

SENATE BILL NO. 659

December 03, 2019, Introduced by Senator MACGREGOR and referred to the Committee on Regulatory Reform.

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending section 248~~l~~ (MCL 257.248~~l~~), as added by 2018 PA 420.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 248~~l~~. (1) The secretary of state shall establish each of
2 the following dealer training programs for eligible used vehicle
3 dealers:

4 (a) A prelicensure dealer training program that meets all of

1 the following:

2 ~~(i) Is conducted by the department, or a qualified trade~~
3 ~~organization approved by the department, and is offered at least 2~~
4 ~~times each calendar quarter. If approved by the department, the~~
5 ~~training program may be conducted online or by other electronic~~
6 ~~means.~~

7 (i) ~~(ii)~~ Is available to any individual who is an eligible used
8 vehicle dealer ~~who is~~ applying for an original dealer license or is
9 a partner or officer of an eligible used vehicle dealer ~~that is~~
10 applying for an original dealer license.

11 (ii) ~~(iii)~~ Includes training related to this act and any other
12 subject matter approved by the secretary of state, such as consumer
13 protection and sales and use tax collection. The department may
14 consult with ~~any~~ other departments to evaluate and ~~approve~~ **develop**
15 course content it considers appropriate.

16 (b) A training program for designated individuals that meets
17 all of the following:

18 (i) ~~Is conducted by the department or another person designated~~
19 ~~by the secretary of state and is offered at least 2 times each~~
20 ~~calendar quarter. If approved by the department, the training~~
21 ~~program may be conducted online or by other electronic means.~~

22 (ii) Is available to any designated individual.

23 (iii) Includes training in transferring vehicle titles,
24 documentation of title transfers, record keeping, and any other
25 subject matter ~~approved~~ **considered appropriate** by the secretary of
26 state, such as consumer protection and sales and use tax
27 collection. **The department may consult with other departments to**
28 **evaluate and develop course content it considers appropriate.**

29 (c) A continuing education training program that meets all of

1 the following:

2 (i) Is conducted at least 2 times in each calendar quarter.

3 (ii) Includes at least 2 hours of training.

4 (iii) Includes subject matter ~~approved~~ **considered appropriate** by
 5 the secretary of state, such as transferring vehicle titles,
 6 documentation of title transfers, record keeping, consumer
 7 protection, and sales and use tax collection. The department may
 8 consult with ~~any~~ other departments it considers appropriate to
 9 evaluate and ~~approve~~ **develop** course content.

10 ~~(iv) Is conducted by 1 of the following:~~

11 ~~(A) The department.~~

12 ~~(B) A qualified trade organization that is approved by the~~
 13 ~~department. The department may evaluate a qualified trade~~
 14 ~~organization approved under this sub-subparagraph to determine~~
 15 ~~whether it meets the requirements of this subdivision. The~~
 16 ~~department may, after a hearing, suspend or revoke a qualified~~
 17 ~~trade organization's approval to offer the training described in~~
 18 ~~this subdivision for failure to comply with those requirements.~~

19 (2) In the 6-month period preceding the date of the
 20 application for an original eligible used vehicle dealer license,
 21 each individual who is the applicant, each partner of the
 22 applicant, or each officer of the applicant, as applicable, for the
 23 original eligible used vehicle dealer license ~~must~~ **shall** complete
 24 the **prelicensure** dealer training program described in subsection
 25 (1)(a). This subsection does not apply to ~~either~~ **any** of the
 26 following:

27 (a) An applicant, or application, for the renewal of an
 28 eligible used vehicle dealer license.

29 (b) The holder of an original eligible used vehicle dealer

1 license that was granted before, and is valid on, the effective
2 date of this section.

3 **(c) The owner, partner, corporate officer, or director of a**
4 **new vehicle dealer license.**

5 (3) In the 90-day period following the issuance of an original
6 dealer license to an eligible used vehicle dealer, the licensed
7 dealer shall select a designated individual and ensure that he or
8 she completes the ~~dealer~~-training program described in subsection
9 (1)(b). ~~However, this~~ **This** subsection does not apply if the
10 designated individual has completed the **continuing education**
11 training program described in subsection (1)(c). An eligible used
12 vehicle dealer ~~must~~ **shall** select a designated individual for each
13 of its retail sales locations. An eligible used vehicle dealer ~~must~~
14 **shall** not select the same individual as the designated individual
15 for more than 3 retail sales locations.

