

HOUSE BILL No. 5120

October 2, 1989, Introduced by Reps. Sparks, Stacey, Trim, Willis Bullard, Krause, DeLange, Ciaramitaro, Dunaskiss and Honigman and referred to the Committee on Transportation.

A bill to amend section 249 of Act No. 300 of the Public Acts of 1949, entitled as amended
"Michigan vehicle code,"

as amended by Act No. 255 of the Public Acts of 1988, being section 257.249 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 249 of Act No. 300 of the Public Acts of
2 1949, as amended by Act No. 255 of the Public Acts of 1988, being
3 section 257.249 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 249. The secretary of state may deny the application
6 of a person for a license as a dealer and refuse to issue the
7 person a license as a dealer, or may suspend or revoke a license
8 already issued, if the secretary of state finds that the
9 applicant or licensee has done 1 or more of the following:

1 (a) Has made a false statement of a material fact in his or
2 her application.

3 (b) Has not complied with the provisions of this chapter.

4 (c) Has sold or offered for sale a new vehicle of a type
5 required to be registered under this act without having authority
6 of a contract with a manufacturer or distributor of the new
7 vehicle.

8 (d) Has been guilty of a fraudulent act in connection with
9 selling or otherwise dealing in vehicles of a type required to be
10 registered under this act. For purposes of this subdivision, a
11 fraudulent act includes, but is not limited to, the failure by
12 the dealer to inform in writing a buyer of a modified or custom
13 built vehicle that the vehicle has a chassis, frame, or major
14 mechanical part which was manufactured in an earlier year than
15 the registered year of the vehicle. For the purposes of this
16 subdivision, a "modified or custom built vehicle" means a vehicle
17 which has been intentionally rebuilt, fitted, or altered accord-
18 ing to certain specifications from the vehicle's original manu-
19 factured condition.

20 (e) Has entered into or is about to enter into a contract or
21 agreement with a manufacturer or distributor of vehicles of a
22 type required to be registered under this act, which is contrary
23 to any provision of this act.

24 (f) Has no established place of business which is used or
25 will be used for the purpose of selling, displaying, and offering
26 for sale or dealing in vehicles of a type required to be
27 registered, and does not have proper servicing facilities.

1 (g) If the applicant is a corporation or partnership, a
2 stockholder, officer, director, or partner of the applicant has
3 been guilty of any act or omission which would be cause for
4 refusing, revoking, or suspending a license issued to the offi-
5 cer, director, or partner as an individual.

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

15 (i) Has been convicted under section 415 of the Michigan
16 penal code, Act No. 328 of the Public Acts of 1931, as amended.

17 (j) Until January 1, 1993, has been convicted of violating
18 Act No. 119 of the Public Acts of 1986, being sections 257.1351
19 to 257.1355 of the Michigan Compiled Laws.