# USED MOTOR VEHICLE PARTS

## Act 119 of 1986

AN ACT to regulate the business of buying or receiving used motor vehicle parts; to prescribe the powers and duties of certain state and local officers; and to provide penalties.

**History:** 1986, Act 119, Eff. Mar. 31, 1987

The People of the State of Michigan enact:

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### 257.1351 Definitions.

Sec. 1.

As used in this act:

(a) "Agent" means an individual who, for compensation or valuable consideration, is employed either directly or indirectly by a dealer.

(b) "Dealer" means any person that engages in the ordinary course of repeated and recurrent transactions of buying or receiving used motor vehicle parts from persons other than a licensee. The term includes any motor vehicle repair facility that engages in repeated and recurrent transactions of buying or receiving used motor vehicle parts from persons other than a licensee. The term does not include any of the following:

(i) A scrap metal processor or automotive recycler that buys or otherwise acquires motor vehicles or motor vehicle component parts for the purpose of processing or selling the metal for remelting.

(ii) An end-user, scrap tire hauler, or scrap tire processor.

(iii) A disposal area that is licensed under, or a solid waste hauler that is subject to, part 115 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.11501 to 324.11554.

(c) "End-user" means that term as defined in section 16901 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.16901.

(d) "Late model vehicle" means a motor vehicle manufactured in the current model year or the 5 model years immediately preceding the current model year.

(e) "Local police agency" means the police agency of a city, village, or township, or if none, the county sheriff.

(f) "Major component part" means any of the following subassemblies of a motor vehicle regardless of its actual market value: front end assembly, including fenders, grills, hood, bumper, and related parts; engine; transmission; T-tops; rear clip assembly, including quarter panels and floor panel assembly; or doors.

(g) "Motor vehicle" means a motor vehicle as defined in section 33 of the Michigan vehicle code, 1949 PA 300, MCL 257.33.

(h) "Motor vehicle repair facility" means a place of business that engages in the business of performing or employing persons who perform maintenance, diagnosis, or repair service on a motor vehicle for compensation.

(i) "Licensee" means a person that is licensed under section 248 of the Michigan vehicle code, 1949 PA 300, MCL 257.248, or similarly licensed in another state.

(j) "Person" means an individual, corporation, limited liability company, partnership, association, or other legal entity.

(k) "Scrap tire hauler" means that term as defined in section 16901 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.16901.

(l) "Scrap tire processor" means that term as defined in section 16901 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.16901.

(m) "Used motor vehicle part" means any of the following:

(i) A major component part, dashboard, radio, stereo, or seat of a late model motor vehicle for which a certificate of title and registration plate have been issued to a consumer or dealer.

(ii) A motor vehicle tire wheel or rim that is received by the dealer in conjunction with the purchase of a replacement tire or replacement tire wheel or rim. As used in this subparagraph and subparagraph (iii), "tire wheel or rim" includes a tire wheel or rim on which a tire is mounted.

(iii) A motor vehicle tire, tire wheel or rim, or continuous tire tread that is received by the dealer but is not in conjunction with the purchase of a replacement tire or replacement tire wheel or rim.

**History:** 1986, Act 119, Eff. Mar. 31, 1987 ;-- Am. 2016, Act 112, Eff. Aug. 8, 2016 ;-- Am. 2017, Act 57, Eff. Sept. 13, 2017

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**257.1352 Record of transaction.**

Sec. 2.

(1) A dealer shall maintain a permanent record of each transaction concerning the buying or receiving of any used motor vehicle part from a person, other than an end-user or scrap tire processor that is regulated under part 169 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.16901 to 324.16911, or a licensee, on a record of transaction form prescribed in subsection (5), legibly written in ink in the English language. Each record of transaction form shall be filled out in duplicate by the dealer or agent with 1 copy given to the customer and 1 copy retained by the dealer. At the time a dealer receives or purchases a used motor vehicle part from a person other than an end-user, scrap tire processor, or licensee, the dealer or agent shall accurately record all of the following information on a record of transaction form:

(a) A general description of the used motor vehicle part received or purchased.

(b) The vehicle identification number of the vehicle the used motor vehicle part came from.

(c) The state of origin of the used motor vehicle part.

(d) The date of the transaction.

(e) The name of the individual who is conducting the transaction on behalf of the dealer.

(f) The name, date of birth, driver's license number or state of Michigan personal identification card number, and street and house number of the individual with whom the transaction is being made, together with a legible imprint of the right thumb of the individual with whom the transaction is made, or if that is not possible, then the left thumb or a finger of that individual. However, the thumbprint or fingerprint is only required on the record of transaction form retained by the dealer. The dealer or agent shall make a thumbprint or fingerprint available to the local police agency or the department of state police only during the course of a police investigation involving a used motor vehicle part described on the record of transaction. This subdivision does not apply to a transaction involving an insurance company that has acquired ownership of a late model vehicle by the payment of damages due to an accident and a dealer that buys the vehicle from the insurance company for salvage.

