

HOUSE BILL No. 5803

March 14, 2002, Introduced by Reps. Howell, Phillips, Allen and Gilbert and referred to the Committee on Commerce.

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending sections 217c, 248, and 251 (MCL 257.217c, 257.248,
and 257.251), section 217c as amended by 1993 PA 300, section 248
as amended by 1999 PA 172, and section 251 as amended by 2000
PA 397.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 217c. ~~—(1) An insurance company licensed to conduct~~
2 ~~business in this state that determines that a late model vehicle~~
3 ~~that the company insures has become a distressed vehicle shall~~
4 ~~proceed under either of the following:~~

5 ~~(a) If the insurance company acquires ownership of the vehi-~~
6 ~~cle through payment of a claim, the owner of the vehicle shall~~
7 ~~assign the certificate of title to the insurance company which~~
8 ~~shall do all of the following:~~

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

~~(ii) Apply for a salvage certificate of title. The insurance company shall not sell the vehicle without first receiving a salvage certificate of title which shall be assigned to the buyer.~~

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

~~(i) Require each owner of the vehicle to sign an application for a salvage certificate of title.~~

~~(ii) Attach the owner's certificate of title to the application for a salvage 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 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 certificate of title, which shall be assigned to the buyer.~~

~~(2) 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.~~

~~(3) If a dealer, other than a vehicle scrap metal processor, acquires ownership of a late model vehicle that is a distressed vehicle from an owner and receives an assigned certificate of title, the dealer shall surrender the assigned certificate of~~

~~1 title to the secretary of state and apply for a salvage
2 certificate of title within 5 days after the dealer receives the
3 assigned certificate of title. The dealer may sell the vehicle
4 to another dealer by assigning the salvage certificate of title
5 to the buyer. If the vehicle is sold to a buyer other than a
6 dealer, application shall be made for a salvage certificate in
7 the name of the buyer. A vehicle scrap metal processor shall
8 surrender an assigned certificate of title to the secretary of
9 state within 30 days after acquiring a vehicle for which a cer-
10 tificate of title was received. A vehicle scrap metal processor
11 shall surrender an assigned salvage certificate of title to the
12 secretary of state within 30 days after acquiring a vehicle for
13 which a salvage certificate of title was received and report that
14 the vehicle was destroyed or scrapped.~~

~~15 (4) If a person, other than a dealer or insurance company
16 that is subject to subsection (1) or (3), acquires ownership of a
17 late model vehicle that is a distressed vehicle, the person shall
18 surrender the title or assigned certificate of title to the sec-
19 retary of state and apply for a salvage certificate of title,
20 before the vehicle may be transported. If an owner retains
21 ownership of a late model vehicle that should be a distressed
22 vehicle, the owner shall surrender the title or assigned certifi-
23 cate of title to the owner's insurance company who, before pay-
24 ment of a claim, shall apply for a salvage certificate of title
25 in the name of the owner.~~

~~26 (5) An application for a salvage certificate of title shall
27 be made on a form prescribed by the secretary of state~~

1 ~~accompanied by a fee of \$10.00. The application shall contain~~
2 ~~all of the following:~~

3 ~~(a) The complete name and current address of the owner.~~

4 ~~(b) A description of the vehicle, including its make, style~~
5 ~~of body, model year, weight, color, and vehicle identification~~
6 ~~number.~~

7 ~~(c) A description of the damage to the vehicle.~~

8 ~~(d) Until July 1, 1994, a listing of each major component~~
9 ~~part that was not salvageable.~~

10 ~~(e) Further information as may reasonably be required by the~~
11 ~~secretary of state.~~

12 ~~(6) The secretary of state shall issue the salvage certifi-~~
13 ~~cate within 5 business days after the time the application is~~
14 ~~received at the secretary of state's office in Lansing. Until~~
15 ~~July 1, 1994, each salvage certificate of title shall include a~~
16 ~~listing of each major component part that was not salvageable.~~

17 ~~(7) A salvage certificate of title shall authorize the~~
18 ~~holder of the title to possess, transport, but not drive upon a~~
19 ~~highway, and transfer ownership in, a vehicle. A certificate of~~
20 ~~title or registration plates shall not be issued for a vehicle~~
21 ~~for which a salvage certificate of title was issued unless a spe-~~
22 ~~cially trained police officer certifies that the vehicle identi-~~
23 ~~fication numbers and parts identification numbers have been~~
24 ~~examined as to their accuracy, the applicant has proof of owner-~~
25 ~~ship of repair parts used, the vehicle complies with the equip-~~
26 ~~ment standards of this act, and that certification accompanies~~
27 ~~the application for a certificate of title. Until January 1,~~

~~1 1994, an application for a certificate of title shall contain a
2 description of each salvageable part used to repair the vehicle
3 and any identification number affixed to or inscribed upon the
4 part as required by federal law. A fee of \$25.00 through June
5 30, 1994 shall be received by the police agency for inspection of
6 the vehicle. Upon the satisfactory completion of the examination
7 and other requirements for application, a certificate of title,
8 in the same form as the original, shall be issued for the
9 vehicle.~~

~~10 (8) If a dealer other than a vehicle scrap metal processor
11 acquires ownership of an older model vehicle from an owner and
12 receives an assigned certificate of title, the dealer shall
13 retain the assigned certificate of title as long as the dealer
14 retains the vehicle. A vehicle scrap metal processor shall sur-
15 render an assigned certificate of title to the secretary of state
16 within 30 days after the vehicle is destroyed or scrapped.~~

~~17 (9) A dealer other than a vehicle scrap metal processor
18 selling or assigning a vehicle to a vehicle scrap metal processor
19 shall make a record in triplicate on a form to be provided by the
20 secretary of state in substantially the following form:~~

~~Scrap Vehicle Inventory:~~

Dealer name _____

Dealer address _____

~~Dealer license number~~ _____

Conveyed to: _____ Date _____

~~(Vehicle scrap metal processor)~~~~Vehicles~~

Model Year	Vehicle Make	VIN
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1. _____

