 THE APPLICANT, EACH PARTNER OF THE APPLICANT, OR EACH OFFICER OF
9 THE APPLICANT, AS APPLICABLE, FOR THE INITIAL DEALER LICENSE SHALL
10 COMPLETE THE DEALER TRAINING PROGRAM DESCRIBED IN SUBSECTION
11 (11) (A). THIS SUBSECTION DOES NOT APPLY TO EITHER OF THE FOLLOWING:

12 (A) AN APPLICANT OR APPLICATION FOR THE RENEWAL OF A DEALER
13 LICENSE.

14 (B) THE HOLDER OF AN INITIAL DEALER LICENSE THAT WAS GRANTED
15 BEFORE, AND IS VALID ON, THE EFFECTIVE DATE OF THE AMENDATORY ACT
16 THAT ADDED THIS SUBSECTION.

17 (13) IN THE 6-MONTH PERIOD FOLLOWING THE ISSUANCE OF AN
18 INITIAL OR RENEWAL DEALER LICENSE, THE LICENSED DEALER SHALL ENSURE
19 THAT AN EMPLOYEE OF THE DEALER WHO IS RESPONSIBLE FOR PREPARING
20 TITLE DOCUMENTS FOR THE DEALER COMPLETES THE DEALER TRAINING
21 PROGRAM DESCRIBED IN SUBSECTION (11) (B) AND SHALL PROVIDE THE
22 DEPARTMENT WITH THE NAME OF THE EMPLOYEE DESIGNATED BY THE DEALER
23 TO COMPLETE THAT TRAINING PROGRAM. IF THE DEALER DOES NOT DESIGNATE
24 AN EMPLOYEE UNDER THIS SUBSECTION, OR IF A DESIGNATED EMPLOYEE DOES
25 NOT COMPLETE THE TRAINING WITHIN THE 6-MONTH TIME PERIOD, THE
26 LICENSEE, IF THE LICENSEE IS AN INDIVIDUAL, EACH INDIVIDUAL WHO IS
27 A PARTNER OF THE LICENSEE, OR EACH OFFICER OF THE LICENSEE, AS

1 APPLICABLE, MUST COMPLETE THE DEALER TRAINING PROGRAM DESCRIBED IN
 2 SUBSECTION (11) (B) IN THAT 6-MONTH PERIOD. THIS SUBSECTION DOES NOT
 3 APPLY TO THE HOLDER OF AN INITIAL OR RENEWAL DEALER LICENSE THAT
 4 WAS GRANTED BEFORE, AND IS VALID ON, THE EFFECTIVE DATE OF THE
 5 AMENDATORY ACT THAT ADDED THIS SUBSECTION DURING THE TERM OF THAT
 6 LICENSE.

7 Sec. 248h. (1) A person ~~who has engaged in conduct prohibited~~
 8 ~~by~~ **THAT ENGAGES IN CONDUCT THAT IS PROHIBITED UNDER** subsection (2)
 9 is subject to 1 or more of the following penalties:

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

15 ~~—— (e) Condition of probation.~~

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

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

19 (2) The secretary of state may deny the application of a
 20 dealer after an appropriate hearing for the licensing of an
 21 individual as a salvage vehicle agent and refuse to issue or renew
 22 the license of an agent, or may suspend or revoke an agent's
 23 license **THAT IS** already issued, if the secretary of state finds
 24 that the dealer, applicant agent, or licensed agent has done 1 or
 25 more of the following:

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

1 (b) Violated this chapter or a rule promulgated under this
2 chapter, or assisted others in the violation of this chapter or a
3 rule promulgated under this chapter.

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

8 (d) Committed a fraudulent act in connection with purchasing
9 or acquiring or otherwise dealing in vehicles of a type required to
10 be registered under this act or in salvage or scrap vehicles or in
11 vehicle parts.

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

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

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

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

21 (i) Acted as a dealer's agent by purchasing, acquiring,
22 selling, or disposing of a vehicle while employed by a licensed
23 dealer without reporting the purchase, acquisition, sale, or
24 disposing of the vehicle to the dealer.

25 (j) Served in a managerial capacity for a dealer during the
26 time another agent or employee of that dealer, acting under the
27 direction and control of the dealer or licensed agent, committed a

1 violation of this chapter or of a rule promulgated under this
2 chapter or of a similar law in another state or jurisdiction.

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

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

6 (m) Accepted a commission, bonus, or other valuable
7 consideration for the sale of a vehicle from a person other than
8 the dealer under ~~whom~~ **WHICH** the agent is licensed.

