

SENATE BILL No. 331

May 14, 2015, Introduced by Senators JONES, MARLEAU and HOOD and referred to the Committee on Regulatory Reform.

A bill to amend 1986 PA 119, entitled

"An act to regulate the business of buying or receiving used motor vehicle parts; to prescribe the powers and duties of certain state and local officers; and to provide penalties,"

by amending sections 1, 2, and 4 (MCL 257.1351, 257.1352, and 257.1354), and by adding section 2a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. As used in this act:

2 (a) "Agent" means ~~a person~~ **AN INDIVIDUAL** who, for compensation
3 or valuable consideration, is employed either directly or
4 indirectly by a dealer.

5 (b) "Dealer" means any person ~~, corporation, partnership, or~~
6 ~~association, which, in whole or in part,~~ **THAT** engages in the
7 ordinary course of repeated and recurrent transactions of buying or
8 receiving used motor vehicle parts from persons other than a
9 licensee. ~~A dealer shall include~~ **THE TERM INCLUDES** any motor

1 vehicle repair facility ~~which~~ **THAT** engages in repeated and
 2 recurrent transactions of buying or receiving used motor vehicle
 3 parts from persons other than a licensee. Dealer ~~THE TERM~~ does not
 4 include a scrap metal processor ~~who~~ **THAT** buys or otherwise acquires
 5 motor vehicles or motor vehicle component parts for the purpose of
 6 processing or selling the metal for remelting.

7 (c) "Late model vehicle" means a motor vehicle manufactured in
 8 the current model year or the 5 model years immediately preceding
 9 the current model year.

10 (d) "Local police agency" means the police agency of ~~the~~ **A**
 11 city, village, or township, or if none, the county sheriff.

12 (e) "Major component part" means ~~+~~ **ANY** of the following
 13 subassemblies of a motor vehicle regardless of its actual market
 14 value: front end assembly, including fenders, grills, hood, bumper,
 15 and related parts; engine; transmission; T-tops; rear clip
 16 assembly, including quarter panels and floor panel assembly; **OR**
 17 doors. ~~; tires, tire wheels, and continuous treads.~~

18 (f) "Motor vehicle" means a motor vehicle as defined in
 19 section 33 of the Michigan vehicle code, ~~Act No. 300 of the Public~~
 20 ~~Acts of 1949, being section 257.33 of the Michigan Compiled~~
 21 ~~Laws. 1949 PA 300, MCL 257.33.~~

22 (g) "Motor vehicle repair facility" means a place of business
 23 which engages in the business of performing or employing persons
 24 who perform maintenance, diagnosis, or repair service on a motor
 25 vehicle for compensation.

26 (h) "Licensee" means a person ~~, partnership, corporation, or~~
 27 ~~association~~ **THAT IS** licensed under section 248 of the Michigan

1 vehicle code, ~~Act No. 300 of the Public Acts of 1949, being section~~
2 ~~257.248 of the Michigan Compiled Laws, 1949 PA 300, MCL 257.248,~~ or
3 similarly licensed in another state.

4 (I) "PERSON" MEANS AN INDIVIDUAL, CORPORATION, LIMITED
5 LIABILITY COMPANY, PARTNERSHIP, ASSOCIATION, OR OTHER LEGAL ENTITY.

6 (J) ~~(i)~~—"Used motor vehicle part" means any **OF THE FOLLOWING:**

7 (i) **A** major component part, dashboard, radio, stereo, or seat
8 of a late model motor vehicle for which a certificate of title and
9 registration plate have been issued to a consumer or dealer.

10 (ii) **A MOTOR VEHICLE TIRE, TIRE WHEEL OR RIM, OR CONTINUOUS**
11 **TIRE TREAD.**

12 Sec. 2. (1) A dealer shall maintain a permanent record of each
13 transaction concerning the buying or receiving of any used motor
14 vehicle part from a person other than a licensee, on **A** record of
15 transaction ~~forms provided for~~ **FORM PRESCRIBED** in subsection (5),
16 legibly written in ink in the English language. Each record of
17 transaction form shall be filled out in duplicate by the dealer or
18 agent with 1 copy ~~going~~ **GIVEN** to the customer, ~~and 1 copy to be~~
19 retained by the dealer. At the time a dealer receives or purchases
20 a used motor vehicle part from a person other than a licensee, the
21 dealer or agent shall accurately record all of the following
22 information on a record of transaction form:

23 (a) A general description of the used motor vehicle part
24 received or purchased.

25 (b) The vehicle identification number of the vehicle the used
26 motor vehicle part came from.

27 (c) The state of origin of the used motor vehicle part.

1 (d) The date of the transaction.

2 (e) The name of the ~~person~~**INDIVIDUAL WHO IS** conducting the
3 transaction ~~for~~**ON BEHALF OF** the dealer.