2. _____

3. _____

~~etc.~~

~~One copy shall be retained as a permanent record by the dealer, 1 copy shall be forwarded with the vehicle to be retained by the vehicle scrap metal processor, and 1 copy shall be forwarded to~~

1 ~~the secretary of state along with an assigned certificate of~~
2 ~~title or a salvage certificate.~~

3 ~~(10) A person, other than a used or secondhand vehicle parts~~
4 ~~dealer or a foreign salvage dealer, or an insurance company~~
5 ~~admitted to conduct business in this state, receiving a salvage~~
6 ~~certificate of title shall not sell the vehicle to anyone other~~
7 ~~than 1 of the following:~~

8 ~~(a) The vehicle's former owner.~~

9 ~~(b) A used or secondhand vehicle parts dealer.~~

10 ~~(c) A vehicle scrap metal processor.~~

11 ~~(d) A foreign salvage vehicle dealer licensed under this~~
12 ~~act.~~

13 ~~(e) A registered motor vehicle repair facility engaging in~~
14 ~~body work.~~

15 ~~(11) Subsections (1) through (10) shall apply until July 1,~~
16 ~~1994.~~

17 ~~(12) The secretary of state may conduct periodic reviews of~~
18 ~~the records of a dealer to determine whether adequate notice is~~
19 ~~given to a transferee of a rebuilt salvage vehicle of that~~
20 ~~vehicle's prior designation as a salvage vehicle. The secretary~~
21 ~~of state may request an insurance company to provide copies of~~
22 ~~salvage title documents and claims reports involving major compo-~~
23 ~~nent parts to assist the secretary of state in monitoring compli-~~
24 ~~ance with this act.~~

25 ~~(13) Subsections (14) through (36) shall apply on and after~~
26 ~~July 1, 1994.~~

(1) ~~(14)~~ 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 shall 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 pre-damaged 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~~ THE INSURANCE COMPANY SHALL ASSIGN 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 ~~shall be assigned~~ THE OWNER SHALL ASSIGN to the buyer. An insurance company may assign a salvage or scrap certificate of title only to an automotive recycler, used or second-hand vehicle parts dealer, foreign salvage vehicle dealer, or vehicle scrap metal processor.

(2) ~~-(15)-~~ 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.

1 (3) ~~-(16)-~~ If a dealer acquires ownership of a late model
2 vehicle that is a distressed vehicle from an owner, the dealer
3 shall receive an assigned certificate of title. If the assigned
4 certificate of title is not a salvage or scrap certificate of
5 title, the dealer, other than a vehicle scrap metal processor,
6 shall surrender the assigned certificate of title to the secre-
7 tary of state, and if the estimated cost of repair, including
8 parts and labor, is equal to or greater than 75% but less than
9 91% of the predamaged actual cash value of the vehicle, apply for
10 a salvage certificate of title, or if the estimated cost of
11 repair, including parts and labor, is equal to or greater than
12 91% of the predamaged actual cash value of the vehicle, apply for
13 a scrap certificate of title within 5 days after the dealer
14 receives the assigned certificate of title. The dealer may sell
15 a salvage vehicle to another automotive recycler, used or second-
16 hand vehicle parts dealer, foreign salvage vehicle dealer, or
17 vehicle scrap metal processor by assigning the salvage certifi-
18 cate of title to the buyer. Unless the vehicle is rebuilt,
19 inspected, and recertified pursuant to this section, if the vehi-
20 cle is sold to a buyer other than a dealer, application shall be
21 made for a salvage certificate in the name of the buyer in the
22 manner provided in this act. The dealer may sell a scrap vehicle
23 only to a vehicle scrap metal processor. A vehicle scrap metal
24 processor shall surrender an assigned certificate of title to the
25 secretary of state within 30 days after acquiring a vehicle for
26 which a certificate of title was received. A vehicle scrap metal
27 processor shall surrender an assigned salvage or scrap

1 certificate of title to the secretary of state within 30 days
2 after acquiring a vehicle for which a salvage or scrap certifi-
3 cate of title was received and report that the vehicle was
4 destroyed or scrapped.

5 (4) ~~-(17)-~~ An application for a scrap certificate of title
6 shall be made on a form prescribed by the secretary of state
7 accompanied by a fee of \$15.00. The application shall contain
8 all of the following:

9 (a) The complete name and current address of the owner.

10 (b) A description of the vehicle, including its make, style
11 of body, model year, fee category or weight, color, and vehicle
12 identification number.

13 (c) If the vehicle is a late model vehicle, a listing of
14 each major component part that was not salvageable.

15 (d) Further information ~~as may~~ THAT THE SECRETARY OF STATE
16 reasonably ~~be required by the secretary of state~~ REQUIRES.

17 (5) ~~-(18)-~~ The scrap certificate of title shall authorize
18 the holder of the document to transport but not drive upon a
19 highway the vehicle or parts of a vehicle, and assign ownership
20 to a vehicle scrap metal processor, automotive recycler, used or
21 secondhand vehicle parts dealer, or foreign salvage vehicle
22 dealer. ~~A~~ EXCEPT FOR A DUPLICATE SCRAP CERTIFICATE OF TITLE,
23 THE SECRETARY OF STATE SHALL NOT ISSUE ANOTHER certificate of
24 title ~~shall not again be issued~~ for this vehicle WITH THE SAME
25 VEHICLE IDENTIFICATION NUMBER. A person shall not rebuild or
26 repair a scrap vehicle and allow it to retain the original
27 vehicle identification number.

1 (6) ~~-(19)-~~ If a person, other than a dealer or insurance
2 company that is subject to subsection ~~-(14)-~~ (1) or ~~-(16)-~~ (3),
3 acquires ownership of a distressed, late model vehicle, the
4 person shall surrender the title or assigned certificate of title
5 to the secretary of state, and if the estimated cost of repair,
6 including parts and labor, is equal to or greater than 75% but
7 less than 91% of the predamaged actual cash value of the vehicle,
8 apply for a salvage certificate of title, or if the estimated
9 cost of repair, including parts and labor, is equal to or greater
10 than 91% of the predamaged actual cash value of the vehicle,
11 apply for a scrap certificate of title before the vehicle ~~may~~
12 ~~be~~ IS transported.