9 (n) Possessed a vehicle or a vehicle part that has been
10 confiscated under section 415 of the Michigan penal code, ~~Act No.~~
11 ~~328 of the Public Acts of 1931, being section 750.415 of the~~
12 ~~Michigan Compiled Laws, 1931 PA 328, MCL 750.413,~~ or of a similar
13 law in another state or jurisdiction.

14 (3) ~~Upon receipt of the~~ **IF THE SECRETARY OF STATE RECEIVES AN**
15 ~~appropriate abstract of conviction, and without an opportunity for~~
16 ~~a hearing,~~ the secretary of state shall, **WITHOUT PROVIDING AN**
17 **OPPORTUNITY FOR A HEARING,** deny the application of a person for a
18 license as a salvage vehicle agent or immediately revoke the
19 license of a person as a salvage vehicle agent for not less than 5
20 years after the date of the person's last conviction if the
21 applicant or licensee, or a stockholder, officer, director, or
22 partner of the applicant or licensee, ~~has been~~ **IS** convicted of a
23 violation or attempted violation of section 254 of this act or of
24 section 413, 414, 415, 535, or 535a of the Michigan penal code, ~~Act~~
25 ~~No. 328 of the Public Acts of 1931, being sections 750.413,~~
26 ~~750.414, 750.415, 750.535, and 750.535a of the Michigan Compiled~~
27 ~~Laws,~~ **1931 PA 328, MCL 750.413, 750.414, 750.415, 750.535, AND**

1 750.535A, or ~~has been~~ **IS** convicted in federal court or in another
 2 state of a violation or attempted violation of a law substantially
 3 corresponding to section 254 of this act or of ~~section 413, 414,~~
 4 ~~415, 535, or 535a of Act No. 328 of the Public Acts of 1931.~~ **THOSE**
 5 **SECTIONS OF THE MICHIGAN PENAL CODE.**

6 (4) ~~Upon receipt of the~~ **IF THE SECRETARY OF STATE RECEIVES AN**
 7 appropriate abstract of conviction from the court, ~~and without an~~
 8 ~~opportunity for a hearing,~~ the secretary of state, **WITHOUT**
 9 **PROVIDING AN OPPORTUNITY FOR A HEARING,** shall deny the application
 10 of a person for a license as a salvage vehicle agent or immediately
 11 revoke the license of a person as a salvage vehicle agent and shall
 12 never issue the person a salvage vehicle agent license if the
 13 applicant or licensee has any combination of 2 or more convictions
 14 of a violation or attempted violation of section 254 of this act or
 15 of section 413, 414, 415, 535, or 535a of ~~Act No. 328 of the Public~~
 16 ~~Acts of 1931, being sections 750.413, 750.414, 750.415, 750.535,~~
 17 ~~and 750.535a of the Michigan Compiled Laws,~~ **THE MICHIGAN PENAL**
 18 **CODE, 1931 PA 328, MCL 750.413, 750.414, 750.415, 750.535, AND**
 19 **750.535A,** or ~~has been~~ **IS** convicted in federal court or in another
 20 state of a violation or attempted violation of a law substantially
 21 corresponding to section 254 of this act or of ~~section 413, 414,~~
 22 ~~415, or 535a of Act No. 328 of the Public Acts of 1931.~~ **THOSE**
 23 **SECTIONS OF THE MICHIGAN PENAL CODE.**

24 **SEC. 248K. (1) THE SECRETARY OF STATE MAY CREATE A MOBILITY**
 25 **DEALER ENDORSEMENT FOR THE PURPOSES OF THIS ACT. ALL OF THE**
 26 **FOLLOWING APPLY IF THE SECRETARY OF STATE CREATES A MOBILITY DEALER**
 27 **ENDORSEMENT UNDER THIS SECTION:**

1 (A) ONLY A LICENSED USED OR SECONDHAND VEHICLE DEALER IS
2 ELIGIBLE FOR A MOBILITY DEALER ENDORSEMENT.

3 (B) THE SECRETARY OF STATE SHALL PRESCRIBE THE FORM AND
4 CONTENT OF AN APPLICATION FOR A MOBILITY DEALER ENDORSEMENT AND THE
5 APPLICATION SHALL REQUIRE THE SIGNATURE OF THE APPLICANT.

6 (C) A MOBILITY DEALER IS NOT PROHIBITED FROM ALSO OBTAINING A
7 BROKER LICENSE, IF THAT BROKER LICENSE IS ISSUED FOR THE SOLE
8 PURPOSE OF BROKERING NEW VEHICLES THAT ARE MODIFIED BY THE ADDITION
9 OF PERMANENTLY AFFIXED AMBULATORY ASSISTANCE DEVICES.

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

12 (A) DISPLAY, HOLD IN INVENTORY, DEMONSTRATE, SOLICIT THE SALE
13 OF, OR OFFER FOR SALE A MOBILITY VEHICLE, REGARDLESS OF THE CHASSIS
14 MAKE OF THE MOBILITY VEHICLE.

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

19 (C) SELL AND INSTALL MOBILITY EQUIPMENT AND ACCESSORIES AND
20 OTHER GOODS AND SERVICES TO MEET THE PARTICULAR NEEDS OF DISABLED
21 DRIVERS AND PASSENGERS.

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

24 (i) EXCEPT AS PROVIDED IN SUBPARAGRAPH (ii), A MOBILITY DEALER
25 SHALL NOT PERFORM REPAIRS ON MOBILITY VEHICLES OR OTHER MOTOR
26 VEHICLES WITHOUT A LICENSE AS A REPAIR FACILITY UNDER THE MOTOR
27 VEHICLE SERVICE AND REPAIR ACT, 1974 PA 300, MCL 257.1301 TO

1 257.1340.

2 (ii) A MOBILITY DEALER MAY PERFORM REPAIRS ON PARTS THAT ARE
3 UNIQUE TO A MOBILITY VEHICLE, DO NOT ALTER THE OPERATING CONDITION
4 OF A MOBILITY VEHICLE, AND WERE NOT PART OF THE ORIGINAL
5 MANUFACTURED MOTOR VEHICLE WITHOUT A LICENSE AS A REPAIR FACILITY
6 UNDER THE MOTOR VEHICLE SERVICE AND REPAIR ACT, 1974 PA 300, MCL
7 257.1301 TO 257.1340.

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

9 (A) REPRESENT THAT IS ENGAGED IN THE SALE OF NEW MOTOR
10 VEHICLES.

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

13 (C) SELL OR OFFER TO SELL AN ADAPTED VEHICLE THAT DOES NOT
14 HAVE PROOF THAT IT HAS BEEN ADAPTED OR MODIFIED IN COMPLIANCE WITH
15 49 CFR PART 568 OR 49 CFR PART 595.

16 (4) AS USED IN THIS SECTION:

17 (A) "MOBILITY DEALER" MEANS A USED OR SECONDHAND VEHICLE
18 DEALER THAT HOLDS AN ENDORSEMENT AS A MOBILITY DEALER FROM THE
19 DEPARTMENT UNDER THIS SECTION.

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

25 (C) "MOBILITY VEHICLE" MEANS A MOTOR VEHICLE THAT IS SPECIALLY
26 DESIGNED AND EQUIPPED TO TRANSPORT AN INDIVIDUAL WITH A DISABILITY,
27 IN COMPLIANCE WITH 49 CFR PART 568 OR 49 CFR PART 595, AND THAT

1 MEETS ALL OF THE FOLLOWING:

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

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

5 (A) AN ELECTRONIC OR MECHANICAL WHEELCHAIR, SCOOTER, OR
6 PLATFORM LIFT THAT ENABLES AN INDIVIDUAL TO ENTER OR EXIT THE
7 VEHICLE WHILE OCCUPYING A WHEELCHAIR OR SCOOTER.

8 (B) AN ELECTRONIC OR MECHANICAL WHEELCHAIR RAMP.

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

13 SEC. 250A. AS AN ALTERNATIVE OR IN ADDITION TO ADMINISTRATIVE
14 ACTION UNDER SECTION 248H(2) FOR A VIOLATION OR ALLEGED VIOLATION
15 OF SECTION 248H(1), SECTION 249 FOR A VIOLATION OR ALLEGED
16 VIOLATION OF SECTION 249, SECTION 249A(1) FOR A VIOLATION OR
17 ALLEGED VIOLATION OF SECTION 249A(1), OR SECTION 249A(2) FOR A
18 VIOLATION OR ALLEGED VIOLATION OF SECTION 249A(2), THE SECRETARY OF
19 STATE MAY, BY WRITTEN AGREEMENT WITH A PERSON THAT HOLDS THE
20 LICENSE DESCRIBED IN THAT SECTION, PLACE THAT LICENSE ON PROBATION
21 AND INCLUDE CONDITIONS OF PROBATION IN THE AGREEMENT.

