

SENATE BILL NO. 1064

May 26, 2022, Introduced by Senators NESBITT, HERTEL, ANANICH, MOSS, WOJNO, POLEHANKI, BUMSTEAD, ZORN, HOLLIER and SCHMIDT and referred to the Committee on Regulatory Reform.

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending sections 14, 217, 217c, 226, 226a, 233a, 235, 245, 248, 248d, 250, 251, 803, and 807 (MCL 257.14, 257.217, 257.217c, 257.226, 257.226a, 257.233a, 257.235, 257.245, 257.248, 257.248d, 257.250, 257.251, 257.803, and 257.807), section 14 as amended by 2021 PA 90, section 217 as amended by 2021 PA 71, section 217c as amended by 2018 PA 108, section 226 as amended by 2021 PA 112, section 226a as amended by 2006 PA 516, section 233a as amended by

2020 PA 304, sections 235 and 251 as amended and section 248d as added by 2012 PA 498, section 245 as amended by 1988 PA 276, section 248 as amended by 2018 PA 420, section 803 as amended by 2002 PA 490, and section 807 as amended by 2003 PA 152, and by adding section 58d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14. (1) Except as provided in subsections (2), ~~and~~ (3),
2 **and (4)**, "established place of business" means premises actually
3 occupied either continuously or at regular periods by a dealer or
4 manufacturer at which the dealer or manufacturer keeps its books
5 and records and at which the dealer or manufacturer transacts a
6 large share of its business.

7 (2) For a class (a) or class (b) dealer, "established place of
8 business" means premises that meet all of the following
9 requirements:

10 (a) The premises contain, except as otherwise provided in this
11 act, a permanently enclosed building or structure that is either
12 owned, leased, or rented by the dealer; the building or structure
13 is not a residence, tent, temporary stand, or any temporary
14 quarters; the building or structure is continuously occupied in
15 good faith for the purpose of selling, buying, trading, leasing, or
16 otherwise dealing in motor vehicles; all books, records, and files
17 necessary to conduct the business of a class (a) or class (b)
18 dealer are maintained in the building or structure; and the
19 building or structure houses an office of at least 150 square feet
20 in size, equipped with standard office furniture, working
21 utilities, a working restroom, and a working telephone listed in
22 the name of the business on the dealer's license.

23 (b) The premises have land space of not less than 1,300 square

1 feet to accommodate the display of a minimum of 10 vehicles of the
2 kind and type that the dealer is licensed to sell and an additional
3 650 square feet for customer parking.

4 (c) The display and customer parking areas described in
5 subdivision (b) are adequately surfaced and well-lit during
6 business hours.

7 (d) The premises are identified by an exterior sign displaying
8 the name of the dealership that is permanently affixed to the
9 building or land with letters clearly visible from the roadway.

10 (e) The premises contain a conspicuous posting of the dealer's
11 regular hours of operation. The posted hours must not be less than
12 30 hours per week for not less than 48 weeks per year. Fifteen of
13 the 30 hours per week must be between the hours of 8 a.m. and 5
14 p.m., Monday through Friday. The dealer may change its posted hours
15 of operation to be less than 30 hours per week for not more than 4
16 weeks per year if the dealer notifies the department not less than
17 7 days prior to the change. The department shall waive the 7-day
18 notification requirement under this subdivision for good cause,
19 including, but not limited to, a medical emergency or other
20 extenuating circumstances.

21 (f) The premises contain a registered repair facility on site
22 for the repair and servicing of motor vehicles of a type sold at
23 the established place of business, unless the dealer has entered
24 into a written servicing agreement with a registered repair
25 facility at a location that is located within a 10-mile radius of
26 the established place of business. If repairs are conducted under a
27 servicing agreement, the dealer shall conspicuously post the
28 servicing agreement in the dealer's office.

29 (g) The premises meet all applicable zoning requirements and

1 any other applicable municipal requirements.

2 (3) For a wholesaler, "established place of business" means
3 premises that meet all of the following requirements:

4 (a) The premises contain a permanently enclosed building or
5 structure that is either owned, leased, or rented and is not a
6 commercial mailbox, tent, temporary stand, or other temporary
7 quarters.

8 (b) All books, records, and files necessary to conduct the
9 business of the wholesaler are maintained in the building or
10 structure described in subdivision (a).

11 (c) The premises are not used for the display of vehicles.
12 However, the premises may be used for the storage of vehicles
13 purchased by the wholesaler before sale to a licensed vehicle
14 dealer.

15 (d) The premises are identified by an exterior sign displaying
16 the name of the wholesaler that is permanently affixed to the
17 building or land with letters clearly visible from the roadway.

18 (e) The premises meet all applicable zoning requirements and
19 any other applicable municipal requirements.

20 **(f) The premises contain a conspicuous posting of the**
21 **wholesaler's regular hours of operation that include at least 15**
22 **regular business hours each week between the hours of 8 a.m. and 5**
23 **p.m., Monday through Friday.**

24 (g) If a wholesaler receives its initial license on or after
25 January 1, 2023, the premises are not located within 200 feet of an
26 established place of business for another licensed wholesaler.

27 **(4) For a used or secondhand vehicle parts dealer, vehicle**
28 **scrap metal processor, vehicle salvage pool operator, distressed**
29 **vehicle transporter, broker, and automotive recycler, "established**

1 place of business" means premises that meet all of the following
2 requirements:

3 (a) The premises contain a permanently enclosed building or
4 structure that is either owned, leased, or rented by the business
5 and that is not a commercial mailbox, tent, temporary stand, or
6 other temporary quarters.

7 (b) All books, records, and files necessary to conduct the
8 business of the dealer are maintained in the building or structure
9 described in subdivision (a).

10 (c) The premises are identified by an exterior sign displaying
11 the name of the dealer that is permanently affixed to the building
12 or land with letters clearly visible from the roadway.

13 (d) The premises meet all applicable zoning requirements and
14 any other applicable municipal requirements.

15 (e) The premises contain a conspicuous posting of the
16 business's regular hours of operation. The posted hours must not be
17 less than 15 hours per week for not less than 48 weeks per year.
18 Five of the 15 hours per week must be between the hours of 8 a.m.
19 and 5 p.m., Monday through Friday.

20 Sec. 58d. "Sell" or "selling" means to engage in the business
21 of selling, trading, leasing, or offering for sale or lease,
22 negotiating, or otherwise attempting to sell, trade, or lease a
23 motor vehicle, or any interest in, or written instrument pertaining
24 to, a motor vehicle to a customer at retail. Sell or selling
25 includes, but is not limited to, advertising for sale or lease,
26 ordering, discussing financing, or offering test or demonstration
27 drives for a motor vehicle for the express purpose of a retail
28 sale.

29 Sec. 217. (1) An owner of a vehicle that is subject to

1 registration under this act shall apply to the secretary of state,
2 on an appropriate form furnished by the secretary of state, for the
3 registration of the vehicle and issuance of a certificate of title
4 for the vehicle. A vehicle brought into this state from another
5 state or jurisdiction that has a rebuilt, salvage, scrap, flood, or
6 comparable certificate of title issued by that other state or
7 jurisdiction must be issued a rebuilt, salvage, scrap, or flood
8 certificate of title by the secretary of state. The application
9 must be accompanied by the required fee. An application for a
10 certificate of title must bear the signature or verification and
11 certification of the owner. The application must contain all of the
12 following:

13 (a) The owner's name, the owner's bona fide residence, and
14 either of the following:

15 (i) If the owner is an individual, the owner's mailing address.

16 (ii) If the owner is a firm, association, partnership, limited
17 liability company, or corporation, the owner's business address.

18 (b) A description of the vehicle including the make or name,
19 style of body, and model year; the number of miles, not including
20 the tenths of a mile, registered on the vehicle's odometer at the
21 time of transfer; whether the vehicle is a flood vehicle or another
22 state previously issued the vehicle a flood certificate of title;
23 whether the vehicle is to be or has been used as a taxi or police
24 vehicle, or by a political subdivision of this state, unless the
25 vehicle is owned by a dealer and loaned or leased to a political
26 subdivision of this state for use as a driver education vehicle;
27 whether the vehicle has previously been issued a salvage or rebuilt
28 certificate of title from this state or a comparable certificate of
29 title from any other state or jurisdiction; **the** vehicle

1 identification number; and the vehicle's weight fully equipped, if
2 a passenger vehicle registered in accordance with section
3 801(1)(a), and, if a trailer coach or pickup camper, in addition to
4 the weight, the manufacturer's serial number, or in the absence of
5 the serial number, a number assigned by the secretary of state. A
6 number assigned by the secretary of state ~~shall~~**must** be permanently
7 placed on the trailer coach or pickup camper in the manner and
8 place designated by the secretary of state.

9 (c) A statement of the applicant's title and the names and
10 addresses of the holders of security interests in the vehicle and
11 in an accessory to the vehicle, in the order of their priority.

12 (d) Further information that the secretary of state reasonably
13 requires to enable the secretary of state to determine whether the
14 vehicle is lawfully entitled to registration and the owner entitled
15 to a certificate of title. If the secretary of state is not
16 satisfied as to the ownership of a vehicle having a value over
17 \$2,500.00 or that is less than 10 years old, before registering the
18 vehicle and issuing a certificate of title, the secretary of state
19 may require the applicant to file a properly executed surety bond
20 in a form prescribed by the secretary of state and executed by the
21 applicant and a company authorized to conduct a surety business in
22 this state. The bond must be in an amount equal to twice the value
23 of the vehicle as determined by the secretary of state and shall be
24 conditioned to indemnify or reimburse the secretary of state, any
25 prior owner, and any subsequent purchaser or lessee of the vehicle
26 and their successors in interest against any expense, loss, or
27 damage, including reasonable attorney fees, because of the issuance
28 of a certificate of title for the vehicle or on account of any
29 defect in the right, title, or interest of the applicant in the

1 vehicle. An interested person has a right of action to recover on
2 the bond for a breach of the conditions of the bond, but the
3 aggregate liability of the surety to all persons must not exceed
4 the amount of the bond. If the secretary of state is not satisfied
5 as to the ownership of a vehicle that is valued at \$2,500.00 or
6 less and that is 10 years old or older, the secretary of state
7 shall require the applicant to certify that the applicant is the
8 owner of the vehicle and entitled to register and title the
9 vehicle.

10 (e) Except as provided in subdivision (f), an application for
11 a commercial vehicle shall also have attached a scale weight
12 receipt of the motor vehicle fully equipped as of the time the
13 application is made. A scale weight receipt is not necessary if
14 there is presented with the application a registration receipt of
15 the previous year that shows on its face the empty weight of the
16 motor vehicle as registered with the secretary of state that is
17 accompanied by a statement of the applicant that there has not been
18 structural change in the motor vehicle that has increased the empty
19 weight and that the previous registered weight is the true weight.

20 (f) An application for registration of a vehicle on the basis
21 of elected gross weight must include a declaration by the applicant
22 specifying the elected gross weight for which application is being
23 made.

24 (g) If the application is for a certificate of title of a
25 motor vehicle registered in accordance with section 801(1)(p), the
26 application must include the manufacturer's suggested base list
27 price for the model year of the vehicle. The base list price must
28 be the manufacturer's suggested retail price as shown on the label
29 required to be affixed to the vehicle under 15 USC 1232. If the

1 manufacturer's suggested retail price is unavailable, the
2 application must list the purchase price of the vehicle. As used in
3 this subdivision, "purchase price" means that term as defined in
4 section 801.

5 (2) An applicant for registration of a leased pickup truck or
6 passenger vehicle that is subject to registration under this act,
7 except a vehicle that is subject to a registration fee under
8 section 801g, shall disclose in writing to the secretary of state
9 the lessee's name, the lessee's bona fide residence, and either of
10 the following:

11 (a) If the lessee is an individual, the lessee's Michigan
12 driver license number or Michigan personal identification number
13 or, if the lessee does not have a Michigan driver license or
14 Michigan personal identification number, the lessee's mailing
15 address.