(g) The price paid or to be paid by the dealer for the used motor vehicle part.

(h) Subject to section 2a, the form of payment made to the customer. The dealer or agent shall indicate the number of a check, money order, or bank draft and the transaction number of any direct deposit or electronic transfer to the customer's account at a financial institution.

(i) The signature of the individual with whom the transaction is made.

(2) A dealer or agent shall number the record of each transaction consecutively, commencing with the number 1 and the calendar year; and, if the transaction includes the buying or receiving of 1 or more used motor vehicle tires, tire wheels or rims, or continuous tire tread, shall place the transaction number on a tag that the dealer or agent must attach to each of those items the dealer or agent bought or received.

(3) The record of transaction forms of a dealer and each used motor vehicle part received by a dealer as the result of a transaction are open to an inspection by the local police agency and the Michigan state police at all times during the ordinary business hours of the dealer. As a condition of doing business, a dealer is considered to have given consent to the inspection described in this subsection. The record of transaction forms of a dealer are not open to inspection by the general public.

(4) A dealer shall retain each record of a transaction for at least 1 year after the transaction to which the record pertains. A dealer that goes out of business or changes the dealer's business address to another local jurisdiction either within or out of this state shall transmit to the local police agency the records of all transactions made by the dealer in the 1-year period before the dealer closes or moves. After a period of 1 year from the date of the transaction, if a police investigation concerning a used motor vehicle part described on the record of transaction has not occurred, the dealer and local police agency shall destroy, and not keep a permanent record of, the records of the transaction.

(5) The form of the record of transaction shall be 8-1/2 by 11 inches in size and shall be as follows:

"Record of Transaction

#

_____

(Transaction number printed on the form)

(1) Description of Property

_____

_____

_____

_____

(2) _____

(Vehicle Identification Number)

(3) _____

(State of Origin)

(4) _____, ___

(5) _____

(Date)

(6) _____,

_____, ___

(Name of Customer)

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_____,
(Driver's License No./
Mich. Personal ID Number)

_____
(Street Address)

_____
(City & State)

(7) _____
(Price Paid)
(8) _____

(Check no., bank draft no., money order no., transaction no., or cash)

Thumbprint

_____
(Signature of Customer)

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**History:** 1986, Act 119, Eff. Mar. 31, 1987 ;-- Am. 2016, Act 112, Eff. Aug. 8, 2016 ;-- Am. 2017, Act 57, Eff. Sept. 13, 2017

**257.1352a Form of payment.**

Sec. 2a.

In a transaction concerning the buying or receiving of any used motor vehicle tires, tire wheels or rims, or continuous tire tread, the only methods of payment a dealer may use to pay a customer are a check, a money order, a bank draft, or a direct deposit or electronic transfer to the customer's account at a financial institution. If a payment is made by check, money order, or bank draft under this section, the dealer must mail that payment to the customer at the address shown on the identification required under section 2(1)(f).

**History:** Add. 2016, Act 112, Eff. Aug. 8, 2016

**257.1353 Failure to make entry in record as misdemeanor or felony; penalties.**

Sec. 3.

(1) A dealer or agent who knowingly fails to make an entry of any material matter in his or her record of transactions as required by section 2 is guilty of a misdemeanor, punishable by imprisonment for not more than 1 year, or a fine of $1,000.00, or both.

(2) A dealer or agent who knowingly violates subsection (1) a second or subsequent time is guilty of a felony, punishable by imprisonment for not more than 2 years, or a fine of $5,000.00, or both.

**History:** 1986, Act 119, Eff. Mar. 31, 1987

**257.1354 Violation as misdemeanor or felony; penalties.**

Sec. 4.

(1) A dealer or agent that knowingly violates section 2(3), (4), or (5) or section 2a is guilty of a misdemeanor, punishable by imprisonment for not more than 1 year, or a fine of $1,000.00, or both.

(2) A dealer or agent that knowingly violates section 2(3), (4), or (5) or section 2a a second or subsequent time is guilty of a felony, punishable by imprisonment for not more than 2 years, or a fine of $5,000.00, or both.

**History:** 1986, Act 119, Eff. Mar. 31, 1987 ;-- Am. 2016, Act 112, Eff. Aug. 8, 2016

**257.1355 Felonious conduct; penalty.**

Sec. 5.

A dealer or agent who does any of the following is guilty of a felony, punishable by imprisonment for not more than 2 years, or a fine of $5,000.00, or both:

(a) Totally fails to record a transaction on a record of transaction form as required by section 2.

(b) Knowingly falsifies a record required by section 2.

**History:** 1986, Act 119, Eff. Mar. 31, 1987

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