22 SEC. 250B. (1) IF THE SECRETARY OF STATE DETERMINES AFTER
23 NOTICE AND OPPORTUNITY FOR A HEARING THAT A PERSON HAS VIOLATED
24 THIS CHAPTER, THE SECRETARY OF STATE MAY ISSUE AN ORDER REQUIRING
25 THE PERSON TO CEASE AND DESIST FROM THE VIOLATION OR TO TAKE AN
26 AFFIRMATIVE ACTION THAT IN THE JUDGMENT OF THE SECRETARY OF STATE
27 WOULD CARRY OUT THE PURPOSES OF THIS ACT, INCLUDING, BUT NOT

1 LIMITED TO, PAYMENT OF RESTITUTION TO A CUSTOMER.

2 (2) IF THE SECRETARY OF STATE MAKES A FINDING OF FACT IN
3 WRITING THAT THE PUBLIC INTEREST WILL BE IRREPARABLY HARMED BY A
4 DELAY IN ISSUING AN ORDER, THE SECRETARY OF STATE MAY ISSUE A
5 TEMPORARY CEASE AND DESIST ORDER. BEFORE ISSUING A TEMPORARY CEASE
6 AND DESIST ORDER, THE SECRETARY OF STATE, WHEN POSSIBLE, BY
7 TELEPHONE OR OTHERWISE, SHALL NOTIFY THE PERSON THAT VIOLATED THIS
8 CHAPTER OF THE SECRETARY OF STATE'S INTENTION TO ISSUE A TEMPORARY
9 CEASE AND DESIST ORDER. A TEMPORARY CEASE AND DESIST ORDER SHALL
10 INCLUDE IN ITS TERMS A PROVISION THAT STATES THAT THE SECRETARY OF
11 STATE SHALL ON REQUEST HOLD A HEARING WITHIN 30 DAYS TO DETERMINE
12 WHETHER OR NOT THE ORDER SHALL BECOME PERMANENT.

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

21 Sec. 802. (1) For a special registration issued under section
22 226(8), the registrant shall pay 1/2 the tax imposed under section
23 801 and a service fee of \$10.00.

24 (2) For all commercial vehicles registered after August 31 for
25 the period expiring the last day of February, the secretary of
26 state shall collect a tax of 1/2 the rate otherwise imposed under
27 this act. This subsection does not apply to vehicles registered by

1 manufacturers or dealers under sections 244 to 247.

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

4 (4) For temporary registration plates or markers under section
5 226a(1), the secretary of state shall collect a service fee of
6 ~~\$5.00 for each group of 5 of these~~ **IN AN AMOUNT DETERMINED BY THE**
7 **SECRETARY OF STATE TO REFLECT THE ACTUAL COST OF ADMINISTERING THE**
8 temporary registration plates ~~or~~ **AND** markers **PROGRAM**.

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

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

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

17 (6) For registration plates as provided for in section
18 226a(5), (6), and (7), the secretary of state shall collect a
19 service fee of \$40.00 for 2 registration plates and \$20.00 for each
20 additional registration plate.

21 (7) For special registrations issued for special mobile
22 equipment as provided in section 216(d), the secretary of state
23 shall collect a service fee of \$15.00 each for the first 3 special
24 registrations, and \$5.00 for each special registration issued in
25 excess of the first 3.

26 (8) The secretary of state, upon request, may issue a
27 registration valid for 3 months for use on a vehicle with an

1 elected gross weight of 24,000 pounds or greater on the payment of
2 1/4 the tax provided in section 801(1)(k) and a service fee of
3 \$10.00.

4 (9) Upon application to the secretary of state, an owner of a
5 truck, truck tractor, or road tractor that is used exclusively for
6 the purpose of gratuitously transporting farm crops or livestock
7 bedding between the field where produced and the place of storage,
8 feed from on-farm storage to an on-farm feeding site, or
9 fertilizer, seed, or spray material from the farm location to the
10 field may obtain a special registration. The service fee for each
11 special registration issued under this subsection is \$20.00. The
12 special registration is valid for a period of up to 12 months and
13 expires on December 31. As used in this subsection:

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

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

16 (10) The secretary of state, upon request, may issue a special
17 registration valid for 3 or more months for a road tractor, truck,
18 or truck tractor owned by a farmer, if the motor vehicle is used
19 exclusively in connection with the farmer's farming operations or
20 for the transportation of the farmer and the farmer's family and
21 not used for hire. The fee for the registration is 1/10 of the tax
22 provided in section 801(1)(c) times the number of months for which
23 the special registration is requested and, in addition, a service
24 fee of \$10.00. The secretary of state shall not issue a special
25 registration for a motor vehicle for which the tax under section
26 801(1)(c) would be less than \$50.00.

27 (11) The secretary of state, upon request, may issue a

1 registration valid for 3 months or more for use on a vehicle with
2 an elected gross weight of 24,000 pounds or greater. The fee for
3 the registration shall be 1/12 of the tax provided in section
4 801(1)(k), times the number of months for which the special
5 registration is requested and, in addition, a service fee of
6 \$10.00.

7 (12) The secretary of state shall deposit the service fees
8 collected under subsections (1), (3), (4), (5), (6), (7), (8), (9),
9 (10), and (11) in the transportation administration collection fund
10 created in section 810b through October 1, 2019.

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