

HOUSE BILL No. 4832

June 28, 2011, Introduced by Reps. Muxlow, Denby, Goike, Knollenberg, Outman, Shaughnessy, Kowall, Damrow, Jenkins and Hooker and referred to the Committee on Transportation.

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 17a, 57d, 217c, 248, 248c, 248f, 249a, 251, and 807 (MCL 257.17a, 257.57d, 257.217c, 257.248, 257.248c, 257.248f, 257.249a, 257.251, and 257.807), sections 17a, 248c, and 249a as amended and section 57d as added by 1993 PA 300, sections 217c and 251 as amended by 2002 PA 642, section 248 as amended by 2004 PA 495, section 248f as amended by 2006 PA 298, and section 807 as amended by 2003 PA 152; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 17a. "Foreign salvage vehicle ~~dealer~~**BUYER**" means a
2 person ~~who~~**THAT** is a ~~licensed dealer~~ in another state ~~and is~~

1 ~~engaged in this state in the business of purchasing, selling, or~~
 2 ~~otherwise dealing on a wholesale basis in salvageable parts or~~
 3 ~~vehicles of a type required to have a salvage or scrap~~
 4 ~~certificate of title under this act~~ **OR JURISDICTION AND ACQUIRES**
 5 **SALVAGE OR SCRAP VEHICLES EXCLUSIVELY FOR THE PURPOSE OF TAKING**
 6 **THOSE SALVAGE OR SCRAP VEHICLES OUT OF THIS STATE.**

7 Sec. 57d. "Scrap certificate of title" means a document
 8 issued by the secretary of state evidencing ownership of a scrap
 9 vehicle, which may be assigned ~~only to a scrap metal processor,~~
 10 ~~an automotive recycler, used or secondhand vehicle parts dealer,~~
 11 ~~or a foreign salvage vehicle dealer and reassignable only to a~~
 12 ~~vehicle scrap metal processor~~ **A PERSON LICENSED UNDER SECTION 248**
 13 **OR A FOREIGN SALVAGE VEHICLE BUYER.**

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

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

1 (a) If the insurance company acquires ownership of the
2 vehicle through payment of a claim, the owner of the vehicle
3 shall assign the certificate of title to the insurance company
4 ~~which~~ **AND THE INSURANCE COMPANY** shall do all of the following:

5 (i) Surrender a properly assigned certificate of title to the
6 secretary of state.

7 (ii) If the estimated cost of repair, including parts and
8 labor, is equal to or more than 75% but less than 91% of the
9 predamaged actual cash value of the vehicle, apply for a salvage
10 certificate of title, and if the estimated cost of repair,
11 including parts and labor, is equal to or greater than 91% of the
12 predamaged actual cash value of the vehicle, apply for a scrap
13 certificate of title. The insurance company shall not sell the
14 vehicle without first receiving a salvage or scrap certificate of
15 title, which ~~shall be assigned~~ **THE INSURANCE COMPANY SHALL ASSIGN**
16 to the buyer. An insurance company may assign a salvage or scrap
17 certificate of the title ~~only to an automotive recycler, used or~~
18 ~~secondhand vehicle parts dealer, foreign salvage vehicle dealer,~~
19 ~~or vehicle scrap metal processor~~ **A PERSON LICENSED UNDER SECTION**
20 **248 OR A FOREIGN SALVAGE VEHICLE BUYER.**

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

24 (i) If the estimated cost of repair, including parts and
25 labor, is equal to or greater than 75% but less than 91% of the
26 predamaged actual cash value of the vehicle, require each owner
27 of the vehicle to sign an application for a salvage certificate

1 of title, or if the estimated cost of repair, including parts and
 2 labor, is equal to or greater than 91% of the predamaged actual
 3 cash value of the vehicle, require each owner of the vehicle to
 4 sign an application for a scrap vehicle certificate of title.

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

8 (iii) On behalf of the owner, apply to the secretary of state
 9 for a salvage or scrap certificate of title in the name of the
 10 owner. The owner shall not sell or otherwise dispose of the
 11 vehicle without first receiving a salvage or scrap certificate of
 12 title, which shall be assigned to the buyer. An insurance company
 13 may assign a salvage or scrap certificate of title ~~only to an~~
 14 ~~automotive recycler, used or secondhand vehicle parts dealer,~~
 15 ~~foreign salvage vehicle dealer, or vehicle scrap metal processor~~
 16 **A PERSON LICENSED UNDER SECTION 248 OR A FOREIGN SALVAGE VEHICLE**
 17 **BUYER.**

18 (3) If an insurance company acquires ownership of a vehicle
 19 other than a late model vehicle through payment of damages due to
 20 an accident, the company shall surrender a properly assigned
 21 title to the buyer upon delivery.

22 (4) If a dealer acquires ownership of a late model vehicle
 23 that is a distressed vehicle from an owner, the dealer shall
 24 receive an assigned certificate of title. If the assigned
 25 certificate of title is not a salvage or scrap certificate of
 26 title, the dealer, ~~other than~~ **IF THE DEALER IS NOT** a vehicle
 27 scrap metal processor, shall surrender the assigned certificate

1 of title to the secretary of state, and if the estimated cost of
2 repair, including parts and labor, is equal to or greater than
3 75% but less than 91% of the predamaged actual cash value of the
4 vehicle, apply for a salvage certificate of title, or if the
5 estimated cost of repair, including parts and labor, is equal to
6 or greater than 91% of the predamaged actual cash value of the
7 vehicle, apply for a scrap certificate of title within 5 days
8 after the dealer receives the assigned certificate of title. The
9 dealer may sell a salvage vehicle to ~~another automotive recycler,~~
10 ~~used or secondhand vehicle parts dealer, foreign salvage vehicle~~
11 ~~dealer, or vehicle scrap metal processor~~ **A PERSON LICENSED UNDER**
12 **SECTION 248 OR A FOREIGN SALVAGE VEHICLE BUYER** by assigning the
13 salvage certificate of title to the buyer. Unless the vehicle is
14 rebuilt, inspected, and recertified pursuant to this section, if
15 the vehicle is sold to a buyer other than a dealer, application
16 shall be ~~made~~ **SUBMITTED** for a salvage certificate in the name of
17 the buyer in the manner provided in this act. The dealer may sell
18 a scrap vehicle ~~only to a vehicle scrap metal processor~~ **A PERSON**
19 **LICENSED UNDER SECTION 248 OR A FOREIGN SALVAGE VEHICLE BUYER.** A
20 vehicle scrap metal processor shall surrender an assigned
21 certificate of title to the secretary of state within 30 days
22 after acquiring a vehicle for which a certificate of title was
23 received. A vehicle scrap metal processor shall surrender an
24 assigned salvage or scrap certificate of title to the secretary
25 of state within 30 days after acquiring a vehicle for which a
26 salvage or scrap certificate of title was received and report
27 that the vehicle was destroyed or scrapped.

1 (5) An application for a scrap certificate of title shall be
2 ~~made~~**SUBMITTED** on a form prescribed by the secretary of state
3 accompanied by a fee of \$15.00. The application shall contain all
4 of the following:

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

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

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

11 (d) ~~Further~~**ANY OTHER** information ~~as may reasonably be~~
12 required by the secretary of state.

13 (6) ~~The~~**A** scrap certificate of title shall authorize the
14 holder of the document to transport but not drive upon a highway
15 the vehicle or parts of a vehicle, and assign ownership to a
16 ~~vehicle scrap metal processor, automotive recycler, used or~~
17 ~~secondhand vehicle parts dealer, or foreign salvage vehicle~~
18 ~~dealer~~**A PERSON LICENSED UNDER SECTION 248 OR A FOREIGN SALVAGE**
19 **VEHICLE BUYER. A THE SECRETARY OF STATE SHALL NOT ISSUE A**
20 certificate of title ~~shall not again be issued for this vehicle~~
21 **FOR A VEHICLE FOR WHICH A SCRAP CERTIFICATE OF TITLE IS ISSUED. A**
22 person shall not rebuild or repair a scrap vehicle and allow it
23 to retain the original vehicle identification number.

24 (7) If a person, other than a dealer or insurance company
25 that is subject to subsection (2) or (4), acquires ownership of a
26 distressed, late model vehicle, the person shall surrender the
27 title or assigned certificate of title to the secretary of state,

1 and if the estimated cost of repair, including parts and labor,
2 is equal to or greater than 75% but less than 91% of the
3 predamaged actual cash value of the vehicle, apply for a salvage
4 certificate of title, or if the estimated cost of repair,
5 including parts and labor, is equal to or greater than 91% of the
6 predamaged actual cash value of the vehicle, apply for a scrap
7 certificate of title before the vehicle ~~may be~~ **IS** transported.

8 (8) An owner of a vehicle may determine that a ~~THE~~ vehicle
9 is a scrap vehicle or a salvage vehicle without making any
10 determination as to the actual cash value of the vehicle.

11 (9) If a leasing company, vehicle manufacturer, insurance
12 company not licensed to do business in this state, association,
13 repossession company, self-insured owner, financial institution,
14 governmental entity, or other company, institution, or entity,
15 owns a distressed, late model vehicle, the titleholder shall
16 surrender the title or assigned certificate of title to the
17 secretary of state and apply for a salvage certificate of title
18 if the retail cost of repair, including parts and labor, is equal
19 to or greater than 75% but less than 91% of the predamaged actual
20 cash value of the vehicle, or if the retail cost of repair,
21 including parts and labor, is equal to or greater than 91% of the
22 predamaged actual cash value of the vehicle, apply for a scrap
23 certificate of title, before the vehicle ~~may be~~ **IS** transported or
24 sold. If ownership is transferred, the owner shall sell the
25 vehicle ~~only to a dealer who is eligible to buy a salvage or~~
26 ~~scrap vehicle in this state unless the owner complies with~~
27 ~~subsection (12)~~ **A PERSON LICENSED UNDER SECTION 248 OR A FOREIGN**

1 **SALVAGE VEHICLE BUYER.** When a leasing company, vehicle
2 manufacturer, insurance company not licensed to do business in
3 this state, association, repossession company, self-insured
4 owner, financial institution, governmental entity, or other
5 company, institution, or entity, estimates the repair of a
6 distressed, late model vehicle for the purpose of determining
7 whether to apply for a salvage or scrap certificate of title, a
8 complete record of the estimate and, if the vehicle is repaired
9 before a transfer of ownership, a complete record of the actual
10 cost of the repairs performed and by whom shall be maintained for
11 a minimum of 5 years by the leasing company, vehicle
12 manufacturer, insurance company not licensed to do business in
13 this state, association, repossession company, self-insured
14 owner, financial institution, governmental entity, or other
15 company, institution, or entity. The estimates and repair records
16 required by this subsection shall be available for unannounced
17 inspections by a law enforcement agency or a representative of
18 the secretary of state. The secretary of state may request a
19 leasing company, vehicle manufacturer, insurance company not
20 licensed to do business in this state, association, repossession
21 company, self-insured owner, financial institution, governmental
22 entity, or other company, institution, or entity to provide
23 copies of title documents, repair estimates, claims reports
24 involving major component parts, and actual cash value
25 determination documents to assist the secretary of state in
26 monitoring compliance with this act.

27 (10) An application for a salvage certificate of title shall

1 be ~~made~~ **SUBMITTED** on a form prescribed by the secretary of state
2 accompanied by a fee of \$10.00. The application shall contain all
3 of the following:

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

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

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

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

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

15 (11) The secretary of state shall issue and mail the salvage
16 certificate within 5 business days after the time the application
17 is received at the secretary of state's office in Lansing. Each
18 salvage certificate of title shall include a listing of each
19 major component part that was not salvageable.

20 (12) A salvage certificate of title authorizes the holder of
21 the title to possess, transport, but not drive upon a highway,
22 and transfer ownership in, a vehicle. The secretary of state
23 shall not issue a certificate of title or registration plates for
24 a vehicle for which a salvage certificate of title was issued
25 unless a specially trained officer described in subsection ~~(14)~~
26 **(15)** certifies all of the following:

27 (a) That the vehicle identification numbers and parts

1 identification numbers are correct.

2 (b) That the applicant has proof of ownership of repair
3 parts used.

4 (c) That the vehicle complies with the equipment standards
5 of this act.

6 (13) The certification required by subsection (12) shall be
7 ~~made~~ **SUBMITTED** on a form prescribed and furnished by the
8 secretary of state in conjunction with the department of state
9 police and shall accompany the application that is submitted to
10 the secretary of state for a certificate of title. An application
11 for a certificate of title shall contain a description of each
12 salvageable part used to repair the vehicle and any
13 identification number affixed to or inscribed upon the part as
14 required by state or federal law. Upon satisfactory completion of
15 the inspection as required by the secretary of state and other
16 requirements for application, the secretary of state shall issue
17 a certificate of title for the vehicle bearing the legend
18 "rebuilt salvage".

19 (14) An officer ~~specially trained as provided by the~~
20 ~~secretary of state and~~ authorized by the secretary of state **UNDER**
21 **SUBSECTION (15)** to conduct a salvage vehicle inspection ~~is either~~
22 **SHALL BE 1** of the following:

23 (a) An on-duty or off-duty police officer.

24 (b) A previously certified police officer who is appointed
25 by the local police agency as a limited enforcement officer to
26 conduct salvage vehicle inspections. The local police agency
27 shall give this officer access to the agency's law enforcement

1 information network system and the authority to confiscate any
2 stolen vehicle or vehicle parts discovered during an inspection.
3 The local police agency may give the officer the authority to
4 arrest a person suspected of having unlawful possession of a
5 stolen vehicle or vehicle parts.

6 (15) The secretary of state shall issue a certificate to an
7 officer who is specially trained, as ~~provided~~ **DETERMINED** by the
8 secretary of state to conduct salvage vehicle inspections. Only a
9 person who has a valid certification from the secretary of state
10 may perform salvage **VEHICLE** inspections. The secretary of state,
11 on his or her own initiative or in response to complaints, shall
12 make reasonable and necessary public or private investigations
13 within or outside of this state and gather evidence against an
14 officer who was issued a certificate and who violated or is about
15 to violate this act or a rule promulgated under this act. The
16 secretary of state may suspend, revoke, or deny a certificate
17 after an investigation if the secretary of state determines that
18 the officer committed 1 or more of the following:

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

20 (b) Was found guilty of a fraudulent act in connection with
21 the inspection, purchase, sale, lease, or transfer of a salvage
22 vehicle.

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

25 (d) Performed improper, careless, or negligent salvage
26 vehicle inspections.

27 (e) Ceased to function as a police officer because of

1 suspension, retirement, dismissal, disability, or termination of
2 employment.

3 (f) Was convicted of a violation or attempted violation of
4 1986 PA 119, MCL 257.1351 to 257.1355.

5 (g) Made a false statement of a material fact in his or her
6 certification of a salvage vehicle inspection or any record
7 concerning a salvage vehicle inspection.

8 (16) ~~Upon receipt of the~~ **IF HE OR SHE RECEIVES AN**
9 appropriate abstract of conviction from a court, ~~and without any~~
10 ~~investigation,~~ the secretary of state shall **WITHOUT ANY**
11 **INVESTIGATION** immediately revoke the certificate of an officer
12 **DESCRIBED IN SUBSECTION (15)** who has been convicted of a
13 violation or attempted violation of section 413, 414, 415, 535,
14 535a, or 536a of the Michigan penal code, 1931 PA 328, MCL
15 750.413, 750.414, 750.415, 750.535, 750.535a, and 750.536a, or
16 has been convicted in federal court or in another state of a
17 violation or attempted violation of a law substantially
18 corresponding to 1 of those sections.

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

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

1 following form:

2 Scrap Vehicle Inventory:

3 SELLER: Dealer name _____
 4 Dealer address _____
 5 Dealer license number _____
 6 PURCHASER: Conveyed to: _____ Date _____
 7 (Vehicle scrap metal processor)
 8 Dealer address _____
 9 Dealer license number _____

10

11 Vehicles

12						Dealer's	
13						Stock	
14	Model Year	Vehicle Make	VIN	Title Number	Number	Color	
15	1. _____	_____	_____	_____	_____	_____	
16	2. _____	_____	_____	_____	_____	_____	
17	3. _____	_____	_____	_____	_____	_____	
18	etc.						

19 One copy shall be retained as a permanent record by the dealer,
 20 1 copy shall be forwarded with the vehicle to be retained by the
 21 vehicle scrap metal processor, and 1 copy shall be forwarded to
 22 the secretary of state.

23 (19) A person ~~, other than an automotive recycler, used or~~
 24 ~~secondhand vehicle parts dealer, or a foreign salvage dealer,~~
 25 ~~receiving~~ **THAT RECEIVES** a salvage **OR SCRAP** certificate of title

1 shall not ~~MAY~~ sell the vehicle to anyone other than 1 of the
2 following:

- 3 ~~—— (a) The vehicle's former owner.~~
- 4 ~~—— (b) A used or secondhand vehicle parts dealer.~~
- 5 ~~—— (c) A vehicle scrap metal processor.~~
- 6 ~~—— (d) A foreign salvage vehicle dealer licensed under this~~
7 ~~act.~~
- 8 ~~—— (e) An automotive recycler.~~
- 9 ~~—— (20) A person receiving a scrap certificate of title shall~~

10 not sell the vehicle to anyone other than 1 of the following:

- 11 ~~—— (a) An automotive recycler.~~
- 12 ~~—— (b) A vehicle scrap metal processor.~~
- 13 ~~—— (c) A foreign salvage vehicle dealer licensed under this~~
14 ~~act.~~
- 15 ~~—— (d) A used or secondhand vehicle parts dealer.~~ **A PERSON**

16 **LICENSED UNDER SECTION 248 OR A FOREIGN SALVAGE VEHICLE BUYER.**

17 ~~(20) (21)~~ The secretary of state may conduct periodic
18 reviews of the records of a dealer to determine whether adequate
19 notice is given to a transferee or lessee of a rebuilt salvage
20 vehicle of that vehicle's prior designation as a salvage vehicle.
21 The secretary of state may request an insurance company to
22 provide copies of salvage title documents and claims reports
23 involving major component parts to assist the secretary of state
24 in monitoring compliance with this act.

- 25 ~~—— (22) A licensed automotive recycler, used or secondhand~~
26 ~~vehicle parts dealer, vehicle scrap metal processor, vehicle~~
27 ~~salvage pool operator, distressed vehicle transporter, foreign~~

1 ~~salvage vehicle dealer, or broker who has removed a scrap vehicle~~
2 ~~from this state for the purpose of rebuilding the vehicle or~~
3 ~~selling or leasing the vehicle to a person other than a vehicle~~
4 ~~scrap metal processor, shall receive an automatic suspension of~~
5 ~~its dealer license and of any salvage vehicle agent's license~~
6 ~~assigned to that dealer for a period of 30 days. Upon receipt by~~
7 ~~the secretary of state of a written request from the dealer, the~~
8 ~~dealer shall have the right to an immediate hearing on the matter~~
9 ~~within that 30 day period.~~

10 (21) ~~(23)~~ For the purpose of this section, the estimated
11 costs of the repair parts shall be determined by using the
12 current published retail cost of original manufacturer equipment
13 parts or an estimate of the actual cost of the repair parts. The
14 estimated labor costs shall be computed by using the hourly rate
15 and time allocations which are reasonable and commonly assessed
16 in the repair industry in the community where the repairs are
17 performed.

18 (22) ~~(24)~~ A police agency shall charge a fee for an
19 inspection of a vehicle ~~pursuant to~~ **UNDER** subsection (12). Each
20 local authority with a police agency shall determine the amount
21 of the fee for inspections by that police agency, which shall not
22 exceed \$100.00. The police agency shall credit the fee to the
23 budget of that police agency and use the fee for law enforcement
24 purposes that affect stolen vehicles, stolen vehicle parts, and
25 salvage vehicle inspections. A local police agency shall
26 compensate an off-duty and limited enforcement police officer for
27 a salvage vehicle inspection.

1 (23) ~~(25)~~—For the purpose of this section, "actual cash
2 value" means the retail dollar value of a vehicle as determined
3 by an objective vehicle evaluation using local market resources
4 such as dealers or want ads or by an independent vehicle
5 evaluation or vehicle appraisal service or by a current issue of
6 a nationally recognized used vehicle guide for financial
7 institution appraisal purposes in this state.

8 Sec. 248. (1) The secretary of state shall not grant a
9 dealer license under this section until an investigation is made
10 of the applicant's qualifications under this act, except that
11 this subsection does not apply to license renewals. The secretary
12 of state shall make the investigation within 15 days after
13 receiving the application and make a report on the investigation.

14 (2) An applicant for a new vehicle dealer or a used or
15 secondhand vehicle dealer or broker license shall include a
16 properly executed bond or renewal certificate with the
17 application. If a renewal certificate is used, the bond is
18 considered renewed for each succeeding year in the same amount
19 and with the same effect as an original bond. The bond shall be
20 in the sum of \$10,000.00 with good and sufficient surety to be
21 approved by the secretary of state. The bond shall indemnify or
22 reimburse a purchaser, seller, lessee, financing agency, or
23 governmental agency for monetary loss caused through fraud,
24 cheating, or misrepresentation in the conduct of the vehicle
25 business whether the fraud, cheating, or misrepresentation was
26 made by the dealer or by an employee, agent, or salesperson of
27 the dealer. The surety shall make indemnification or

1 reimbursement for a monetary loss only after judgment based on
2 fraud, cheating, or misrepresentation has been entered in a court
3 of record against the licensee. The bond shall also indemnify or
4 reimburse the state for any sales tax deficiency as provided in
5 the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, or
6 use tax deficiency as provided in the use tax act, 1937 PA 94,
7 MCL 205.91 to 205.111, for the year in which the bond is in
8 force. The surety shall make indemnification or reimbursement
9 only after final judgment has been entered in a court of record
10 against the licensee. A dealer or applicant ~~who~~**THAT** has
11 furnished satisfactory proof that a bond similar to the bond
12 required by this subsection is executed and in force is exempt
13 from the bond provisions set forth in this subsection. The
14 aggregate liability of the surety shall not exceed the sum of the
15 bond. The surety on the bond may cancel the bond upon giving 30
16 days' notice in writing to the secretary of state and thereafter
17 is not liable for a breach of condition occurring after the
18 effective date of the cancellation.

19 (3) An applicant for a new vehicle dealer or a used or
20 secondhand vehicle dealer license shall apply for not less than 2
21 dealer plates ~~as provided by~~**UNDER** section 245 and shall include
22 with the application the proper fee ~~as provided by~~**FOR THOSE**
23 **PLATES UNDER** section 803.

24 (4) As a condition precedent to the granting of a license, a
25 dealer shall file with the secretary of state an irrevocable
26 written stipulation, authenticated by the applicant, stipulating
27 and agreeing that legal process affecting the dealer, served on

1 the secretary of state or a deputy of the secretary of state, has
2 the same effect as if personally served on the dealer. This
3 appointment remains in force as long as the dealer has any
4 outstanding liability within this state.

5 (5) A person shall not carry on or conduct the business of
6 buying, selling, brokering, leasing, negotiating a lease, or
7 dealing in 5 or more vehicles of a type required to be titled
8 under this act in a 12-month period unless the person obtains a
9 dealer license from the secretary of state authorizing the
10 carrying on or conducting of that business. A person shall not
11 carry on or conduct the business of buying, selling, brokering,
12 leasing, negotiating a lease, or dealing in 5 or more distressed,
13 late model vehicles or salvageable parts to 5 or more of those
14 vehicles in a 12-month period unless the person obtains a ~~used or~~
15 ~~secondhand vehicle parts dealer, an automotive recycler, or a~~
16 ~~salvage pool license~~ from the secretary of state or is an
17 insurance company admitted to conduct business in this state. A
18 person shall not carry on or conduct the business of buying 5 or
19 more vehicles in a 12-month period to process into scrap metal or
20 store or display 5 or more vehicles in a 12-month period as an
21 agent or escrow agent of an insurance company unless the person
22 obtains a dealer license from the secretary of state. A vehicle
23 scrap metal processor ~~who~~ **THAT** does not purchase vehicles or
24 salvageable parts from unlicensed persons is not required to
25 obtain a dealer license. ~~A person from another state shall not~~
26 ~~purchase, sell, or otherwise deal in distressed, late model~~
27 ~~vehicles or salvageable parts unless the person obtains a foreign~~

1 ~~salvage vehicle dealer license from the secretary of state as~~
2 ~~prescribed under section 248b. A person, including a dealer,~~
3 ~~shall not purchase or acquire a distressed, late model vehicle or~~
4 ~~a salvageable part through a salvage pool, auction, or broker~~
5 ~~without a license as a salvage vehicle agent. The secretary of~~
6 state shall investigate and seek prosecution, if necessary, of
7 persons allegedly conducting a business without a license. **THIS**
8 **SECTION DOES NOT APPLY TO A FOREIGN SALVAGE VEHICLE BUYER.**

9 (6) The application for a dealer license shall be in the
10 form prescribed by the secretary of state and shall be signed by
11 the applicant. In addition to other information as may be
12 required by the secretary of state, the application shall include
13 all of the following:

14 (a) Name of applicant.

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

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

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

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

27 (f) The county in which the business is to be conducted and

1 the address of each place of business in that county.

2 (g) If new vehicles are to be sold, the make to be handled.
3 Each new vehicle dealer shall send with the application for
4 license a certification that the dealer holds a bona fide
5 contract to act as factory representative, factory distributor,
6 or distributor representative to sell at retail (the
7 make of vehicle to be sold).

8 (h) A statement of the previous history, record, and
9 associations of the applicant and of each owner, partner,
10 officer, and director. The statement shall be sufficient to
11 establish to the satisfaction of the secretary of state the
12 business reputation and character of the applicant.

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

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

21 (k) If the application is for a used or secondhand vehicle
22 parts dealer or an automotive recycler, it shall include all of
23 the following:

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

26 (ii) Evidence that the applicant maintains or will maintain a
27 police book and vehicle parts purchase and sales and lease

1 records as required under this act.

2 (iii) Evidence of worker's compensation insurance coverage for
3 employees classified under the North American industrial
4 classification system number 42114, entitled "motor vehicle parts
5 (used) wholesalers" or under the national council on compensation
6 insurance classification code number 3821, entitled "automobile
7 dismantling and drivers", if applicable.

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

14 (7) A person shall apply separately for a dealer license for
15 each county in which business is to be conducted. Before moving 1
16 or more of his or her places of business or opening an additional
17 place of business, a dealer shall apply to the secretary of state
18 for and obtain a supplemental dealer license. ~~, for which THE~~
19 **SECRETARY OF STATE SHALL NOT CHARGE** a fee ~~shall not be charged. A~~
20 **FOR A** supplemental dealer license **AND** shall ~~be issued~~ **ISSUE THE**
21 **LICENSE** only for a location, including a tent, temporary stand,
22 or any temporary quarters, that does not meet the definition of
23 an established place of business, within the county in which the
24 dealer's established place of business is located. A dealer
25 license entitles the dealer to conduct the business of buying,
26 selling, leasing, and dealing in vehicles or salvageable parts in
27 the county covered by the license. The dealer license shall also

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

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

- 10 (a) New vehicle dealer.
- 11 (b) Used or secondhand vehicle dealer.
- 12 (c) Used or secondhand vehicle parts dealer.
- 13 (d) Vehicle scrap metal processor.
- 14 (e) Vehicle salvage pool operator.
- 15 (f) Distressed vehicle transporter.
- 16 (g) Broker.
- 17 ~~(h) Foreign salvage vehicle dealer.~~
- 18 **(H)** ~~(i) Automotive recycler.~~
- 19 **(I)** ~~(j) Beginning April 1, 2005, wholesaler~~ **WHOLESALE**.

20 (9) A dealer license expires on December 31 of the last year
 21 for which the license is issued. The secretary of state may renew
 22 a dealer license for a period of not more than 4 years upon
 23 application and payment of the fee required by section 807.

24 (10) A dealer may conduct the business of buying, selling,
 25 or dealing in motor homes, trailer coaches, trailers, or pickup
 26 campers at a recreational vehicle show conducted at a location in
 27 this state without obtaining a separate or supplemental license

1 under subsection (7) if all of the following apply:

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

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

6 (c) Not less than 14 days before the beginning date of the
7 recreational vehicle show, the show producer notifies the
8 secretary of state, in a manner and form prescribed by the
9 secretary of state, that the recreational vehicle show is
10 scheduled, the location, dates, and times of the recreational
11 vehicle show, and the name, address, and dealer license number of
12 each dealer participating in the recreational vehicle show.

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

16 ~~—— (a) The vehicle's former owner.~~

17 ~~—— (b) A used or secondhand vehicle parts dealer.~~

18 ~~—— (c) A vehicle scrap metal processor.~~

19 ~~—— (d) A foreign salvage vehicle dealer licensed under this~~
20 ~~act.~~

21 ~~—— (e) A registered motor vehicle repair facility engaging in~~
22 ~~body work.~~

23 ~~—— (2) Subsection (1) applies until July 1, 1994.~~

24 ~~—— (3) A vehicle salvage pool, auction, or broker shall not **MAY**~~
25 ~~sell, transfer, or release a distressed, late model vehicle to~~
26 ~~anyone other than 1 or more of the following:~~

27 ~~—— (a) The vehicle's former owner.~~

1 ~~—— (b) A licensed salvage agent of an automotive recycler.~~

2 ~~—— (c) A licensed salvage agent of a foreign salvage vehicle~~
3 ~~dealer.~~

4 ~~—— (4) Subsection (3) applies beginning July 1, 1994. THE~~
5 **VEHICLE'S FORMER OWNER, A PERSON LICENSED UNDER SECTION 248, OR A**
6 **FOREIGN SALVAGE VEHICLE BUYER.**

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

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

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

23 (4) The department of state police shall conduct a criminal
24 history check not more than 45 days after receiving a proper
25 request and the required fee for a criminal history check under
26 this section. After conducting the criminal history check and
27 within the same 45-day period, the department of state police

1 shall provide the secretary of state with a report of the
2 criminal history check. The report shall contain public criminal
3 history record information concerning the person ~~who~~**THAT** is the
4 subject of the request that is maintained by the department of
5 state police.

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

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

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

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

26 (b) Staff of the department of state police.

27 (c) A person who was involved in the prosecution or defense

1 of a criminal matter noted in a criminal history report.

2 (d) The applicant or his or her attorney.

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

5 (9) As used in this section, "criminal history record
6 information" means that term as defined in section 1a of 1925 PA
7 289, MCL 28.241a.

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

13 Sec. 249a. (1) The secretary of state may deny the
14 application of a person for a license as an automotive recycler,
15 a used or secondhand vehicle parts dealer, **OR** a vehicle scrap
16 metal processor, ~~or a foreign salvage vehicle dealer~~ and refuse
17 that person a license as an automotive recycler, a used or
18 secondhand vehicle parts dealer, **OR** a vehicle scrap metal
19 processor, ~~or a foreign salvage vehicle dealer,~~ or may suspend or
20 revoke a license already issued, if the secretary of state finds
21 that 1 or more of the following apply:

22 (a) The applicant or licensee has made a false statement of
23 a material fact in ~~his or her~~**THE LICENSE** application.

24 (b) The applicant or licensee has not complied with this act
25 or a rule promulgated under this chapter.

26 (c) The applicant or licensee ~~has been~~**WAS** convicted of
27 violating ~~Act No. 119 of the Public Acts of 1986,~~ being sections

1 ~~257.1351 to 257.1355 of the Michigan Compiled Laws 1986 PA 119,~~
2 **MCL 257.1351 TO 257.1355.**

3 ~~—— (d) If the applicant or licensee is a foreign salvage~~
4 ~~vehicle dealer, has had his or her dealer license in another~~
5 ~~state expire, or has had his or her dealer license in another~~
6 ~~state revoked, suspended, or canceled.~~

7 (D) ~~(e)~~ If the applicant or licensee is an automotive
8 recycler ~~, OR~~ a used or secondhand vehicle parts dealer ~~, or a~~
9 ~~foreign salvage vehicle dealer~~ and has no established place of
10 business used for the purpose of selling, displaying, or offering
11 for sale used or secondhand vehicle parts or does not have a
12 vehicle dismantling facility or does not have evidence of
13 worker's compensation insurance coverage for employees classified
14 ~~under the standard industrial classification number 4015,~~
15 ~~entitled "motor vehicle parts used"~~ **THE NORTH AMERICAN INDUSTRIAL**
16 **CLASSIFICATION SYSTEM NUMBER 42114, ENTITLED "MOTOR VEHICLE PARTS**
17 **(USED) WHOLESALERS"** or under the national council on compensation
18 insurance code number 3821, entitled "automobile dismantling **AND**
19 **DRIVERS"**, if applicable.

20 (2) The secretary of state shall deny the application of a
21 person for a license as an automotive recycler, a used or
22 secondhand vehicle parts dealer, **OR** a vehicle scrap metal
23 processor ~~, or a foreign salvage vehicle dealer~~ and refuse that
24 person a license as an automotive recycler, a used or secondhand
25 vehicle parts dealer, **OR** a vehicle scrap metal processor ~~, or a~~
26 ~~foreign salvage vehicle dealer,~~ or shall suspend or revoke a
27 license already issued, if the secretary of state finds that 1 or

1 more of the following apply:

2 (a) The applicant or licensee has been guilty of a
3 fraudulent act in connection with selling or otherwise dealing in
4 major component parts or vehicles of a type required to be
5 registered under this act.

6 (b) The applicant or licensee has possessed a vehicle or a
7 vehicle part which has been confiscated under section 415 of the
8 Michigan penal code, ~~Act No. 328 of the Public Acts of 1931,~~
9 ~~being section 750.415 of the Michigan Compiled Laws 1931 PA 328,~~
10 **MCL 750.415**. The secretary of state shall conduct a hearing
11 pursuant to the administrative procedures act of 1969, ~~Act No.~~
12 ~~306 of the Public Acts of 1969, being sections 24.201 to 24.328~~
13 ~~of the Michigan Compiled Laws 1969 PA 306, MCL 24.201 TO 24.328,~~
14 before the secretary of state takes any action under this
15 subdivision.

16 (c) The applicant or licensee has been convicted under
17 section 413, 415, 535, 535a, or 536a of ~~Act No. 328 of the Public~~
18 ~~Acts of 1931, being sections 750.413, 750.415, 750.535, 750.535a,~~
19 ~~and 750.536a of the Michigan Compiled Laws~~ **THE MICHIGAN PENAL**
20 **CODE, 1931 PA 328, MCL 750.413, 750.415, 750.535, 750.535A, AND**
21 **750.536A**, or has been convicted in a foreign state of a law or a
22 local ordinance substantially corresponding to ~~section 413, 415,~~
23 ~~535, 535a, or 536a of Act No. 328 of the Public Acts of 1931~~ **1 OF**
24 **THOSE SECTIONS.**

25 (d) The applicant or licensee is a corporation or
26 partnership, and a stockholder, officer, director, or partner of
27 the applicant or licensee has been guilty of any act or omission

1 that would be cause for refusing, revoking, or suspending a
2 license issued to the stockholder, officer, director, or partner
3 as an individual.

4 ~~—— (c) Effective July 1, 1994, the applicant or licensee has~~
5 ~~removed a scrap vehicle from this state for the purpose of~~
6 ~~rebuilding it or has sold or transferred the vehicle as a unit~~
7 ~~for purposes of rebuilding it.~~

8 Sec. 251. (1) Each new vehicle dealer, used vehicle dealer,
9 and broker shall maintain a record in a manner prescribed by the
10 secretary of state of each vehicle of a type subject to titling
11 under this act that is bought, sold, leased, or exchanged by the
12 dealer or received or accepted by the dealer for sale, lease, or
13 exchange.

14 (2) Each record shall contain the date of the purchase,
15 sale, lease, or exchange or receipt for the purpose of sale,
16 lease, or exchange, a description of the vehicle, the name and
17 address of the seller, the purchaser or lessee, and the alleged
18 owner or other persons from whom the vehicle was purchased or
19 received, or to whom it was sold, leased, or delivered. The
20 record shall contain a copy of any odometer mileage statement
21 received by the dealer when the dealer purchased or acquired a
22 vehicle and a copy of the odometer mileage statement furnished by
23 the dealer when the dealer sold, leased, or exchanged the vehicle
24 as ~~prescribed in~~ **REQUIRED UNDER** section 233a. If the vehicle is
25 purchased, sold, leased, or exchanged through a broker, the
26 record shall include the broker's name and dealer license number
27 and the amount of the broker's fee, commission, compensation, or

1 other valuable consideration paid by the purchaser or lessee or
2 paid by the dealer, or both. The records of all vehicles
3 purchased, sold, leased, or exchanged through a broker maintained
4 by the secretary of state shall be in an electronic format
5 determined by the secretary of state. A dealer shall retain for
6 not less than 5 years each odometer mileage statement the dealer
7 receives and each odometer mileage statement furnished by the
8 dealer upon the sale, lease, or exchange of a vehicle. The
9 description of the vehicle, in the case of a motor vehicle, shall
10 also include the vehicle identification number and other numbers
11 or identification marks as may be on the vehicle, and shall also
12 include a statement that a number has been obliterated, defaced,
13 or changed, if that is the fact. For a trailer or semitrailer,
14 the record shall include the vehicle identification number and
15 other numbers or identification marks as may be on the trailer or
16 semitrailer.

17 (3) Not more than 20 days after the delivery of the vehicle,
18 the seller shall deliver to the buyer in person or by mail to the
19 buyer's last known address a duplicate of a written statement, on
20 a form prescribed by the secretary of state in conjunction with
21 the department of treasury, describing clearly the name and
22 address of the seller, the name and address of the buyer, the
23 vehicle sold to the buyer, the cash sale price of the vehicle,
24 the cash paid down by the buyer, the amount credited the buyer
25 for a trade-in, a description of the trade-in, the amount charged
26 for vehicle insurance, stating the types of insurance covered by
27 the insurance policy, the amount charged for a temporary

1 registration plate, the amount of any other charge and specifying
2 its purpose, the net balance due from the buyer, and a summary of
3 insurance coverage to be affected. If the vehicle sold is a new
4 motor home, the written statement shall contain a description,
5 including the year of manufacture, of every major component part
6 of the vehicle that has its own manufacturer's certificate of
7 origin. The written statement shall disclose if the vehicle sold
8 is a vehicle that the seller had loaned or leased to a political
9 subdivision of this state for use as a driver education vehicle.
10 The written statement shall be dated, but not later than the
11 actual date of delivery of the vehicle to the buyer. The original
12 and all copies of the prescribed form shall contain identical
13 information. The statement shall be furnished by the seller,
14 shall be signed by the seller or the seller's agent and by the
15 buyer, and shall be filed with the application for new title or
16 registration. Failure of the seller to deliver this written
17 statement to the buyer does not invalidate the sale between the
18 seller and the buyer.

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

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

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

27 (5) Each dealer record and inventory, including the record

1 and inventory of a vehicle scrap metal processor not required to
2 obtain a dealer license, shall be open to inspection by a police
3 officer or an authorized officer or investigator of the secretary
4 of state during reasonable or established business hours.

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

13 (7) A dealer licensed under this act shall maintain records
14 for a period of 5 years. The records shall be made available for
15 inspection by the secretary of state or other law enforcement
16 officials. To determine or enforce compliance with this chapter
17 or other applicable law, the secretary of state or any law
18 enforcement official may inspect a dealer whenever he or she
19 determines it is necessary. The secretary of state may issue an
20 order summarily suspending the license of a dealer pursuant to
21 section 92 of the administrative procedures act of 1969, 1969 PA
22 306, MCL 24.292, based on an affidavit by a person familiar with
23 the facts set forth in the affidavit that the dealer has failed
24 to maintain the records required by this act or failed to provide
25 the records for inspection as requested by the secretary of
26 state, or has otherwise hindered, obstructed, or prevented the
27 inspection of records authorized under this section. The dealer

1 to whom the order is directed shall comply immediately, but on
2 application to the department shall be afforded a hearing within
3 30 days pursuant to the administrative procedures act of 1969,
4 1969 PA 306, MCL 24.201 to 24.328. On the basis of the hearing,
5 the summary order shall be continued, modified, or held in
6 abeyance not later than 30 days after the hearing.

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

1 section 233a.

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

24 (10) A dealer licensed as a vehicle scrap metal processor
25 shall maintain records as prescribed by the secretary of state.
26 As provided in section 217c, the records shall contain for a
27 vehicle purchased from a dealer a copy of the scrap vehicle

1 inventory, including the name and address of the dealer, a
2 description of the vehicle acquired, and the date of acquisition.
3 If a vehicle is purchased or acquired from a person other than a
4 dealer, the record shall contain the date of acquisition, a
5 description of the vehicle, including the color, the name and
6 address of the person from whom the vehicle was acquired, and
7 whether a certificate of title or salvage or scrap certificate of
8 title was obtained by the dealer.

9 ~~—— (11) A dealer licensed as a foreign salvage vehicle dealer~~
10 ~~shall maintain records in a form prescribed by the secretary of~~
11 ~~state. The records shall contain the date of purchase or~~
12 ~~acquisition of each distressed vehicle, a description of the~~
13 ~~vehicle including the color, and the name and address of the~~
14 ~~person from whom the vehicle was acquired. If the vehicle is~~
15 ~~sold, the record shall contain the date of sale and the name and~~
16 ~~address of the purchaser. The record shall indicate if the~~
17 ~~certificate of title or salvage or scrap certificate of title was~~
18 ~~obtained by the dealer. In the case of a late model vehicle, a~~
19 ~~record of the purchase or sale of each salvageable part purchased~~
20 ~~or acquired in this state shall be maintained and the record~~
21 ~~shall contain the date of purchase or acquisition of the part, a~~
22 ~~description of the part, the identification number assigned to~~
23 ~~the part, and the name and address of the person to or from whom~~
24 ~~the part was purchased, acquired, or sold. The record of the~~
25 ~~sale, purchase, or acquisition of a part shall be maintained in~~
26 ~~the dealer's police book. The police book shall only contain~~
27 ~~vehicles and salvageable parts purchased in this state or used in~~

1 ~~the repair of a vehicle purchased in this state. The police book~~
2 ~~and the records of vehicle part sales, purchases, or acquisitions~~
3 ~~shall be made available at a location within the state for~~
4 ~~inspection by the secretary of state within 48 hours after a~~
5 ~~request by the secretary of state.~~

6 (11) ~~(12)~~The secretary of state shall make periodic
7 unannounced inspections of the records, facilities, and
8 inventories of automotive recyclers and used or secondhand
9 vehicle parts dealers.

10 (12) ~~(13)~~The secretary of state may promulgate rules to
11 implement this section pursuant to the administrative procedures
12 act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

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

16	Full year's license.....	\$ 75.00
17	Half year's license (after June 30).....	37.50
18	Multiple year license.....	75.00
19		per year.

20 (2) An applicant shall include with an application for a
21 used or secondhand vehicle parts dealer ~~, OR an automotive~~
22 ~~recycler, or foreign salvage vehicle dealer~~ license 1 of the
23 following fees:

24	Full year's license.....	\$ 160.00
25	Half year's license (after June 30).....	80.00
26	Multiple year license.....	160.00

1 per year.

2 Enacting section 1. Sections 56c, 248b, 248e, 248g, 248h,
3 and 248i of the Michigan vehicle code, 1949 PA 300, MCL 257.56c,
4 257.248b, 257.248e, 257.248g, 257.248h, and 257.248i, are
5 repealed effective October 1, 2011.

6 Enacting section 2. This amendatory act takes effect October
7 1, 2011.

8 Enacting section 3. This amendatory act does not take effect
9 unless Senate Bill No.____ or House Bill No.4833 (request no.
10 01165'11 a) of the 96th Legislature is enacted into law.