4 (f) The name, date of birth, driver's license number or state
5 of Michigan personal identification card number, and street and
6 house number of the ~~person~~**INDIVIDUAL** with whom the transaction is
7 being made, together with a legible imprint of the right thumb of
8 the ~~person~~**INDIVIDUAL** with whom the transaction is made, or if that
9 is not possible, then the left thumb or a finger of that ~~person~~
10 **INDIVIDUAL**. However, the thumbprint or fingerprint ~~shall~~**IS** only be
11 required on the record of transaction form retained by the dealer.
12 The **DEALER SHALL MAKE A** thumbprint or fingerprint ~~shall be made~~
13 available to the local police agency or the department of state
14 police only during the course of a police investigation involving a
15 used motor vehicle part described on the record of transaction.
16 This ~~paragraph shall~~**SUBDIVISION DOES** not apply to a transaction
17 involving an insurance company that has acquired ownership of a
18 late model vehicle by the payment of damages due to an accident and
19 a dealer that buys the vehicle from the insurance company for
20 salvage.

21 (g) The price paid or to be paid by the dealer for the used
22 motor vehicle part.

23 (h) ~~The~~**SUBJECT TO SECTION 2A, THE** form of payment made to the
24 customer. The dealer shall indicate the number of a check, money
25 order, or bank draft **AND THE TRANSACTION NUMBER OF ANY DIRECT**
26 **DEPOSIT OR ELECTRONIC TRANSFER TO THE CUSTOMER'S ACCOUNT AT A**
27 **FINANCIAL INSTITUTION.**

1 (i) The signature of the ~~person~~ **INDIVIDUAL** with whom the
2 transaction is made.

3 (2) ~~The~~ **A DEALER SHALL NUMBER THE** record of each transaction
4 ~~shall be numbered~~ consecutively, commencing with the number 1 and
5 the calendar year.

6 (3) The record of transaction forms of a dealer and each used
7 motor vehicle part received by a dealer as the result of a
8 transaction ~~shall be~~ **ARE** open to an inspection by the local police
9 agency and the Michigan state police at all times during the
10 ordinary business hours of the dealer. As a condition of doing
11 business, a dealer ~~shall be~~ **IS** considered to have given consent to
12 the inspection ~~prescribed by~~ **DESCRIBED IN** this subsection. The
13 record of transaction forms of a dealer ~~shall~~ **ARE** not ~~be~~ open to
14 inspection by the general public.

15 (4) ~~Each~~ **A DEALER SHALL RETAIN EACH** record of a transaction
16 ~~shall be retained by the dealer for not less than~~ **AT LEAST** 1 year
17 after the transaction to which the record pertains. A dealer ~~who~~
18 **THAT** goes out of business or changes ~~his or her~~ **THE DEALER'S**
19 business address to another local jurisdiction either within or out
20 of this state shall transmit to the local police agency the records
21 of all transactions made by the dealer ~~not more than 1 year before~~
22 ~~his or her closing or moving.~~ **IN THE 1-YEAR PERIOD BEFORE THE**
23 **DEALER CLOSES OR MOVES.** After a period of 1 year from the date of
24 the transaction, if a police investigation concerning a used motor
25 vehicle part described on the record of transaction has not
26 occurred, the dealer and local police agency shall destroy, and not
27 keep a permanent record of, the records of the transaction.

1 (5) The form of the record of transaction shall be 8-1/2 by 11
2 inches in size and shall be as follows:

3 "Record of Transaction

4
5 # _____
6 (Transaction number printed
7 on the form)

8
9 (1) Description of Property _____
10 _____
11 _____
12 _____
13 _____

14 (2) _____ (3) _____
15 (Vehicle Identification Number) (State of Origin)

16 (4) _____, 19 ____ (5) _____
17 (Date) (Name of Dealer/Employee)

18 (6) _____, _____, 19 ____
19 (Name of Customer) (Date of Birth)

20 _____,
21 (Driver's License No./ (Street Address)
22 Mich. Personal ID Number)
23 _____ (City & State) (Zip)

24 (7) _____
25 (Price Paid)

26 (8) _____
27 (Check no., bank draft

1 no., money order no.,
2 TRANSACTION NO., or cash)

3
4
5
6
7

Thumbprint _____"
(Signature of Customer)

8 SEC. 2A. IN A TRANSACTION CONCERNING THE BUYING OR RECEIVING
9 OF ANY USED MOTOR VEHICLE TIRES, TIRE WHEELS OR RIMS, OR CONTINUOUS
10 TIRE TREAD, THE ONLY METHODS OF PAYMENT A DEALER MAY USE TO PAY A
11 CUSTOMER ARE A CHECK, A MONEY ORDER, A BANK DRAFT, OR A DIRECT
12 DEPOSIT OR ELECTRONIC TRANSFER TO THE CUSTOMER'S ACCOUNT AT A
13 FINANCIAL INSTITUTION.

14 Sec. 4. (1) A dealer ~~who~~**THAT** knowingly violates section 2(3),
15 (4), or (5) **OR SECTION 2A** is guilty of a misdemeanor, punishable by
16 imprisonment for not more than 1 year, or a fine of \$1,000.00, or
17 both.

18 (2) A dealer ~~who~~**THAT** knowingly violates section 2(3), (4), or
19 (5) **OR SECTION 2A** a second or subsequent time is guilty of a
20 felony, punishable by imprisonment for not more than 2 years, or a
21 fine of \$5,000.00, or both.

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