

**MICHIGAN VEHICLE CODE (EXCERPT)**  
**Act 300 of 1949**

**DEALERS AND WRECKERS MUST BE LICENSED**

**257.248 Dealer license; investigation; report; bond or bond renewal certificate; dealer plates; stipulation as to service of process; prohibited conduct; application; supplemental dealer license; eligible used dealer license; classification; requirements applicable to issuance, renewal, and expiration; conduct not requiring separate or supplemental license.**

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

(2) An applicant for a new vehicle dealer or a used or secondhand vehicle dealer or broker license shall include a properly executed bond or a bond renewal certificate, approved by the secretary of state, with the license application. If a renewal certificate is used, the bond is considered renewed for each succeeding year in the same amount and with the same effect as an original bond. The bond must be in the amount of \$25,000.00. The bond must indemnify or reimburse a purchaser, seller, lessee, financing agency, or governmental agency for monetary loss caused through fraud, cheating, or misrepresentation in the conduct of the vehicle business whether the fraud, cheating, or misrepresentation was made by the dealer or by an employee, agent, or salesperson of the dealer. The surety shall make indemnification or reimbursement for a monetary loss only after a judgment based on fraud, cheating, or misrepresentation is entered in a court of record against the licensee or a final order that the licensee has engaged in fraud, cheating, or misrepresentation is issued by the secretary of state after an administrative hearing. The bond must also indemnify or reimburse the state for any sales tax deficiency as provided in the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, or use tax deficiency as provided in the use tax act, 1937 PA 94, MCL 205.91 to 205.111, for the year in which the bond is in force. The surety shall make indemnification or reimbursement only after a final judgment is entered in a court of record against the licensee or a final order is issued by the secretary of state after an administrative hearing. A dealer or applicant that provides proof that is satisfactory to the secretary of state that a bond similar to the bond required by this subsection is executed and in force is exempt from the bond requirements of this subsection. The aggregate liability of the surety must not exceed the sum of the bond. The surety on the bond may cancel the bond by giving notice in writing to the secretary of state of the cancellation at least 30 days before the effective date of the cancellation and is not liable for a breach of condition occurring after the effective date of the cancellation.

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

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

(5) A person shall not carry on or conduct the business of buying, selling, brokering, leasing, negotiating a lease, or dealing in 5 or more vehicles of a type required to be titled under this act in a 12-month period unless the person obtains a dealer license from the secretary of state authorizing the carrying on or conducting of that business. A person shall not carry on or conduct the business of buying, selling, brokering, leasing, negotiating a lease, or dealing in 5 or more distressed, late model vehicles or salvageable parts to 5 or more of those vehicles in a 12-month period unless the person obtains a used or secondhand vehicle parts dealer, an automotive recycler, or a salvage pool license from the secretary of state or is an insurance company admitted to conduct business in this state. A person shall not carry on or conduct the business of buying 5 or more vehicles in a 12-month period to process into scrap metal or store or display 5 or more vehicles in a 12-month period as an agent or escrow agent of an insurance company unless the person obtains a dealer license from the secretary of state. A vehicle scrap metal processor that does not purchase vehicles or salvageable parts from unlicensed persons is not required to obtain a dealer license. A person from another state shall not purchase, sell, or otherwise deal in distressed, late model vehicles or salvageable parts unless the person obtains a foreign salvage vehicle dealer license from the secretary of state under section 248b. A person, including a dealer, shall not purchase or acquire a distressed, late model vehicle or a salvageable part through a salvage pool, auction, or broker without a license as a salvage vehicle agent. The secretary of state shall

investigate and seek prosecution, if necessary, of persons allegedly conducting a business without a license.

(6) The application for a dealer license must be in the form prescribed by the secretary of state and signed by the applicant. In addition to any other information required by the secretary of state, the application must include all of the following:

(a) The name of the applicant.

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

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

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

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

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

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

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

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

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

(k) If the application is for a used or secondhand vehicle parts dealer or an automotive recycler, all of the following:

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

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

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

(l) A certification that neither the applicant nor another person named on the application is acting as the alter ego of any other person or persons in seeking the license. For the purpose of this subdivision, "alter ego" means a person that acts for and on behalf of, or in the place of, another person for purposes of obtaining a vehicle dealer license.

(m) A certification that the applicant if the applicant is an individual or sole proprietorship, the partners of the applicant if the applicant is a partnership, the principal officers of the applicant if the applicant is a corporation, or any other individual who is responsible for the daily operations of the dealership, as applicable, has reviewed and understands the requirements of this act, the rules promulgated under this act, the dealer manual published by the secretary of state, and any other applicable material provided by the department.

(n) For an application submitted by or on behalf of an eligible used vehicle dealer for an original license, a certification that within the 6-month period preceding the date of the application, the applicant, the partners of the applicant, or the principal officers of the applicant, as applicable, completed the dealer training program described in section 248l(2). This subdivision does not apply to an application to renew the license of an eligible used vehicle dealer and does not apply to any original license that was granted to an eligible used vehicle dealer before, and that is valid on, March 20, 2019. As used in this subdivision and subdivision (o), "eligible used vehicle dealer" means that term as defined in section 248l.

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

(7) A person shall apply separately for a dealer license for each county in which business is to be conducted. Before moving 1 or more places of business or opening an additional place of business, a dealer shall apply to the secretary of state for and obtain a supplemental dealer license. The secretary of state shall not charge a fee for a supplemental dealer license and shall issue a supplemental dealer license only for a location, including a tent, temporary stand, or any temporary quarters, that does not meet the definition of an established place of business, within the county in which the dealer's established place of business is located. A dealer license entitles the dealer to conduct the business of buying, selling, leasing, and dealing in vehicles or salvageable parts in the county covered by the license. The dealer license also entitles the dealer to conduct at any other licensed dealer's established place of business in this state only the business of buying, selling, leasing, or dealing in vehicles at wholesale.

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

(a) New vehicle dealer.

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

(c) Used or secondhand vehicle parts dealer.

(d) Vehicle scrap metal processor.

(e) Vehicle salvage pool operator.

(f) Distressed vehicle transporter.

(g) Broker.

(h) Foreign salvage vehicle dealer.

(i) Automotive recycler.

(j) Wholesaler.

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

(a) A dealer license expires on December 31 of the last year that the license is valid.

(b) A dealer shall renew its dealer license annually. The secretary of state may renew a dealer license for a period of not more than 4 years if the secretary receives a renewal application and payment of the fee required under section 807.

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

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

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

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

(g) If a dealer files an application to renew a dealer license more than 30 days after the expiration of that license, the dealer is considered a new applicant for a dealer license under this section.