13 (7) ~~-(20)-~~ An owner of a vehicle may determine that A vehi-
14 cle ~~to be~~ IS a scrap vehicle or a salvage vehicle without
15 making any determination ~~as to~~ OF the actual cash value of the
16 vehicle.

17 (8) ~~-(21)-~~ If a leasing company, vehicle manufacturer,
18 insurance company not licensed to do business in this state,
19 association, repossession company, self-insured owner, financial
20 institution, governmental entity, or other company, institution,
21 or entity, owns a distressed, late model vehicle, ~~the~~
22 ~~titleholder~~ THAT OWNER shall surrender the title or assigned
23 certificate of title to the secretary of state and apply for a
24 salvage certificate of title if the retail cost of repair,
25 including parts and labor, is equal to or greater than 75% but
26 less than 91% of the predamaged actual cash value of the vehicle,
27 or if the retail cost of repair, including parts and labor, is

1 equal to or greater than 91% of the predamaged actual cash value
2 of the vehicle, apply for a scrap certificate of title, before
3 the vehicle ~~may be~~ IS transported or sold. If ownership is
4 transferred, the owner shall sell the vehicle only to a dealer
5 who is eligible to buy a salvage or scrap vehicle in this state
6 unless the owner complies with subsection ~~-(24)-~~ (11). When a
7 leasing company, vehicle manufacturer, insurance company not
8 licensed to do business in this state, association, repossession
9 company, self-insured owner, financial institution, governmental
10 entity, or other company, institution, or entity, estimates the
11 repair of a distressed, late model vehicle for the purpose of
12 determining whether to apply for a salvage or scrap certificate
13 of title, a complete record of the estimate and, if the vehicle
14 is repaired before a transfer of ownership, ~~a complete record of~~
15 ~~the actual cost of the repairs performed and by whom shall be~~
16 ~~maintained for a minimum of 5 years by~~ the leasing company,
17 vehicle manufacturer, insurance company not licensed to do busi-
18 ness in this state, association, repossession company,
19 self-insured owner, financial institution, governmental entity,
20 or other company, institution, or entity SHALL FOR A MINIMUM OF 5
21 YEARS MAINTAIN A COMPLETE RECORD OF THE ACTUAL COST OF THE
22 REPAIRS PERFORMED AND BY WHOM. The estimates and repair records
23 required by this subsection shall be available for unannounced
24 inspections by a law enforcement agency or a representative of
25 the secretary of state. The secretary of state may request THAT
26 a leasing company, vehicle manufacturer, insurance company not
27 licensed to do business in this state, association, repossession

1 company, self-insured owner, financial institution, governmental
2 entity, or other company, institution, or entity ~~to~~ provide
3 copies of title documents, repair estimates, claims reports
4 involving major component parts, and actual cash value determina-
5 tion documents to assist the secretary of state in monitoring
6 compliance with this act.

7 (9) ~~-(22)-~~ An application for a salvage certificate of title
8 shall be made on a form prescribed by the secretary of state
9 accompanied by a fee of \$10.00. The application shall contain
10 all of the following:

11 (a) The complete name and current address of the owner.

12 (b) A description of the vehicle, including its make, style
13 of body, model year, fee category or weight, color, and vehicle
14 identification number.

15 (c) An estimate of the cost repair, including parts and
16 labor, and an estimate of the predamaged actual cash value of the
17 vehicle.

18 (d) If the vehicle is a late model vehicle, a listing of
19 each major component part that was not salvageable.

20 (e) Further information ~~as may~~ THAT THE SECRETARY OF STATE
21 reasonably ~~be required by the secretary of state~~ REQUIRES.

22 (10) ~~-(23)-~~ The secretary of state shall issue and mail the
23 salvage certificate within 5 business days after the time the
24 application is received at the secretary of state's office in
25 Lansing. Each salvage certificate of title shall include a list-
26 ing of each major component part that was not salvageable.

1 (11) ~~-(24)-~~ A salvage certificate of title shall authorize
2 the holder of the title to possess, transport, but not drive upon
3 a highway, and transfer ownership in, a vehicle. ~~-A-~~ THE SECRE-
4 TARY OF STATE SHALL NOT ISSUE A certificate of title or registra-
5 tion plates ~~shall not be issued~~ for a vehicle for which a sal-
6 vage certificate of title was issued unless a specially trained
7 officer described in subsection ~~-(25)-~~ (12) certifies ~~all of the~~
8 ~~following:-(a)-That~~ THAT the vehicle identification numbers and
9 parts identification numbers have been examined as to their
10 accuracy, ~~-(b)-That~~ THAT the applicant has proof of ownership
11 of repair parts used, ~~-(c)-That~~ AND THAT the vehicle complies
12 with the equipment standards of this act. The OFFICER SHALL MAKE
13 THE certification required by this subsection ~~shall be made~~ on
14 a form prescribed and furnished by the secretary of state in con-
15 junction with the department of state police. ~~and~~ THE TITLE
16 APPLICANT shall ~~accompany the application that is submitted~~
17 SUBMIT THE CERTIFICATION to the secretary of state WITH THE
18 APPLICATION for a certificate of title. An application for a
19 certificate of title shall contain a description of each salvage-
20 able part used to repair the vehicle and any identification
21 number affixed to or inscribed upon the part as required by state
22 or federal law. ~~Through June 30, 1994, a fee of \$25.00 shall be~~
23 ~~received by the police agency for inspection of the vehicle and~~
24 ~~shall be expended by that police agency as provided in this~~
25 ~~subsection.~~ Upon satisfactory completion of the inspection ~~as~~
26 required by the secretary of state and other requirements for
27 application, THE SECRETARY OF STATE SHALL ISSUE a certificate of

1 title bearing an indicator of its previous salvage status ~~shall~~
2 ~~be issued~~ for the vehicle. ~~The salvage vehicle inspection fees~~
3 ~~collected by a local police agency under this subsection shall be~~
4 ~~credited to the budget of that police agency for law enforcement~~
5 ~~purposes that affect stolen vehicles, stolen vehicle parts, and~~
6 ~~salvage vehicle inspections. A local police agency shall compen-~~
7 ~~sate an off-duty and limited enforcement police officer for a~~
8 ~~salvage vehicle inspection.~~

9 (12) ~~-(25)-~~ An officer specially trained as provided by the
10 secretary of state and authorized by the secretary of state to
11 conduct a salvage vehicle inspection is either of the following:

12 (a) An on-duty or off-duty police officer.

