

Act No. 17
Public Acts of 2022
Approved by the Governor
February 23, 2022
Filed with the Secretary of State
February 23, 2022
EFFECTIVE DATE: April 24, 2022

**STATE OF MICHIGAN
101ST LEGISLATURE
REGULAR SESSION OF 2022**

Introduced by Reps. Witwer, Hertel, Anthony, Sneller, Hauck, Manoogian, Tyrone Carter, Garza, Steenland, Griffin, Damoose, Clements, Clemente, Scott, Haadsma, Whitsett, Lilly, Tate, Filler, Posthumus and Coleman

ENROLLED HOUSE BILL No. 5260

AN ACT to amend 1949 PA 300, entitled "An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of manufacturers, the manufacturers of certain devices, the manufacturers of automated technology, upfitters, owners, and operators of vehicles and service of process on residents and nonresidents; to regulate the introduction and use of certain evidence; to regulate and certify the manufacturers of certain devices; to provide for approval and certification of installers and servicers of certain devices; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date," by amending section 248*l* (MCL 257.248*l*), as added by 2018 PA 420.

The People of the State of Michigan enact:

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

(a) A precensure dealer training program that meets all of the following:

(i) Is available to any individual who is an eligible used vehicle dealer applying for an original dealer license or is a partner or officer of an eligible used vehicle dealer applying for an original dealer license.

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

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

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

(ii) Is available to any designated individual.

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

(c) A continuing education training program that meets all of the following:

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

(ii) Includes at least 2 hours of training.

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

(2) In the 6-month period preceding the date of the application for an original eligible used vehicle dealer license, each individual who is the applicant, each partner of the applicant, or each officer of the applicant, as applicable, for the original eligible used vehicle dealer license shall complete the preclearance dealer training program described in subsection (1)(a). This subsection does not apply to any of the following:

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

(b) The holder of an original eligible used vehicle dealer license that was granted before, and is valid on, March 20, 2019.

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

(3) In the 90-day period following the issuance of an original dealer license to an eligible used vehicle dealer, the licensed dealer shall select a designated individual and ensure that he or she completes the training program described in subsection (1)(b). This subsection does not apply if the designated individual has completed the continuing education training program described in subsection (1)(c). An eligible used vehicle dealer shall select a designated individual for each of its retail sales locations. An eligible used vehicle dealer shall not select the same individual as the designated individual for more than 3 retail sales locations.

(4) Subsection (3) does not apply to the holder of an original or renewal eligible used vehicle dealer license that was granted before, and is valid on, March 20, 2019 until that license is next renewed.

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

(6) The training requirements described in subsections (2), (3), and (5) may be satisfied by attending a training program that is conducted by the department or a qualified trade organization approved by the department under subsection (10).

(7) A qualified trade organization may apply to the department for approval to conduct the training programs described in subsection (1). A qualified trade organization shall not conduct a training program described in subsection (1) unless it obtains the approval described in subsection (10). No later than 30 days after the effective date of the amendatory act that added this subsection, the department shall develop and make available an application form.

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

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

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

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

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

(10) Not later than 30 days after receiving an application under this section from a qualified trade organization to conduct training programs described in subsection (1), the department shall approve or deny the application. The department shall provide the approval or denial in writing and, if denied, it shall list the reasons for the denial. Regardless of the reason for denial, the applicant may resubmit the application correcting the deficiencies identified by the department in the denial letter. The department shall have 10 business days to review a resubmitted application and either approve or deny the application. If a resubmitted application is denied, the denial must be in writing to the applicant and the applicant must have an opportunity to correct any deficiencies identified by the department in the denial letter.

(11) The department shall periodically monitor all training programs approved under subsection (10) for compliance with the requirements of the training programs described in subsection (1). If a qualified trade organization that has received the approval described in subsection (10) fails to comply with the requirements of the training programs described in subsection (1), the department may, after a hearing conducted in accordance with the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, suspend or revoke the approval.

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

(13) The department may charge a qualified trade organization an annual fee for applying for approval under subsection (7). The annual fee described in this subsection is either of the following, as applicable:

(a) An initial application fee of up to \$500.00.

(b) An application renewal fee in an amount not to exceed 50% of the initial application fee set by the department under subdivision (a).

(14) A qualified trade organization that received approval under subsection (10) shall do all of the following:

(a) Notify the secretary of state of the date, time, and location of the training program at least 3 days prior to conducting the training program. All training programs must be made available to the secretary of state.

(b) Report to the secretary of state a list of all participants that completed the training program in an electronic format.

(c) Remit to the department a payment of \$5.00 per training program participant.

(15) The fees collected by the department under subsection (14) must be deposited in the dealer training program fund created under subsection (16).

(16) The dealer training program fund is created in the state treasury. The state treasurer shall deposit money and other assets received from the department under subsection (15) and from any other source in the fund. The state treasurer shall direct the investment of money in the fund and credit interest and earnings from the investments to the fund.

(17) The department shall expend money from the fund, on appropriation, only to administer this section.

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

(19) As used in this section:

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

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

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

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

(c) "Fund" means the dealer training program fund created under subsection (16).

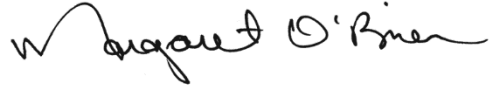
(d) "Qualified trade organization" means a bona fide nonprofit membership organization that is based in this state, that has been in existence for at least 5 years, and whose members are primarily eligible used vehicle dealers.

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

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor