

MICHIGAN VEHICLE CODE (EXCERPT)
Act 300 of 1949

***** 257.248l.added THIS ADDED SECTION IS EFFECTIVE MARCH 20, 2019 *****

257.248l.added Dealer training programs; requirements; trained individual at each retail location; exceptions; renewal; definitions.

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

(a) A precensure dealer training program that meets all of the following:

(i) Is conducted by the department, or a qualified trade organization approved by the department, and is offered at least 2 times each calendar quarter. If approved by the department, the training program may be conducted online or by other electronic means.

(ii) Is available to any individual who is an eligible used vehicle dealer who is applying for an original dealer license or is a partner or officer of an eligible used vehicle dealer that is applying for an original dealer license.

(iii) Includes training related to this act and any other subject matter approved by the secretary of state, such as consumer protection and sales and use tax collection. The department may consult with any other departments to evaluate and approve course content it considers appropriate.

(b) A training program for designated individuals that meets all of the following:

(i) Is conducted by the department or another person designated by the secretary of state and is offered at least 2 times each calendar quarter. If approved by the department, the training program may be conducted online or by other electronic means.

(ii) Is available to any designated individual.

(iii) Includes training in transferring vehicle titles, documentation of title transfers, record keeping, and any other subject matter approved by the secretary of state, such as consumer protection and sales and use tax collection.

(c) A continuing education training program that meets all of the following:

(i) Is conducted at least 2 times in each calendar quarter.

(ii) Includes at least 2 hours of training.

(iii) Includes subject matter approved by the secretary of state such as transferring vehicle titles, documentation of title transfers, record keeping, consumer protection, and sales and use tax collection. The department may consult with any other departments it considers appropriate to evaluate and approve course content.

(iv) Is conducted by 1 of the following:

(A) The department.

(B) A qualified trade organization that is approved by the department. The department may evaluate a qualified trade organization approved under this sub-subparagraph to determine whether it meets the requirements of this subdivision. The department may, after a hearing, suspend or revoke a qualified trade organization's approval to offer the training described in this subdivision for failure to comply with those requirements.

(2) In the 6-month period preceding the date of the application for an original eligible used vehicle dealer license, each individual who is the applicant, each partner of the applicant, or each officer of the applicant, as applicable, for the original eligible used vehicle dealer license must complete the dealer training program described in subsection (1)(a). This subsection does not apply to either of the following:

(a) An applicant or application for the renewal of an eligible used vehicle dealer license.

(b) The holder of an original eligible used vehicle dealer license that was granted before, and is valid on, the effective date of this section.

(3) In the 90-day period following the issuance of an original dealer license to an eligible used vehicle dealer, the licensed dealer shall select a designated individual and ensure that he or she completes the dealer training program described in subsection (1)(b). However, this subsection does not apply if the designated individual has completed the training program described in subsection (1)(c). An eligible used vehicle dealer must select a designated individual for each of its retail sales locations. An eligible used vehicle dealer must not select the same individual as the designated individual for more than 3 retail sales locations.

(4) Subsection (3) does not apply to the holder of an original or renewal eligible used vehicle dealer license that was granted before, and is valid on, the effective date of this section until that license is next renewed.

(5) In addition to the training program described in subsection (1)(b), an eligible used vehicle dealer shall ensure that a designated individual completes the training program described in subsection (1)(c) 1 time in

each 24-month period after the date of issuance of its original license.

(6) The department shall not renew the license of an eligible used vehicle dealer unless the application for renewal includes a certification from the dealer that it is in compliance with the training requirements applicable under this section.

(7) As used in this section:

(a) "Designated individual" means any of the following individuals, if he or she is selected by an eligible used vehicle dealer to complete a training program described in this section:

(i) An individual who is a licensed eligible used vehicle dealer or a partner or officer of a licensed eligible used vehicle dealer.

(ii) Is an employee of a licensed eligible used vehicle dealer, such as a general manager, a sales manager, or an employee who is responsible for preparing title documents for the dealer.

(b) "Eligible used vehicle dealer" means a person that is licensed as a used or secondhand vehicle dealer, or is applying for licensure as a used or secondhand vehicle dealer, and is not licensed or seeking licensure as a new vehicle dealer.

(c) "Qualified trade organization" means a bona fide nonprofit membership organization that is based in this state, that has been in existence for at least 5 years, and whose members are primarily eligible used vehicle dealers.

History: Add. 2018, Act 420, Eff. Mar. 20, 2019.