13 (b) A previously certified police officer who is appointed
14 by the local police agency as a limited enforcement officer to
15 conduct salvage vehicle inspections. The local police agency
16 shall give this officer access to the agency's law enforcement
17 information network system and the authority to confiscate any
18 stolen vehicle or vehicle parts discovered during an inspection.
19 The local police agency may give the officer the authority to
20 arrest a person suspected of having unlawful possession of a
21 stolen vehicle or vehicle parts.

22 (13) ~~-(26)-~~ The secretary of state shall issue a certificate
23 to an officer who is specially trained as provided by the secre-
24 tary of state to conduct salvage vehicle inspections. Only a
25 person who has a valid certification from the secretary of state
26 may perform salvage inspections. The secretary of state on his
27 or her own initiative or in response to complaints shall make

1 reasonable and necessary public or private investigations within
2 or outside of this state and gather evidence against an officer
3 who was issued a certificate and who violated or is about to vio-
4 late this act or a rule promulgated under this act. The secre-
5 tary of state may suspend, revoke, or deny a certificate after an
6 investigation if the secretary of state determines that the offi-
7 cer committed 1 or more of the following:

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

9 (b) Was found guilty of a fraudulent act in connection with
10 the inspection, purchase, sale, or transfer of a salvage
11 vehicle.

12 (c) Was found guilty of the theft, embezzlement, or misap-
13 propriation of salvage vehicle inspection fees.

14 (d) Performed improper, careless, or negligent salvage vehi-
15 cle inspections.

16 (e) Ceased to function as a police officer because of sus-
17 pension, retirement, dismissal, disability, or termination of
18 employment.

19 (f) Was convicted of a violation or attempted violation of
20 ~~Act No. 119 of the Public Acts of 1986, being sections 257.1351~~
21 ~~to 257.1355 of the Michigan Compiled Laws~~ 1986 PA 119,
22 MCL 257.1351 TO 257.1355.

23 (g) Made a false statement of a material fact in his or her
24 certification of a salvage vehicle inspection or any record con-
25 cerning a salvage vehicle inspection. Upon receipt of the appro-
26 priate abstract of conviction from a court and without any
27 investigation, the secretary of state shall immediately revoke

1 the certificate of an officer who has been convicted of a
2 violation or attempted violation of section 413, 414, 415, 535,
3 535a, or 536a of the Michigan penal code, ~~Act No. 328 of the~~
4 ~~Public Acts of 1931, being sections 750.413, 750.414, 750.415,~~
5 ~~750.535, 750.535a, and 750.536a of the Michigan Compiled Laws~~
6 1931 PA 328, MCL 750.413, 750.414, 750.415, 750.535, 750.535A,
7 AND 750.536A, or has been convicted in federal court or in
8 another state of a violation or attempted violation of a law sub-
9 stantially corresponding to section 413, 414, 415, 535, 535a, or
10 536a of the Michigan penal code, ~~Act No. 328 of the Public Acts~~
11 ~~of 1931~~ 1931 PA 328, MCL 750.413, 750.414, 750.415, 750.535,
12 750.535A, AND 750.536A.

13 (14) ~~-(27)-~~ If a dealer acquires ownership of an older model
14 vehicle from an owner, the dealer shall receive an assigned cer-
15 tificate of title and shall retain it as long as he or she
16 retains the vehicle. A vehicle scrap metal processor shall sur-
17 render an assigned certificate of title to the secretary of state
18 within 30 days after the vehicle is destroyed or scrapped.

19 (15) ~~-(28)-~~ A dealer selling or assigning a vehicle to a
20 vehicle scrap metal processor THAT IS FLATTENED, BALED, CUBED, OR
21 CRUSHED, OR SO DAMAGED THAT ITS IDENTITY CANNOT BE DETERMINED,
22 shall make a record in triplicate on a form ~~to be provided~~
23 PRESCRIBED by the secretary of state THAT PROVIDES ALL OF THE
24 FOLLOWING INFORMATION in substantially the following form:
25

1 Scrap Vehicle Inventory:

2 SELLER: Dealer name _____

3 Dealer address _____

4 Dealer license number _____

5 PURCHASER: Conveyed to: _____ Date _____

6 (Vehicle scrap metal processor)

7 Dealer address _____

8 Dealer license number _____

1	Vehicles					
2					Dealer's	
3					Stock	
4	Model Year	Vehicle Make	VIN	Title Number	Number	Color
5	1. _____	_____	_____	_____	_____	_____
6	2. _____	_____	_____	_____	_____	_____
7	3. _____	_____	_____	_____	_____	_____
8	etc.					

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

13 (16) A DEALER SELLING OR ASSIGNING A VEHICLE WHOSE IDENTITY
 14 CAN BE DETERMINED SHALL ASSIGN THE VEHICLE'S CERTIFICATE OF TITLE
 15 TO THE VEHICLE SCRAP METAL PROCESSOR.

16 (17) ~~-(29)-~~ A person, other than an automotive recycler,
 17 used or secondhand vehicle parts dealer, or a foreign salvage
 18 dealer, receiving a salvage certificate of title shall not sell
 19 the vehicle to anyone other than 1 of the following:

20 (a) The vehicle's former owner.

21 (b) A used or secondhand vehicle parts dealer.

1 (c) A vehicle scrap metal processor.

2 (d) A foreign salvage vehicle dealer licensed under this
3 act.

4 (e) An automotive recycler.

5 (18) ~~-(30)-~~ A person receiving a scrap certificate of title
6 shall not sell the vehicle to anyone other than 1 of the
7 following:

8 (a) An automotive recycler.

9 (b) A vehicle scrap metal processor.

10 (c) A foreign salvage vehicle dealer licensed under this
11 act.

12 (d) A used or secondhand vehicle parts dealer.

13 (19) ~~-(31)-~~ The secretary of state may conduct periodic
14 reviews of the records of a dealer to determine whether adequate
15 notice is given to a transferee of a rebuilt salvage vehicle of
16 that vehicle's prior designation as a salvage vehicle. The sec-
17 retary of state may request an insurance company to provide
18 copies of salvage title documents and claims reports involving
19 major component parts to assist the secretary of state in moni-
20 toring compliance with this act.

21 (20) ~~-(32)-~~ A licensed automotive recycler, used or second-
22 hand vehicle parts dealer, vehicle scrap metal processor, vehicle
23 salvage pool operator, distressed vehicle transporter, foreign
24 salvage vehicle dealer, or broker who has removed a scrap vehicle
25 from this state for the purpose of rebuilding the vehicle or
26 selling the vehicle to a person other than a vehicle scrap metal
27 processor, shall receive an automatic suspension of ~~their~~ ITS

1 dealer license and of any salvage vehicle agent's license
2 assigned to that dealer for a period of 30 days. Upon receipt by
3 the secretary of state of a written request from the dealer, the
4 dealer shall have the right to an immediate hearing on the matter
5 within that 30-day period.

6 (21) ~~(33)~~ For the purpose of this section, the estimated
7 costs of the repair parts shall be determined by using the cur-
8 rent published retail cost of original manufacturer equipment
9 parts or an estimate of the actual cost of the repair parts. The
10 estimated labor costs shall be computed by using the hourly rate
11 and time allocations ~~which~~ THAT are reasonable and commonly
12 assessed in the repair industry in the community where the
13 repairs are performed.

14 (22) ~~(34) Beginning July 1, 1994,~~ A POLICE AGENCY SHALL
15 RECEIVE a fee of \$50.00 ~~shall be received by a police agency~~
16 for an inspection of a vehicle pursuant to subsection ~~(24)~~
17 (11). The POLICE AGENCY SHALL CREDIT THE fee ~~shall be credited~~
18 ~~to the budget of that police agency and used~~ TO ITS BUDGET AND
19 USE THE FEE for law enforcement purposes that affect stolen vehi-
20 cles, stolen vehicle parts, and salvage vehicle inspections. A
21 local police agency shall compensate an off-duty and limited
22 enforcement police officer for a salvage vehicle inspection.

23 (23) ~~(35) For the purpose of~~ AS USED IN this section,
24 "actual cash value" means the retail dollar value of a vehicle as
25 determined by an objective vehicle evaluation, using local market
26 resources such as dealers or want ads, ~~or~~ by an independent
27 vehicle evaluation or vehicle appraisal service, or by REFERENCE

1 TO a current issue of a nationally recognized used vehicle guide
2 for financial institution appraisal purposes in this state.

3 ~~-(36) The secretary of state shall convene a task force in a~~
4 ~~timely manner to develop standards for police to use in perform-~~
5 ~~ing inspections. The task force shall include representatives of~~
6 ~~the Michigan sheriffs association, the Chiefs of police associa-~~
7 ~~tion, the Michigan state police, the insurance industry, a used~~
8 ~~vehicle parts dealer, the automobile theft prevention authority,~~
9 ~~and an automotive recycler. Inspections may continue to be per-~~
10 ~~formed under existing standards until the task force approves new~~
11 ~~standards. Inspections under this act must be according to these~~
12 ~~standards and the standards shall be reported to the~~
13 ~~legislature.~~

14 Sec. 248. (1) ~~A dealer license shall not be granted~~ THE
15 SECRETARY OF STATE SHALL NOT GRANT A DEALER LICENSE, OTHER THAN A
16 LICENSE RENEWAL, under this section until an investigation is
17 made of the applicant's qualifications under this act. ~~, except~~
18 ~~that this subsection does not apply to license renewals.~~ The
19 secretary of state shall make the investigation within 15 days
20 after receiving the application and ~~make~~ PREPARE a report on
21 the investigation.

22 (2) An applicant for a new vehicle dealer or a used or sec-
23 ondhand vehicle dealer or broker license shall include a properly
24 executed bond or renewal certificate with the application. If a
25 renewal certificate is used, the bond is considered renewed for
26 each succeeding year in the same amount and with the same effect
27 as an original bond. The bond shall be in the ~~sum~~ AMOUNT of

1 \$10,000.00 ~~with good and sufficient surety to be~~ AND ISSUED BY
2 A SURETY approved by the secretary of state. The bond shall
3 indemnify or reimburse a purchaser, seller, financing agency, or
4 governmental agency for monetary loss caused through fraud,
5 cheating, or misrepresentation in the conduct of the vehicle
6 business whether the fraud, cheating, or misrepresentation was
7 made by the dealer or by an employee, agent, or salesperson of
8 the dealer. The surety shall make indemnification or reimburse-
9 ment for a monetary loss only after A judgment based on fraud,
10 cheating, or misrepresentation has been entered in a court of
11 record against the licensee. The bond shall also indemnify or
12 reimburse the state for any sales tax deficiency as provided in
13 the general sales tax act, 1933 PA 167, MCL 205.51 to 205.78, or
14 use tax deficiency as provided in the use tax act, 1937 PA 94,
15 MCL 205.91 to 205.111, for the year in which the bond is in
16 force. The surety shall make indemnification or reimbursement
17 only after final judgment has been entered in a court of record
18 against the licensee. A dealer or applicant who has furnished
19 satisfactory proof that a bond similar to the bond required by
20 this subsection is executed and in force is exempt from the bond
21 provisions set forth in this subsection. The aggregate liability
22 of the surety shall not exceed the sum of the bond. The surety
23 on the bond may cancel the bond ~~upon giving~~ IF THE SURETY GIVES
24 30 days' notice in writing to the secretary of state. ~~and~~
25 ~~thereafter~~ THE SURETY is not liable for a breach of condition
26 occurring after the effective date of the cancellation.

1 (3) An applicant for a new vehicle dealer or a used or
2 secondhand vehicle dealer license shall apply for not less than 2
3 dealer plates ~~as provided by~~ DESCRIBED IN section 245 and shall
4 include with the application the proper fee as provided by sec-
5 tion 803.

6 (4) As a condition precedent to the granting of a license, a
7 dealer shall file with the secretary of state an irrevocable
8 written stipulation, authenticated by the applicant, stipulating
9 and agreeing that legal process affecting the dealer, served on
10 the secretary of state or a deputy of the secretary of state, has
11 the same effect as if personally served on the dealer. This
12 appointment remains in force as long as the dealer has any out-
13 standing liability within this state.

14 (5) A person shall not carry on or conduct the business of
15 buying, selling, brokering, or dealing in vehicles of a type
16 required to be titled under this act unless the person obtains a
17 dealer license from the secretary of state authorizing the carry-
18 ing on or conducting of that business. A person shall not carry
19 on or conduct the business of buying, selling, brokering, or
20 dealing in distressed, late model vehicles or salvageable parts
21 unless the person obtains a used or secondhand vehicle parts
22 dealer, an automotive recycler, or a salvage pool license from
23 the secretary of state or is an insurance company admitted to
24 conduct business in this state. A person shall not carry on or
25 conduct the business of buying vehicles to process into scrap
26 metal or store or display vehicles as an agent or escrow agent of
27 an insurance company unless the person obtains a dealer license

1 from the secretary of state. ~~A vehicle scrap metal processor~~
2 ~~who does not purchase vehicles or salvageable parts from unli-~~
3 ~~censed persons is not required to obtain a dealer license.~~ A
4 person from another state shall not purchase, sell, or otherwise
5 deal in distressed, late model vehicles or salvageable parts
6 unless the person obtains a foreign salvage vehicle dealer
7 license from the secretary of state as prescribed under
8 section 248b. A person, including a dealer, shall not purchase
9 or acquire a distressed, late model vehicle or a salvageable part
10 through a salvage pool, auction, or broker without a license as a
11 salvage vehicle agent. The secretary of state shall investigate
12 and seek prosecution, if necessary, of persons allegedly conduct-
13 ing a business without a license.

14 (6) The application for a dealer license shall be in the
15 form prescribed by the secretary of state and shall be signed by
16 the applicant. In addition to other information ~~as may be~~
17 ~~required by~~ THAT the secretary of state MAY REQUIRE, the appli-
18 cation shall include all of the following:

19 (a) Name of applicant.

20 (b) Location of applicant's established place of business in
21 this state.

22 (c) The name under which THE APPLICANT DOES OR WILL CONDUCT
23 business. ~~is to be conducted.~~

24 (d) If the business is a corporation, the state of
25 incorporation.

26 (e) Name, address, date of birth, and social security number
27 of each owner or partner and, if a corporation, the name,

1 address, date of birth, and social security number of each of the
2 principal officers.

3 (f) The county in which the business is to be conducted and
4 the address of each place of business in that county.

5 (g) If new vehicles are to be sold, the make ~~to be handled~~
6 OF THE VEHICLES. Each new vehicle dealer shall send with the
7 application for license a certification that the dealer holds a
8 bona fide contract to act as factory representative, factory dis-
9 tributor, or distributor representative to sell at retail
10 (the make of vehicle to be sold).

11 (h) A statement of the previous history, record, and associ-
12 ations of the applicant and of each owner, partner, officer, and
13 director. ~~—, which~~ THE statement shall be sufficient to estab-
14 lish to the satisfaction of the secretary of state the business
15 reputation and character of the applicant.

16 (i) A statement showing whether the applicant has previously
17 applied for a license, the result of the application, and whether
18 the applicant has ever been the holder of a dealer license that
19 was revoked or suspended.

20 (j) If the applicant is a corporation or partnership, a
21 statement showing whether a partner, employee, officer, or direc-
22 tor has been refused a license or has been the holder of a
23 license that was revoked or suspended.

24 (k) If the application is for a used or secondhand vehicle
25 parts dealer or an automotive recycler, it shall include all of
26 the following:

1 (i) Evidence that the applicant maintains or will maintain
2 an established place of business.

3 (ii) Evidence that the applicant maintains or will maintain
4 a police book and vehicle parts purchase and sales records as
5 required under this act.

6 (iii) Evidence of worker's compensation insurance coverage
7 for employees classified under the North American industrial
8 classification system number 42114, entitled "motor vehicle parts
9 (used) wholesalers" or under the national council on compensation
10 insurance classification code number 3821, entitled "automobile
11 dismantling and drivers", if applicable.

12 (l) Certification that neither the applicant nor another
13 person named on the application is acting as the alter ego of any
14 other person or persons in seeking the license. For the purpose
15 of this subdivision, "alter ego" means a person who acts for and
16 on behalf of, or in the place of, another person for purposes of
17 obtaining a vehicle dealer license.

18 (7) A person shall apply separately for a dealer license for
19 each county in which IT DOES OR WILL CONDUCT business. ~~is to be~~
20 ~~conducted.~~ Before moving 1 or more of his or her places of busi-
21 ness or opening an additional place of business, a dealer shall
22 apply to the secretary of state for and obtain a supplemental
23 dealer license. ~~, for which a fee shall not be charged.~~ THE
24 SECRETARY OF STATE SHALL NOT CHARGE A FEE FOR A SUPPLEMENTAL
25 DEALER LICENSE. A dealer license entitles the dealer to conduct
26 the business of buying, selling, and dealing in vehicles or
27 salvageable parts in the county covered by the license. The

1 dealer license ~~shall~~ also ~~entitle~~ ENTITLES the dealer to
2 conduct at any other licensed dealer's established place of busi-
3 ness in this state only the business of buying, selling, or deal-
4 ing in vehicles at wholesale.

5 (8) The secretary of state shall classify and differentiate
6 vehicle dealers according to the type of activity they perform.
7 A dealer shall not engage in activities of a particular classifi-
8 cation ~~as~~ provided in this act unless the dealer is licensed in
9 that classification. An applicant may apply for a dealer license
10 in 1 or more of the following classifications:

- 11 (a) New vehicle dealer.
- 12 (b) Used or secondhand vehicle dealer.
- 13 (c) Used or secondhand vehicle parts dealer.
- 14 (d) Vehicle scrap metal processor.
- 15 (e) Vehicle salvage pool operator.
- 16 (f) Distressed vehicle transporter.
- 17 (g) Broker.
- 18 (h) Foreign salvage vehicle dealer.
- 19 (i) Automotive recycler.

20 (9) A dealer license expires on December 31 of the last year
21 for which the license is issued. The secretary of state may
22 renew a dealer license for a period of not more than 4 years upon
23 application and payment of the fee required by section 807.

24 (10) A dealer may conduct the business of buying, selling,
25 or dealing in motor homes, trailer coaches, trailers, or pickup
26 campers at a recreational vehicle show conducted at a location in

1 this state without obtaining a separate or supplemental license
2 under subsection (7) if all of the following apply:

3 (a) The dealer is licensed as a new vehicle dealer or used
4 or secondhand vehicle dealer.

5 (b) The duration of the recreational vehicle show is not
6 more than 14 days.

7 (c) Not less than 14 days before the beginning date of the
8 recreational vehicle show, the show producer notifies the secre-
9 tary of state, in a manner and form prescribed by the secretary
10 of state, that the recreational vehicle show is scheduled, the
11 location, dates, and times of the recreational vehicle show, and
12 the name, address, and dealer license number of each dealer par-
13 ticipating in the recreational vehicle show.

14 Sec. 251. (1) Each new vehicle dealer, used vehicle dealer,
15 and broker shall maintain a record in a manner prescribed by the
16 secretary of state of each vehicle of a type subject to titling
17 under this act that is bought, sold, or exchanged by the dealer
18 or received or accepted by the dealer for sale or exchange.

19 (2) Each record shall contain the date of the purchase,
20 sale, or exchange or receipt for the purpose of sale, a descrip-
21 tion of the vehicle, together with the name and address of the
22 seller, the purchaser, and the alleged owner or other persons
23 from whom the vehicle was purchased or received, or to whom it
24 was sold or delivered. The record shall contain a copy of all
25 odometer mileage statements received by the dealer upon purchas-
26 ing or acquiring a vehicle and a copy of the odometer mileage
27 statement furnished by the dealer upon sale of a vehicle as

1 prescribed in section 233a. If the vehicle is purchased, sold,
2 leased, or exchanged through a broker, the record shall include
3 the broker's name and dealer license number and the amount of the
4 broker's fee, commission, compensation, or other valuable consid-
5 eration paid by the purchaser or lessee or paid by the dealer, or
6 both. The records of all vehicles purchased, sold, leased, or
7 exchanged through a broker maintained by the secretary of state
8 shall be in an electronic format determined by the secretary of
9 state. A dealer shall retain for not less than 5 years each
10 odometer mileage statement the dealer receives and each odometer
11 mileage statement furnished by the dealer upon the sale of a
12 vehicle. The description of the vehicle, in the case of a motor
13 vehicle, shall also include the vehicle identification number and
14 other numbers or identification marks as may be on the vehicle,
15 and shall also include a statement that a number has been oblit-
16 erated, defaced, or changed, if that is the fact. For a trailer
17 or semitrailer, the record shall include the vehicle identifica-
18 tion number and other numbers or identification marks as may be
19 on the trailer or semitrailer.

20 (3) Not more than 20 days after the delivery of the vehicle,
21 the seller shall deliver to the buyer in person or by mail to the
22 buyer's last known address a duplicate of a written statement, on
23 a form prescribed by the secretary of state in conjunction with
24 the department of treasury, describing clearly the name and
25 address of the seller, the name and address of the buyer, the
26 vehicle sold to the buyer, the cash sale price of the vehicle,
27 the cash paid down by the buyer, the amount credited the buyer

1 for a trade-in, a description of the trade-in, the amount charged
2 for vehicle insurance, stating the types of insurance covered by
3 the insurance policy, the amount charged for a temporary regis-
4 tration plate, the amount of any other charge and specifying its
5 purpose, the net balance due from the buyer, and a summary of
6 insurance coverage to be affected. If the vehicle sold is a new
7 motor home, the written statement shall contain a description,
8 including the year of manufacture, of every major component part
9 of the vehicle that has its own manufacturer's certificate of
10 origin. The written statement shall disclose if the vehicle sold
11 is a vehicle that the seller had loaned or leased to a political
12 subdivision of this state for use as a driver education vehicle.
13 The SELLER SHALL DATE THE written statement, ~~shall be dated,~~
14 but THE DATE SHALL not BE later than the actual date of delivery
15 of the vehicle to the buyer. The original and all copies of the
16 prescribed form shall contain identical information. The state-
17 ment shall be furnished by the seller, shall be signed by the
18 seller or the seller's agent and by the buyer, and shall be filed
19 with the application for new title or registration. Failure of
20 the seller to deliver this written statement to the buyer does
21 not invalidate the sale between the seller and the buyer.

22 (4) A retail vehicle sale is void unless both of the follow-
23 ing conditions are met:

24 (a) The sale is evidenced by a written memorandum that con-
25 tains the agreement of the parties and is signed by the buyer and
26 the seller or the seller's agent.

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

4 (5) ~~Each~~ A DEALER SHALL MAKE EACH dealer record and inven-
5 tory ~~, including the record and inventory of a vehicle scrap~~
6 ~~metal processor not required to obtain a dealer license, shall be~~
7 ~~open to~~ AVAILABLE FOR inspection OR INVESTIGATION by a ~~police~~
8 LAW ENFORCEMENT officer or an authorized officer or investigator
9 of the secretary of state during reasonable or established busi-
10 ness hours.

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

20 (7) A dealer licensed under this act shall maintain records
21 for a period of 5 years. ~~The records shall be made available~~
22 ~~for inspection by the secretary of state or other law enforcement~~
23 ~~officials.~~ The secretary of state shall inspect a dealer once
24 every 4 years and as determined necessary by the secretary of
25 state or a law enforcement officer. The secretary of state may
26 issue an order summarily suspending the license of a dealer
27 pursuant to section 92 of the administrative procedures act of

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

14 (8) A dealer licensed as a vehicle salvage pool operator or
15 broker shall maintain records in a form as prescribed by the sec-
16 retary of state. The records shall contain a description of each
17 vehicle or salvageable part stored by the dealer, the name and
18 address of the insurance company or person storing the vehicle or
19 salvageable part, the period of time the vehicle or salvageable
20 part was stored, and the person acquiring the vehicle or salvage-
21 able part. In the case of a late model vehicle, THE DEALER SHALL
22 MAINTAIN a record of the purchase or sale of a major component
23 part of the vehicle ~~shall be maintained identifying~~ THAT
24 IDENTIFIES the part purchased or sold, the name and address of
25 the seller or purchaser, the date of the purchase or sale, and
26 the identification number assigned to the part by the dealer.
27 The DEALER SHALL RETAIN THE record of the purchase or sale of a

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

11 (9) A dealer licensed as a used vehicle parts dealer or an
12 automotive recycler shall maintain records in a form prescribed
13 by the secretary of state. The records shall contain the date of
14 purchase or acquisition of the vehicle, a description of the
15 vehicle including the color, and the name and address of the
16 person from whom the vehicle was acquired. If the vehicle is
17 sold, the record shall contain the date of sale and the name and
18 address of the purchaser. The record shall indicate if the cer-
19 tificate of title or salvage or scrap certificate of title was
20 obtained by the dealer. In the case of a late model vehicle, a
21 record of the purchase or sale of a major component of the vehi-
22 cle shall be maintained identifying the part purchased or sold,
23 the name and address of the seller or purchaser, the date of the
24 purchase or sale, and the identification number assigned to the
25 part by the dealer, except that a bumper remanufacturer is not
26 required to maintain a record of the purchase of a bumper.
27 However, a bumper remanufacturer shall assign and attach an

1 identification number to a remanufactured bumper and maintain a
2 record of the sale of the bumper. The DEALER SHALL MAINTAIN THE
3 record of the purchase or sale of a part ~~shall be maintained~~ in
4 or attached to the dealer's police book or hard copy of computer-
5 ized data entries and reference codes. ~~and shall be accessible~~
6 THE DEALER SHALL MAKE THE RECORD AVAILABLE at the dealer's
7 location.

8 (10) A dealer licensed as a vehicle scrap metal processor
9 shall maintain THE records ~~as~~ IN THE MANNER prescribed by the
10 secretary of state. ~~As provided~~ FOR A VEHICLE DESCRIBED in
11 section ~~217c~~ 217C(15), the records shall contain ~~for a vehicle~~
12 ~~purchased from a dealer~~ a copy of the scrap vehicle inventory ~~,~~
13 ~~including the name and address of the dealer, a description of~~
14 ~~the vehicle acquired, and the date of acquisition~~ FORM DESCRIBED
15 IN SECTION 217C(15). ~~If~~ FOR a vehicle ~~is~~ purchased or
16 acquired from a person other than a dealer, OR FOR A VEHICLE
17 DESCRIBED IN SECTION 217C(16), the record shall contain the date
18 of acquisition, a description of the vehicle ~~,~~ including the
19 YEAR, MAKE, MODEL, VEHICLE IDENTIFICATION NUMBER, AND color, the
20 name and address of the person from whom the vehicle was
21 acquired, and whether a certificate of title or salvage or scrap
22 certificate of title was obtained by the dealer.

23 (11) A dealer licensed as a foreign salvage vehicle dealer
24 shall maintain records in a form prescribed by the secretary of
25 state. The records shall contain the date of purchase or acqui-
26 sition of each distressed vehicle, a description of the vehicle
27 including the color, and the name and address of the person from

1 whom the vehicle was acquired. If the vehicle is sold, the
2 record shall contain the date of sale and the name and address of
3 the purchaser. The record shall indicate if the certificate of
4 title or salvage or scrap certificate of title was obtained by
5 the dealer. In the case of a late model vehicle, a record of the
6 purchase or sale of each salvageable part purchased or acquired
7 in this state shall be maintained and the record shall contain
8 the date of purchase or acquisition of the part, a description of
9 the part, the identification number assigned to the part, and the
10 name and address of the person to or from whom the part was pur-
11 chased, acquired, or sold. The DEALER SHALL MAINTAIN THE record
12 of the sale, purchase, or acquisition of a part ~~shall be~~
13 ~~maintained~~ in the dealer's police book. The police book shall
14 only contain vehicles and salvageable parts purchased in this
15 state or used in the repair of a vehicle purchased in this
16 state. The DEALER SHALL MAKE THE police book and the records of
17 vehicle part sales, purchases, or acquisitions ~~shall be made~~
18 available at a location within the state for inspection by the
19 secretary of state within 48 hours after a request by the secre-
20 tary of state.

21 (12) The secretary of state shall make periodic unannounced
22 inspections of the records, facilities, and inventories of auto-
23 motive recyclers and used or secondhand vehicle parts dealers.

24 (13) The secretary of state may promulgate rules to imple-
25 ment this section pursuant to the administrative procedures act
26 of 1969, 1969 PA 306, MCL 24.201 to 24.328.