16 (b) If the lessee is a firm, association, partnership, limited
17 liability company, or corporation, the lessee's business address.

18 (3) The secretary of state shall maintain the information
19 described in subsection (2) on the secretary of state's computer
20 records.

21 (4) Except as provided in subsections (5), (11), and (12), a
22 dealer selling, leasing, or exchanging vehicles required to be
23 titled, within ~~15-21~~ days after delivering a vehicle to the
24 purchaser or lessee, and a person engaged in the sale of vessels
25 required to be numbered by part 801 of the natural resources and
26 environmental protection act, 1994 PA 451, MCL 324.80101 to
27 324.80199, within ~~15-21~~ days after delivering a boat trailer
28 weighing less than 2,500 pounds to the purchaser or lessee, shall
29 apply to the secretary of state for a new title, if required, and

1 transfer or secure registration plates and secure a certificate of
2 registration for the vehicle or boat trailer, in the name of the
3 purchaser or lessee. Subject to subsection (11), the dealer's
4 license may be suspended or revoked in accordance with section 249
5 for failure to apply for a title when required or for failure to
6 transfer or secure registration plates and certificate of
7 registration within the ~~15~~**21** days required by this section.
8 Subject to subsection (11), if the dealer or person fails to apply
9 for a title when required, and to transfer or secure registration
10 plates and secure a certificate of registration and pay the
11 required fees within ~~15~~**21** days of delivery of the vehicle or boat
12 trailer, a title and registration for the vehicle or boat trailer
13 may subsequently be acquired only on the payment of a late transfer
14 fee of ~~\$15.00~~**\$50.00** for an individual or a dealer other than a
15 dealer subject to section 235b in addition to the fees specified in
16 section 806. Subject to subsection (11), for a used or secondhand
17 vehicle dealer subject to section 235b, the late transfer fee is
18 \$100.00 in addition to the fees specified in section 806. The
19 purchaser or lessee of the vehicle or the purchaser of the boat
20 trailer shall sign the application, including, if applicable, the
21 declaration specifying the maximum elected gross weight as required
22 by subsection (1)(f), and other necessary papers to enable the
23 dealer or person to secure the title, registration plates, and
24 transfers from the secretary of state. If the secretary of state
25 mails or delivers a purchaser's certificate of title to a dealer,
26 the dealer shall mail or deliver the certificate of title to the
27 purchaser not more than 5 days after receiving the certificate of
28 title from the secretary of state. However, as provided under
29 section 238, the secretary of state is not required to issue a

1 title to the owner of a vehicle or lienholder if the title is
2 subject to a security interest.

3 (5) Except as provided in subsection (12), a dealer selling or
4 exchanging an off lease or buy back vehicle shall apply to the
5 secretary of state for a new title for the vehicle within ~~15~~**21**
6 days after it receives the certificate of title from the lessor or
7 manufacturer under section 235 or section 235b and transfer or
8 secure registration plates and secure a certificate of registration
9 for the vehicle in the name of the purchaser. Subject to subsection
10 (12), the dealer's license may be suspended or revoked in
11 accordance with section 249 for failure to apply for a title when
12 required or for failure to transfer or secure registration plates
13 and certificate of registration within the ~~15-day~~**21-day** period.
14 Subject to subsection (12), if the dealer or person fails to apply
15 for a title when required, and to transfer or secure registration
16 plates and secure a certificate of registration and pay the
17 required fees within the ~~15-day~~**21-day** time period, a title and
18 registration for the vehicle may subsequently be acquired only on
19 the payment of a late transfer fee of ~~\$15.00~~**\$50.00** for an
20 individual or dealer other than a used or secondhand vehicle dealer
21 subject to section 235b in addition to the fees specified in
22 section 806. Subject to subsection (12), the late transfer fee for
23 a used or secondhand vehicle dealer subject to section 235b is
24 \$100.00 in addition to the fees specified in section 806. The
25 purchaser of the vehicle shall sign the application, including, if
26 applicable, the declaration specifying the maximum elected gross
27 weight as required by subsection (1)(f), and other necessary papers
28 to enable the dealer or person to secure the title, registration
29 plates, and transfers from the secretary of state. If the secretary

1 of state mails or delivers a purchaser's certificate of title to a
2 dealer, the dealer shall mail or deliver the certificate of title
3 to the purchaser not more than 5 days after receiving the
4 certificate of title from the secretary of state. However, as
5 provided under section 238, the secretary of state is not required
6 to issue a title to the owner of a vehicle if the title is subject
7 to a security interest.

8 (6) If a vehicle is delivered to a purchaser or lessee who has
9 valid Michigan registration plates that are to be transferred to
10 the vehicle, and an application for title, if required, and
11 registration for the vehicle is not made before delivery of the
12 vehicle to the purchaser or lessee, the registration plates must be
13 affixed to the vehicle immediately, and the dealer shall provide
14 the purchaser or lessee with an instrument in writing, on a form
15 prescribed by the secretary of state, which serves as a temporary
16 registration for the vehicle for a period of 15 days from the date
17 the vehicle is delivered.

18 (7) If the seller does not prepare the credit information,
19 contract note, and mortgage, and the holder, finance company,
20 credit union, or banking institution requires the installment
21 seller to record the lien on the title, the holder, finance
22 company, credit union, or banking institution shall pay the seller
23 a service fee of not more than \$10.00. The service fee must be paid
24 from the finance charges and must not be charged to the buyer in
25 addition to the finance charges. The holder, finance company,
26 credit union, or banking institution must issue its check or bank
27 draft for the principal amount financed, payable jointly to the
28 buyer and seller, and the following must be imprinted on the back
29 side of the check or bank draft:

1 "Under Michigan law, the seller must record a first lien in
2 favor of (name of lender) _____ on the vehicle with
3 vehicle identification number _____ and title the vehicle
4 only in the name(s) shown on the reverse side."

5 (8) On the front of the check or draft described under
6 subsection (7), the holder, finance company, credit union, or
7 banking institution shall note the name or names of the prospective
8 owners. Failure of the holder, finance company, credit union, or
9 banking institution to comply with these requirements frees the
10 seller from any obligation to record the lien or from any liability
11 that may arise as a result of the failure to record the lien. A
12 service fee must not be charged to the buyer.

13 (9) In the absence of actual malice proved independently and
14 not inferred from lack of probable cause, a person who in any
15 manner causes a prosecution for larceny of a motor vehicle; for
16 embezzlement of a motor vehicle; for any crime an element of which
17 is the taking of a motor vehicle without authority; or for buying,
18 receiving, possessing, leasing, or aiding in the concealment of a
19 stolen, embezzled, or converted motor vehicle knowing that the
20 motor vehicle has been stolen, embezzled, or converted, is not
21 liable for damages in a civil action for causing the prosecution.
22 This subsection does not relieve a person from proving any other
23 element necessary to sustain his or her cause of action.

24 (10) Receipt by the secretary of state of a properly tendered
25 application for a certificate of title on which a security interest
26 in a vehicle is to be indicated is a condition of perfection of a
27 security interest in the vehicle and is equivalent to filing a
28 financing statement under the uniform commercial code, 1962 PA 174,
29 MCL 440.1101 to 440.9994, with respect to the vehicle. When a

1 security interest in a vehicle is perfected, it has priority over
2 the rights of a lien creditor as lien creditor is defined in
3 section 9102 of the uniform commercial code, 1962 PA 174, MCL
4 440.9102.

5 (11) Notwithstanding subsection (4), a dealer selling,
6 leasing, or exchanging vehicles, required to be titled, after March
7 31, 2021 but before August 1, 2021, may apply to the secretary of
8 state for a new title, if required, and transfer or secure
9 registration plates and secure a certificate of registration for
10 the vehicle in the name of the purchaser within 30 days. Both of
11 the following apply to a dealer that complies with this subsection:

12 (a) The dealer's license must not be suspended or revoked in
13 accordance with section 249 for failure to apply for a title when
14 required or for failure to transfer or secure registration plates
15 and certificate of registration within the 15-day period required
16 ~~under subsection (4).~~ **during the time period under this subsection.**

17 (b) The secretary of state shall not charge any applicable
18 late fees required under subsection (4) and shall, upon the
19 dealer's request, reimburse a late fee charged and collected after
20 March 31, 2021 to the end of the period described under this
21 subsection.

22 (12) Notwithstanding subsection (5), a dealer selling or
23 exchanging an off lease or buy back vehicle after March 31, 2021
24 but before August 1, 2021 may apply to the secretary of state for a
25 new title for the vehicle within 30 days after the dealer receives
26 the certificate of title from the lessor or manufacturer under
27 section 235 or 235b and transfer or secure registration plates and
28 secure a certificate of registration for the vehicle in the name of
29 the purchaser. Both of the following apply to a dealer that

1 complies with this subsection:

2 (a) The dealer's license must not be suspended or revoked in
3 accordance with section 249 for failure to apply for a title when
4 required or for failure to transfer or secure registration plates
5 and certificate of registration within the 15-day period required
6 ~~under subsection (5).~~ **during the time period under this subsection.**

7 (b) The secretary of state shall not charge any applicable
8 late fees required under subsection (5) and shall, upon the
9 dealer's request, reimburse a late fee charged and collected after
10 March 31, 2021 to the end of the period described under this
11 subsection.

12 Sec. 217c. (1) The secretary of state may conduct periodic
13 reviews of the records of a dealer to determine whether adequate
14 notice is given to a transferee or lessee of a rebuilt salvage
15 vehicle of that vehicle's prior designation as a salvage vehicle.
16 The secretary of state may request an insurance company to provide
17 copies of salvage title documents and claims reports involving
18 major component parts to assist the secretary of state in
19 monitoring compliance with this act.

20 (2) Except for a late model vehicle that has been stolen and
21 recovered and that has no major component part removed, missing, or
22 destroyed, or damaged and not salvageable, an insurance company
23 licensed to conduct business in this state that acquires ownership
24 of a late model vehicle through the payment of a claim shall
25 proceed under either of the following:

26 (a) If the insurance company acquires ownership of the vehicle
27 through payment of a claim, the owner of the vehicle must assign
28 the certificate of title to the insurance company which shall do
29 all of the following:

1 (i) Surrender a properly assigned certificate of title to the
2 secretary of state.

3 (ii) If the estimated cost of repair, including parts and
4 labor, is equal to or more than 75% but less than 91% of the
5 predamaged actual cash value of the vehicle, apply for a salvage
6 certificate of title, and if the estimated cost of repair,
7 including parts and labor, is equal to or greater than 91% of the
8 predamaged actual cash value of the vehicle, apply for a scrap
9 certificate of title. The insurance company shall not sell the
10 vehicle without first receiving a salvage or scrap certificate of
11 title, which shall be assigned to the buyer. An insurance company
12 may assign a salvage or scrap certificate of the title only to an
13 automotive recycler, used or secondhand vehicle parts dealer,
14 foreign salvage vehicle dealer, or vehicle scrap metal processor.

15 (b) If after payment of a total loss claim the insurance
16 company permits the owner of the vehicle to retain ownership, the
17 insurance company shall do all of the following:

18 (i) If the estimated cost of repair, including parts and labor,
19 is equal to or greater than 75% but less than 91% of the predamaged
20 actual cash value of the vehicle, require each owner of the vehicle
21 to sign an application for a salvage certificate of title, or if
22 the estimated cost of repair, including parts and labor, is equal
23 to or greater than 91% of the predamaged actual cash value of the
24 vehicle, require each owner of the vehicle to sign an application
25 for a scrap vehicle certificate of title.

26 (ii) Attach the owner's certificate of title to the application
27 for a salvage or scrap certificate of title or have the owner
28 certify that the certificate of title is lost.

