

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

Introduced by Senators Nesbitt, Hertel, Ananich, Moss, Wojno, Polehanki, Bumstead, Zorn,
Hollier and Schmidt

ENROLLED SENATE BILL No. 1064

AN ACT to amend 1949 PA 300, entitled “An act to provide for the registration, titling, sale, transfer, and regulation of certain vehicles operated upon the public highways of this state or any other place open to the general public or generally accessible to motor vehicles and distressed vehicles; to provide for the licensing of dealers; to provide for the examination, licensing, and control of operators and chauffeurs; to provide for the giving of proof of financial responsibility and security by owners and operators of vehicles; to provide for the imposition, levy, and collection of specific taxes on vehicles, and the levy and collection of sales and use taxes, license fees, and permit fees; to provide for the regulation and use of streets and highways; to create certain funds; to provide penalties and sanctions for a violation of this act; to provide for civil liability of manufacturers, the manufacturers of certain devices, the manufacturers of automated technology, upfitters, owners, and operators of vehicles and service of process on residents and nonresidents; to regulate the introduction and use of certain evidence; to regulate and certify the manufacturers of certain devices; to provide for approval and certification of installers and servicers of certain devices; to provide for the levy of certain assessments; to provide for the enforcement of this act; to provide for the creation of and to prescribe the powers and duties of certain state and local agencies; to impose liability upon the state or local agencies; to provide appropriations for certain purposes; to repeal all other acts or parts of acts inconsistent with this act or contrary to this act; and to repeal certain parts of this act on a specific date,” by amending sections 14, 217, 217c, 226, 226a, 233a, 235, 245, 248, 248d, 250, 251, 803, and 807 (MCL 257.14, 257.217, 257.217c, 257.226, 257.226a, 257.233a, 257.235, 257.245, 257.248, 257.248d, 257.250, 257.251, 257.803, and 257.807), section 14 as amended by 2021 PA 90, section 217 as amended by 2021 PA 71, section 217c as amended by 2018 PA 108, section 226 as amended by 2021 PA 112, section 226a as amended by 2006 PA 516, section 233a as amended by 2020 PA 304, sections 235 and 251 as amended and section 248d as added by 2012 PA 498, section 245 as amended by 1988 PA 276, section 248 as amended by 2018 PA 420, section 803 as amended by 2002 PA 490, and section 807 as amended by 2003 PA 152.

The People of the State of Michigan enact:

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

(2) For a class (a) or class (b) dealer, “established place of business” means premises that meet all of the following requirements:

(a) The premises contain, except as otherwise provided in this act, a permanently enclosed building or structure that is either owned, leased, or rented by the dealer; the building or structure is not a residence, tent, temporary stand, or any temporary quarters; the building or structure is continuously occupied in good faith for

the purpose of selling, buying, trading, leasing, or otherwise dealing in motor vehicles; all books, records, and files necessary to conduct the business of a class (a) or class (b) dealer are maintained in the building or structure; and the building or structure houses an office of at least 150 square feet in size, equipped with standard office furniture, working utilities, a working restroom, and a working telephone listed in the name of the business on the dealer's license.

(b) The premises have land space of not less than 1,300 square feet to accommodate the display of a minimum of 10 vehicles of the kind and type that the dealer is licensed to sell and an additional 650 square feet for customer parking.

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

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

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

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

(g) The premises meet all applicable zoning requirements and any other applicable municipal requirements.

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

(a) The premises contain a permanently enclosed building or structure that is either owned, leased, or rented and is not a commercial mailbox, tent, temporary stand, or other temporary quarters. Beginning January 1, 2024, the permanently enclosed building or structure must be heated and electrified.

(b) Until December 31, 2023, all books, records, and files necessary to conduct the business of the wholesaler are maintained in the building or structure described in subdivision (a). Beginning January 1, 2024, all books, records, and files necessary to conduct the business of the wholesaler are maintained in an office that meets all of the following requirements:

(i) Is not less than 8 feet by 8 feet with a door.

(ii) Has no fewer than 4 rigid walls.

(iii) Has working utilities including, but not limited to, lighting and telephone that are listed in the name of the business on the wholesaler's license.

(iv) Has a working restroom.

(v) Has standard office furniture including, but not limited to, a desk and a locking filing cabinet.

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

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

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

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

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

(4) For a used or secondhand vehicle parts dealer, vehicle scrap metal processor, vehicle salvage pool operator, distressed vehicle transporter, broker, and automotive recycler, "established place of business" means premises that meet all of the following requirements:

(a) Beginning January 1, 2024, the premises contain a permanently enclosed building or structure that is heated and electrified and that is either owned, leased, or rented by the business and that is not a commercial mailbox, tent, temporary stand, or other temporary quarters.

(b) Beginning January 1, 2024, all books, records, and files necessary to conduct the business of the dealer, processor, operator, transporter, broker, or recycler are maintained in an office that meets all of the following requirements:

- (i) Is not less than 8 feet by 8 feet with a door.
 - (ii) Has no fewer than 4 rigid walls.
 - (iii) Has working utilities including, but not limited to, lighting and telephone that are listed in the name of the business on the dealer's, processor's, operator's, transporter's, broker's, or recycler's license.
 - (iv) Has a working restroom.
 - (v) Has standard office furniture including, but not limited to, a desk and a locking filing cabinet.
- (c) The premises are identified by an exterior sign displaying the name of the dealer, processor, operator, transporter, broker, or recycler that is permanently affixed to the building or land with letters clearly visible from the roadway.
- (d) The premises meet all applicable zoning requirements and any other applicable municipal requirements.
- (e) The premises contain a conspicuous posting of the business's regular hours of operation. The posted hours must not be less than 15 hours per week for not less than 48 weeks per year. Five of the 15 hours per week must be between the hours of 8 a.m. and 5 p.m., Monday through Friday.

Sec. 217. (1) An owner of a vehicle that is subject to registration under this act shall apply to the secretary of state, on an appropriate form furnished by the secretary of state, for the registration of the vehicle and issuance of a certificate of title for the vehicle. A vehicle brought into this state from another state or jurisdiction that has a rebuilt, salvage, scrap, flood, or comparable certificate of title issued by that other state or jurisdiction must be issued a rebuilt, salvage, scrap, or flood certificate of title by the secretary of state. The application must be accompanied by the required fee. An application for a certificate of title must bear the signature or verification and certification of the owner. The application must contain all of the following:

- (a) The owner's name, the owner's bona fide residence, and either of the following:
 - (i) If the owner is an individual, the owner's mailing address.
 - (ii) If the owner is a firm, association, partnership, limited liability company, or corporation, the owner's business address.
- (b) A description of the vehicle including the make or name, style of body, and model year; the number of miles, not including the tenths of a mile, registered on the vehicle's odometer at the time of transfer; whether the vehicle is a flood vehicle or another state previously issued the vehicle a flood certificate of title; whether the vehicle is to be or has been used as a taxi or police vehicle, or by a political subdivision of this state, unless the vehicle is owned by a dealer and loaned or leased to a political subdivision of this state for use as a driver education vehicle; whether the vehicle has previously been issued a salvage or rebuilt certificate of title from this state or a comparable certificate of title from any other state or jurisdiction; the vehicle identification number; and the vehicle's weight fully equipped, if a passenger vehicle registered in accordance with section 801(1)(a), and, if a trailer coach or pickup camper, in addition to the weight, the manufacturer's serial number, or in the absence of the serial number, a number assigned by the secretary of state. A number assigned by the secretary of state must be permanently placed on the trailer coach or pickup camper in the manner and place designated by the secretary of state.
- (c) A statement of the applicant's title and the names and addresses of the holders of security interests in the vehicle and in an accessory to the vehicle, in the order of their priority.
- (d) Further information that the secretary of state reasonably requires to enable the secretary of state to determine whether the vehicle is lawfully entitled to registration and the owner entitled to a certificate of title. If the secretary of state is not satisfied as to the ownership of a vehicle having a value over \$2,500.00 or that is less than 10 years old, before registering the vehicle and issuing a certificate of title, the secretary of state may require the applicant to file a properly executed surety bond in a form prescribed by the secretary of state and executed by the applicant and a company authorized to conduct a surety business in this state. The bond must be in an amount equal to twice the value of the vehicle as determined by the secretary of state and shall be conditioned to indemnify or reimburse the secretary of state, any prior owner, and any subsequent purchaser or lessee of the vehicle and their successors in interest against any expense, loss, or damage, including reasonable attorney fees, because of the issuance of a certificate of title for the vehicle or on account of any defect in the right, title, or interest of the applicant in the vehicle. An interested person has a right of action to recover on the bond for a breach of the conditions of the bond, but the aggregate liability of the surety to all persons must not exceed the amount of the bond. If the secretary of state is not satisfied as to the ownership of a vehicle that is valued at \$2,500.00 or less and that is 10 years old or older, the secretary of state shall require the applicant to certify that the applicant is the owner of the vehicle and entitled to register and title the vehicle.

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

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

(g) If the application is for a certificate of title of a motor vehicle registered in accordance with section 801(1)(p), the application must include the manufacturer's suggested base list price for the model year of the vehicle. The base list price must be the manufacturer's suggested retail price as shown on the label required to be affixed to the vehicle under 15 USC 1232. If the manufacturer's suggested retail price is unavailable, the application must list the purchase price of the vehicle. As used in this subdivision, "purchase price" means that term as defined in section 801.

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

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

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

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

(4) Except as provided in subsections (5), (11), and (12), a dealer selling, leasing, or exchanging vehicles required to be titled, within 21 days after delivering a vehicle to the purchaser or lessee, and a person engaged in the sale of vessels required to be numbered by part 801 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.80101 to 324.80199, within 21 days after delivering a boat trailer weighing less than 2,500 pounds to the purchaser or lessee, shall apply to the secretary of state for a new title, if required, and transfer or secure registration plates and secure a certificate of registration for the vehicle or boat trailer, in the name of the purchaser or lessee. Subject to subsection (11), the dealer's license may be suspended or revoked in accordance with section 249 for failure to apply for a title when required or for failure to transfer or secure registration plates and certificate of registration within the 21 days required by this section. Subject to subsection (11), if the dealer or person fails to apply for a title when required, and to transfer or secure registration plates and secure a certificate of registration and pay the required fees within 21 days of delivery of the vehicle or boat trailer, a title and registration for the vehicle or boat trailer may subsequently be acquired only on the payment of a late transfer fee of \$50.00 for an individual or a dealer other than a dealer subject to section 235b in addition to the fees specified in section 806. Subject to subsection (11), for a used or secondhand vehicle dealer subject to section 235b, the late transfer fee is \$100.00 in addition to the fees specified in section 806. The purchaser or lessee of the vehicle or the purchaser of the boat trailer shall sign the application, including, if applicable, the declaration specifying the maximum elected gross weight as required by subsection (1)(f), and other necessary papers to enable the dealer or person to secure the title, registration plates, and transfers from the secretary of state. If the secretary of state mails or delivers a purchaser's certificate of title to a dealer, the dealer shall mail or deliver the certificate of title to the purchaser not more than 5 days after receiving the certificate of title from the secretary of state. However, as provided under section 238, the secretary of state is not required to issue a title to the owner of a vehicle or lienholder if the title is subject to a security interest.

(5) Except as provided in subsection (12), a dealer selling or exchanging an off lease or buy back vehicle shall apply to the secretary of state for a new title for the vehicle within 21 days after it receives the certificate of title from the lessor or manufacturer under section 235 or section 235b and transfer or secure registration plates and secure a certificate of registration for the vehicle in the name of the purchaser. Subject to subsection (12), the dealer's license may be suspended or revoked in accordance with section 249 for failure to apply for a title when required or for failure to transfer or secure registration plates and certificate of registration within the 21-day period. Subject to subsection (12), if the dealer or person fails to apply for a title when required, and to transfer or secure registration plates and secure a certificate of registration and pay the required fees within the 21-day time period, a title and registration for the vehicle may subsequently be acquired only on the payment of a late transfer fee of \$50.00 for an individual or dealer other than a used or secondhand vehicle dealer subject to section 235b in addition to the fees specified in section 806. Subject to subsection (12), the late transfer fee for a used or secondhand vehicle dealer subject to section 235b is \$100.00 in addition to the fees specified in section 806. The purchaser of the vehicle shall sign the application, including, if applicable, the declaration specifying the

maximum elected gross weight as required by subsection (1)(f), and other necessary papers to enable the dealer or person to secure the title, registration plates, and transfers from the secretary of state. If the secretary of state mails or delivers a purchaser's certificate of title to a dealer, the dealer shall mail or deliver the certificate of title to the purchaser not more than 5 days after receiving the certificate of title from the secretary of state. However, as provided under section 238, the secretary of state is not required to issue a title to the owner of a vehicle if the title is subject to a security interest.

(6) If a vehicle is delivered to a purchaser or lessee who has valid Michigan registration plates that are to be transferred to the vehicle, and an application for title, if required, and registration for the vehicle is not made before delivery of the vehicle to the purchaser or lessee, the registration plates must be affixed to the vehicle immediately, and the dealer shall provide the purchaser or lessee with an instrument in writing, on a form prescribed by the secretary of state, which serves as a temporary registration for the vehicle for a period of 30 days from the date the vehicle is delivered.

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

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

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

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

(10) Receipt by the secretary of state of a properly tendered application for a certificate of title on which a security interest in a vehicle is to be indicated is a condition of perfection of a security interest in the vehicle and is equivalent to filing a financing statement under the uniform commercial code, 1962 PA 174, MCL 440.1101 to 440.9994, with respect to the vehicle. When a security interest in a vehicle is perfected, it has priority over the rights of a lien creditor as lien creditor is defined in section 9102 of the uniform commercial code, 1962 PA 174, MCL 440.9102.

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

(a) The dealer's license must not be suspended or revoked in accordance with section 249 for failure to apply for a title when required or for failure to transfer or secure registration plates and certificate of registration within the 21-day period required under subsection (4).

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

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

(a) The dealer's license must not be suspended or revoked in accordance with section 249 for failure to apply for a title when required or for failure to transfer or secure registration plates and certificate of registration within the 21-day period required under subsection (5).

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

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

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

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

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

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

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

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

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

(iii) On behalf of the owner, apply to the secretary of state for a salvage or scrap certificate of title in the name of the owner. The owner shall not sell or otherwise dispose of the vehicle without first receiving a salvage or scrap certificate of title, which must be assigned to the buyer. An insurance company may assign a salvage or scrap certificate of title only to an automotive recycler, used or secondhand vehicle parts dealer, foreign salvage vehicle dealer, or vehicle scrap metal processor.

(3) If an insurance company pays a claim for total loss to the owner or lienholder of record as kept by the secretary of state, or both, if applicable, of a vehicle but the owner or lienholder of record as kept by the secretary of state fails to surrender the certificate of title or other document necessary for the transfer of ownership of the vehicle to the insurance company within the expiration of 30 days after the claim payment, the insurance company, without having obtained the surrender of the title or other document otherwise necessary for the transfer of ownership for the vehicle from the owner or lienholder of record as kept by the secretary of state, or both, if applicable, may apply to the secretary of state for a title as provided under this section. The insurance company shall, at the time of application, provide proof of the payment and that the insurance company has requested in writing, by certified mail or by another commercially available delivery service providing proof of delivery, on at least 2 separate occasions that the owner or lienholder of record as kept by the secretary of state surrender to the insurance company the certificate of title or other document necessary for the transfer of ownership to the insurance company. The application must be signed under the penalty of perjury. Subject to subsection (2)(a)(ii), upon meeting the requirements of this subsection, the secretary of state shall issue to the insurance company the appropriate certificate of title free of all liens. Proof of payment of the claim is satisfied only by 1 of the following:

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

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

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

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

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

(5) If a dealer acquires ownership of a late model vehicle that is a distressed vehicle from an owner, the dealer shall receive an assigned certificate of title. If the assigned certificate of title is not a salvage or scrap certificate of title, the dealer, other than a vehicle scrap metal processor, shall surrender the assigned certificate of title to the secretary of state, and if the estimated cost of repair, including parts and labor, is equal to or greater than 75% but less than 91% of the predamaged actual cash value of the vehicle, apply for a salvage certificate of title, or if the estimated cost of repair, including parts and labor, is equal to or greater than 91% of the predamaged actual cash value of the vehicle, apply for a scrap certificate of title within 5 days after the dealer receives the assigned certificate of title. The dealer may sell a salvage vehicle to another automotive recycler, used or secondhand vehicle parts dealer, foreign salvage vehicle dealer, or vehicle scrap metal processor by assigning the salvage certificate of title to the buyer. Unless the vehicle is rebuilt, inspected, and recertified under this section, if the vehicle is sold to a buyer other than a dealer, application must be made for a salvage certificate in the name of the buyer in the manner provided in this act. The dealer may sell a scrap vehicle only to a vehicle scrap metal processor. A vehicle scrap metal processor shall surrender an assigned certificate of title to the secretary of state within 30 days after acquiring a vehicle for which a certificate of title was received. A vehicle scrap metal processor shall surrender an assigned salvage or scrap certificate of title to the secretary of state within 30 days after acquiring a vehicle for which a salvage or scrap certificate of title was received and report that the vehicle was destroyed or scrapped.

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

- (a) The complete name and current address of the owner.
- (b) A description of the vehicle, including its make, style of body, model year, fee category or weight, color, and vehicle identification number.
- (c) If the vehicle is a late model vehicle, a listing of each major component part that was not salvageable.
- (d) Further information as may reasonably be required by the secretary of state.

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

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

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

(10) If a leasing company, vehicle manufacturer, insurance company not licensed to do business in this state, association, repossession company, self-insured owner, financial institution, governmental entity, or other company, institution, or entity, owns a distressed, late model vehicle, the titleholder shall surrender the title or assigned certificate of title to the secretary of state and apply for a salvage certificate of title if the retail cost of repair, including parts and labor, is equal to or greater than 75% but less than 91% of the predamaged actual cash value of the vehicle, or if the retail cost of repair, including parts and labor, is equal to or greater than 91% of the predamaged actual cash value of the vehicle, apply for a scrap certificate of title, before the vehicle may be transported or sold. If ownership is transferred, the owner must sell the vehicle only to a dealer that is eligible to buy a salvage or scrap vehicle in this state unless the owner complies with subsection (13). When a leasing company, vehicle manufacturer, insurance company not licensed to do business in this state, association, repossession company, self-insured owner, financial institution, governmental entity, or other company, institution, or entity, estimates the repair of a distressed, late model vehicle for the purpose of determining whether to apply for a salvage or scrap certificate of title, a complete record of the estimate and, if the vehicle is repaired before a transfer of ownership, a complete record of the actual cost of the repairs performed and who performed the repairs must be maintained for a minimum of 5 years by the leasing company, vehicle manufacturer, insurance company not licensed to do business in this state, association, repossession company, self-insured owner, financial institution, governmental entity, or other company, institution, or entity. The estimates and repair records required by this subsection must be available for unannounced inspections by a law

enforcement agency or a representative of the secretary of state. The secretary of state may request a leasing company, vehicle manufacturer, insurance company not licensed to do business in this state, association, repossession company, self-insured owner, financial institution, governmental entity, or other company, institution, or entity to provide copies of title documents, repair estimates, claims reports involving major component parts, and actual cash value determination documents to assist the secretary of state in monitoring compliance with this act.

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

- (a) The complete name and current address of the owner.
- (b) A description of the vehicle, including its make, style of body, model year, fee category or weight, color, and vehicle identification number.
- (c) An estimate of the cost repair, including parts and labor, and an estimate of the predamaged actual cash value of the vehicle.
- (d) If the vehicle is a late model vehicle, a listing of each major component part that was not salvageable.
- (e) Further information as may reasonably be required by the secretary of state.

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

(13) A salvage certificate of title authorizes the holder of the title to possess, transport, but not drive on a highway, and transfer ownership in, a vehicle. The secretary of state shall not issue a certificate of title or registration plates for a vehicle for which a salvage certificate of title was issued unless a specially trained officer described in subsection (15) certifies all of the following:

- (a) That the vehicle identification numbers and parts identification numbers are correct.
- (b) That the applicant has proof of ownership of repair parts used.
- (c) That the vehicle complies with the equipment standards of this act.
- (d) That any repairs performed on the vehicle were done in a workmanlike manner, as certified on a form provided by the department by a properly licensed mechanic in the appropriate specialty. A properly licensed mechanic described in this subdivision must not be the same individual as the specially trained officer making the certification of the vehicle as required under this subsection.

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

(15) An officer specially trained as provided by the secretary of state and authorized by the secretary of state to conduct a salvage vehicle inspection is any of the following:

- (a) An employee of the department of state.
- (b) An on-duty or off-duty police officer.
- (c) A previously certified police officer who is appointed by the local police agency as a limited enforcement officer to conduct salvage vehicle inspections. The local police agency shall give this officer access to the agency's law enforcement information network system and the authority to confiscate any stolen vehicle or vehicle parts discovered during an inspection. The local police agency may give the officer the authority to arrest a person suspected of having unlawful possession of a stolen vehicle or vehicle parts. The local police agency shall not appoint a previously certified police officer whose certificate has been suspended, revoked, or denied under subsection (16).

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

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

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

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

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

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

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

(g) Made a false statement of a material fact in the officer's certification of a salvage vehicle inspection or any record concerning a salvage vehicle inspection.

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

(17) If the secretary of state revokes, suspends, or denies a certificate under subsection (16)(a), (d), (g), or (h), the secretary of state shall, at the time of revocation, suspension, or denial, notify the officer and the law enforcement agency on behalf of which the officer is performing inspections of the law enforcement agency's right to appeal the revocation, suspension, or denial. The notification must include a statement that a request for an appeal under this subsection must be made no later than 30 days after the revocation, suspension, or denial. An agency making an appeal under this subsection may request a hearing at the time the appeal is made. The secretary of state or any person designated by the secretary of state to act in the secretary of state's place shall deny or grant an appeal made under this subsection within a reasonable period, in writing or stated in the record if a hearing is held. If the secretary of state revokes a certificate under subsection (16)(a), (d), (g), or (h) and denies an appeal of the revocation under this subsection, the officer may apply for a new certificate no earlier than 5 years after the revocation.

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

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

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

Scrap Vehicle Inventory:

SELLER: Dealer name _____
Dealer address _____
Dealer license number _____
PURCHASER: Conveyed to: _____ Date _____
(Vehicle scrap metal processor)
Dealer address _____
Dealer license number _____

Vehicles

Model Year	Vehicle Make	VIN	Title Number	Dealer's Stock Number	Color
1. _____	_____	_____	_____	_____	_____
2. _____	_____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____	_____
etc.					

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

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

(a) The vehicle's former owner.

- (b) A used or secondhand vehicle parts dealer.
- (c) A vehicle scrap metal processor.
- (d) A foreign salvage vehicle dealer licensed under this act.
- (e) An automotive recycler.

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

- (a) An automotive recycler.
- (b) A vehicle scrap metal processor.
- (c) A foreign salvage vehicle dealer licensed under this act.
- (d) A used or secondhand vehicle parts dealer.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(6) Except as otherwise provided in this subsection and subsection (14), the secretary of state, upon application and payment of the proper fee, shall issue a registration for a vehicle or a motorcycle to a resident that expires on the owner's birthday or, if applicable, on the expiration date described in subsection (14). If the owner's next birthday is at least 6 months but not more than 12 months in the future, the owner shall receive a registration valid until the owner's next birthday or, if applicable, the expiration date described in subsection (14). If the owner's next birthday is less than 6 months in the future, the owner shall receive a registration valid until the owner's birthday following the owner's next birthday or, if applicable, the expiration date described in subsection (14). The tax required under this act for a registration described in this subsection is either of the following:

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

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

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

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

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

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

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

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

(a) A new vehicle purchased or leased outside of this state and delivered in this state to the purchaser or lessee by the manufacturer of that vehicle for removal to a place outside of this state, if a certification is made that the vehicle will be primarily used, stored, and registered outside of this state and will not be returned to this state by the purchaser or lessee for use or storage.

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

(10) A special registration issued under subsection (9) is valid for not more than 60 days after the date of issuance, and a fee must be collected for each special registration as provided in section 802(3). The special registration may be in the form determined by the secretary of state. If a dealer makes a retail sale or lease of a vehicle to a purchaser or lessee who is qualified and eligible to obtain a special registration, the dealer shall apply for the special registration for the purchaser or lessee. If a person other than a dealer sells or leases a vehicle to a purchaser or lessee who is qualified and eligible to obtain a special registration, the purchaser or lessee shall appear in person, or by a person exercising the purchaser's or lessee's power of attorney, at an office of the secretary of state and furnish a certification that the person is the bona fide purchaser or lessee or that the person

has granted the power of attorney, together with other forms required for the issuance of the special registration and provide the secretary of state with proof that the vehicle is covered by an automobile insurance policy issued under section 3101 of the insurance code of 1956, 1956 PA 218, MCL 500.3101, or proof that the vehicle is covered by a policy of insurance issued by an insurer under section 3163 of the insurance code of 1956, 1956 PA 218, MCL 500.3163. The certification required in this subsection must contain all of the following:

- (a) The address of the purchaser or lessee.
- (b) A statement that the vehicle is purchased or leased for registration outside of this state.
- (c) A statement that the vehicle must be primarily used, stored, and registered outside of this state.
- (d) The name of the jurisdiction in which the vehicle is to be registered.
- (e) The name and address of the lien holder.
- (f) Other information requested by the secretary of state.

(11) In the case of a commercial vehicle, trailer, or semitrailer issued a registration under the international registration plan, the secretary of state in mutual agreement with the owner may assign or reassign the expiration date of the registration. However, the expiration date agreed to must be either March 31, June 30, September 30, or December 31 or beginning on February 19, 2019, the last day of a calendar month. Renewals expiring on or after June 30, 2020 must be for a minimum of at least 12 months if there is a change in the established expiration date. Notwithstanding the provisions of this subsection, a commercial vehicle, trailer, or semitrailer registration issued under this subsection that expires on or after March 1, 2020 is valid until March 31, 2021. Notwithstanding the provisions of this subsection, a commercial vehicle, trailer, or semitrailer registration issued under this subsection that expires after March 31, 2021 but before August 1, 2021 is valid until 120 days after the date of the expiration.

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

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

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

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

(2) A temporary registration plate or marker must show in ink the date of issue, a description of the vehicle for which issued, and any other information required by the secretary of state. A dealer or person shall immediately notify the secretary of state of each temporary registration plate or marker issued by the dealer or person, on a form prescribed by the secretary of state. When the regular plate is attached to a vehicle for which a temporary registration plate or marker was issued, the temporary plate must be destroyed.

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

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

(5) The secretary of state may issue a registration plate upon application and payment of the proper fee to an individual, partnership, corporation, or association who in the ordinary course of business has occasion to legally repossess a vehicle in which a security interest is held. A registration plate issued under this subsection must be used to move and dispose of a vehicle.

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

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

Sec. 233a. (1) When the owner of a registered motor vehicle transfers the owner's title or interest in that vehicle, the transferor shall present to the transferee before delivery of the vehicle, written disclosure of odometer mileage by means of the certificate of title or a written statement signed by the transferor including the transferor's printed name, containing all of the following:

- (a) The odometer reading at the time of transfer, not including the tenths of a mile or kilometer.
 - (b) The date of transfer.
 - (c) The transferor's name and current address.
 - (d) The transferee's name and current address.
 - (e) The identity of the vehicle, including its make, model, body type, year, and vehicle identification number.
 - (f) A reference to this section and comparable federal law, and a statement that failing to complete the title or form or providing false information may result in civil liability and civil or criminal penalties being imposed on the transferor.
 - (g) One of the following:
 - (i) A statement by the transferor certifying that to the best of the transferor's knowledge the odometer reading reflects the actual mileage of the vehicle.
 - (ii) If the transferor knows that the odometer reading reflects the amount of mileage in excess of the designed mechanical odometer limit, a statement to that effect.
 - (iii) If the transfer knows that the odometer reading differs from the mileage and the difference is greater than that caused by odometer calibration error, a statement that the odometer reading does not reflect the actual mileage and should not be relied upon. This notice must include a warning notice to alert the transferee that a discrepancy exists between the odometer and the actual mileage.
 - (h) Space for the signature and printed name of the transferee, and the date of presentation to the transferee.
- (2) A certificate of title and a dealer reassignment form must contain a place for the information required by subsection (1)(a) to (h). If the vehicle is not titled or the title does not contain a space for the required information, a written statement must be provided as a separate document.
- (3) A dealer selling or exchanging vehicles required to be titled under this act shall present the certificate of title or written statement and any reassigned titles in the dealer's possession to the transferee. The transferee or the transferee's agent shall inspect, print his or her name, sign, and date on the certificate or statement and return it to the transferor for submission to the secretary of state. If neither the transferee nor transferor is a dealer licensed under this act, completing the odometer information on the certificate of title must be considered to comply with subsection (1). A person shall not sign an odometer disclosure statement as both the transferor and transferee in the same transaction.
- (4) A new or used vehicle dealer shall obtain from the transferor a completed odometer mileage statement which meets the requirements of subsection (1) with each motor vehicle acquired by the dealer. Except as provided in subsection (16), the dealer shall not accept or provide an odometer mileage statement or a title which contains a place for odometer information which has not been completely filled in by the transferor.
- (5) The odometer information described in subsection (1) must not be required for any of the following:
- (a) Vehicles having a gross vehicle weight rating of more than 16,000 pounds.
 - (b) A vehicle that is not self-propelled.
 - (c) A vehicle manufactured in or before the 2010 model year that is transferred at least 10 years after January 1 of the calendar year that is included in the model year in which the vehicle is manufactured.

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

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

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

(g) A low-speed vehicle.

(h) A scrap vehicle.

(6) A person shall not alter, set back, or disconnect an odometer; cause or allow an odometer to be altered, set back, or disconnected; or advertise for sale, sell, use, install, or cause or allow to be installed a device which causes an odometer to register other than the actual mileage driven. This subsection does not prohibit the service, repair, or replacement of an odometer if the mileage indicated on the odometer remains the same as before the service, repair, or replacement. If the odometer is incapable of registering the same mileage as before the service, repair, or replacement, the odometer must be adjusted to read zero and a notice in writing must be attached to the left door frame of the vehicle by the owner or the owner's agent specifying the mileage prior to service, repair, or replacement of the odometer and the date on which it was serviced, repaired, or replaced. A person shall not remove, deface, or alter any notice affixed to a motor vehicle under this subsection.

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

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

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

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

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

(c) The date of the statement.

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

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

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

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

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

(i) The signature of the lessor.

(j) One of the following:

(i) A statement by the lessee certifying that to the best of the lessee's knowledge the odometer reading reflects the actual mileage of the vehicle.

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

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

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

(11) A dealer that is required by this section to execute an odometer mileage statement shall retain for 5 years a photostatic, carbon, or other facsimile copy of each odometer mileage statement the dealer issues or receives. The dealer shall retain the odometer mileage statements at the dealer's primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.

(12) A lessor shall retain for 5 years following the date of transfer of ownership of each leased vehicle, the odometer mileage statement received from the lessee. The lessor shall retain the odometer mileage statements at the lessor's primary place of business in an order that is appropriate to business requirements and that permits systematic retrieval.

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

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

(b) The name of the buyer.

(c) The vehicle identification number.

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

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

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

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

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

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

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

Sec. 235. (1) If the transferee of a vehicle is a new motor vehicle dealer or a used or secondhand vehicle dealer that acquires the vehicle for resale, the dealer is not required to obtain a new registration of the vehicle or forward the certificate of title to the secretary of state, but shall retain and have in the dealer'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 that is located within a 15-mile radius, the assigned certificate of title with the odometer information properly completed, except as otherwise provided in section 235b. A dealer shall obtain a certificate of title for a vehicle that has a salvage certificate of title before the dealer may operate the vehicle under dealer's license plates. Upon transferring title or interest to another person that is not a dealer, the dealer shall complete an assignment and warranty of title upon the certificate of title, salvage certificate of title, or dealer reassignment of title form and apply for a registration and a new title as provided in section 217(4).

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

(3) Upon transferring title or interest to another dealer, the dealer shall complete an assignment and warranty of title on the certificate of title, salvage certificate of title, or dealer reassignment of title form and deliver it to the licensed dealer receiving the transfer.

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

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

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

Sec. 245. (1) A manufacturer, transporter, or dealer may apply to the department on the appropriate form for a general distinguishing number and for 1 or more special plates. The applicant shall submit proof of the applicant's status as a bona fide manufacturer, transporter, or dealer as may reasonably be required by the department.

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

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

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

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 248/(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 248/.
- (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 248/(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.

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.

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.

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.

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

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

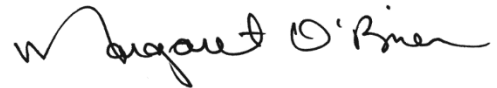
Full year's license	\$ 160.00
Half year's license (after June 30)	80.00
Multiple year license	160.00 per year.

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

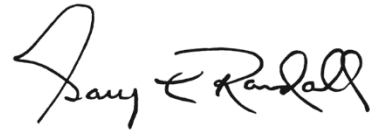
Full year's license	\$ 160.00
Half year's license (after June 30)	80.00
Multiple year license	160.00 per year.

Enacting section 1. This amendatory act takes effect January 23, 2023.

This act is ordered to take immediate effect.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor