

MICHIGAN VEHICLE CODE (EXCERPT)
Act 300 of 1949

257.251 Dealer records; maintenance; manner; contents; odometer mileage statement; delivery of written statement to buyer; conditions to valid sale; maintenance and inspection of dealer records and inventory; inspections; summary suspension of license; order; hearing; rules.

Sec. 251. (1) Each new vehicle dealer, used vehicle dealer, broker, and wholesaler shall maintain a record in a manner prescribed by the secretary of state of each vehicle of a type subject to titling under this act that is bought, sold, leased, or exchanged by the dealer or received or accepted by the dealer for sale, lease, or exchange. Each dealer, broker, and wholesaler must retain and have in the dealer's, broker's, or wholesaler's immediate possession, or, upon providing prior written notice to the department and receiving the department's approval within 7 business days after the department receives the written notice, at a secondary location owned by the dealer, broker, or wholesaler that is located within a 15-mile radius, each record described in this subsection.

(2) Each record must contain the date of the purchase, sale, lease, or exchange or receipt for the purpose of sale, lease, or exchange, a description of the vehicle, the name and address of the seller, the purchaser or lessee, and the alleged owner or other persons from whom the vehicle was purchased or received, or to whom it was sold, leased, or delivered. The record must contain a copy of any odometer mileage statement received by the dealer when the dealer purchased or acquired a vehicle and a copy of the odometer mileage statement furnished by the dealer when the dealer sold, leased, or exchanged the vehicle as prescribed in section 233a. If the vehicle is purchased, sold, leased, or exchanged through a broker, the record must include the broker's name and dealer license number and the amount of the broker's fee, commission, compensation, or other valuable consideration paid by the purchaser or lessee or paid by the dealer, or both. The records of all vehicles purchased, sold, leased, or exchanged through a broker maintained by the secretary of state must be in an electronic format determined by the secretary of state. A dealer shall retain for not less than 5 years each odometer mileage statement the dealer receives and each odometer mileage statement furnished by the dealer upon the sale, lease, or exchange of a vehicle. The description of the vehicle, in the case of a motor vehicle, must also include the vehicle identification number and other numbers or identification marks as may be on the vehicle, and must also include a statement that a number has been obliterated, defaced, or changed, if that is the fact. For a trailer or semitrailer, the record must include the vehicle identification number and other numbers or identification marks as may be on the trailer or semitrailer.

(3) Not more than 20 days after the delivery of the vehicle, the seller shall deliver to the buyer in person, by mail to the buyer's last known address, or, with the agreement of the buyer, by electronic delivery, a duplicate of a written statement, on a form prescribed by the secretary of state in conjunction with the department of treasury, describing clearly the name and address of the seller, the name and address of the buyer, the vehicle sold to the buyer, the cash sale price of the vehicle, the cash paid down by the buyer, the amount credited the buyer for a trade-in, a description of the trade-in, the amount charged for vehicle insurance, stating the types of insurance covered by the insurance policy, the amount charged for a temporary registration plate, the amount of any other charge and its purpose, the net balance due from the buyer, and a summary of insurance coverage to be affected. If the vehicle sold is a new motor home, the written statement must contain a description, including the year of manufacture, of every major component part of the vehicle that has its own manufacturer's certificate of origin. The written statement must disclose if the vehicle sold is a vehicle that the seller had loaned or leased to a political subdivision of this state for use as a driver education vehicle. The written statement must be dated, but not later than the actual date of delivery of the vehicle to the buyer. The original and all copies of the prescribed form must contain identical information. The statement is furnished by the seller, signed by the seller or the seller's agent and by the buyer, and filed with the application for new title or registration. Failure of the seller to deliver this written statement to the buyer does not invalidate the sale between the seller and the buyer.

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

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

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

(5) Subject to subsection (12), each dealer record and inventory, including the record and inventory of a vehicle scrap metal processor not required to obtain a dealer license, is open to inspection by a police officer or an authorized officer or investigator of the secretary of state during reasonable or established business hours.

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

(7) A dealer licensed under this act shall maintain records for a period of 5 years. The records must be made available for inspection by the secretary of state or other law enforcement officials. Subject to subsection (12), to determine or enforce compliance with this chapter or other applicable law, the secretary of state or any law enforcement official may inspect a dealer. The secretary of state may issue an order summarily suspending the license of a dealer under section 92 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.292, based on an affidavit by a person familiar with the facts set forth in the affidavit that the dealer has failed to maintain the records required by this act or failed to provide the records for inspection as requested by the secretary of state, or has otherwise hindered, obstructed, or prevented the inspection of records authorized under this section. The dealer that the order is directed to shall comply immediately, but on application to the department shall be afforded a hearing within 30 days under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. On the basis of the hearing, the summary order must be continued, modified, or held in abeyance not later than 30 days after the hearing.