29 (iii) On behalf of the owner, apply to the secretary of state

1 for a salvage or scrap certificate of title in the name of the
2 owner. The owner shall not sell or otherwise dispose of the vehicle
3 without first receiving a salvage or scrap certificate of title,
4 which ~~shall~~**must** be assigned to the buyer. An insurance company may
5 assign a salvage or scrap certificate of title only to an
6 automotive recycler, used or secondhand vehicle parts dealer,
7 foreign salvage vehicle dealer, or vehicle scrap metal processor.

8 (3) If an insurance company pays a claim for total loss to the
9 owner or lienholder of record as kept by the secretary of state, or
10 both, if applicable, of a vehicle but the owner or lienholder of
11 record as kept by the secretary of state fails to surrender the
12 certificate of title or other document necessary for the transfer
13 of ownership of the vehicle to the insurance company within the
14 expiration of 30 days after the claim payment, the insurance
15 company, without having obtained the surrender of the title or
16 other document otherwise necessary for the transfer of ownership
17 for the vehicle from the owner or lienholder of record as kept by
18 the secretary of state, or both, if applicable, may apply to the
19 secretary of state for a title as provided under this section. The
20 insurance company shall, at the time of application, provide proof
21 of the payment and that the insurance company has requested in
22 writing, by certified mail or by another commercially available
23 delivery service providing proof of delivery, on at least 2
24 separate occasions that the owner or lienholder of record as kept
25 by the secretary of state surrender to the insurance company the
26 certificate of title or other document necessary for the transfer
27 of ownership to the insurance company. The application ~~shall~~**must**
28 be signed under the penalty of perjury. Subject to subsection
29 (2) (a) (ii), upon meeting the requirements of this subsection, the

1 secretary of state shall issue to the insurance company the
2 appropriate certificate of title free of all liens. ~~and shall~~
3 ~~notify the prior vehicle owner and lienholder of record as kept by~~
4 ~~the secretary of state, if any, of that action in writing.~~ Proof of
5 payment of the claim is satisfied only by 1 of the following:

6 (a) In the case of payment by check, either of the following:

7 (i) A copy of the front and back of the endorsed check.

8 (ii) Evidence that the check has cleared the account of the
9 payer.

10 (b) In the case of payment by electronic transfer, evidence
11 that the payment was charged to the account of the payer.

12 (4) Except as provided in subsection (3), if an insurance
13 company acquires ownership of a vehicle other than a late model
14 vehicle through payment of damages due to an accident, the company
15 shall surrender a properly assigned title to the buyer upon
16 delivery.

17 (5) If a dealer acquires ownership of a late model vehicle
18 that is a distressed vehicle from an owner, the dealer shall
19 receive an assigned certificate of title. If the assigned
20 certificate of title is not a salvage or scrap certificate of
21 title, the dealer, other than a vehicle scrap metal processor,
22 shall surrender the assigned certificate of title to the secretary
23 of state, and if the estimated cost of repair, including parts and
24 labor, is equal to or greater than 75% but less than 91% of the
25 predamaged actual cash value of the vehicle, apply for a salvage
26 certificate of title, or if the estimated cost of repair, including
27 parts and labor, is equal to or greater than 91% of the predamaged
28 actual cash value of the vehicle, apply for a scrap certificate of
29 title within 5 days after the dealer receives the assigned

1 certificate of title. The dealer may sell a salvage vehicle to
2 another automotive recycler, used or secondhand vehicle parts
3 dealer, foreign salvage vehicle dealer, or vehicle scrap metal
4 processor by assigning the salvage certificate of title to the
5 buyer. Unless the vehicle is rebuilt, inspected, and recertified
6 under this section, if the vehicle is sold to a buyer other than a
7 dealer, application ~~shall~~**must** be made for a salvage certificate in
8 the name of the buyer in the manner provided in this act. The
9 dealer may sell a scrap vehicle only to a vehicle scrap metal
10 processor. A vehicle scrap metal processor shall surrender an
11 assigned certificate of title to the secretary of state within 30
12 days after acquiring a vehicle for which a certificate of title was
13 received. A vehicle scrap metal processor shall surrender an
14 assigned salvage or scrap certificate of title to the secretary of
15 state within 30 days after acquiring a vehicle for which a salvage
16 or scrap certificate of title was received and report that the
17 vehicle was destroyed or scrapped.

18 (6) An application for a scrap certificate of title ~~shall~~**must**
19 be made on a form prescribed by the secretary of state accompanied
20 by a fee of \$15.00. The application ~~shall~~**must** contain all of the
21 following:

22 (a) The complete name and current address of the owner.

23 (b) A description of the vehicle, including its make, style of
24 body, model year, fee category or weight, color, and vehicle
25 identification number.

26 (c) If the vehicle is a late model vehicle, a listing of each
27 major component part that was not salvageable.

28 (d) Further information as may reasonably be required by the
29 secretary of state.

1 (7) The scrap certificate of title ~~shall~~**must** authorize the
2 holder of the document to transport but not drive ~~upon~~**on** a highway
3 the vehicle or parts of a vehicle, and assign ownership to a
4 vehicle scrap metal processor, automotive recycler, used or
5 secondhand vehicle parts dealer, or foreign salvage vehicle dealer.
6 A certificate of title ~~shall~~**must** not again be issued for this
7 vehicle. A person shall not rebuild or repair a scrap vehicle and
8 allow it to retain the original vehicle identification number.

9 (8) If a person, other than a dealer or insurance company that
10 is subject to subsection (2) or (5), acquires ownership of a
11 distressed, late model vehicle, the person must surrender the title
12 or assigned certificate of title to the secretary of state, and if
13 the estimated cost of repair, including parts and labor, is equal
14 to or greater than 75% but less than 91% of the predamaged actual
15 cash value of the vehicle, apply for a salvage certificate of
16 title, or if the estimated cost of repair, including parts and
17 labor, is equal to or greater than 91% of the predamaged actual
18 cash value of the vehicle, apply for a scrap certificate of title
19 before the vehicle may be transported.

20 (9) An owner of a vehicle may determine that a vehicle is a
21 scrap vehicle or a salvage vehicle without making any determination
22 as to the actual cash value of the vehicle.

23 (10) If a leasing company, vehicle manufacturer, insurance
24 company not licensed to do business in this state, association,
25 repossession company, self-insured owner, financial institution,
26 governmental entity, or other company, institution, or entity, owns
27 a distressed, late model vehicle, the titleholder shall surrender
28 the title or assigned certificate of title to the secretary of
29 state and apply for a salvage certificate of title if the retail

1 cost of repair, including parts and labor, is equal to or greater
2 than 75% but less than 91% of the predamaged actual cash value of
3 the vehicle, or if the retail cost of repair, including parts and
4 labor, is equal to or greater than 91% of the predamaged actual
5 cash value of the vehicle, apply for a scrap certificate of title,
6 before the vehicle may be transported or sold. If ownership is
7 transferred, the owner must sell the vehicle only to a dealer ~~who~~
8 **that** is eligible to buy a salvage or scrap vehicle in this state
9 unless the owner complies with subsection (13). When a leasing
10 company, vehicle manufacturer, insurance company not licensed to do
11 business in this state, association, repossession company, self-
12 insured owner, financial institution, governmental entity, or other
13 company, institution, or entity, estimates the repair of a
14 distressed, late model vehicle for the purpose of determining
15 whether to apply for a salvage or scrap certificate of title, a
16 complete record of the estimate and, if the vehicle is repaired
17 before a transfer of ownership, a complete record of the actual
18 cost of the repairs performed and ~~by whom shall be~~ **who performed**
19 **the repairs must be** maintained for a minimum of 5 years by the
20 leasing company, vehicle manufacturer, insurance company not
21 licensed to do business in this state, association, repossession
22 company, self-insured owner, financial institution, governmental
23 entity, or other company, institution, or entity. The estimates and
24 repair records required by this subsection ~~shall~~ **must** be available
25 for unannounced inspections by a law enforcement agency or a
26 representative of the secretary of state. The secretary of state
27 may request a leasing company, vehicle manufacturer, insurance
28 company not licensed to do business in this state, association,
29 repossession company, self-insured owner, financial institution,

1 governmental entity, or other company, institution, or entity to
2 provide copies of title documents, repair estimates, claims reports
3 involving major component parts, and actual cash value
4 determination documents to assist the secretary of state in
5 monitoring compliance with this act.

6 (11) An application for a salvage certificate of title ~~shall~~
7 **must** be made on a form prescribed by the secretary of state
8 accompanied by a fee of \$10.00. The application ~~shall~~**must** contain
9 all of the following:

10 (a) The complete name and current address of the owner.

11 (b) A description of the vehicle, including its make, style of
12 body, model year, fee category or weight, color, and vehicle
13 identification number.

14 (c) An estimate of the cost repair, including parts and labor,
15 and an estimate of the predamaged actual cash value of the vehicle.

16 (d) If the vehicle is a late model vehicle, a listing of each
17 major component part that was not salvageable.

18 (e) Further information as may reasonably be required by the
19 secretary of state.

20 (12) The secretary of state shall issue and mail the salvage
21 certificate within 5 business days after the time the application
22 is received at the secretary of state's office in Lansing. Each
23 salvage certificate of title ~~shall~~**must** include a listing of each
24 major component part that was not salvageable.

25 (13) A salvage certificate of title authorizes the holder of
26 the title to possess, transport, but not drive ~~upon~~**on** a highway,
27 and transfer ownership in, a vehicle. The secretary of state shall
28 not issue a certificate of title or registration plates for a
29 vehicle for which a salvage certificate of title was issued unless

1 a specially trained officer described in subsection (15) certifies
2 all of the following:

3 (a) That the vehicle identification numbers and parts
4 identification numbers are correct.

5 (b) That the applicant has proof of ownership of repair parts
6 used.

7 (c) That the vehicle complies with the equipment standards of
8 this act.

9 (d) That any repairs performed on the vehicle were done in a
10 workmanlike manner, as certified on a form provided by the
11 department by a properly licensed mechanic in the appropriate
12 specialty. A properly licensed mechanic described in this
13 subdivision ~~shall~~**must** not be the same individual as the specially
14 trained officer making the certification of the vehicle as required
15 under this subsection.

16 (14) The certification required by subsection (13) ~~shall~~**must**
17 be made on a form prescribed and furnished by the secretary of
18 state in conjunction with the department of state police and ~~shall~~
19 **must** accompany the application that is submitted to the secretary
20 of state for a certificate of title. An application for a
21 certificate of title ~~shall~~**must** contain a description of each
22 salvageable part used to repair the vehicle and any identification
23 number affixed to or inscribed ~~upon~~**on** the part as required by
24 state or federal law. Upon satisfactory completion of the
25 inspection as required by the secretary of state and other
26 requirements for application, the secretary of state shall issue a
27 certificate of title for the vehicle bearing the legend "rebuilt
28 salvage".

29 (15) An officer specially trained as provided by the secretary

1 of state and authorized by the secretary of state to conduct a
2 salvage vehicle inspection is any of the following:

3 (a) An employee of the department of state.

4 (b) An on-duty or off-duty police officer.

5 (c) A previously certified police officer who is appointed by
6 the local police agency as a limited enforcement officer to conduct
7 salvage vehicle inspections. The local police agency shall give
8 this officer access to the agency's law enforcement information
9 network system and the authority to confiscate any stolen vehicle
10 or vehicle parts discovered during an inspection. The local police
11 agency may give the officer the authority to arrest a person
12 suspected of having unlawful possession of a stolen vehicle or
13 vehicle parts. The local police agency shall not appoint a
14 previously certified police officer whose certificate has been
15 suspended, revoked, or denied under subsection (16).