16 (4) Subsection (3) does not apply to the holder of an original
17 or renewal eligible used vehicle dealer license that was granted
18 before, and is valid on, the effective date of this section until
19 that license is next renewed.

20 (5) In addition to the training program described in
21 subsection (1)(b), an eligible used vehicle dealer shall ensure
22 that a designated individual completes the **continuing education**
23 training program described in subsection (1)(c) 1 time in each 24-
24 month period after the date of issuance of its original license.

25 **(6) The training requirements described in subsections (2),**
26 **(3), and (5) may be satisfied by attending a training program that**
27 **is conducted by the department or a qualified trade organization**
28 **approved by the department under subsection (7).**

29 **(7) A qualified trade organization may apply to the department**

1 for approval to conduct the training programs described in
2 subsection (1). A qualified trade organization shall not conduct a
3 training program described in subsection (1) unless it obtains the
4 approval described in this subsection not later than 30 days after
5 the effective date of the amendatory act that added this
6 subsection. The department shall establish rules and procedures in
7 accordance with the administrative procedures act of 1969, 1969 PA
8 306, MCL 24.201 to 24.328, for obtaining the approval described in
9 this subsection including, but not limited to, the following:

10 (a) An application form and procedure.

11 (b) Any documentation required for establishing that the
12 applicant is a qualified trade organization.

13 (c) A training program plan or curriculum for each training
14 program the qualified trade organization intends to conduct that is
15 consistent with the training programs described in subsection (1).

16 (d) Any other information or requirements the department
17 considers necessary to determine its approval under this
18 subsection.

19 (8) The training programs established by the secretary of
20 state under subsection (1) and any training program approved by the
21 department under subsection (7) may be conducted online or by other
22 electronic means.

23 (9) Not later than 10 business days after receiving an
24 application under this section, the department shall approve or
25 deny the application. The department shall provide the approval or
26 denial in writing and, if denied, it shall list the reasons for the
27 denial. Regardless of the reason for denial, the applicant may
28 resubmit the application correcting the deficiencies identified by
29 the department in the denial letter. The department shall have 5

1 business days to review a resubmitted application and either
2 approve or deny the application. If a resubmitted application is
3 denied, the denial shall be in writing to the applicant and the
4 applicant shall have an opportunity to correct any deficiencies
5 identified by the department in the denial letter.

6 (10) If a qualified trade organization that has received the
7 approval described in subsection (7) fails to comply with the
8 training program requirements described in subsection (1), the
9 department may, after a hearing conducted in accordance with the
10 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
11 24.328, suspend or revoke the approval.

12 (11) ~~(6)~~—The department shall not renew the license of an
13 eligible used vehicle dealer unless the application for renewal
14 includes a certification from the dealer that it is in compliance
15 with the training requirements applicable under this section.

16 (12) **The department shall not charge a fee to review, approve,**
17 **or deny an application submitted under this section.**

18 (13) ~~(7)~~—As used in this section:

19 (a) "Designated individual" means any of the following
20 individuals, if he or she is selected by an eligible used vehicle
21 dealer to complete a training program described in this section:

22 (i) An individual who is a licensed eligible used vehicle
23 dealer or a partner or officer of a licensed eligible used vehicle
24 dealer.

25 (ii) ~~Is~~ **An individual who is** an employee of a licensed eligible
26 used vehicle dealer, such as a general manager, a sales manager, or
27 an employee who is responsible for preparing title documents for
28 the dealer.

29 (b) "Eligible used vehicle dealer" means a person that is

1 licensed as a used or secondhand vehicle dealer, or is applying for
2 licensure as a used or secondhand vehicle dealer, and is not **an**
3 **owner, partner, corporate officer, or director of a** licensed **new**
4 **vehicle dealer** or seeking licensure as **an owner, partner, corporate**
5 **officer, or director of** a new vehicle dealer.

6 (c) "Qualified trade organization" means a bona fide nonprofit
7 membership organization that is based in this state, that has been
8 in existence for at least 5 years, and whose members are primarily
9 eligible used vehicle dealers.