(8) A dealer licensed as a vehicle salvage pool operator or broker shall maintain records in a form as prescribed by the secretary of state. The records must contain a description of each vehicle or salvageable part stored by the dealer, the name and address of the insurance company or person storing the vehicle or salvageable part, the period of time the vehicle or salvageable part was stored, and the person acquiring the vehicle or salvageable part. In the case of a late model vehicle, a record of the purchase or sale of a major component part of the vehicle must be maintained identifying the part purchased or sold, the name and address of the seller or purchaser, the date of the purchase or sale, and the identification number assigned to the part by the dealer. The record of the purchase or sale of a part must be maintained in or attached to the dealer's police book or hard copy of computerized data entries and reference codes and must be accessible at the dealer's location. In addition, a dealer licensed as a broker shall maintain a record of the odometer mileage reading of each vehicle sold pursuant to an agreement between the broker and the buyer or the broker and the seller. The record of odometer mileage must be maintained for 5 years and contain all of the information required by section 233a.

(9) A dealer licensed as a used vehicle parts dealer or an automotive recycler shall maintain records in a form prescribed by the secretary of state. The records must contain the date of purchase or acquisition of the vehicle, a description of the vehicle including the color, and the name and address of the person from whom the vehicle was acquired. If the vehicle is sold, the record must contain the date of sale and the name and address of the purchaser. The record must indicate if the certificate of title or salvage or scrap certificate of title was obtained by the dealer. In the case of a late model vehicle, a record of the purchase or sale of a major component of the vehicle must be maintained identifying the part purchased or sold, the name and address of the seller or purchaser, the date of the purchase or sale, and the identification number assigned to the part by the dealer, except that a bumper remanufacturer is not required to maintain a record of the purchase of a bumper. However, a bumper remanufacturer shall assign and attach an identification number to a remanufactured bumper and maintain a record of the sale of the bumper. The record of the purchase or sale of a part must be maintained in or attached to the dealer's police book or hard copy of computerized data entries and reference codes and must be accessible at the dealer's location.

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

(11) A dealer licensed as a foreign salvage vehicle dealer shall maintain records in a form prescribed by the secretary of state. The records must contain the date of purchase or acquisition of each distressed vehicle, a description of the vehicle including the color, and the name and address of the person from whom the vehicle was acquired. If the vehicle is sold, the record must contain the date of sale and the name and address of the purchaser. The record must indicate if the certificate of title or salvage or scrap certificate of title was obtained by the dealer. In the case of a late model vehicle, a record of the purchase or sale of each salvageable part purchased or acquired in this state must be maintained and the record must contain the date of purchase or acquisition of the part, a description of the part, the identification number assigned to the part, and the

name and address of the person to or from whom the part was purchased, acquired, or sold. The record of the sale, purchase, or acquisition of a part must be maintained in the dealer's police book. The police book must only contain vehicles and salvageable parts purchased in this state or used in the repair of a vehicle purchased in this state. The police book and the records of vehicle part sales, purchases, or acquisitions must be made available at a location within the state for inspection by the secretary of state within 48 hours after a request by the secretary of state.

(12) The secretary of state may make inspections of the records, facilities, and inventories of dealers licensed under section 248 as follows:

(a) For a general compliance inspection, including, but not limited to, a record and inventory inspection, the secretary of state shall provide at least 36 hours written notice of the inspection to the dealer and the inspection must occur during the dealer's reasonable or established business hours. The secretary of state shall maintain a record of each written notice of inspection provided to the dealer and shall maintain proof that actual notice of the inspection was provided to the dealer. As used in this subdivision, "written notice" includes, but is not limited to, notice by email or text.

(b) For the purposes of investigating an official complaint made available to the dealer or a substantive violation of this chapter or other applicable law directly involving the dealer, the secretary of state may make periodic unannounced inspections.

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

History: 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1958, Act 96, Eff. Sept. 13, 1958;—Am. 1959, Act 250, Imd. Eff. Aug. 21, 1959;—Am. 1962, Act 166, Eff. Mar. 28, 1963;—Am. 1964, Act 51, Eff. Aug. 28, 1964;—Am. 1965, Act 210, Imd. Eff. July 16, 1965;—Am. 1978, Act 507, Eff. July 1, 1979;—Am. 1988, Act 255, Eff. Oct. 1, 1989;—Am. 1988, Act 470, Eff. Apr. 1, 1989;—Am. 1990, Act 265, Imd. Eff. Oct. 17, 1990;—Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992;—Am. 1993, Act 300, Eff. July 1, 1994;—Am. 1998, Act 384, Imd. Eff. Jan. 1, 1999;—Am. 1998, Act 455, Imd. Eff. Dec. 30, 1998;—Am. 2000, Act 397, Imd. Eff. Jan. 8, 2001;—Am. 2002, Act 491, Imd. Eff. July 3, 2002;—Am. 2002, Act 642, Eff. Jan. 1, 2003;—Am. 2012, Act 498, Eff. Mar. 28, 2013;—Am. 2022, Act 224, Eff. Jan. 23, 2023.

Administrative rules: R 257.181 et seq. and R 257.251 et seq. of the Michigan Administrative Code.