

SENATE BILL No. 1113

February 13, 2008, Introduced by Senators BROWN, BASHAM, PAPPAGEORGE, BARCIA, KAHN and VAN WOERKOM and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending section 251 (MCL 257.251), as amended by 2002 PA 642.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

7 (2) Each record shall contain the date of the purchase, sale,
8 lease, or exchange or receipt for the purpose of sale, lease, or

1 exchange, a description of the vehicle, the name and address of the
2 seller, the purchaser or lessee, and the alleged owner or other
3 persons from whom the vehicle was purchased or received, or to whom
4 it was sold, leased, or delivered. The record shall contain a copy
5 of any odometer mileage statement received by the dealer when the
6 dealer purchased or acquired a vehicle and a copy of the odometer
7 mileage statement furnished by the dealer when the dealer sold,
8 leased, or exchanged the vehicle as prescribed in section 233a. If
9 the vehicle is purchased, sold, leased, or exchanged through a
10 broker, the record shall include the broker's name and dealer
11 license number and the amount of the broker's fee, commission,
12 compensation, or other valuable consideration paid by the purchaser
13 or lessee or paid by the dealer, or both. The records of all
14 vehicles purchased, sold, leased, or exchanged through a broker
15 maintained by the secretary of state shall be in an electronic
16 format determined by the secretary of state. A dealer shall retain
17 for not less than 5 years each odometer mileage statement the
18 dealer receives and each odometer mileage statement furnished by
19 the dealer upon the sale, lease, or exchange of a vehicle. The
20 description of the vehicle, in the case of a motor vehicle, shall
21 also include the vehicle identification number and other numbers or
22 identification marks as may be on the vehicle, and shall also
23 include a statement that a number has been obliterated, defaced, or
24 changed, if that is the fact. For a trailer or semitrailer, the
25 record shall include the vehicle identification number and other
26 numbers or identification marks as may be on the trailer or
27 semitrailer.

1 (3) Not more than 20 days after the delivery of the vehicle,
2 the seller shall deliver to the buyer in person or by mail to the
3 buyer's last known address a duplicate of a written statement, on a
4 form prescribed by the secretary of state in conjunction with the
5 department of treasury, describing clearly the name and address of
6 the seller, the name and address of the buyer, the vehicle sold to
7 the buyer, the cash sale price of the vehicle, the cash paid down
8 by the buyer, the amount credited the buyer for a trade-in, a
9 description of the trade-in, the amount charged for vehicle
10 insurance, stating the types of insurance covered by the insurance
11 policy, the amount charged for a temporary registration plate, the
12 amount of any other charge and specifying its purpose, the net
13 balance due from the buyer, and a summary of insurance coverage to
14 be affected. If the vehicle sold is a new motor home, the written
15 statement shall contain a description, including the year of
16 manufacture, of every major component part of the vehicle that has
17 its own manufacturer's certificate of origin. The written statement
18 shall disclose if the vehicle sold is a vehicle that the seller had
19 loaned or leased to a political subdivision of this state for use
20 as a driver education vehicle. The written statement shall be
21 dated, but not later than the actual date of delivery of the
22 vehicle to the buyer. The original and all copies of the prescribed
23 form shall contain identical information. The statement shall be
24 furnished by the seller, shall be signed by the seller or the
25 seller's agent and by the buyer, and shall be filed with the
26 application for new title or registration. Failure of the seller to
27 deliver this written statement to the buyer does not invalidate the

1 sale between the seller and the buyer.

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

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

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

10 (5) Each dealer record and inventory, including the record and
11 inventory of a vehicle scrap metal processor not required to obtain
12 a dealer license, shall be open to inspection by a police officer
13 or an authorized officer or investigator of the secretary of state
14 during reasonable or established business hours.

15 (6) A dealer licensed as a distressed vehicle transporter
16 shall maintain records in a form as prescribed by the secretary of
17 state. The records shall identify each distressed vehicle that is
18 bought, acquired, and sold by the dealer. The record shall identify
19 the person from whom a distressed vehicle was bought or acquired
20 and the dealer to whom the vehicle was sold. The record shall
21 indicate whether a certificate of title or salvage certificate of
22 title was obtained by the dealer for each vehicle.