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

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

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

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

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

(c) Not less than 14 days before the beginning date of the recreational vehicle show, the show producer

notifies the secretary of state, in a manner and form prescribed by the secretary of state, that the recreational vehicle show is scheduled, the location, dates, and times of the recreational vehicle show, and the name, address, and dealer license number of each dealer participating in the recreational vehicle show.

(11) Notwithstanding section 235, a dealer may advertise or display to the public a vehicle that the dealer has acquired or that is available to the dealer directly from the manufacturer or distributor or the manufacturer's or distributor's subsidiary or affiliate within a reasonable period of time, even though the dealer is still waiting on possession of the vehicle's title. Such a vehicle, if displayed on the dealer's lot, must be placed in a dedicated area at the dealership and arranged in a manner that clearly separates the vehicle from those available for immediate sale to the public with signage placed on the vehicle indicating the vehicle is not available for final sale until the title is in the possession of the dealer.

(12) A dealer may park, store, hold, and repair vehicles owned under 1 dealer license on the lot or property held by the same dealer under a separate dealer license that is located within a 15-mile radius.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1951, Act 270, Eff. Sept. 28, 1951;—Am. 1957, Act 281, Eff. Sept. 27, 1957;—Am. 1962, Act 166, Eff. Mar. 28, 1963;—Am. 1964, Act 166, Imd. Eff. Jan. 1, 1965;—Am. 1966, Act 216, Eff. Mar. 10, 1967;—Am. 1970, Act 123, Imd. Eff. July 23, 1970;—Am. 1976, Act 439, Imd. Eff. Jan. 13, 1977;—Am. 1978, Act 507, Eff. July 1, 1979;—Am. 1980, Act 398, Eff. Mar. 31, 1981;—Am. 1988, Act 255, Eff. Oct. 1, 1989;—Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992;—Am. 1993, Act 300, Eff. July 1, 1994;—Am. 1998, Act 384, Eff. Jan. 1, 1999;—Am. 1999, Act 172, Imd. Eff. Nov. 16, 1999;—Am. 2002, Act 642, Eff. Jan. 1, 2003;—Am. 2004, Act 495, Eff. Jan. 31, 2005;—Am. 2016, Act 425, Eff. Apr. 4, 2017;—Am. 2018, Act 420, Eff. Mar. 20, 2019;—Am. 2022, Act 224, Eff. Jan. 23, 2023.

#### **257.248a Vehicle dealer; prohibited advertising or representations; designated business hours.**

Sec. 248a. (1) A motor vehicle dealer shall not advertise or represent a motor vehicle to be a demonstrator, executive or manufacturer's vehicle, leased vehicle, new motor vehicle, or used or secondhand vehicle unless the vehicle so described is as defined in this act.

(2) A motor vehicle dealer shall maintain and adhere to designated business hours that are filed with the secretary of state.

**History:** Add. 1975, Act 314, Imd. Eff. Dec. 22, 1975;—Am. 2012, Act 498, Eff. Mar. 28, 2013.

#### **257.248b Foreign salvage vehicle dealer license; form and contents of application; division of dealer licensees into quarter segments; expiration and renewal of license; investigations; stipulation as to service of process.**

Sec. 248b. (1) A person from a foreign state shall not purchase, sell, or otherwise deal in distressed late model motor vehicles or salvageable parts unless the person first obtains a foreign salvage vehicle dealer license from the secretary of state.

(2) The application for a foreign salvage vehicle dealer license shall be in the form prescribed by the secretary of state and shall be signed by the applicant. The application shall include the following:

(a) Name of applicant.

(b) Location of applicant's established place of business in a foreign state.

(c) The name under which business is to be conducted.

(d) If the business is a corporation, the state of incorporation and a copy of the articles of incorporation filed in that state.

(e) Name, address, date of birth, and social security number of each owner or partner and, if a corporation, the name of the principal officers.

(f) A statement of the previous history, record, and associations of the applicant and of each owner, partner, officer, and director, which statement shall be sufficient to establish to the satisfaction of the secretary of state the business reputation and character of the applicant.

(g) A statement showing whether the applicant has previously applied for a license in any other state, the result of the application, and whether the applicant has ever been the holder of a license that was revoked or suspended.

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

(i) Evidence that the applicant holds the appropriate license to buy, sell, or otherwise deal in distressed, late model vehicles or salvageable parts in a foreign state and actually engages in the business of buying, selling, or otherwise dealing in distressed, late model motor vehicles or salvageable parts in the foreign state.

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

(k) Evidence that the applicant maintains or will maintain a police book and vehicle parts purchase and

sales records as required under this act.

(l) Evidence of worker's compensation insurance coverage for employees classified under the standard industrial classification number 4015, entitled "motor vehicle parts — used" or under the national council on compensation insurance code number 3821, entitled "automobile dismantling", if applicable.

(m) Federal employer tax identification number.

(n) Certification that neither the applicant nor another person named on the application is acting as the alter ego or in the place of or on behalf of any other person or persons in seeking the license. For the purpose of this subdivision, "alter ego" means a person who acts for or on behalf of, or in the place of, another person for purposes of obtaining a vehicle dealer license.

(3) The secretary of state may divide the calendar year into quarters and the total number of dealer licenses into approximately convenient quarter segments. Each dealer license granted under subsection (1) shall expire on the last day of the month in the quarter for the business year in which the license was issued, and may be renewed upon application and payment of the fee required by section 807.

(4) A license shall not be granted until an investigation is made of the applicant's qualifications under this act and a criminal history investigation of the applicant is conducted through a law enforcement informational network. This subsection does not apply to license renewals. The secretary of state shall make the investigations within 15 days after receipt of the application and make a report on the investigations.

(5) A dealer required to be licensed under this section, as a condition precedent to the granting of a license, shall file with the secretary of state an irrevocable written stipulation, authenticated by the applicant, stipulating and agreeing that legal process affecting the dealer, served on the secretary of state or a deputy of the secretary of state, has the same effect as if personally served on the dealer. This appointment remains in force as long as any liability of the dealer remains outstanding within this state.

**History:** Add. 1988, Act 255, Eff. Oct. 1, 1989;—Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992;—Am. 1993, Act 300, Eff. Jan. 1, 1994.

**257.248c Sale, transfer, or release of distressed late model vehicle by vehicle salvage pool, auction, or broker; release of vehicle; release statement; notice to owner and lienholder; sale of vehicle for parts.**

Sec. 248c. (1) A vehicle salvage pool, auction, or broker shall not sell, transfer, or release a distressed, late model vehicle to anyone other than 1 or more of the following:

- (a) The vehicle's former owner or lienholder of record as kept by the secretary of state, as applicable.
- (b) A licensed salvage agent of an automotive recycler.
- (c) A licensed salvage agent of a foreign salvage vehicle dealer.

(2) An insurance company may direct a salvage pool that obtains possession of a vehicle to release the vehicle to the owner or lienholder of record as kept by the secretary of state, as applicable. The insurance company shall provide the salvage pool with a release statement under subsection (3) authorizing the salvage pool to release the vehicle to the vehicle's owner or lienholder of record as kept by the secretary of state, as applicable.

(3) A release statement authorizing a salvage pool to release a vehicle to a vehicle's owner or lienholder of record as kept by the secretary of state shall contain the following information:

- (a) The claim number relating to the vehicle.
- (b) The name and address of the owner of the vehicle.
- (c) The vehicle identification number and description of the vehicle.
- (d) The signature of an authorized representative of the insurance company.

(4) Upon receiving a release statement concerning a vehicle from an insurance company under subsection (2), a salvage pool shall send a notice to the owner and any lienholder of record as kept by the secretary of state of the vehicle that the vehicle is available for pickup by the owner or lienholder of record as kept by the secretary of state. The notice shall be accompanied by an invoice for any outstanding charges owed to the salvage pool. The notice shall inform the owner and any lienholder of record as kept by the secretary of state that the owner and lienholder of record as kept by the secretary of state have 30 days from the postmarked date of the notice and upon payment of applicable charges to pick up the vehicle from the salvage pool, and shall warn the owner and lienholder of record that failure to redeem the vehicle within 30 days after the postmarked date of the notice will result in the sale of the vehicle and the termination of all rights of the owner and the lienholder of record to the vehicle and the proceeds of a sale under subsection (5). A notice under this subsection shall be sent by the salvage pool to the applicable address on record with the secretary of state by certified mail or by another commercially available delivery service providing proof of delivery.

(5) If the owner or lienholder of record as kept by the secretary of state does not pick up the vehicle within the 30-day period described in subsection (4), the salvage pool may sell the vehicle for parts only to a licensed



salvage agent of an automotive recycler or to a licensed salvage agent of a foreign salvage vehicle dealer if the vehicle is a distressed late-model vehicle, or to a licensed salvage agent of an automotive recycler, to a licensed salvage agent of a foreign salvage vehicle dealer, or to a vehicle scrap metal processor if the vehicle is not a distressed late-model vehicle. The salvage pool shall provide the buyer and the secretary of state with a copy of the release statement under subsection (2), proof of notice under subsection (4) to the owner and lienholder of record as kept by the secretary of state, and a bill of sale. The secretary of state shall use the documentation provided to issue the appropriate salvage or scrap certificate of title.

**History:** Add. 1988, Act 255, Eff. Oct. 1, 1989;—Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992;—Am. 1993, Act 300, Eff. Jan. 1, 1994;—Am. 2015, Act 48, Eff. Sept. 7, 2015;—Am. 2016, Act 448, Eff. Apr. 5, 2017.

#### **257.248d Wholesaler; requirements.**

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

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

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

(c) A wholesaler shall maintain an established place of business in this state in accordance with the conditions listed in section 14(3).

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

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

**History:** Add. 2012, Act 498, Eff. Mar. 28, 2013;—Am. 2022, Act 224, Eff. Jan. 23, 2023.

**Compiler's note:** Former MCL 257.248d, which pertained to a study pertaining to reducing auto theft and comprehensive premiums, was repealed by Act 304 of 1992, Imd. Eff. Dec. 21, 1992.

#### **257.248e Salvage vehicle agent license.**

Sec. 248e. (1) Beginning January 1, 1994, a person, including a dealer, shall not purchase, acquire, sell, or otherwise deal in distressed, late model vehicles or salvageable parts through a salvage pool without a salvage vehicle agent license from the secretary of state. Only a licensed automotive recycler, licensed used or secondhand vehicle parts dealer, or a licensed foreign salvage vehicle dealer may apply to the secretary of state for a salvage vehicle agent license. A dealer shall not have more than 2 individuals, including himself or herself, licensed as a salvage vehicle agent.

(2) The application for a salvage vehicle agent license shall be in the form prescribed by the secretary of state and shall be signed by both the agent and the dealer who is appointing the individual as a salvage vehicle agent. In addition to other information as may be required by the secretary of state, the application shall include all of the following:

(a) Business name, address, and dealer license number of the dealer-applicant.

(b) Name, address, social security number, and date of birth of the agent-applicant.

(c) A statement of the previous history, record, and associations of the agent, which statement shall be sufficient to establish to the satisfaction of the secretary of state the business reputation and character of the agent.

(d) A statement showing whether the agent has previously applied for a dealer license or an agent's license, the result of the application, and whether the agent has ever been the holder of a dealer license or agent's license that was revoked or suspended in this state or any other state.

(e) A certification that the agent is not acting as the alter ego or in the place or on the behalf of any other person or persons in seeking the license. For the purpose of this subdivision, "alter ego" means a person who acts for and on behalf of, or in the place of, another person for purposes of obtaining a salvage vehicle agent license.

(3) A dealer shall make a separate application for each agent license and forward the application to the secretary of state along with the application of the dealer for a dealer license. A fee of \$50.00 shall accompany each application for an agent license. The license of an agent issues, renews, and expires with the issuance, renewal, and expiration of the license of a dealer. If necessary, a dealer may apply for the license for an agent at any time during the time period that the dealer license is valid.

(4) A license for an agent shall not be granted until an investigation is made of the agent's qualifications under this act, except that this subsection does not apply to license renewals. The secretary of state shall make the investigation within 15 days after receiving the application and make a report on the investigation.

(5) The secretary of state shall issue a license to an agent bearing a full-face photograph of the agent and the following information:

- (a) Agent's name and address.
- (b) Physical description.
- (c) The agent's signature.
- (d) The agent's license number.
- (e) Name, address, and dealer license number of the dealer for whom the agent may conduct business.

(6) The secretary of state shall maintain a copy or a negative of the photograph for purposes of renewing or issuing duplicate salvage vehicle agent licenses.

(7) A dealer shall immediately notify the secretary of state in writing if there is any factual or material change in the information stated in an agent's license or application for the license.

(8) A dealer may cancel the license of an agent at any time. If a dealer cancels the license of an agent, the dealer shall notify, in writing, the secretary of state within 5 days of the cancellation and forward the canceled license to the secretary of state along with this notice. The dealer shall advise each salvage pool or salvage auction where the dealer does business of the cancellation. An agent's license is automatically canceled, by operation of law, at the end of the employment of the agent by the dealer.

(9) Within 5 days of the cancellation, expiration, suspension, or revocation of the license of an agent, the agent shall surrender the license to the dealer or secretary of state.

(10) If an agent's license becomes lost, mutilated, or illegible, the dealer shall promptly apply to the secretary of state for the issuance of a duplicate license. Application shall be made on a form as prescribed by the secretary of state and be accompanied by a fee of \$50.00 and the mutilated or illegible license.

(11) A dealer shall indemnify the secretary of state and any member of the public who suffers or sustains any loss by reason of any violation of this act by an agent that occurs within the actual or apparent scope of the agent's authority during the period that the agent's license is valid.

(12) An agent required to be licensed under this section, as a condition precedent to the granting of a license, shall file with the secretary of state an irrevocable written stipulation, authenticated by the agent applicant, stipulating and agreeing that legal process affecting the agent, served on the secretary of state or a deputy of the secretary of state, has the same effect as if personally served on the agent. This appointment remains in force as long as any liability of the agent remains outstanding within this state.

**History:** Add. 1993, Act 300, Eff. Jan. 1, 1994.

**257.248f Vehicle dealer or salvage vehicle agent license; criminal history check; fingerprints; disclosure of information; violation of subsection (7) as misdemeanor; "criminal history record information" defined.**

Sec. 248f. (1) The secretary of state shall not license a person as a vehicle dealer or salvage vehicle agent before requesting a criminal history check of the person and receiving a criminal history report of the person from both the department of state police and federal bureau of investigation.

(2) Each criminal history check required under this section shall be requested, and a criminal history report shall be obtained, from both the department of state police and the federal bureau of investigation.

(3) Each person required to be named on an application shall submit his or her fingerprints for a criminal history check to the department of state police in a format as prescribed by the department of state police. The fees required by the department of state police or the federal bureau of investigation, as applicable, to conduct the criminal history check shall accompany a request for a criminal history check.

(4) The department of state police shall conduct a criminal history check not more than 45 days after receiving a proper request and the required fee for a criminal history check under this section. After conducting the criminal history check and within the same 45-day period, the department of state police shall provide the secretary of state with a report of the criminal history check. The report shall contain public criminal history record information concerning the person who is the subject of the request that is maintained by the department of state police.

(5) If a criminal arrest fingerprint card is subsequently submitted to the department of state police and matches against a fingerprint that was submitted under this section and stored in its automated fingerprint identification system (AFIS) database, the department of state police shall notify the department.

(6) Except as otherwise provided in this act, the secretary of state shall not approve an original vehicle dealer or salvage vehicle agent license before receiving and reviewing the applicable criminal history reports from the department of state police and the federal bureau of investigation.

(7) The secretary of state shall use criminal history record information received under this section to evaluate an applicant's qualifications to receive a vehicle dealer or salvage vehicle agent license under this act. The secretary of state may only discuss a criminal history report or its contents with the following people:

(a) Staff of the secretary of state who are involved in determining whether an applicant's vehicle dealer license or salvage vehicle agent license should be denied, suspended, or revoked.

(b) Staff of the department of state police.

(c) A person who was involved in the prosecution or defense of a criminal matter noted in a criminal history report.

(d) The applicant or his or her attorney.

(8) A person who violates subsection (7) is guilty of a misdemeanor punishable by a fine of not more than \$10,000.00.

(9) As used in this section, "criminal history record information" means that term as defined in section 1a of 1925 PA 289, MCL 28.241a.

(10) Except for subsection (5), this section does not apply to a person whose criminal history has previously been investigated by the secretary of state and who is applying for the renewal of a vehicle dealer license or salvage vehicle agent license.

**History:** Add. 1993, Act 300, Eff. July 1, 1994;—Am. 2006, Act 298, Imd. Eff. July 20, 2006.

### **257.248g Salvage vehicle agent; duties.**

Sec. 248g. A salvage vehicle agent shall comply with this act and shall do all of the following:

(a) Purchase or acquire salvage vehicles only for the dealer indicated upon his or her agent's license. A salvage vehicle agent shall not be an agent for more than 1 licensed dealer at a given time.

(b) Prominently display his or her agent's license on his or her person at all times when he or she is present at a place where salvage vehicles are purchased, sold, or offered for sale.

(c) Upon demand, immediately display his or her agent's license to a peace officer or an authorized representative of the secretary of state.

(d) Immediately contact the dealer if there is any factual or material change in the information stated in his or her agent's license or license application.

(e) Upon the cancellation, cessation, or transfer of his or her employment, immediately surrender his or her license to the dealer who shall mail the license to the secretary of state for cancellation.

**History:** Add. 1993, Act 300, Eff. July 1, 1994.

### **257.248h Persons engaged in prohibited conduct; penalties; refusal to issue or renew license; revocation or suspension of license; denial or revocation of license without hearing.**

Sec. 248h. (1) A person that engages in conduct that is prohibited under subsection (2) is subject to 1 or more of the following penalties:

(a) Placement of a limitation on the person's license.

(b) Suspension or revocation of a license.

(c) Denial of an original or renewal application.

(d) A civil fine paid to the department in an amount that does not exceed \$25,000.00.

(e) A letter of censure.

(2) The secretary of state may deny the application of a dealer after an appropriate hearing for the licensing of an individual as a salvage vehicle agent and refuse to issue or renew the license of an agent, or may suspend or revoke an agent's license that is already issued, if the secretary of state finds that the dealer, applicant agent, or licensed agent has done 1 or more of the following:

(a) Made a false statement of a material fact in the agent's application.

(b) Violated this chapter or a rule promulgated under this chapter, or assisted others in the violation of this chapter or a rule promulgated under this chapter.

(c) Purchased or acquired a salvage or scrap vehicle or salvageable part for a dealer for which the agent is not licensed, or functioned as an agent for himself or herself alone and without respect to any dealer.

(d) Committed a fraudulent act in connection with purchasing or acquiring or otherwise dealing in vehicles of a type required to be registered under this act or in salvage or scrap vehicles or in vehicle parts.

(e) Engaged in a method, act, or practice that is unfair or deceptive, including the making of an untrue statement of a material fact.

(f) Violated a condition of probation under section 250a.

(g) Failed to comply with the terms of a final cease and desist order under section 250b.

(h) Failed to pay over funds or to surrender or return property received in the course of employment to a dealer or to another person that is entitled to the funds or property.

(i) Acted as a dealer's agent by purchasing, acquiring, selling, or disposing of a vehicle while employed by a licensed dealer without reporting the purchase, acquisition, sale, or disposing of the vehicle to the dealer.



(j) Served in a managerial capacity for a dealer during the time another agent or employee of that dealer, acting under the direction and control of the dealer or licensed agent, committed a violation of this chapter or of a rule promulgated under this chapter or of a similar law in another state or jurisdiction.

(k) Acted for more than 1 party in a transaction without the knowledge of the other parties.

(l) Permitted an unlawful use of the agent's license.

(m) Accepted a commission, bonus, or other valuable consideration for the sale of a vehicle from a person other than the dealer under which the agent is licensed.

(n) Possessed a vehicle or a vehicle part that has been confiscated under section 415 of the Michigan penal code, 1931 PA 328, MCL 750.413, or of a similar law in another state or jurisdiction.

(3) If the secretary of state receives an appropriate abstract of conviction, the secretary of state shall, without providing an opportunity for a hearing, deny the application of a person for a license as a salvage vehicle agent or immediately revoke the license of a person as a salvage vehicle agent for not less than 5 years after the date of the person's last conviction if the applicant or licensee, or a stockholder, officer, director, or partner of the applicant or licensee, is convicted of a violation or attempted violation of section 254 of this act or of section 413, 414, 415, 535, or 535a of the Michigan penal code, 1931 PA 328, MCL 750.413, 750.414, 750.415, 750.535, and 750.535a, or is convicted in federal court or in another state of a violation or attempted violation of a law substantially corresponding to section 254 of this act or of those sections of the Michigan penal code.

(4) If the secretary of state receives an appropriate abstract of conviction from the court, the secretary of state, without providing an opportunity for a hearing, shall deny the application of a person for a license as a salvage vehicle agent or immediately revoke the license of a person as a salvage vehicle agent and shall never issue the person a salvage vehicle agent license if the applicant or licensee has any combination of 2 or more convictions of a violation or attempted violation of section 254 of this act or of section 413, 414, 415, 535, or 535a of the Michigan penal code, 1931 PA 328, MCL 750.413, 750.414, 750.415, 750.535, and 750.535a, or is convicted in federal court or in another state of a violation or attempted violation of a law substantially corresponding to section 254 of this act or of those sections of the Michigan penal code.

**History:** Add. 1993, Act 300, Eff. July 1, 1994;—Am. 2016, Act 425, Eff. Apr. 4, 2017.

#### **257.248i Attending pool or auction selling salvage or scrap titled vehicles.**

Sec. 248i. Except for department of state personnel, insurance company representatives, governmental officials, or law enforcement personnel, a person shall not attend a pool or auction selling salvage or scrap titled vehicles unless the person is licensed under this act as a salvage vehicle agent.

**History:** Add. 1993, Act 300, Eff. July 1, 1994.

#### **257.248j Acting as dealer without license; warning; administrative fine; notice of assessment; actions; informal conference; administrative hearing; payment of administrative fine; reduction.**

Sec. 248j. (1) In addition to any other remedies provided by law, if the secretary of state determines that a person has acted as a dealer without a dealer license, he or she may issue the person a verbal or written warning or assess an administrative fine of not more than \$5,000.00 for a first violation, and not more than \$7,500.00 for each subsequent violation occurring within 7 years of a prior violation.

(2) If the secretary of state assesses an administrative fine under subsection (1), the secretary of state shall provide notice of the assessment in writing pursuant to section 212. At a minimum, the notice of assessment shall contain all of the following:

(a) A unique identification number.

(b) A description of the alleged violation that is the basis for the assessment, including the date the alleged violation occurred and a reference to the specific section or rule alleged to have been violated.

(c) The administrative fine established for the violation.

(d) A statement indicating that if the fine is not paid, the secretary of state may refer the fine to the department of treasury for collection.

(e) A statement indicating that if the alleged violation is contested, the person has a right to request an informal conference before an administrative hearing, accompanied by simple instructions informing the person how to request or waive the informal conference.

(3) Not later than 20 days after receiving the written notice of assessment, the alleged violator shall do 1 of the following:

(a) Pay the administrative fine to the secretary of state. A payment waives the person's right to an informal conference and an administrative hearing.

(b) Request the secretary of state to conduct an informal conference.

(c) Waive the right to an informal conference and request the secretary of state to conduct an administrative hearing.

(d) If the person is not a licensed dealer, pay the administrative fine to the secretary of state and submit a properly completed dealer license application to the secretary of state.

(4) A person's request for an informal conference or an administrative hearing shall comply with all of the following:

(a) Be in writing.

(b) Be postmarked or received by the department within 20 days after the date the person received the written notice of assessment.

(c) State the name, address, and telephone number of the person requesting the informal conference or administrative hearing.

(d) State the written notice of assessment's unique identification number.

(e) State the reason for the request.

(f) If the request is for an administrative hearing without an informal conference, state the person is waiving his or her right to an informal conference.

(5) If the secretary of state receives a request for an informal conference or an administrative hearing that meets all of the conditions prescribed in subsection (4), the secretary of state shall schedule an informal conference or an administrative hearing, as applicable. If the request fails to meet all of the conditions prescribed in subsection (4), the secretary of state may in writing deny the request. A denial shall be served on the person by first-class mail and shall do both of the following:

(a) State the reason for the denial.

(b) Grant the person 14 days to submit a valid request to the secretary of state.

(6) The secretary of state shall conduct an informal conference under this section within 45 days after receiving a valid request for the conference. The secretary of state shall serve upon the alleged violator, by first-class mail not less than 5 days before the conference, a written notice that includes time, place, and date of the informal conference. The notice shall state that the alleged violator may be represented by an attorney at the informal conference.

(7) After the informal conference, the secretary of state shall evaluate the validity of the assessment of the administrative fine and affirm, modify, or dismiss the assessment. In making the evaluation, the secretary of state may consider 1 or more of the following:

(a) Whether there is reason to believe the alleged violation did in fact occur.

(b) The severity of the alleged violation and its impact on the public.

(c) The number of prior or related violations by the person.

(d) The likelihood of future compliance by the person.

(e) Any other considerations the secretary of state considers appropriate.

(8) Within 20 days after conducting the informal conference, the secretary of state shall serve upon the person by first-class mail a written statement describing whether the assessment of the administrative fine is affirmed, modified, or dismissed and the basis of the action. If the assessment is affirmed or modified, this statement shall also advise the person that he or she will receive a notice of hearing where the validity of the assessment may be contested or he or she may immediately pay the fine to the secretary of state and that payment of the fine will prevent scheduling of an administrative hearing.

(9) A notice of hearing under this section shall be served on the person by first-class mail not less than 5 days before the date scheduled for the administrative hearing and, at a minimum, advise the person of all of the following:

(a) The time, place, and date of hearing.

(b) That an impartial hearing officer will conduct the hearing and allow the person an opportunity to examine the secretary of state's evidence and present evidence in person or in writing.

(c) That the person has a right to be represented by an attorney at the administrative hearing.

(d) The common reasons why the secretary of state could dismiss an assessment of an administrative fine.

(e) That the hearing officer conducting the administrative hearing will be authorized to do all of the following:

(i) Affirm, modify, or dismiss the assessment of an administrative fine.

(ii) Correct any errors in the department's records that relate directly to the assessment.

(iii) Refer or not refer the fine to the department of treasury for collection.

(iv) Take or order any other action or resolution considered appropriate by the hearing officer.

(f) That if the department of treasury takes enforcement action against the person, he or she may seek a review in the court of claims.

(10) The secretary of state shall conduct an administrative hearing under this section pursuant to the

contested case provisions of the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328. If an administrative fine assessed under this section is affirmed by the decision of the hearing officer, the hearing officer may assess the person costs of not more than \$500.00, to reimburse the secretary of state for proving the validity of the alleged violation, in addition to any other penalties, sanctions, or costs imposed as provided by law.

(11) An administrative fine assessed under this section becomes final upon the first to occur of the following:

(a) The secretary of state does not receive a valid request for an informal conference or an administrative hearing within the time period described in subsection (4).

(b) Twenty days after a person waives his or her right to an administrative hearing.

(c) An administrative hearing decision is served upon the person.

(12) After a person pays the secretary of state the fine imposed, the secretary of state shall forward the money to the department of treasury for deposit in a separate fund within the general fund. Upon appropriation, this money shall be used first to defray the expense of the secretary of state in administering this chapter.

(13) If an administrative fine assessed under this section is not paid within 60 days after it becomes final, the secretary of state may refer the matter to the department of treasury for collection as a state debt through the offset of state tax refunds and may use the services of the department of treasury to levy the salary, wages, or other income or assets of the person as provided by law.

(14) Payment of an administrative fine assessed under this section does not constitute an admission of responsibility or guilt by the person. Payment of an administrative fine assessed under this section does not prevent the secretary of state from charging a violation described in the assessment of the administrative fine in a subsequent or concurrent contested case proceeding conducted by the secretary of state pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(15) If the person submits a properly completed application and appropriate fee for a dealer license within 20 days after an administrative fine under subsection (1) is assessed, and if the secretary of state issues the person a dealer license within 45 days of receiving the properly completed application and fee, the secretary of state shall reduce the amount of the administrative fine by 50%.

(16) The secretary of state shall serve a notice, denial, decision, or statement under this section in compliance with section 212.

(17) An informal conference under this section is not a compliance conference under section 92 of the administrative procedures act of 1969, 1969 PA 306, MCL 24.292.

**History:** Add. 2002, Act 652, Eff. Jan. 1, 2003.

## **257.248k Mobility dealer endorsement.**

Sec. 248k. (1) The secretary of state may create a mobility dealer endorsement for the purposes of this act. All of the following apply if the secretary of state creates a mobility dealer endorsement under this section:

(a) Only a licensed used or secondhand vehicle dealer is eligible for a mobility dealer endorsement.

(b) The secretary of state shall prescribe the form and content of an application for a mobility dealer endorsement and the application shall require the signature of the applicant.

(c) A mobility dealer is not prohibited from also obtaining a broker license, if that broker license is issued for the sole purpose of brokering new vehicles that are modified by the addition of permanently affixed ambulatory assistance devices.

(2) Notwithstanding any other law of this state, a mobility dealer may do any of the following:

(a) Display, hold in inventory, demonstrate, solicit the sale of, or offer for sale a mobility vehicle, regardless of the chassis make of the mobility vehicle.

(b) If the transaction occurs through or by a franchised dealer of the motor vehicle's chassis line make, arrange for the sale and delivery of a new mobility motor vehicle to a purchaser at the mobility dealer's place of business.

(c) Sell and install mobility equipment and accessories and other goods and services to meet the particular needs of disabled drivers and passengers.

(d) Provide mobility vehicle maintenance and repair services, subject to the following:

(i) Except as provided in subparagraph (ii), a mobility dealer shall not perform repairs on mobility vehicles or other motor vehicles without a license as a repair facility under the motor vehicle service and repair act, 1974 PA 300, MCL 257.1301 to 257.1340.

(ii) A mobility dealer may perform repairs on parts that are unique to a mobility vehicle, do not alter the operating condition of a mobility vehicle, and were not part of the original manufactured motor vehicle without a license as a repair facility under the motor vehicle service and repair act, 1974 PA 300, MCL

257.1301 to 257.1340.

(3) A mobility dealer shall not do any of the following:

(a) Represent that it is engaged in the sale of new motor vehicles.

(b) Sell or transfer, or offer to sell or transfer, a new motor vehicle by assigning the vehicle's certificate of origin.

(c) Sell or offer to sell an adapted vehicle that does not have proof that it has been adapted or modified in compliance with 49 CFR part 568 or 49 CFR part 595.

(4) As used in this section:

(a) "Mobility dealer" means a used or secondhand vehicle dealer that holds an endorsement as a mobility dealer from the department under this section.

(b) "Mobility equipment" means mechanical or electronic devices, parts, or accessories that are specifically designed to facilitate the use of a motor vehicle by an aging or disabled individual, in compliance with 49 CFR part 571, and that are permanently attached to or incorporated in the vehicle.

(c) "Mobility vehicle" means a motor vehicle that is specially designed and equipped to transport an individual with a disability, in compliance with 49 CFR part 568 or 49 CFR part 595, and that meets all of the following:

(i) Is designed and built or modified to allow vehicle ingress and egress for an individual who is in a wheelchair or scooter.

(ii) Is equipped with 1 or more of the following:

(A) An electronic or mechanical wheelchair, scooter, or platform lift that enables an individual to enter or exit the vehicle while occupying a wheelchair or scooter.

(B) An electronic or mechanical wheelchair ramp.

(C) A system to secure a wheelchair or scooter that allows for safe transportation of an individual while he or she is occupying the wheelchair or scooter and that is installed as an integral part or permanent attachment to the vehicle's chassis.

**History:** Add. 2016, Act 425, Eff. Apr. 4, 2017.

**257.248I Dealer training programs; requirements; trained individual at each retail location; exceptions; training by qualified trade organizations; application process; compliance monitoring; renewal limitation; fees; dealer training program fund; rules; definitions.**

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

(a) A precursors 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 precursors 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.

**History:** Add. 2018, Act 420, Eff. Mar. 20, 2019;—Am. 2022, Act 17, Eff. Apr. 24, 2022.

## **257.249 Denial, suspension, or revocation of license as dealer; grounds.**

Sec. 249. The secretary of state may deny the application of a person for a license as a dealer and refuse to issue the person a license as a dealer, or may suspend or revoke a license already issued, if the secretary of state finds that 1 or more of the following apply:

(a) The applicant or licensee has made a false statement of a material fact in his or her application.

(b) The applicant or licensee has not complied with the provisions of this chapter or a rule promulgated under this chapter.

(c) The applicant or licensee has sold or leased or offered for sale or lease a new vehicle of a type required to be registered under this act without having authority of a contract with a manufacturer or distributor of the new vehicle.

(d) The applicant or licensee has been guilty of a fraudulent act in connection with selling, leasing, or otherwise dealing in vehicles of a type required to be registered under this act.

(e) The applicant or licensee has entered into or is about to enter into a contract or agreement with a manufacturer or distributor of vehicles of a type required to be registered under this act that is contrary to any provision of this act.

(f) The applicant or licensee has no established place of business that is used or will be used for the purpose of selling, leasing, displaying, or offering for sale or lease or dealing in vehicles of a type required to be registered, and does not have proper servicing facilities.

(g) The applicant or licensee is a corporation or partnership, and a stockholder, officer, director, or partner of the applicant or licensee has been guilty of any act or omission that would be cause for refusing, revoking, or suspending a license issued to the stockholder, officer, director, or partner as an individual.

(h) The applicant or licensee has possessed a vehicle or a vehicle part that has been confiscated under section 415 of the Michigan penal code, 1931 PA 328, MCL 750.415. The secretary of state shall conduct a hearing pursuant to the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, before the secretary of state takes any action under this subdivision.

(i) The applicant or licensee has been convicted under section 415 of the Michigan penal code, 1931 PA 328, MCL 750.415.

(j) The applicant or licensee has been convicted of violating 1986 PA 119, MCL 257.1351 to 257.1355.

(k) The established place of business of the applicant or licensee is not in compliance with all applicable

zoning requirements and municipal requirements.

(l) The applicant or licensee has engaged in the business of buying, selling, trading, or exchanging new, used, or secondhand motor vehicles or has offered to buy, sell, trade, or exchange, or participate in the negotiation thereof, or attempted to buy, sell, trade, or exchange any motor vehicle or interest in any motor vehicle or any written instrument pertaining to a motor vehicle on a Sunday, as prohibited by 1953 PA 66, MCL 435.251 to 435.254.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1951, Act 270, Eff. Sept. 28, 1951;—Am. 1981, Act 115, Imd. Eff. July 17, 1981;—Am. 1988, Act 255, Eff. Oct. 1, 1989;—Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992;—Am. 1993, Act 300, Eff. Jan. 1, 1994;—Am. 2002, Act 642, Eff. Jan. 1, 2003;—Am. 2004, Act 495, Eff. Jan. 31, 2005.

### **257.249a Denial, suspension, or revocation of license as automotive recycler, used or secondhand vehicle parts dealer, vehicle scrap metal processor, or foreign salvage vehicle dealer; grounds.**

Sec. 249a. (1) The secretary of state may deny the application of a person for a license as an automotive recycler, a used or secondhand vehicle parts dealer, a vehicle scrap metal processor, or a foreign salvage vehicle dealer and refuse that person a license as an automotive recycler, a used or secondhand vehicle parts dealer, a vehicle scrap metal processor, or a foreign salvage vehicle dealer, or may suspend or revoke a license already issued, if the secretary of state finds that 1 or more of the following apply:

- (a) The applicant or licensee has made a false statement of a material fact in his or her application.
- (b) The applicant or licensee has not complied with this act or a rule promulgated under this chapter.
- (c) The applicant or licensee has been convicted of violating Act No. 119 of the Public Acts of 1986, being sections 257.1351 to 257.1355 of the Michigan Compiled Laws.
- (d) If the applicant or licensee is a foreign salvage vehicle dealer, has had his or her dealer license in another state expire, or has had his or her dealer license in another state revoked, suspended, or canceled.
- (e) If the applicant or licensee is an automotive recycler, a used or secondhand vehicle parts dealer, or a foreign salvage vehicle dealer and has no established place of business used for the purpose of selling, displaying, or offering for sale used or secondhand vehicle parts or does not have a vehicle dismantling facility or does not have evidence of worker's compensation insurance coverage for employees classified under the standard industrial classification number 4015, entitled "motor vehicle parts—used" or under the national council on compensation insurance code number 3821, entitled "automobile dismantling", if applicable.

(2) The secretary of state shall deny the application of a person for a license as an automotive recycler, a used or secondhand vehicle parts dealer, a vehicle scrap metal processor, or a foreign salvage vehicle dealer and refuse that person a license as an automotive recycler, a used or secondhand vehicle parts dealer, a vehicle scrap metal processor, or a foreign salvage vehicle dealer, or shall suspend or revoke a license already issued, if the secretary of state finds that 1 or more of the following apply:

- (a) The applicant or licensee has been guilty of a fraudulent act in connection with selling or otherwise dealing in major component parts or vehicles of a type required to be registered under this act.
- (b) The applicant or licensee has possessed a vehicle or a vehicle part which has been confiscated under section 415 of the Michigan penal code, Act No. 328 of the Public Acts of 1931, being section 750.415 of the Michigan Compiled Laws. The secretary of state shall conduct a hearing pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws, before the secretary of state takes any action under this subdivision.
- (c) The applicant or licensee has been convicted under section 413, 415, 535, 535a, or 536a of Act No. 328 of the Public Acts of 1931, being sections 750.413, 750.415, 750.535, 750.535a, and 750.536a of the Michigan Compiled Laws, or has been convicted in a foreign state of a law or a local ordinance substantially corresponding to section 413, 415, 535, 535a, or 536a of Act No. 328 of the Public Acts of 1931.
- (d) The applicant or licensee is a corporation or partnership, and a stockholder, officer, director, or partner of the applicant or licensee has been guilty of any act or omission that would be cause for refusing, revoking, or suspending a license issued to the stockholder, officer, director, or partner as an individual.
- (e) Effective July 1, 1994, the applicant or licensee has removed a scrap vehicle from this state for the purpose of rebuilding it or has sold or transferred the vehicle as a unit for purposes of rebuilding it.

**History:** Add. 1988, Act 255, Eff. Oct. 1, 1989;—Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992;—Am. 1993, Act 300, Eff. Jan. 1, 1994.

### **257.250 Vehicle dealer's licensee; procedure for notification, investigation, denial, suspension, revocation.**

Sec. 250. (1) If the secretary of state receives a complaint against a licensee that merits an investigation,

the secretary of state must notify the licensee, and the complaint must be made available to the licensee at no charge. Before denying, revoking, suspending, or refusing to renew a dealer's license the secretary of state shall do all of the following:

(a) Investigate the licensee after a complaint in writing of any person has been filed with the secretary of state.

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

(c) Record the hearing proceedings.

(d) Enter a final order with the secretary of state's findings.

(2) A final order of the secretary of state under subsection (1)(d) is final unless, within 30 days after notice of such order is mailed by the secretary of state to the person whose application or license is denied, revoked, suspended or refused, the licensee appeals the final order to the circuit court for the county in which the licensee resides or maintains a place of business or to the circuit court for the county of Ingham. On appeal, the court shall review both law and facts as disclosed by the record, and may in its discretion receive newly discovered evidence, but shall not conduct a hearing de novo. The court may confirm, modify, or set aside such order and make such further orders as justice may require.

**History:** 1949, Act 300, Eff. Sept. 23, 1949;—Am. 1951, Act 270, Eff. Sept. 28, 1951;—Am. 2022, Act 224, Eff. Jan. 23, 2023.

### **257.250a Placement of license on probation; conditions**

Sec. 250a. As an alternative or in addition to administrative action under section 248h(1) for a violation or alleged violation of section 248h(2), section 249 for a violation or alleged violation of section 249, section 249a(1) for a violation or alleged violation of section 249a(1), or section 249a(2) for a violation or alleged violation of section 249a(2), the secretary of state may, by written agreement with a person that holds the license described in that section, place that license on probation and include conditions of probation in the agreement.

**History:** Add. 2016, Act 425, Eff. Apr. 4, 2017.

### **257.250b Cease and desist order.**

Sec. 250b. (1) If the secretary of state determines after notice and opportunity for a hearing that a person has violated this chapter, the secretary of state may issue an order requiring the person to cease and desist from the violation or to take an affirmative action that in the judgment of the secretary of state would carry out the purposes of this act, including, but not limited to, payment of restitution to a customer.

(2) If the secretary of state makes a finding of fact in writing that the public interest will be irreparably harmed by a delay in issuing an order, the secretary of state may issue a temporary cease and desist order. Before issuing a temporary cease and desist order, the secretary of state, when possible, by telephone or otherwise, shall notify the person that violated this chapter of the secretary of state's intention to issue a temporary cease and desist order. A temporary cease and desist order shall include in its terms a provision that states that the secretary of state shall on request hold a hearing within 30 days to determine whether or not the order shall become permanent.

**History:** Add. 2016, Act 425, Eff. Apr. 4, 2017.

### **257.250c Other lawful remedies and sanctions.**

Sec. 250c. The remedies and sanctions under this chapter are independent and cumulative. The use of a remedy or sanction under this chapter, including, but not limited to, administrative action by the secretary of state under section 248h(2), 249, or 249a(1), an agreement for probation under section 250a, or an order under section 250b, does not bar other lawful remedies and sanctions against a person and does not limit a person's criminal or civil liability under law.

**History:** Add. 2016, Act 425, Eff. Apr. 4, 2017.

### **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, 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.

#### **257.251a Copies of documents.**

Sec. 251a. At the time a document is signed for the sale or lease of a vehicle, the dealer shall provide a copy of each document signed to the person who signed the document.

**History:** Add. 1990, Act 265, Imd. Eff. Oct. 17, 1990;—Am. 2002, Act 642, Eff. Jan. 1, 2003.

**Compiler's note:** Former MCL 257.251a, which pertained to dealer's report as to sales to out of state dealers and purchasers, was repealed by Act 166 of 1962, Eff. Mar. 28, 1963.

#### **257.251b Renting, leasing, or furnishing motorcycle; license to operate required.**

Sec. 251b. A dealer shall not rent, lease, or furnish a motorcycle to a person for use on public streets and highways who is not licensed to operate a motorcycle by the state, if a resident, and by the state in which the person resides, if a nonresident.

**History:** Add. 1966, Act 207, Eff. Mar. 10, 1967;—Am. 1969, Act 134, Eff. June 1, 1970;—Am. 1976, Act 439, Imd. Eff. Jan. 13, 1977;—Am. 2008, Act 7, Imd. Eff. Feb. 15, 2008.

#### **257.251c Renting, leasing, or furnishing motorcycle; duties of dealer.**

Sec. 251c. The dealer shall maintain in safe operating condition all motorcycles rented, leased, or furnished by him. The dealer, his agents, or employees shall explain the operation of the motorcycle being rented, leased, or furnished and if the dealer, his agent, or employee believes the person to whom the motorcycle is to be rented, leased, or furnished is not competent to operate the motorcycle with competency to himself and to the safety of persons or vehicles on public streets and highways, he shall refuse to rent, lease, or furnish the motorcycle.

**History:** Add. 1966, Act 207, Eff. Mar. 10, 1967;—Am. 1976, Act 439, Imd. Eff. Jan. 13, 1977.

#### **257.251d Renting, leasing, or furnishing motorcycle; license to operate as condition of use by third party.**

Sec. 251d. A person to whom a motorcycle is rented, leased, or furnished, shall not rent, sublease, or otherwise authorize the use of the motorcycle on public streets and highways to a person who is not licensed to operate a motorcycle in this state, if a resident, and by the state in which the person resides, if a nonresident.

**History:** Add. 1966, Act 207, Eff. Mar. 10, 1967;—Am. 1969, Act 134, Eff. June 1, 1970;—Am. 1976, Act 439, Imd. Eff. Jan. 13, 1977;—Am. 2008, Act 7, Imd. Eff. Feb. 15, 2008.

#### **257.251e Renting, leasing, or furnishing motorcycle; motor vehicle liability policy.**

Sec. 251e. A dealer renting, leasing, or furnishing a motorcycle shall carry a "motor vehicle liability policy" of the same type and coverage as that outlined in section 520 for each motorcycle rented, leased, or furnished or, in the alternative, demand and be shown proof that the person renting, leasing, or being furnished a motorcycle carries a motor vehicle liability policy of at least the type and coverage as specified in section 520.

**History:** Add. 1966, Act 207, Eff. Mar. 10, 1967;—Am. 1976, Act 439, Imd. Eff. Jan. 13, 1977.