16 (16) The secretary of state shall issue a certificate to an
17 officer who is specially trained as provided by the secretary of
18 state to conduct salvage vehicle inspections. Only a person who has
19 a valid certification from the secretary of state may perform
20 salvage inspections. The secretary of state on his or her own
21 initiative or in response to complaints shall make reasonable and
22 necessary public or private investigations within or outside of
23 this state and gather evidence against an officer who was issued a
24 certificate and who violated or is about to violate this act or a
25 rule promulgated under this act. Subject to subsection (17), the
26 secretary of state may suspend, revoke, or deny a certificate after
27 an investigation if the secretary of state determines that the
28 officer committed 1 or more of the following:

29 (a) Violated this act or a rule promulgated under this act.

1 (b) Was, after an investigation, found responsible for a
2 fraudulent act in connection with the inspection, purchase, sale,
3 lease, or transfer of a salvage vehicle.

4 (c) Was found guilty of the theft, embezzlement, or
5 misappropriation of salvage vehicle inspection fees.

6 (d) Performed improper, careless, or negligent salvage vehicle
7 inspections.

8 (e) Ceased to function as a police officer because of
9 suspension, retirement, dismissal, disability, or termination of
10 employment.

11 (f) Was convicted of a violation or attempted violation of
12 1986 PA 119, MCL 257.1351 to 257.1355.

13 (g) Made a false statement of a material fact in his or her
14 certification of a salvage vehicle inspection or any record
15 concerning a salvage vehicle inspection.

16 (h) Charged a fee in excess of the fee described in subsection
17 (26).

18 (17) If the secretary of state revokes, suspends, or denies a
19 certificate under subsection (16)(a), (d), (g), or (h), the
20 secretary of state shall, at the time of revocation, suspension, or
21 denial, notify the officer and the law enforcement agency on behalf
22 of which the officer is performing inspections of the law
23 enforcement agency's right to appeal the revocation, suspension, or
24 denial. The notification ~~shall~~**must** include a statement that a
25 request for an appeal under this subsection ~~shall~~**must** be made no
26 later than 30 days after the revocation, suspension, or denial. An
27 agency making an appeal under this subsection may request a hearing
28 at the time the appeal is made. The secretary of state or any
29 person designated by the secretary of state to act in his or her

place shall deny or grant an appeal made under this subsection within a reasonable period, in writing or stated in the record if a hearing is held. If the secretary of state revokes a certificate under subsection (16)(a), (d), (g), or (h) and denies an appeal of the revocation under this subsection, the officer may apply for a new certificate no earlier than 5 years after the revocation.

(18) Upon receipt of the appropriate abstract of conviction from a court and without any investigation, the secretary of state shall immediately revoke the certificate of an officer who has been convicted of a violation or attempted violation of section 413, 414, 415, 535, 535a, or 536a of the Michigan penal code, 1931 PA 328, MCL 750.413, 750.414, 750.415, 750.535, 750.535a, and 750.536a, or has been convicted in federal court or in another state of a violation or attempted violation of a law substantially corresponding to 1 of those sections.

(19) If a dealer acquires ownership of an older model vehicle from an owner, the dealer shall receive an assigned certificate of title and shall retain it as long as he or she retains the vehicle. A vehicle scrap metal processor shall surrender an assigned certificate of title to the secretary of state within 30 days after the vehicle is destroyed or scrapped.

(20) A dealer selling or assigning a vehicle to a vehicle scrap metal processor shall make a record in triplicate on a form to be provided by the secretary of state in substantially the following form:

Scrap Vehicle Inventory:

SELLER: Dealer name _____
 Dealer address _____
 Dealer license number _____

1 PURCHASER: Conveyed to: _____ Date _____

2 (Vehicle scrap metal processor)

3 Dealer address _____

4 Dealer license number _____

5 Vehicles

6 Dealer's

7 Stock

8 Model Year Vehicle Make VIN Title Number Number Color

9 1. _____

10 2. _____

11 3. _____

12 etc.

13 One copy ~~shall~~**must** be retained as a permanent record by the
14 dealer, 1 copy ~~shall~~**must** be forwarded with the vehicle to be
15 retained by the vehicle scrap metal processor, and 1 copy ~~shall~~
16 **must** be forwarded to the secretary of state.

17 (21) A person, other than an automotive recycler, used or
18 secondhand vehicle parts dealer, or a foreign salvage dealer,
19 receiving a salvage certificate of title shall not sell the vehicle
20 to anyone other than 1 of the following:

21 (a) The vehicle's former owner.

22 (b) A used or secondhand vehicle parts dealer.

23 (c) A vehicle scrap metal processor.

24 (d) A foreign salvage vehicle dealer licensed under this act.

25 (e) An automotive recycler.

26 (22) A person receiving a scrap certificate of title shall not
27 sell the vehicle to anyone other than 1 of the following:

28 (a) An automotive recycler.

29 (b) A vehicle scrap metal processor.

1 (c) A foreign salvage vehicle dealer licensed under this act.

2 (d) A used or secondhand vehicle parts dealer.

3 (23) The secretary of state may conduct periodic reviews of
4 the records of a dealer to determine whether adequate notice is
5 given to a transferee or lessee of a rebuilt salvage vehicle of
6 that vehicle's prior designation as a salvage vehicle. The
7 secretary of state may request an insurance company to provide
8 copies of salvage title documents and claims reports involving
9 major component parts to assist the secretary of state in
10 monitoring compliance with this act.

11 (24) A licensed automotive recycler, used or secondhand
12 vehicle parts dealer, vehicle scrap metal processor, vehicle
13 salvage pool operator, distressed vehicle transporter, foreign
14 salvage vehicle dealer, or broker ~~who~~**that** has removed a scrap
15 vehicle from this state for the purpose of rebuilding the vehicle
16 or selling or leasing the vehicle to a person other than a vehicle
17 scrap metal processor, shall receive an automatic suspension of its
18 dealer license and of any salvage vehicle agent's license assigned
19 to that dealer for a period of 30 days. Upon receipt by the
20 secretary of state of a written request from the dealer, the dealer
21 shall have the right to an immediate hearing on the matter within
22 that 30-day period.

23 (25) For the purpose of this section, the estimated costs of
24 the repair parts ~~shall~~**must** be determined by using the current
25 published retail cost of original manufacturer equipment parts or
26 an estimate of the actual cost of the repair parts. The estimated
27 labor costs ~~shall~~**must** be computed by using the hourly rate and
28 time allocations ~~which~~**that** are reasonable and commonly assessed in
29 the repair industry in the community where the repairs are

1 performed.

2 (26) A police agency shall charge a fee for an inspection of a
3 vehicle under subsection (13). Each local authority with a police
4 agency shall determine the amount of the fee for inspections by
5 that police agency, ~~which shall~~ **that must** not exceed \$100.00.
6 Except as otherwise provided in this subsection, a fee collected
7 under this subsection ~~shall~~ **must** be deposited with the local
8 authority for that police agency. The records of the local
9 authority regarding the collection and disposition of inspection
10 fees is subject to review or audit by the local unit of government
11 and ~~shall~~ **must** be made available upon request to the department. If
12 an inspection was conducted by an employee of the department of
13 state, the fee ~~shall~~ **must** be deposited with the department of
14 state. A fee collected by a local authority ~~shall~~ **must** be used
15 ~~solely~~ for law enforcement purposes related to stolen vehicles,
16 including, but not limited to, equipment and road patrol services
17 that increase the likelihood of recovering stolen vehicles or
18 stolen vehicle parts, and salvage vehicle inspections. A fee
19 collected by the department of state ~~shall~~ **must** be used by the
20 department for the administration of the salvage vehicle inspection
21 program and ~~shall~~ **must** not lapse to the general fund. A local
22 police agency may compensate an off-duty and limited enforcement
23 police officer for a salvage vehicle inspection.

24 (27) For the purpose of this section, "actual cash value"
25 means the retail dollar value of a vehicle as determined by an
26 objective vehicle evaluation using local market resources such as
27 dealers or want ads or by an independent vehicle evaluation or
28 vehicle appraisal service or by a current issue of a nationally
29 recognized used vehicle guide for financial institution appraisal

1 purposes in this state.

2 Sec. 226. (1) Except as otherwise provided in subsection (13)
3 or (14), a vehicle registration issued by the secretary of state
4 expires on the owner's birthday, unless another expiration date is
5 provided for under this act or unless the registration is for **any**
6 **of** the following vehicles, in which case registration expires on
7 the last day of February:

8 (a) A commercial vehicle except for a commercial vehicle
9 issued a registration under the international registration plan or
10 a pickup truck or van owned by an individual.

11 (b) Except for a trailer or semitrailer issued a registration
12 under the international registration plan, a trailer or semitrailer
13 owned by a business, corporation, or person other than an
14 individual; or a pole trailer.

15 (2) Except as otherwise provided in subsection (13) or (14),
16 the expiration date for a registration issued for a motorcycle is
17 the motorcycle owner's birthday.

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

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

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

24 (a) After the October 1 immediately preceding the year
25 designated on the registration, issue a registration upon
26 application and payment of the proper fee for a commercial vehicle,
27 other than a pickup or van owned by an individual; or a trailer
28 owned by a business, corporation, or person other than an
29 individual.

1 (b) Beginning 60 days before the expiration date assigned on
2 an international registration plan registration plate, issue a
3 registration under section 801g upon application and payment of the
4 proper apportioned fee for a commercial vehicle engaged in
5 interstate commerce.

6 (c) Beginning 45 days before the owner's birthday or, if the
7 owner has requested the expiration date described in subsection
8 (14), 45 days before the expiration date, and 120 days before the
9 expiration date assigned by the secretary of state, issue a
10 registration for a vehicle other than those designated in
11 subsection (1)(a) or (b). However, if an owner whose registration
12 period begins 45 days before his or her birthday or expiration date
13 will be out of the state during the 45 days immediately preceding
14 expiration of a registration or for other good cause shown cannot
15 apply for a renewal registration within the 45-day period,
16 application for a renewal registration may be made not more than 6
17 months before expiration.

18 (6) Except as otherwise provided in this subsection and
19 subsection (14), the secretary of state, upon application and
20 payment of the proper fee, shall issue a registration for a vehicle
21 or a motorcycle to a resident that expires on the owner's birthday
22 or, if applicable, on the expiration date described in subsection
23 (14). If the owner's next birthday is at least 6 months but not
24 more than 12 months in the future, the owner shall receive a
25 registration valid until the owner's next birthday or, if
26 applicable, the expiration date described in subsection (14). If
27 the owner's next birthday is less than 6 months in the future, the
28 owner shall receive a registration valid until the owner's birthday
29 following the owner's next birthday or, if applicable, the

1 expiration date described in subsection (14). The tax required
2 under this act for a registration described in this subsection is
3 either of the following:

4 (a) For an original registration, the tax must bear the same
5 relationship to the tax required under section 801 for a 12-month
6 registration as the length of the registration bears to 12 months.

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

8 (i) For a registration that is for at least 6 months but not
9 more than 12 months, the same amount as for 12 months.

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

12 Partial months must be considered as whole months in the
13 calculation of the required tax and in the determination of the
14 length of time between the application for a registration and the
15 owner's next birthday or, if applicable, the expiration date
16 described in subsection (14). The tax required for that
17 registration must be rounded off to whole dollars as provided in
18 section 801.

19 (7) A certificate of title remains valid until canceled by the
20 secretary of state for cause or upon a transfer of an interest
21 shown on the certificate of title.

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

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

29 (a) A new vehicle purchased or leased outside of this state

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

7 (b) A vehicle purchased or leased in this state and delivered
8 to the purchaser or lessee by a dealer or by the owner of the
9 vehicle for removal to a place outside of this state, if a
10 certification is made that the vehicle will be primarily used,
11 stored, and registered outside of this state and will not be
12 returned to this state by the purchaser or lessee for use or
13 storage.