23 (7) A dealer licensed under this act shall maintain records
24 for a period of 5 years. The records shall be made available for
25 inspection by the secretary of state or other law enforcement
26 officials. To determine or enforce compliance with this chapter or
27 other applicable law, the secretary of state or any law enforcement

1 official may inspect a dealer whenever he or she determines it is
2 necessary. The secretary of state may issue an order summarily
3 suspending the license of a dealer pursuant to section 92 of the
4 administrative procedures act of 1969, 1969 PA 306, MCL 24.292,
5 based on an affidavit by a person familiar with the facts set forth
6 in the affidavit that the dealer has failed to maintain the records
7 required by this act or failed to provide the records for
8 inspection as requested by the secretary of state, or has otherwise
9 hindered, obstructed, or prevented the inspection of records
10 authorized under this section. The dealer to whom the order is
11 directed shall comply immediately, but on application to the
12 department shall be afforded a hearing within 30 days pursuant to
13 the administrative procedures act of 1969, 1969 PA 306, MCL 24.201
14 to 24.328. On the basis of the hearing, the summary order shall be
15 continued, modified, or held in abeyance not later than 30 days
16 after the hearing.

17 (8) A dealer licensed as a vehicle salvage pool operator or
18 broker shall maintain records in a form as prescribed by the
19 secretary of state. The records shall contain a description of each
20 vehicle or salvageable part stored by the dealer, the name and
21 address of the insurance company or person storing the vehicle or
22 salvageable part, the period of time the vehicle or salvageable
23 part was stored, and the person acquiring the vehicle or
24 salvageable part. In the case of a late model vehicle, a record of
25 the purchase or sale of a major component part of the vehicle shall
26 be maintained identifying the part purchased or sold, the name and
27 address of the seller or purchaser, the date of the purchase or

1 sale, and the identification number assigned to the part by the
2 dealer. The record of the purchase or sale of a part shall be
3 maintained in or attached to the dealer's police book or hard copy
4 of computerized data entries and reference codes and shall be
5 accessible at the dealer's location. In addition, a dealer licensed
6 as a broker shall maintain a record of the odometer mileage reading
7 of each vehicle sold pursuant to an agreement between the broker
8 and the buyer or the broker and the seller. The record of odometer
9 mileage shall be maintained for 5 years and shall contain all of
10 the information required by section 233a.

11 (9) A dealer licensed as a used vehicle parts dealer or an
12 automotive recycler shall maintain records in a form prescribed by
13 the secretary of state. ~~The~~ **IN THE CASE OF THE PURCHASE OF ITEMS**
14 **CONTAINING NONFERROUS METALS BY AN AUTOMOTIVE RECYCLER, THE RECORDS**
15 **SHALL CONTAIN AT LEAST THE NAME, DESCRIPTION, DATE OF PURCHASE,**
16 **LOCATION FROM WHICH THE ITEM WAS OBTAINED BY THE SELLER,**
17 **FINGERPRINT, OPERATOR'S OR CHAUFFEUR'S LICENSE OR STATE**
18 **IDENTIFICATION CARD NUMBER, ADDRESS OF THE PERSON SELLING THE ITEM,**
19 **AS WELL AS A COPY OF THE OPERATOR'S OR CHAUFFEUR'S LICENSE OR STATE**
20 **IDENTIFICATION CARD. IN THE CASE OF AN AUTOMOTIVE RECYCLER, THE**
21 **ARTICLES CONTAINING NONFERROUS METALS PURCHASED OR EXCHANGED SHALL**
22 **BE RETAINED BY THE AUTOMOTIVE RECYCLER FOR AT LEAST 15 DAYS BEFORE**
23 **DISPOSING OF THEM, IN AN ACCESSIBLE PLACE IN THE BUILDING WHERE THE**
24 **ARTICLES ARE PURCHASED AND RECEIVED. A TAG SHALL BE ATTACHED TO**
25 **THOSE ARTICLES IN SOME VISIBLE AND CONVENIENT PLACE, WITH THE**
26 **NUMBER WRITTEN UPON THEM, TO CORRESPOND WITH THE ENTRY NUMBER IN**
27 **THE AUTOMOTIVE RECYCLER'S RECORDS. THE AUTOMOTIVE RECYCLER SHALL**

1 PREPARE AND DELIVER ON MONDAY OF EACH WEEK TO THE CHIEF OF POLICE
2 OR CHIEF LAW ENFORCEMENT OFFICER OF THE LOCAL UNIT OF GOVERNMENT
3 WITHIN WHICH ITS BUSINESS IS CONDUCTED, BEFORE 12 NOON, A LEGIBLE
4 AND CORRECT COPY WRITTEN IN THE ENGLISH LANGUAGE FROM THE RECORDS,
5 CONTAINING A DESCRIPTION OF EACH NONFERROUS METAL ARTICLE PURCHASED
6 OR RECEIVED DURING THE PRECEDING WEEK, THE HOUR AND DAY WHEN THE
7 PURCHASE WAS MADE, AND THE DESCRIPTION OF THE PERSON FROM WHOM IT
8 WAS PURCHASED. THE STATEMENT SHALL BE VERIFIED BY THE PERSON
9 SUBSCRIBING HIS OR HER NAME TO THE RECORD. EXCEPT AS OTHERWISE
10 PROVIDED IN THE CASE OF ITEMS CONTAINING NONFERROUS METALS, THE
11 records shall contain the date of purchase or acquisition of the
12 vehicle, a description of the vehicle including the color, and the
13 name and address of the person from whom the vehicle was acquired.
14 If the vehicle is sold, the record shall contain the date of sale
15 and the name and address of the purchaser. The record shall
16 indicate if the certificate of title or salvage or scrap
17 certificate of title was obtained by the dealer. In the case of a
18 late model vehicle, a record of the purchase or sale of a major
19 component of the vehicle shall be maintained identifying the part
20 purchased or sold, the name and address of the seller or purchaser,
21 the date of the purchase or sale, and the identification number
22 assigned to the part by the dealer, except that a bumper
23 remanufacturer is not required to maintain a record of the purchase
24 of a bumper. However, a bumper remanufacturer shall assign and
25 attach an identification number to a remanufactured bumper and
26 maintain a record of the sale of the bumper. The record of the
27 purchase or sale of a part shall be maintained in or attached to

1 the dealer's police book or hard copy of computerized data entries
2 and reference codes and shall be accessible at the dealer's
3 location.

4 (10) A dealer licensed as a vehicle scrap metal processor
5 shall maintain records as prescribed by the secretary of state. IN
6 THE CASE OF THE PURCHASE OF ITEMS CONTAINING NONFERROUS METALS BY A
7 SCRAP METAL PROCESSOR, THE RECORDS SHALL CONTAIN AT LEAST THE NAME,
8 DESCRIPTION, DATE OF PURCHASE, LOCATION FROM WHICH THE ITEM WAS
9 OBTAINED BY THE SELLER, FINGERPRINT, OPERATOR'S OR CHAUFFEUR'S
10 LICENSE OR STATE IDENTIFICATION CARD NUMBER, ADDRESS OF THE PERSON
11 SELLING THE ITEM, AS WELL AS A COPY OF THE OPERATOR'S OR
12 CHAUFFEUR'S LICENSE OR STATE IDENTIFICATION CARD. IN THE CASE OF A
13 SCRAP METAL PROCESSOR, THE ARTICLES CONTAINING NONFERROUS METALS
14 PURCHASED OR EXCHANGED SHALL BE RETAINED BY THE SCRAP METAL
15 PROCESSOR FOR AT LEAST 15 DAYS BEFORE DISPOSING OF THEM, IN AN
16 ACCESSIBLE PLACE IN THE BUILDING WHERE THE ARTICLES ARE PURCHASED
17 AND RECEIVED. A TAG SHALL BE ATTACHED TO THOSE ARTICLES IN SOME
18 VISIBLE AND CONVENIENT PLACE, WITH THE NUMBER WRITTEN UPON THEM, TO
19 CORRESPOND WITH THE ENTRY NUMBER IN THE SCRAP METAL PROCESSOR'S
20 RECORDS. THE SCRAP METAL PROCESSOR SHALL PREPARE AND DELIVER ON
21 MONDAY OF EACH WEEK TO THE CHIEF OF POLICE OR CHIEF LAW ENFORCEMENT
22 OFFICER OF THE LOCAL UNIT OF GOVERNMENT WITHIN WHICH ITS BUSINESS
23 IS CONDUCTED, BEFORE 12 NOON, A LEGIBLE AND CORRECT COPY WRITTEN IN
24 THE ENGLISH LANGUAGE FROM THE RECORDS, CONTAINING A DESCRIPTION OF
25 EACH NONFERROUS METAL ARTICLE PURCHASED OR RECEIVED DURING THE
26 PRECEDING WEEK, THE HOUR AND DAY WHEN THE PURCHASE WAS MADE, AND
27 THE DESCRIPTION OF THE PERSON FROM WHOM IT WAS PURCHASED. THE

1 **STATEMENT SHALL BE VERIFIED BY THE PERSON SUBSCRIBING HIS OR HER**
2 **NAME TO THE RECORD.** As provided in section 217c, the records shall
3 contain for a vehicle purchased from a dealer a copy of the scrap
4 vehicle inventory, including the name and address of the dealer, a
5 description of the vehicle acquired, and the date of acquisition.
6 If a vehicle is purchased or acquired from a person other than a
7 dealer, the record shall contain the date of acquisition, a
8 description of the vehicle, including the color, the name and
9 address of the person from whom the vehicle was acquired, and
10 whether a certificate of title or salvage or scrap certificate of
11 title was obtained by the dealer.

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

1 of a part shall be maintained in the dealer's police book. The
2 police book shall only contain vehicles and salvageable parts
3 purchased in this state or used in the repair of a vehicle
4 purchased in this state. The police book and the records of vehicle
5 part sales, purchases, or acquisitions shall be made available at a
6 location within the state for inspection by the secretary of state
7 within 48 hours after a request by the secretary of state.

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

11 (13) NOTWITHSTANDING ANY PROVISION OF THIS ACT, AN AUTOMOTIVE
12 RECYCLER OR A SCRAP METAL PROCESSOR SHALL NOT PURCHASE OR RECEIVE
13 FROM ANY PERSON WHO IS AT THE TIME INTOXICATED, OR FROM A HABITUAL
14 DRUNKARD OR FROM ANY PERSON KNOWN BY THE AUTOMOTIVE RECYCLER OR
15 SCRAP METAL PROCESSOR TO BE A THIEF OR ANY ASSOCIATE OF THIEVES OR
16 RECEIVER OF STOLEN PROPERTY, OR FROM ANY PERSON HE OR SHE HAS
17 REASON TO SUSPECT OF BEING A PERSON KNOWN BY THE AUTOMOTIVE
18 RECYCLER OR SCRAP METAL PROCESSOR TO BE A THIEF OR ANY ASSOCIATE OF
19 THIEVES OR RECEIVER OF STOLEN PROPERTY.

20 (14) AN AUTOMOTIVE RECYCLER OR A SCRAP METAL PROCESSOR WHO
21 BUYS OR SELLS STOLEN NONFERROUS SCRAP METAL THAT HE OR SHE HAS
22 REASON TO BELIEVE WAS UNLAWFULLY REMOVED FROM A UTILITY POLE,
23 IRRIGATION SYSTEM, AGRICULTURAL MACHINERY, TELECOMMUNICATION
24 COMPANY PROPERTY, GOVERNMENT PROPERTY, OR UTILITY PROPERTY OR
25 JOBSITE IS GUILTY OF A FELONY PUNISHABLE BY IMPRISONMENT FOR NOT
26 MORE THAN 5 YEARS OR A FINE OF NOT MORE THAN \$10,000.00, OR BOTH.

27 (15) ~~(13)~~—The secretary of state may promulgate rules to

1 implement this section pursuant to the administrative procedures
2 act of 1969, 1969 PA 306, MCL 24.201 to 24.328.