

HOUSE BILL NO. 5260

August 17, 2021, Introduced by Reps. Witwer, Hertel, Anthony, Sneller, Hauck, Manoogian, Tyrone Carter, Garza, Steenland, Griffin, Damoose, Clements, Clemente, Scott, Haadsma, Whitsett, Lilly, Tate, Filler, Posthumus and Coleman 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.~~**March 20, 2019.**

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~~**March**
19 **20, 2019** until 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 (10).**

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 subsection (10). No later than 30 days after
5 the effective date of the amendatory act that added this
6 subsection, the department shall develop and make available an
7 application form.

8 (8) The department shall establish an application procedure
9 for a qualified trade organization to obtain approval from the
10 department under subsection (10) to conduct the training programs
11 described in subsection (1) that includes all of the following
12 requirements:

13 (a) Any documentation required for establishing that the
14 applicant is a qualified trade organization.

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

18 (c) Any other information or requirements the department
19 considers necessary for purposes of approving an application under
20 subsection (10).

21 (9) The training programs established by the secretary of
22 state under subsection (1) and any training program approved by the
23 department under subsection (10) may be conducted online or by
24 other electronic means.

25 (10) Not later than 30 days after receiving an application
26 under this section from a qualified trade organization to conduct
27 training programs described in subsection (1), the department shall
28 approve or deny the application. The department shall provide the
29 approval or denial in writing and, if denied, it shall list the

1 reasons for the denial. Regardless of the reason for denial, the
2 applicant may resubmit the application correcting the deficiencies
3 identified by the department in the denial letter. The department
4 shall have 10 business days to review a resubmitted application and
5 either approve or deny the application. If a resubmitted
6 application is denied, the denial must be in writing to the
7 applicant and the applicant must have an opportunity to correct any
8 deficiencies identified by the department in the denial letter.

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

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

19 (13) The department may charge an initial application fee of
20 up to \$500.00 for an application submitted under this section and
21 an application renewal fee in an amount not to exceed 50% of the
22 initial application fee set by the department.

23 (14) The department may promulgate rules and procedures in
24 accordance with the administrative procedures act of 1969, 1969 PA
25 306, MCL 24.201 to 24.328, to implement this section.

26 (15) ~~(7)~~—As used in this section:

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

1 (i) An individual who is a licensed eligible used vehicle
2 dealer or a partner or officer of a licensed eligible used vehicle
3 dealer.

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

8 (b) "Eligible used vehicle dealer" means a person that is
9 licensed as a used or secondhand vehicle dealer, or is applying for
10 licensure as a used or secondhand vehicle dealer, and is not **an**
11 **owner, partner, corporate officer, or director of a** licensed **new**
12 **vehicle dealer** or seeking licensure as **an owner, partner, corporate**
13 **officer, or director of** a new vehicle dealer.

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

18 Enacting section 1. This amendatory act takes effect 60 days
19 after the date it is enacted into law.