14 (10) A special registration issued under subsection (9) is
15 valid for not more than ~~30~~ 60 days after the date of issuance, and
16 a fee must be collected for each special registration as provided
17 in section 802(3). The special registration may be in the form
18 determined by the secretary of state. If a dealer makes a retail
19 sale or lease of a vehicle to a purchaser or lessee who is
20 qualified and eligible to obtain a special registration, the dealer
21 shall apply for the special registration for the purchaser or
22 lessee. If a person other than a dealer sells or leases a vehicle
23 to a purchaser or lessee who is qualified and eligible to obtain a
24 special registration, the purchaser or lessee shall appear in
25 person, or by a person exercising the purchaser's or lessee's power
26 of attorney, at an office of the secretary of state and furnish a
27 certification that the person is the bona fide purchaser or lessee
28 or that the person has granted the power of attorney, together with
29 other forms required for the issuance of the special registration

1 and provide the secretary of state with proof that the vehicle is
2 covered by an automobile insurance policy issued under section 3101
3 of the insurance code of 1956, 1956 PA 218, MCL 500.3101, or proof
4 that the vehicle is covered by a policy of insurance issued by an
5 insurer under section 3163 of the insurance code of 1956, 1956 PA
6 218, MCL 500.3163. The certification required in this subsection
7 must contain all of the following:

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

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

11 (c) A statement that the vehicle must be primarily used,
12 stored, and registered outside of this state.

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

15 **(e) The name and address of the lien holder.**

16 **(f)** ~~(e)~~—Other information requested by the secretary of state.

17 (11) 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 must be either
22 March 31, June 30, September 30, or December 31 or beginning on
23 February 19, 2019, the last day of a calendar month. Renewals
24 expiring on or after June 30, 2020 must be for a minimum of at
25 least 12 months if there is a change in the established expiration
26 date. Notwithstanding the provisions of this subsection, a
27 commercial vehicle, trailer, or semitrailer registration issued
28 under this subsection that expires on or after March 1, 2020 is
29 valid until March 31, 2021. Notwithstanding the provisions of this

subsection, a commercial vehicle, trailer, or semitrailer registration issued under this subsection that expires after March 31, 2021 but before August 1, 2021 is valid until 120 days after the date of the expiration.

(12) The expiration date for a multiyear registration issued for a leased vehicle must be the date the lease expires but must not be for a period longer than 24 months.

(13) A vehicle registration described in subsection (1) or a motorcycle registration described in subsection (2) that expires on or after March 1, 2020 is valid until March 31, 2021. A vehicle registration described in subsection (1) or a motorcycle registration described in subsection (2) that expires after March 31, 2021 but before August 1, 2021 is valid until 120 days after the date of the expiration.

(14) ~~In~~ **Beginning October 1, 2022, in** the case of a vehicle owned by an individual, upon request of that individual, a vehicle registration issued by the secretary of state expires 2 years after the owner's birthday.

Sec. 226a. (1) Temporary registration plates or markers may be issued to licensed dealers in vehicles and to persons engaged in the sale of vessels required to be numbered by part 801 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80101 to 324.80199, upon application accompanied by the proper fee, for use by purchasers or lessees of vehicles, for **a period** not to exceed ~~15~~ **30** days pending receipt of regular registration plates from the dealer or person. Only 1 temporary plate or marker may be issued to a purchaser or lessee of a vehicle. If a dealer or person requires a purchaser or lessee of a vehicle or purchaser or lessee of a vessel to pay for a temporary

1 plate or marker, the dealer or person shall not charge the
2 purchaser or lessee more than the dealer or person was charged by
3 the secretary of state for the individual plate or marker. The
4 secretary of state shall determine the composition and design of
5 the temporary registration plates or markers.

6 (2) A temporary registration plate or marker ~~shall~~**must** show
7 in ink the date of issue, a description of the vehicle for which
8 issued, and any other information required by the secretary of
9 state. A dealer or person shall immediately notify the secretary of
10 state of each temporary registration plate or marker issued by the
11 dealer or person, on a form prescribed by the secretary of state.
12 ~~Upon the attachment of~~**When** the regular plate **is attached** to a
13 vehicle for which a temporary registration plate or marker ~~has been~~
14 **was** issued, the temporary plate ~~shall~~**must** be destroyed.

15 (3) All temporary registration plates or markers ~~shall~~**must** be
16 serially numbered and upon issuance the number ~~shall~~**must** be noted
17 on the statement of vehicle sale form or in the case of a boat
18 trailer on a form prescribed by the secretary of state.

19 (4) A dealer or person, upon demand, shall immediately
20 surrender any temporary registration plates or markers in his or
21 her possession if the secretary of state finds, after
22 investigation, that the dealer or person has violated this section,
23 and the dealer or person shall immediately forfeit any right to the
24 temporary registration plates or markers.

25 (5) The secretary of state may issue a registration plate upon
26 application and payment of the proper fee to an individual,
27 partnership, corporation, or association who in the ordinary course
28 of business has occasion to legally repossess a vehicle in which a
29 security interest is held. A registration plate issued ~~pursuant to~~

under this subsection ~~shall~~**must** be used to move and dispose of a vehicle.

(6) The secretary of state may issue a registration plate upon application and payment of the proper fee to an individual, partnership, corporation, or association ~~who~~**that** in the ordinary course of business has occasion to legally pick up or deliver a vehicle not required to be titled under this act, to legally pick up or deliver a commercial motor vehicle being driven to a facility to undergo aftermarket modification, or to repair or service a vehicle, or to ~~persons defined as dealers under part 801~~**a dealer as defined in section 80102** of the natural resources and environmental protection act, 1994 PA 451, MCL ~~324.80101 to 324.80199, for the purpose of delivering~~**324.80102 to deliver** a vessel or trailer to a customer or to and from a boat show or exposition. A registration plate issued under this subsection ~~shall~~**must** be used to move the vehicle.

(7) The secretary of state may issue a registration plate upon application and payment of the proper fee to an individual, partnership, corporation, or association ~~who~~**that** in the ordinary course of business operates an auto auction, and ~~who~~**that** in the ordinary course of business has occasion to legally pick up a vehicle ~~which~~**that** will be offered for sale at the auction, or deliver a vehicle ~~which~~**that** has been offered for sale at the auction. The registration plate ~~shall~~**must** be used only to move vehicles as provided in this subsection. Auto auctions that ~~make application~~**apply** for a registration plate under this subsection shall furnish a surety bond as required by the secretary of state.

Sec. 233a. (1) When the owner of a registered motor vehicle transfers his or her title or interest in that vehicle, the

1 transferor shall present to the transferee before delivery of the
2 vehicle, written disclosure of odometer mileage by means of the
3 certificate of title or a written statement signed by the
4 transferor including the transferor's printed name, containing all
5 of the following:

6 (a) The odometer reading at the time of transfer, not ~~to~~
7 ~~include~~**including** the tenths of a mile or kilometer.

8 (b) The date of transfer.

9 (c) The transferor's name and current address.

10 (d) The transferee's name and current address.

11 (e) The identity of the vehicle, including its make, model,
12 body type, year, and vehicle identification number.

13 (f) A reference to this section and comparable federal law,
14 and a statement that failing to complete the title or form or
15 providing false information may result in civil liability and civil
16 or criminal penalties being imposed on the transferor.

17 (g) One of the following:

18 (i) A statement by the transferor certifying that to the best
19 of his or her knowledge the odometer reading reflects the actual
20 mileage of the vehicle.

21 (ii) If the transferor knows that the odometer reading reflects
22 the amount of mileage in excess of the designed mechanical odometer
23 limit, a statement to that effect.

24 (iii) If the transfer knows that the odometer reading differs
25 from the mileage and the difference is greater than that caused by
26 odometer calibration error, a statement that the odometer reading
27 does not reflect the actual mileage and should not be relied upon.
28 This notice must include a warning notice to alert the transferee
29 that a discrepancy exists between the odometer and the actual

1 mileage.

2 (h) Space for the signature and printed name of the
3 transferee, and the date of presentation to the transferee.

4 (2) A certificate of title and a dealer reassignment form must
5 contain a place for the information required by subsection (1)(a)
6 to (h). If the vehicle is not titled or the title does not contain
7 a space for the required information, a written statement must be
8 provided as a separate document.

9 (3) A dealer selling or exchanging vehicles required to be
10 titled under this act shall present the certificate of title or
11 written statement and any reassigned titles in his or her
12 possession to the transferee. The transferee or the transferee's
13 agent shall inspect, print his or her name, sign, and date **on** the
14 certificate or statement and return it to the transferor for
15 submission to the secretary of state. If neither the transferee nor
16 transferor is a dealer licensed under this act, completing the
17 odometer information on the certificate of title must be considered
18 to comply with subsection (1). A person shall not sign an odometer
19 disclosure statement as both the transferor and transferee in the
20 same transaction.

21 (4) A new or used vehicle dealer shall obtain from the
22 transferor a completed odometer mileage statement which meets the
23 requirements of subsection (1) with each motor vehicle acquired by
24 the dealer. ~~The~~ **Except as provided in subsection (16), the** dealer
25 shall not accept ~~nor~~ **or** provide an odometer mileage statement or a
26 title which contains a place for odometer information which has not
27 been completely filled in by the transferor.

28 (5) The odometer information described in subsection (1) must
29 not be required for any of the following:

1 (a) Vehicles having a gross vehicle weight rating of more than
2 16,000 pounds.

3 (b) A vehicle that is not self-propelled.

4 (c) A vehicle manufactured in or before the 2010 model year
5 that is transferred at least 10 years after January 1 of the
6 calendar year that is included in the model year in which the
7 vehicle is manufactured.

8 (d) A vehicle manufactured in or after the 2011 model year
9 that is transferred at least 20 years after January 1 of the
10 calendar year that is included in the model year in which the
11 vehicle was manufactured.

12 (e) A new vehicle transferred from a manufacturer to a dealer.

13 (f) A vehicle sold directly by the manufacturer to an agency
14 of the United States in conformity with contractual specifications.

15 (g) A low-speed vehicle.

16 **(h) A scrap vehicle.**

17 (6) A person shall not alter, set back, or disconnect an
18 odometer; cause or allow an odometer to be altered, set back, or
19 disconnected; or advertise for sale, sell, use, install, or cause
20 or allow to be installed a device which causes an odometer to
21 register other than the actual mileage driven. This subsection does
22 not prohibit the service, repair, or replacement of an odometer if
23 the mileage indicated on the odometer remains the same as before
24 the service, repair, or replacement. If the odometer is incapable
25 of registering the same mileage as before the service, repair, or
26 replacement, the odometer must be adjusted to read zero and a
27 notice in writing must be attached to the left door frame of the
28 vehicle by the owner or his or her agent specifying the mileage
29 prior to service, repair, or replacement of the odometer and the

1 date on which it was serviced, repaired, or replaced. A person
2 shall not remove, deface, or alter any notice affixed to a motor
3 vehicle ~~pursuant to~~**under** this subsection.

4 (7) A person who violates subsection (6) is guilty of a
5 felony.

6 (8) Before executing a transfer of ownership document, a
7 lessor of a leased vehicle shall notify the lessee in writing that
8 ownership of the vehicle is being transferred and that the lessee
9 is required to provide a written statement to the lessor regarding
10 the mileage of the vehicle. This notice must inform the lessee of
11 the penalties for failure to comply with the requirement.

12 (9) Upon receiving notification from the lessor of a leased
13 vehicle that ownership of the vehicle is to be transferred, the
14 lessee shall furnish to the lessor a written statement regarding
15 the mileage of the vehicle. This statement must be signed by the
16 lessee and must contain all of the following:

17 (a) The printed name of the person making the statement.

18 (b) The current odometer reading, not including tenths of
19 miles.

20 (c) The date of the statement.

21 (d) The lessee's name and current address.

22 (e) The lessor's name and current address.

23 (f) The identity of the vehicle, including its make, model,
24 year, body type, and vehicle identification number.

25 (g) The date that the lessor notified the lessee of the
26 requirements of this subsection.

27 (h) The date that the completed disclosure statement was
28 received by lessor.

29 (i) The signature of the lessor.

1 (j) One of the following:

2 (i) A statement by the lessee certifying that to the best of
3 his or her knowledge the odometer reading reflects the actual
4 mileage of the vehicle.

5 (ii) If the lessee knows that the odometer reading reflects the
6 amount of mileage in excess of the designed mechanical odometer
7 limit, a statement to that effect.

8 (iii) If the lessee knows that the odometer reading differs from
9 the mileage and that the difference is greater than that caused by
10 odometer calibration error, a statement that the odometer reading
11 is not the actual mileage and should not be relied upon.

12 (10) If the lessor transfers a leased vehicle without
13 obtaining possession of the vehicle, the lessor may indicate on the
14 certificate of title the mileage disclosed by the lessee under
15 subsection (9), unless the lessor has reason to believe that the
16 mileage disclosed by the lessee does not reflect the actual mileage
17 of the vehicle.

18 (11) A dealer ~~who~~**that** is required by this section to execute
19 an odometer mileage statement shall retain for 5 years a
20 photostatic, carbon, or other facsimile copy of each odometer
21 mileage statement the dealer issues or receives. The dealer shall
22 retain the odometer mileage statements at his or her primary place
23 of business in an order that is appropriate to business
24 requirements and that permits systematic retrieval.

25 (12) A lessor shall retain for 5 years following the date of
26 transfer of ownership of each leased vehicle, the odometer mileage
27 statement received from the lessee. The lessor shall retain the
28 odometer mileage statements at his or her primary place of business
29 in an order that is appropriate to business requirements and that

1 permits systematic retrieval.

2 (13) An auction dealer or vehicle salvage pool operator shall
3 establish and retain at his or her primary place of business in an
4 order that is appropriate to business requirements and that permits
5 systematic retrieval, for 5 years following the date of sale of
6 each motor vehicle, the following records:

7 (a) The name and the most recent owner, other than the auction
8 dealer or salvage pool operator.

9 (b) The name of the buyer.

10 (c) The vehicle identification number.

11 (d) The odometer reading, not including the tenths of a mile,
12 on the date the auction dealer or salvage pool operator took
13 possession of the motor vehicle.

14 (14) A violation of subsection (1) or (6) by any dealer
15 licensed under this act is prima facie evidence of a fraudulent act
16 as provided in section 249.

17 (15) A person who, with intent to defraud, violates any
18 requirement under subsection (1) or (6), or a dealer ~~who~~**that** fails
19 to retain for 5 years each odometer mileage statement the dealer
20 receives and each odometer mileage statement furnished by the
21 dealer upon the sale of a vehicle, is liable in an amount equal to
22 3 times the amount of actual damages sustained or \$1,500.00
23 whichever is greater, and in the case of a successful recovery of
24 damages, the costs of the action together with reasonable attorney
25 fees.

26 **(16) For the purposes of this section, the department may**
27 **accept an electronically signed odometer disclosure document that**
28 **complies with all of the following:**

29 **(a) Is submitted on a form that is approved by the department.**

1 (b) Is electronically signed using software that provides
2 antitamper and identification verification technology and is
3 approved for this use by the department.

4 (c) Is otherwise fully compliant with 49 CFR 580.

5 Sec. 235. (1) If the transferee of a vehicle is a new motor
6 vehicle dealer or a used or secondhand vehicle dealer that acquires
7 the vehicle for resale, the dealer is not required to obtain a new
8 registration of the vehicle or forward the certificate of title to
9 the secretary of state, but shall retain and have in the dealer's
10 immediate possession **or at a secondary location owned by the dealer**
11 **that is located in the same county** the assigned certificate of
12 title with the odometer information properly completed, except as
13 otherwise provided in section 235b. A dealer shall obtain a
14 certificate of title for a vehicle ~~having~~**that has** a salvage
15 certificate of title before the dealer may operate the vehicle
16 under dealer's license plates. Upon transferring title or interest
17 to another person that is not a dealer, the dealer shall complete
18 an assignment and warranty of title upon the certificate of title,
19 salvage certificate of title, or dealer reassignment of title form
20 and ~~make an application~~**apply** for a registration and a new title as
21 provided in section 217(4).

22 (2) The dealer or transferee is liable for all damages arising
23 from the operation of the vehicle while the vehicle is in the
24 dealer's or transferee's possession.

25 (3) Upon transferring title or interest to another dealer, the
26 dealer shall complete an assignment and warranty of title ~~upon~~**on**
27 the certificate of title, salvage certificate of title, or dealer
28 reassignment of title form and deliver it to the licensed dealer ~~to~~
29 ~~which~~**receiving** the transfer. ~~is made.~~

(4) The secretary of state shall prescribe the dealer reassignment of title form. The form ~~shall~~**must** contain the title number of the accompanying title; the name, address, and, if applicable, dealer license number of the transferee; the year, make, model, body type, and vehicle identification number of the vehicle; the name, address, dealer number, and signature of the transferor; an odometer mileage statement as prescribed under section 233a; and any other information the secretary of state requires.

(5) This section does not prohibit a dealer from selling a buy back vehicle while the certificate of title is in the possession of a manufacturer that obtained the certificate of title under the manufacturer's buy back vehicle program. The manufacturer shall mail the certificate of title to the dealer within 5 business days after the manufacturer's receipt of a signed statement from the purchaser of the vehicle acknowledging he or she was informed by the dealer that the manufacturer acquired title to the vehicle as the result of an arbitration proceeding, under a customer satisfaction policy adopted by the manufacturer, or under 1986 PA 87, MCL 257.1401 to 257.1410, or a similar law of another state.

(6) This section does not prohibit a dealer from selling an off lease vehicle while the certificate of title is in the possession of a lessor. The lessor shall mail the certificate of title to the dealer within 21 days after the lessor receives the purchase price of the vehicle and any other fees and charges due under the lease.

Sec. 245. (1) ~~Any~~**A** manufacturer, transporter, or dealer may ~~make application~~**apply** to the department ~~upon~~**on** the appropriate form for a general distinguishing number and for 1 or more special

1 plates. The applicant shall ~~also~~ submit proof of his status as a
2 bona fide manufacturer, transporter, or dealer as may reasonably be
3 required by the department.

4 (2) The department, upon granting the application, shall issue
5 a special plate with a general distinguishing number assigned to
6 the applicant and displayed on the special plate. The
7 distinguishing number for a special plate ~~shall~~ **must** be different
8 from every other special plate.

9 (3) A manufacturer or transporter may make application on a
10 form prescribed by the secretary of state for 1 or more special
11 plates, which ~~special plates shall be~~ **are** valid for 3 years. Upon
12 approval of the application, the fee for 1 or more special plates
13 ~~shall be~~ **is** 3 times the annual fee assessed under section 803.

14 (4) **A dealer may make application on a form prescribed by the**
15 **secretary of state for 1 or more special plates, which are valid**
16 **for the term of the license held by the dealer. Upon approval of**
17 **the application, the fee for 1 or more special plates is the term**
18 **of years of the license held by the dealer times the fee assessed**
19 **under section 803.**

20 Sec. 248. (1) The secretary of state shall not grant a dealer
21 license under this section until the secretary conducts an
22 investigation of the applicant's qualifications under this act,
23 except that this subsection does not apply to a license renewal.
24 The secretary of state shall conduct the investigation within 15
25 days after receiving the application and prepare a report on the
26 investigation.

27 (2) An applicant for a new vehicle dealer or a used or
28 secondhand vehicle dealer or broker license shall include a
29 properly executed bond or a bond renewal certificate, approved by

1 the secretary of state, with the license application. If a renewal
2 certificate is used, the bond is considered renewed for each
3 succeeding year in the same amount and with the same effect as an
4 original bond. The bond ~~shall~~**must** be in the amount of ~~\$10,000.00.~~
5 **\$25,000.00.** The bond ~~shall~~**must** indemnify or reimburse a purchaser,
6 seller, lessee, financing agency, or governmental agency for
7 monetary loss caused through fraud, cheating, or misrepresentation
8 in the conduct of the vehicle business whether the fraud, cheating,
9 or misrepresentation was made by the dealer or by an employee,
10 agent, or salesperson of the dealer. The surety shall make
11 indemnification or reimbursement for a monetary loss only after a
12 judgment based on fraud, cheating, or misrepresentation is entered
13 in a court of record against the licensee or a final order that the
14 licensee has engaged in fraud, cheating, or misrepresentation is
15 issued by the secretary of state after an administrative hearing.
16 The bond ~~shall~~**must** also indemnify or reimburse the state for any
17 sales tax deficiency as provided in the general sales tax act, 1933
18 PA 167, MCL 205.51 to 205.78, or use tax deficiency as provided in
19 the use tax act, 1937 PA 94, MCL 205.91 to 205.111, for the year in
20 which the bond is in force. The surety shall make indemnification
21 or reimbursement only after a final judgment is entered in a court
22 of record against the licensee or a final order is issued by the
23 secretary of state after an administrative hearing. A dealer or
24 applicant that provides proof that is satisfactory to the secretary
25 of state that a bond similar to the bond required by this
26 subsection is executed and in force is exempt from the bond
27 requirements of this subsection. The aggregate liability of the
28 surety ~~shall~~**must** not exceed the sum of the bond. The surety on the
29 bond may cancel the bond by giving notice in writing to the

1 secretary of state of the cancellation at least 30 days before the
2 effective date of the cancellation and is not liable for a breach
3 of condition occurring after the effective date of the
4 cancellation.

5 (3) An applicant for a new vehicle dealer or a used or
6 secondhand vehicle dealer license shall apply for not less than 2
7 dealer plates under section 245 and shall include with the
8 application the proper fee for those plates under section 803.

9 (4) As a condition precedent to the granting of a license, a
10 dealer ~~shall~~**must** file with the secretary of state an irrevocable
11 written stipulation, authenticated by the applicant, stipulating
12 and agreeing that legal process affecting the dealer, served on the
13 secretary of state or a deputy of the secretary of state, has the
14 same effect as if personally served on the dealer. This appointment
15 remains in force as long as the dealer has any outstanding
16 liability within this state.

17 (5) A person shall not carry on or conduct the business of
18 buying, selling, brokering, leasing, negotiating a lease, or
19 dealing in 5 or more vehicles of a type required to be titled under
20 this act in a 12-month period unless the person obtains a dealer
21 license from the secretary of state authorizing the carrying on or
22 conducting of that business. A person shall not carry on or conduct
23 the business of buying, selling, brokering, leasing, negotiating a
24 lease, or dealing in 5 or more distressed, late model vehicles or
25 salvageable parts to 5 or more of those vehicles in a 12-month
26 period unless the person obtains a used or secondhand vehicle parts
27 dealer, an automotive recycler, or a salvage pool license from the
28 secretary of state or is an insurance company admitted to conduct
29 business in this state. A person shall not carry on or conduct the

1 business of buying 5 or more vehicles in a 12-month period to
2 process into scrap metal or store or display 5 or more vehicles in
3 a 12-month period as an agent or escrow agent of an insurance
4 company unless the person obtains a dealer license from the
5 secretary of state. A vehicle scrap metal processor that does not
6 purchase vehicles or salvageable parts from unlicensed persons is
7 not required to obtain a dealer license. A person from another
8 state shall not purchase, sell, or otherwise deal in distressed,
9 late model vehicles or salvageable parts unless the person obtains
10 a foreign salvage vehicle dealer license from the secretary of
11 state under section 248b. A person, including a dealer, shall not
12 purchase or acquire a distressed, late model vehicle or a
13 salvageable part through a salvage pool, auction, or broker without
14 a license as a salvage vehicle agent. The secretary of state shall
15 investigate and seek prosecution, if necessary, of persons
16 allegedly conducting a business without a license.

17 (6) The application for a dealer license ~~shall~~**must** be in the
18 form prescribed by the secretary of state and ~~shall be~~ signed by
19 the applicant. In addition to **any** other information ~~as may be~~
20 required by the secretary of state, the application ~~shall~~**must**
21 include all of the following:

22 (a) The name of the applicant.

23 (b) The location of the applicant's established place of
24 business in this state, together with written verification from the
25 appropriate governing or zoning authority that the established
26 place of business meets all applicable municipal and zoning
27 requirements.

28 (c) The name under which the dealer will conduct business.

29 (d) If the business is a corporation, the state of

1 incorporation.

2 (e) If the business is a sole proprietorship or partnership,
3 the name, address, and date of birth of each owner or partner; if
4 the business is a corporation, the name, address, and date of birth
5 of each of the principal officers.

6 (f) The county in which the applicant will conduct business
7 and the address of each place of business in that county.

8 (g) If the dealer's business is the sale of new vehicles, the
9 make or makes of those vehicles. Each new vehicle dealer shall send
10 with the application for license a certification that the dealer
11 holds a bona fide contract to act as factory representative,
12 factory distributor, or distributor representative to sell at
13 retail (the make of vehicle to be sold) and that the
14 contract meets the requirements for a dealer agreement under **the**
15 **motor vehicle franchise act**, 1981 PA 118, MCL 445.1561 to 445.1583.

16 (h) A statement of the previous history, record, and
17 associations of the applicant and of each owner, partner, officer,
18 or director of the applicant. The statement ~~shall~~**must** be
19 sufficient to establish to the satisfaction of the secretary of
20 state the business reputation and character of the applicant.

21 (i) A statement showing whether the applicant has previously
22 applied for a license, the result of the application, and whether
23 the applicant has ever been the holder of a dealer license that was
24 revoked or suspended.

25 (j) If the applicant is a corporation or partnership, a
26 statement showing whether a partner, employee, officer, or director
27 has been refused a license or has been the holder of a license that
28 was revoked or suspended.

29 (k) If the application is for a used or secondhand vehicle

1 parts dealer or an automotive recycler, all of the following:

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

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

7 (iii) Evidence of worker's compensation insurance coverage for
8 employees classified under the North American ~~industry~~
9 ~~classification system~~ **Industry Classification System** number 42114,
10 entitled "motor vehicle parts (used) merchant wholesalers" or under
11 the National Council on Compensation Insurance classification code
12 number 3821, entitled "automobile dismantling", if applicable.

13 (l) A certification that neither the applicant nor another
14 person named on the application is acting as the alter ego of any
15 other person or persons in seeking the license. For the purpose of
16 this subdivision, "alter ego" means a person that acts for and on
17 behalf of, or in the place of, another person for purposes of
18 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
21 the applicant is a partnership, the principal officers of the
22 applicant if the applicant is a corporation, or any other
23 individual who is responsible for the daily operations of the
24 dealership, as applicable, has reviewed and understands the
25 requirements of this act, the rules promulgated under this act, the
26 dealer manual published by the secretary of state, and any other
27 applicable material provided by the department.

28 (n) For an application submitted by or on behalf of an
29 eligible used vehicle dealer for an original license, a

1 certification that within the 6-month period preceding the date of
2 the application, the applicant, the partners of the applicant, or
3 the principal officers of the applicant, as applicable, completed
4 the dealer training program described in section 248/(2). This
5 subdivision does not apply to an application to renew the license
6 of an eligible used vehicle dealer and does not apply to any
7 original license that was granted to an eligible used vehicle
8 dealer before, and that is valid on, ~~the effective date of section~~
9 ~~248/.~~ **March 20, 2019.** As used in this subdivision and subdivision
10 (o), "eligible used vehicle dealer" means that term as defined in
11 section 248/.

12 (o) For an application submitted by or on behalf of an
13 eligible used vehicle dealer for an original or renewal license, a
14 certification that each retail sales location of that dealer has an
15 employee that has completed the dealer training program required
16 under section 248/(3) or (5), as applicable.

17 (7) A person shall apply separately for a dealer license for
18 each county in which business is to be conducted. Before moving 1
19 or more places of business or opening an additional place of
20 business, a dealer shall apply to the secretary of state for and
21 obtain a supplemental dealer license. The secretary of state shall
22 not charge a fee for a supplemental dealer license and shall issue
23 a supplemental dealer license only for a location, including a
24 tent, temporary stand, or any temporary quarters, that does not
25 meet the definition of an established place of business, within the
26 county in which the dealer's established place of business is
27 located. A dealer license entitles the dealer to conduct the
28 business of buying, selling, leasing, and dealing in vehicles or
29 salvageable parts in the county covered by the license. The dealer

1 license ~~shall also entitle~~**entitles** the dealer to conduct at any
 2 other licensed dealer's established place of business in this state
 3 only the business of buying, selling, leasing, or dealing in
 4 vehicles at wholesale.

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

11 (a) New vehicle dealer.

12 (b) Used or secondhand vehicle dealer. A used or secondhand
 13 vehicle dealer may be eligible for a mobility dealer endorsement
 14 under section 248k.

15 (c) Used or secondhand vehicle parts dealer.

16 (d) Vehicle scrap metal processor.

17 (e) Vehicle salvage pool operator.

18 (f) Distressed vehicle transporter.

19 (g) Broker.

20 (h) Foreign salvage vehicle dealer.

21 (i) Automotive recycler.

22 (j) ~~Beginning April 1, 2005, wholesaler.~~**Wholesaler.**

23 (9) All of the following apply to the issuance, renewal, and
 24 expiration of a dealer license under this section:

25 (a) A dealer license expires on December 31 of the last year
 26 ~~for which~~**that** the license is valid.

27 (b) A dealer shall renew its dealer license annually. The
 28 secretary of state may renew a dealer license for a period of not
 29 more than 4 years if the secretary receives a renewal application

1 and payment of the fee required under section 807.

2 (c) To renew a dealer license, the dealer shall file an
3 application for renewal with the secretary of state at least 30
4 days before the expiration of its current license.

5 (d) If a dealer has not renewed its dealer license on or
6 before the expiration date of its current license, the secretary of
7 state within 10 business days after that expiration date must
8 notify the dealer that the secretary of state has not received its
9 renewal application. The notice ~~shall~~**must** include the amount of
10 the late renewal fee.

11 (e) A dealer may continue to operate its dealer business after
12 the expiration of its dealer license, pending approval of the
13 renewal application, if the renewal application is delivered in
14 person or mailed to the secretary of state on or before the
15 expiration date of the license. If requested by the department, a
16 dealer that mails an application under this subdivision must
17 provide proof of mailing of the renewal application that is
18 satisfactory to the department.

19 (f) If an application to renew a dealer license is filed with
20 the secretary of state after the expiration of that license, the
21 dealer may operate its dealer business beginning on the date on
22 which the application is delivered or mailed to the secretary of
23 state, pending approval of the renewal application. If requested by
24 the department, a dealer that mails an application under this
25 subdivision must provide proof of mailing of the renewal
26 application that is satisfactory to the department. A dealer shall
27 pay a renewal fee equal to 150% of the normal renewal fee for a
28 renewal described in this subdivision.

29 (g) If a dealer files an application to renew a dealer license

1 more than 30 days after the expiration of that license, the dealer
2 is considered a new applicant for a dealer license under this
3 section.

4 (h) The secretary of state shall deposit the late renewal fees
5 collected under subdivisions (d) and (f) in the transportation
6 administration collection fund created in section 810b.

7 **(i) The secretary of state shall not renew a dealer's license**
8 **if the applicant has not bought or sold more than 5 vehicles during**
9 **the 12 months preceding the dealer's renewal application.**

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

15 (a) The dealer is licensed as a new vehicle dealer or used or
16 secondhand vehicle dealer.

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

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

26 **(11) Notwithstanding section 235, a dealer may advertise to**
27 **the public a vehicle that the dealer has acquired but is still**
28 **waiting on possession of the vehicle's title. Such a vehicle, if**
29 **displayed, must be placed in a dedicated area at the dealership and**

1 arranged in a manner that clearly separates the vehicle from those
2 available for immediate sale to the public with signage placed on
3 the vehicle indicating the vehicle is not for sale until the title
4 is in the possession of the dealer. A vehicle owned by the dealer
5 may be held for a customer with a refundable deposit for a period
6 not to exceed 30 days.

7 (12) A dealer may park, store, hold, and repair vehicles owned
8 under 1 dealer license on the lot or property held by the same
9 dealer under a separate dealer license.

10 Sec. 248d. All of the following requirements apply to a
11 wholesaler:

12 (a) A wholesaler shall not advertise vehicles for sale on the
13 internet or any classified listing unless the advertisement clearly
14 discloses the wholesaler's license classification and clearly
15 states that ~~any~~**a** purchaser ~~shall~~**must** be a licensed vehicle
16 dealer.

17 (b) A wholesaler shall **not** buy or sell ~~not less~~**fewer** than 24
18 vehicles in this state each year to retain possession of a
19 wholesaler license.

20 (c) A wholesaler shall maintain an established place of
21 business in this state ~~that satisfies~~**in accordance with** the
22 conditions listed in section 14(3).

23 (d) A wholesaler shall maintain and adhere to designated
24 business hours that are filed with the secretary of state.

25 (e) A wholesaler shall maintain regular hours of operation at
26 an established place of business that include at least 15 regular
27 business hours per week between the hours of 8 a.m. and 5 p.m.,
28 Monday through Friday.

29 Sec. 250. (1) ~~(a)~~**If the secretary of state receives a**

1 complaint against a licensee that merits an investigation, the
 2 secretary of state must notify the licensee, and the complaint must
 3 be made available to the licensee at no charge. Before denying,
 4 revoking, suspending, or refusing to renew a dealer's license the
 5 secretary of state shall **do all of the following:**

6 (a) ~~1. Cause an investigation of~~ **Investigate** the licensee
 7 after a complaint in writing of any person has been filed ~~in his~~
 8 ~~office.~~ **with the secretary of state.**

9 (b) ~~2. Set a date for hearing and give said the licensee~~
 10 notice ~~thereof of the hearing~~ at least 10 days in advance in the
 11 manner herein provided.

12 (c) ~~3. Cause a record to be taken of~~ **Record** the hearing
 13 proceedings.

14 (d) ~~4. Enter a final order together with his the secretary of~~
 15 **state's** findings.

16 (2) ~~(b) Such A~~ final order of the secretary of state ~~shall be~~
 17 **under subsection (1) (d) is** final unless, within 30 days after
 18 notice of such order is mailed by the secretary of state to the
 19 person whose application or license is denied, revoked, suspended
 20 or refused, ~~such person shall claim an appeal from such the~~
 21 **licensee appeals the final** order to the circuit court for the
 22 county in which ~~such person the licensee~~ resides or maintains a
 23 place of business or to the circuit court for the county of Ingham.
 24 On ~~such~~ appeal, the court shall review both law and facts as
 25 disclosed by the record, and may in its discretion receive newly
 26 discovered evidence, but shall not conduct a hearing de novo. The
 27 court may confirm, modify, or set aside such order and make such
 28 further orders ~~in respect thereto~~ as justice may require.

29 Sec. 251. (1) Each new vehicle dealer, used vehicle dealer,

1 broker, and wholesaler shall maintain a record in a manner
2 prescribed by the secretary of state of each vehicle of a type
3 subject to titling under this act that is bought, sold, leased, or
4 exchanged by the dealer or received or accepted by the dealer for
5 sale, lease, or exchange.

6 (2) Each record ~~shall~~**must** contain the date of the purchase,
7 sale, lease, or exchange or receipt for the purpose of sale, lease,
8 or exchange, a description of the vehicle, the name and address of
9 the seller, the purchaser or lessee, and the alleged owner or other
10 persons from whom the vehicle was purchased or received, or to whom
11 it was sold, leased, or delivered. The record ~~shall~~**must** contain a
12 copy of any odometer mileage statement received by the dealer when
13 the dealer purchased or acquired a vehicle and a copy of the
14 odometer mileage statement furnished by the dealer when the dealer
15 sold, leased, or exchanged the vehicle as prescribed in section
16 233a. If the vehicle is purchased, sold, leased, or exchanged
17 through a broker, the record ~~shall~~**must** include the broker's name
18 and dealer license number and the amount of the broker's fee,
19 commission, compensation, or other valuable consideration paid by
20 the purchaser or lessee or paid by the dealer, or both. The records
21 of all vehicles purchased, sold, leased, or exchanged through a
22 broker maintained by the secretary of state ~~shall~~**must** be in an
23 electronic format determined by the secretary of state. A dealer
24 shall retain for not less than 5 years each odometer mileage
25 statement the dealer receives and each odometer mileage statement
26 furnished by the dealer upon the sale, lease, or exchange of a
27 vehicle. The description of the vehicle, in the case of a motor
28 vehicle, ~~shall~~**must** also include the vehicle identification number
29 and other numbers or identification marks as may be on the vehicle,

1 and ~~shall~~**must** also include a statement that a number has been
2 obliterated, defaced, or changed, if that is the fact. For a
3 trailer or semitrailer, the record ~~shall~~**must** include the vehicle
4 identification number and other numbers or identification marks as
5 may be on the trailer or semitrailer.

6 (3) Not more than 20 days after the delivery of the vehicle,
7 the seller shall deliver to the buyer in person or by mail to the
8 buyer's last known address a duplicate of a written statement, on a
9 form prescribed by the secretary of state in conjunction with the
10 department of treasury, describing clearly the name and address of
11 the seller, the name and address of the buyer, the vehicle sold to
12 the buyer, the cash sale price of the vehicle, the cash paid down
13 by the buyer, the amount credited the buyer for a trade-in, a
14 description of the trade-in, the amount charged for vehicle
15 insurance, stating the types of insurance covered by the insurance
16 policy, the amount charged for a temporary registration plate, the
17 amount of any other charge and ~~specifying~~ its purpose, the net
18 balance due from the buyer, and a summary of insurance coverage to
19 be affected. If the vehicle sold is a new motor home, the written
20 statement ~~shall~~**must** contain a description, including the year of
21 manufacture, of every major component part of the vehicle that has
22 its own manufacturer's certificate of origin. The written statement
23 ~~shall~~**must** disclose if the vehicle sold is a vehicle that the
24 seller had loaned or leased to a political subdivision of this
25 state for use as a driver education vehicle. The written statement
26 ~~shall~~**must** be dated, but not later than the actual date of delivery
27 of the vehicle to the buyer. The original and all copies of the
28 prescribed form ~~shall~~**must** contain identical information. The
29 statement ~~shall be~~**is** furnished by the seller, ~~shall be~~ signed by

1 the seller or the seller's agent and by the buyer, and ~~shall be~~
2 filed with the application for new title or registration. Failure
3 of the seller to deliver this written statement to the buyer does
4 not invalidate the sale between the seller and the buyer.

5 (4) A retail vehicle sale is void unless both of the following
6 conditions are met:

7 (a) The sale is evidenced by a written memorandum that
8 contains the agreement of the parties and is signed by the buyer
9 and the seller or the seller's agent.

10 (b) The agreement contains a place for acknowledgment by the
11 buyer of the receipt of a copy of the agreement or actual delivery
12 of the vehicle is made to the buyer.

13 (5) Each dealer record and inventory, including the record and
14 inventory of a vehicle scrap metal processor not required to obtain
15 a dealer license, ~~shall be~~ **is** open to inspection, **with 48 hours'**
16 **advance notice**, by a police officer or an authorized officer or
17 investigator of the secretary of state during reasonable or
18 established business hours.

19 (6) A dealer licensed as a distressed vehicle transporter
20 shall maintain records in a form as prescribed by the secretary of
21 state. The records ~~shall~~ **must** identify each distressed vehicle that
22 is bought, acquired, and sold by the dealer. The record ~~shall~~ **must**
23 identify the person from whom a distressed vehicle was bought or
24 acquired and the dealer to whom the vehicle was sold. The record
25 ~~shall~~ **must** indicate ~~whether~~ **if** a certificate of title or salvage
26 certificate of title was obtained by the dealer for each vehicle.

27 (7) A dealer licensed under this act shall maintain records
28 for a period of 5 years. The records ~~shall~~ **must** be made available
29 for inspection by the secretary of state or other law enforcement

1 officials. To determine or enforce compliance with this chapter or
2 other applicable law, the secretary of state or any law enforcement
3 official may inspect a dealer, **with 48 hours' advance notice,**
4 whenever he or she determines it is necessary. **The secretary of**
5 **state or other law enforcement officials must have proof of**
6 **providing the notice to the dealer in writing or verbally.** The
7 secretary of state may issue an order summarily suspending the
8 license of a dealer under section 92 of the administrative
9 procedures act of 1969, 1969 PA 306, MCL 24.292, based on an
10 affidavit by a person familiar with the facts set forth in the
11 affidavit that the dealer has failed to maintain the records
12 required by this act or failed to provide the records for
13 inspection as requested by the secretary of state, or has otherwise
14 hindered, obstructed, or prevented the inspection of records
15 authorized under this section. The dealer ~~to whom~~ **that** the order is
16 directed **to** shall comply immediately, but on application to the
17 department shall be afforded a hearing within 30 days under the
18 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
19 24.328. On the basis of the hearing, the summary order ~~shall~~ **must**
20 be continued, modified, or held in abeyance not later than 30 days
21 after the hearing.

22 (8) A dealer licensed as a vehicle salvage pool operator or
23 broker shall maintain records in a form as prescribed by the
24 secretary of state. The records ~~shall~~ **must** contain a description of
25 each vehicle or salvageable part stored by the dealer, the name and
26 address of the insurance company or person storing the vehicle or
27 salvageable part, the period of time the vehicle or salvageable
28 part was stored, and the person acquiring the vehicle or
29 salvageable part. In the case of a late model vehicle, a record of

1 the purchase or sale of a major component part of the vehicle ~~shall~~
2 **must** be maintained identifying the part purchased or sold, the name
3 and address of the seller or purchaser, the date of the purchase or
4 sale, and the identification number assigned to the part by the
5 dealer. The record of the purchase or sale of a part ~~shall~~**must** be
6 maintained in or attached to the dealer's police book or hard copy
7 of computerized data entries and reference codes and ~~shall~~**must** be
8 accessible at the dealer's location. In addition, a dealer licensed
9 as a broker shall maintain a record of the odometer mileage reading
10 of each vehicle sold pursuant to an agreement between the broker
11 and the buyer or the broker and the seller. The record of odometer
12 mileage ~~shall~~**must** be maintained for 5 years and ~~shall~~ contain all
13 of the information required by section 233a.

14 (9) A dealer licensed as a used vehicle parts dealer or an
15 automotive recycler shall maintain records in a form prescribed by
16 the secretary of state. The records ~~shall~~**must** contain the date of
17 purchase or acquisition of the vehicle, a description of the
18 vehicle including the color, and the name and address of the person
19 from whom the vehicle was acquired. If the vehicle is sold, the
20 record ~~shall~~**must** contain the date of sale and the name and address
21 of the purchaser. The record ~~shall~~**must** indicate if the certificate
22 of title or salvage or scrap certificate of title was obtained by
23 the dealer. In the case of a late model vehicle, a record of the
24 purchase or sale of a major component of the vehicle ~~shall~~**must** be
25 maintained identifying the part purchased or sold, the name and
26 address of the seller or purchaser, the date of the purchase or
27 sale, and the identification number assigned to the part by the
28 dealer, except that a bumper remanufacturer is not required to
29 maintain a record of the purchase of a bumper. However, a bumper

1 remanufacturer shall assign and attach an identification number to
2 a remanufactured bumper and maintain a record of the sale of the
3 bumper. The record of the purchase or sale of a part ~~shall~~**must** be
4 maintained in or attached to the dealer's police book or hard copy
5 of computerized data entries and reference codes and ~~shall~~**must** be
6 accessible at the dealer's location.

7 (10) A dealer licensed as a vehicle scrap metal processor
8 shall maintain records as prescribed by the secretary of state. As
9 provided in section 217c, the records ~~shall~~**must** contain for a
10 vehicle purchased from a dealer a copy of the scrap vehicle
11 inventory, including the name and address of the dealer, a
12 description of the vehicle acquired, and the date of acquisition.
13 If a vehicle is purchased or acquired from a person other than a
14 dealer, the record ~~shall~~**must** contain the date of acquisition, a
15 description of the vehicle, including the color, the name and
16 address of the person from whom the vehicle was acquired, and
17 whether a certificate of title or salvage or scrap certificate of
18 title was obtained by the dealer.

19 (11) A dealer licensed as a foreign salvage vehicle dealer
20 shall maintain records in a form prescribed by the secretary of
21 state. The records ~~shall~~**must** contain the date of purchase or
22 acquisition of each distressed vehicle, a description of the
23 vehicle including the color, and the name and address of the person
24 from whom the vehicle was acquired. If the vehicle is sold, the
25 record ~~shall~~**must** contain the date of sale and the name and address
26 of the purchaser. The record ~~shall~~**must** indicate if the certificate
27 of title or salvage or scrap certificate of title was obtained by
28 the dealer. In the case of a late model vehicle, a record of the
29 purchase or sale of each salvageable part purchased or acquired in

1 this state ~~shall~~**must** be maintained and the record ~~shall~~**must**
 2 contain the date of purchase or acquisition of the part, a
 3 description of the part, the identification number assigned to the
 4 part, and the name and address of the person to or from whom the
 5 part was purchased, acquired, or sold. The record of the sale,
 6 purchase, or acquisition of a part ~~shall~~**must** be maintained in the
 7 dealer's police book. The police book ~~shall~~**must** only contain
 8 vehicles and salvageable parts purchased in this state or used in
 9 the repair of a vehicle purchased in this state. The police book
 10 and the records of vehicle part sales, purchases, or acquisitions
 11 ~~shall~~**must** be made available at a location within the state for
 12 inspection by the secretary of state within 48 hours after a
 13 request by the secretary of state.

14 (12) The secretary of state shall make periodic ~~unannounced~~
 15 inspections of the records, facilities, and inventories of
 16 automotive recyclers and used or secondhand vehicle parts dealers.

17 (13) The secretary of state may promulgate rules to implement
 18 this section under the administrative procedures act of 1969, 1969
 19 PA 306, MCL 24.201 to 24.328.

20 Sec. 803. ~~The~~**Except as otherwise provided in section 245, the**
 21 secretary of state shall charge a \$10.00 fee for each special plate
 22 issued under section 244. The secretary of state shall determine
 23 the number of special plates reasonably needed by a manufacturer,
 24 transporter, or dealer.

25 Sec. 807. (1) Except as provided in subsection (2), an
 26 applicant shall include with an application for a license under
 27 section 248 one of the following fees:

| | | |
|---|----|--------------------------------|
| 28 Full year's license..... | \$ | 75.00 160.00 |
| 29 Half year's license (after June 30)..... | | 37.50 80.00 |

1 Multiple year license..... ~~75.00~~**160.00**
 2 per year.
 3 (2) An applicant shall include with an application for a used
 4 or secondhand vehicle parts dealer, an automotive recycler, or
 5 foreign salvage vehicle dealer license 1 of the following fees:
 6 Full year's license..... \$ 160.00
 7 Half year's license (after June 30)..... 80.00
 8 Multiple year license..... 160.00
 9 per year.
 10