

Act No. 430
Public Acts of 2016
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**STATE OF MICHIGAN
98TH LEGISLATURE
REGULAR SESSION OF 2016**

Introduced by Rep. Pettalia

ENROLLED HOUSE BILL No. 5857

AN ACT to amend 1974 PA 300, entitled “An act to regulate the practice of servicing and repairing motor vehicles; to proscribe unfair and deceptive practices; to provide for training and certification of mechanics; to provide for the registration of motor vehicle repair facilities; to provide for enforcement; and to prescribe penalties,” by amending sections 2, 2a, 3, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 30, 32, 33, 34a, 36, and 39 (MCL 257.1302, 257.1302a, 257.1303, 257.1307, 257.1309, 257.1310, 257.1311, 257.1312, 257.1313, 257.1314, 257.1315, 257.1316, 257.1317, 257.1318, 257.1319, 257.1320, 257.1321, 257.1322, 257.1330, 257.1332, 257.1333, 257.1334a, 257.1336, and 257.1339), sections 2 and 10 as amended by 2016 PA 33, section 2a as added and sections 18, 22, and 30 as amended by 1988 PA 254, and section 17 as amended by 2002 PA 464, and by adding sections 7a, 7b, 7c, 7d, 7e, 7f, 10b, 13a, 13b, and 32a.

The People of the State of Michigan enact:

Sec. 2. As used in this act:

- (a) “Administrator” means the secretary of state or any individual designated by the secretary of state to act in his or her place.
- (b) “Advertise” means to advise, announce, apprise, command, give notice of, inform, make known, or publish any material that calls to the attention of the public the availability of parts and services.
- (c) “Approved educational institution” means a school, academy, or other similar establishment approved by the administrator under section 13a to provide training to mechanics or mechanical trainees under this act.
- (d) “Automobile or light truck” means a motor vehicle that has a gross vehicle weight of less than 10,000 pounds.
- (e) “BAIID mechanic” means a specialty mechanic who holds a certification from the department under section 10 to perform BAIID service.
- (f) “BAIID service” means the installation, removal, repair, or other servicing of breath alcohol ignition interlock devices.
- (g) “Breath alcohol ignition interlock device” or “BAIID” means that term as defined in section 20d of the Michigan vehicle code, 1949 PA 300, MCL 257.20d.
- (h) “Contract” means a written or oral agreement, or a similar understanding or arrangement, in which a person agrees that another person will perform work, labor, diagnosis, repair, reconditioning, replacement, adjustment, or alteration, directly or indirectly, on a motor vehicle.
- (i) “Customer” means the owner or operator of a motor vehicle.
- (j) “Department” means the department of state.
- (k) “Distressed vehicle” means that term as defined in section 12a of the Michigan vehicle code, 1949 PA 300, MCL 257.12a.

(l) “Estimate” means a written statement that itemizes as closely as possible the price for labor, by showing the labor price per hour; the number of hours required to perform the work, and the price of parts necessary for a specific repair.

(m) “Facility” or “motor vehicle repair facility” means a place of business that is required to register under this act and that, for compensation, is engaged in the business of performing, or employs individuals who perform, maintenance, diagnosis, vehicle body work, or repair service, or, beginning July 1, 2016, BAIID service, on a motor vehicle. The term does not include any of the following:

(i) A person that engages only in the business of repairing the motor vehicles of a single commercial or industrial establishment or governmental agency.

(ii) An individual who is repairing his or her own or a family member’s motor vehicle.

(iii) A business that does not diagnose the operation of a motor vehicle, does not remove parts from a motor vehicle to be remachined, and does not install finished machined or remachined parts on a motor vehicle. This subparagraph does not apply to a motor vehicle repair facility that engages in the business of performing, or employing individuals who perform, vehicle body work.

(iv) A BAIID facility described in section 625k(14)(d) of the Michigan vehicle code, 1949 PA 300, MCL 257.625k.

(n) “Heavy-duty truck” means a motor vehicle that has a gross vehicle weight of 10,000 pounds or more and includes both single-unit and combination tractor trailer or tractor semitrailer vehicles.

(o) “Late model vehicle” means that term as defined in section 24b of the Michigan vehicle code, 1949 PA 300, MCL 257.24b.

(p) “Lien” means a security interest in or other encumbrance on a motor vehicle. The term includes a security interest created by agreement, a judicial lien obtained by legal or equitable process or proceedings, a common-law lien, or a statutory lien on a vehicle.

Sec. 2a. As used in this act:

(a) “Major component part” means any of the following parts of a motor vehicle:

(i) The engine.

(ii) The transmission.

(iii) The right or left front fender.

(iv) The hood.

(v) A door that allows entrance to or egress from the passenger compartment of the vehicle.

(vi) The front or rear bumper bar.

(vii) The right or left rear quarter panel.

(viii) The deck lid, tailgate, or hatchback.

(ix) The trunk floor pan.

(x) The cargo box of a pickup.

(xi) The frame, or if the vehicle has a unitized body, the parts identified by the motor vehicle manufacturer as structural components.

(xii) The cab of a truck.

(xiii) The body of a passenger vehicle.

(xiv) Airbags and seatbelts.

(b) “Master mechanic” means any of the following:

(i) A motor vehicle mechanic or specialty mechanic who is certified by the department under this act in all of the specific repair or service categories applicable to automobiles or light trucks described in section 10(5).

(ii) A motor vehicle mechanic or specialty mechanic who is certified by the department under this act in all of the specific repair categories applicable to heavy-duty trucks described in section 10(6).

(iii) A master motorcycle mechanic who is certified by the department to engage in motorcycle repair and is described in section 10b(5).

(iv) A recreational trailer mechanic who is certified by the department to engage in the installation, service, and repair of recreational vehicle equipment and is described in section 10b(6).

(c) “Material fact” means a fact that is used by a person as a premise on which a conclusion is based.

(d) “Mechanic trainee” means an individual who desires to become a motor vehicle mechanic, a specialty mechanic, or a master mechanic and receives a permit from the administrator under this act.

(e) "Minor repair services" means lubrication; oil changes; installing, changing, or otherwise servicing the antifreeze or other coolant; body repairing, except for unitized body structural repair; or the replacement, adjustment, repair, or servicing of any of the following parts and assemblies:

- (i) Air cleaner element.
- (ii) Accessory drive belt.
- (iii) Air pump hose.
- (iv) Twelve-volt battery.
- (v) Ground cable for 12-volt battery.
- (vi) Hold-down strap for 12-volt battery.
- (vii) Positive cable for 12-volt battery.
- (viii) Battery-to-starter relay cable for 12-volt battery.
- (ix) Crankcase vent air cleaner.
- (x) Crankcase vent air cleaner hose.
- (xi) Engine oil filter.
- (xii) Exhaust pipe, muffler, catalytic converter, or tail pipe and associated attaching parts.
- (xiii) Fuel filter.
- (xiv) Fuel line flex hose or line.
- (xv) Fuel tank, except for a tank that contains a fuel pump.
- (xvi) Fuse.
- (xvii) Heater hose.
- (xviii) Horn.
- (xix) Idler pulley, adjust only.
- (xx) Ignition coil output wire.
- (xxi) Lightbulb or headlamp.
- (xxii) Motor or transmission mount
- (xxiii) Ornamental accessories.
- (xxiv) Positive crankcase ventilation control valve.
- (xxv) Radiator.
- (xxvi) Radiator hose, upper or lower.
- (xxvii) Radiator reserve tank.
- (xxviii) Rear spring, leaf or coil, except a MacPherson strut-type assembly.
- (xxix) Shock absorber that is not built in combination with other parts of the suspension.
- (xxx) Analog speedometer.
- (xxxi) Vapor canister hose.
- (xxxii) Wheel, except alignment.
- (xxxiii) Windshield washer hose.
- (xxxiv) Windshield washer tank.
- (xxxv) Wiper blade.

(f) "Motor vehicle" means a vehicle that is self-propelled, a vehicle that is propelled by electric power, a motorcycle, or a trailer as those terms are defined in the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923. The term does not include the dwelling or sleeping portions of a motor home, trailer, or any recreational vehicle that has similar facilities that are not directly connected with the drive mechanism of the vehicle or other areas of repair that would require certification of motor vehicle mechanics under this act or rules promulgated under this act.

(g) "Motor vehicle mechanic" means a technician or other individual who, for compensation, repairs motor vehicles, including the reconditioning, replacement, adjustment, or alteration of the operating condition, of any component or subassembly of a motor vehicle.

(h) "Person" means an individual, corporation, limited liability company, partnership, association, or any other legal entity. The term includes a motor vehicle repair facility.

(i) "Recreational trailer" means a travel trailer, camper trailer, or other special purpose or utility trailer or semitrailer designed or intended to be drawn on the highway by an automobile or light truck that has a gross towing vehicle weight of less than 10,000 pounds.

(j) "Repair" means the reconditioning, adjustment, alteration, maintenance, or diagnosis of the operating condition of a motor vehicle, with or without the replacement of any component or subassembly of a motor vehicle, for compensation or under the terms of a warranty.

(k) "Repair category" means a category of motor vehicle repair work, listed in section 10b, that certification under this act is required to perform.

(l) "Representation" means a statement made by a facility to a customer in regard to some past, present, or future fact, circumstance, or set of facts pertinent to a contract.

(m) "Salvageable part" means a major component part of a late model vehicle or a vehicle manufactured in the current model year, if the part can be reused.

(n) "Specialty mechanic" means a motor vehicle mechanic who is certified by the department for a specific repair or service category or categories described in section 10(1).

(o) "Vehicle body work" means the business or activity of repairing physical damage to a motor vehicle by repairing, mending, straightening, or replacing a major component part, except for the engine or transmission.

(p) "Warranty" means a guarantee given by a motor vehicle repair facility, in writing or by implication, of the merchantability, of the integrity of the subject of a contract, or of the responsibility of the person that makes the warranty for the replacement or repair of defective parts or services, or both, assuring performance, product, or conditions as promised or declared by the person that makes the warranty.

Sec. 3. Unless the means of doing or engaging in a motor vehicle repair business including the operating of a motor vehicle repair facility is adopted for the purposes of evading this act, and except as otherwise provided in this act, this act does not apply to gasoline service stations exclusively engaged in the business of selling motor fuel and lubricants. However, a person, including a gasoline service station, that provides minor repair services or activities incidental to the business of selling motor fuel and lubricants is a motor vehicle repair facility and is subject to this act, except that an employee of the person may perform minor repair services without a certification or permit from the department under this act.

Sec. 7. A motor vehicle repair facility that is subject to this act, or a person that is an owner or operator of a motor vehicle repair facility that is subject to this act, shall not, directly or through an agent or employee, do any of the following:

(a) Enter into a contract with a customer that uses a waiver to circumvent or evade this act.

(b) Enter into a contract that takes advantage of a customer's inability to reasonably protect his or her interests because of his or her illiteracy or inability to understand the language of an agreement, if the facility knows or reasonably should know of the customer's illiteracy or inability to understand.

(c) Enter into a contract with a customer that has gross discrepancies between the oral representations of the facility and the written agreement covering the same transaction.

(d) Make, either written or orally, an untrue or misleading statement of a material fact to a customer.

(e) Fail to reveal a material fact to a customer that the customer could not reasonably know if that omission tends to mislead or deceive the customer.

(f) Enter into a contract with a customer that attempts to abrogate, disclaim, or disallow the legal rights, obligations, or remedies of the customer.

(g) Allow a customer to sign an acknowledgment, certificate, or other writing that affirms acceptance, delivery, compliance with a requirement of law, or other performance, if the facility knows or has reason to know that the statement is not true.

(h) Set up contractual provisions with a customer, including the statement of repairs and waivers, that are not specific in language, clearly described, or reasonably legible.

(i) Attempt to avoid or evade the law through a contract with a customer or any provision of a contract with a customer.

(j) If a contract with a customer is rescinded, canceled, or otherwise terminated under the terms of the contract or under this act, fail to promptly return any deposit, down payment, or other payment to the person that is entitled to receive it.

(k) Allow a customer to sign a document in blank relating to the repair of a motor vehicle.

(l) Fail to give a customer a copy of a document evidencing the engagement of a facility at the time the document is executed by the customer.

(m) When returning a repaired vehicle to a customer, fail to give a written statement of repairs to the customer that discloses all of the following:

(i) The repairs needed, as determined by the facility.

- (ii) The repairs requested by the customer.
- (iii) The repairs authorized by the customer.
- (iv) The facility's estimate of repair costs.
- (v) The actual costs of repairs.

(vi) The repairs or services performed, including a detailed identification of all parts that were replaced and a specification of which parts are new OEM, new, used, rebuilt, OEM surplus, or reconditioned.

(vii) A certification that authorized repairs were completed properly or a detailed explanation of an inability to complete repairs properly. The owner of the facility, or an individual designated by the owner to represent the facility, shall sign the certification statement. The statement shall include the name of the mechanic who performed the diagnosis and the repair.

Sec. 7a. A motor vehicle repair facility that is subject to this act, or a person that is an owner or operator of a motor vehicle repair facility that is subject to this act, shall not, directly or through an agent or employee, do any of the following:

- (a) Charge for repairs that are in fact not performed.
- (b) Perform repairs that are in fact not necessary, unless the customer insists that the facility perform the repair and disregards the facility's advice that the repair is unnecessary.
- (c) Represent, directly or indirectly, that repairs are necessary when in fact they are not.
- (d) Perform and charge for repairs that are not specifically authorized.
- (e) Fail to perform promised repairs within the period of time agreed, or within a reasonable time, unless circumstances beyond the control of the facility prevent the timely performance of the repairs and the facility did not have reason to know of those circumstances at the time the contract was made.
- (f) Represent, either directly or indirectly, that a replacement part used in the repair of a vehicle is new or of a particular manufacture when in fact it is used, rebuilt, reconditioned, deteriorated, or of a different manufacture, or otherwise fail to disclose in writing, before beginning a repair, the use of used, rebuilt, or reconditioned parts.
- (g) Subsequent to a diagnosis requested by a customer for which a charge is made, fail to disclose a diagnosed or suspected malfunction, the recommended remedy for the malfunction, and any test, analysis, or other procedure employed to determine the malfunction.

Sec. 7b. A motor vehicle repair facility that is subject to this act, or a person that is an owner or operator of a motor vehicle repair facility that is subject to this act, shall not, directly or through an agent or employee, do any of the following:

- (a) Disclaim or limit the implied warranty of merchantability or fitness for use, unless excluded or modified under section 2316 of the uniform commercial code, 1962 PA 174, MCL 440.2316.
- (b) Fail to extend the period of a facility's own warranty for repairs and services, if the customer was deprived of the use or enjoyment of the subject of the warranty because of a failure on the part of the facility to comply completely with the terms of the warranty, for a period of time that is equal to or greater than the period of the deprivation.
- (c) Fail to honor a warranty on a new part by replacing it with a used part or replacing it with a rebuilt or remanufactured part that does not meet original equipment quality, standards, or specifications, or that does not comply with the warranty repair requirements of the warrantor.
- (d) Fail to honor an express warranty.
- (e) Fail to disclose in written language, that is clear as to the nature or scope of the warranty, all material aspects and the intent of a warranty, including, but not limited to, what is warranted, the person that will honor the warranty, the duration of the warranty, the obligations, if any, of the person to which the warranty is extended, and any exceptions and exclusions from the terms of the written warranty agreement.

Sec. 7c. A motor vehicle repair facility that is subject to this act, or a person that is an owner or operator of a motor vehicle repair facility that is subject to this act, shall not, directly or through an agent or employee, advertise or represent, either directly or indirectly, any of the following:

- (a) Reduced prices for products or services and not sell them at the advertised price during the period of the offering.
- (b) Products or services at a particular price during a particular period and fail to extend the offer beyond that period to any person that seeks but does not obtain the products or services during the advertised period because the facility has failed to prepare for the reasonably expected public demand.
- (c) That a customer will receive products or services "free" or "without charge", or using words of similar import, if there are undisclosed conditions, terms, or limitations attached to the offer of those products or services.

- (d) Products or services while failing to reveal a material fact that a customer could not reasonably know, if the omission of that fact tends to mislead or deceive the customer.
- (e) That a customer will receive a rebate, discount, or other benefit as an inducement for entering into a contract, if the benefit is contingent on the occurrence of an event after the transaction is completed.
- (f) That a facility has the ability to perform repair services using personnel who are qualified in specific repair specialties, including those specialties enumerated in sections 10 and 10b of this act, if in fact the facility does not employ mechanics who are legally certified in those specialties.
- (g) Products or services, if there is a material contingency, condition, or limitation on the offer of those products or services, unless the contingency, condition, or limitation is stated contemporaneously with the offer in a manner clearly and easily understood by the customer.
- (h) Products or services in a language other than English, unless the advertisement or representation includes any required disclosures or limitations on the offer in the language principally used in the advertisement or representation.
- (i) That mechanics employed by a facility are “certified”, “licensed”, or otherwise qualified if that representation tends to give the impression that all mechanics employed by the facility are certified or licensed if in fact they are not.
- (j) That a customer’s failure to act quickly or within a certain period of time to procure products or services will result in the loss of opportunity to procure them at a particular price, if in fact it is untrue.
- (k) Credit availability, in a manner that creates a likelihood of confusion or misunderstanding of the terms or conditions of credit, or that credit availability or the terms of credit are “easy”, or using words of similar import to describe credit availability or terms, if in fact that is untrue.
- (l) That products or services are sold under the terms of “satisfaction guaranteed or money back”, or using words of similar import, if in fact the customer’s declaration of dissatisfaction is not a sufficient basis for obtaining a refund of the purchase price for those products or services.
- (m) The necessity, desirability, or advantage to a prospective customer of dealing with a facility by misrepresenting the facility’s alleged advantages of size.
- (n) That a document that a customer signs is something other than what it is.
- (o) An aspect of a repair transaction in a manner that causes a likelihood of confusion, or of misunderstanding, with respect to the authority of a mechanic, salesperson, representative, or agent to negotiate the final terms of the transaction.
- (p) An aspect of a repair transaction in a manner that causes a likelihood of confusion, or of misunderstanding, of the legal rights, obligations, or remedies of a party to the transaction.
- (q) That service on an offered product is available under a warranty if in fact it is not available or there are undisclosed limitations or conditions on the availability of that service.
- (r) A free or low-cost inspection or diagnosis that requires the removal or dismantling, or both, of a part or assembly and failing to disclose before the transaction a charge for replacement or reassembly if the customer declines to authorize a recommended repair.
- (s) A product or service at a reduced rate and, if the facility fails to provide it at the offered price during the period of the offering to a customer seeking it, failing to offer and provide the customer the opportunity to obtain the product or service at the same reduced rate within a reasonable period of time after the expiration of the original offer.
- (t) Products or services, or the availability of products or services, in a manner that involves the solicitation of waivers by the facility.
- (u) Products or services that fail to meet the reasonably expected public demand for the duration of the advertised offering, unless the advertisement has clearly expressed a specific limitation on the quantity of the advertised products or services.
- (v) The words “certification”, “licensing”, or “registration”, or the use of words of similar import, of a motor vehicle repair facility or mechanic, by an organization, association, governmental entity, or other program or authority other than the administrator, without clearly and conspicuously disclosing the source of the certification, licensing, or registration, and without adding the disclaimer “not the Michigan department of state”.
- (w) The desirability or advantages of certification or licensing by a federal, state, or local governmental agency, or that a motor vehicle repair facility or mechanic is approved or sanctioned by the administrator.

Sec. 7d. A motor vehicle repair facility that is subject to this act, or a person that is an owner or operator of a motor vehicle repair facility that is subject to this act, shall not, directly or through an agent or employee, do any of the following:

- (a) Assert, claim, or impose a mechanic’s or similar type lien if the facility has violated this act or rules promulgated under this act with respect to the transaction on which the lien is based.

(b) Seek the repossession of a motor vehicle if the facility has violated this act or rules promulgated under this act with respect to the transaction on which the repossession is based.

(c) Seek to assert or enforce a lien by refusing to return a vehicle if the facility has violated this act or rules promulgated under this act with respect to the transaction on which the refusal is based.

(d) Fail to return a customer's vehicle if there is a dispute and the customer has paid the amount of the written estimate and any amount in excess of that amount that was agreed to either orally or in writing by the customer.

Sec. 7e. A motor vehicle repair facility that is subject to this act, or a person that is an owner or operator of a motor vehicle repair facility that is subject to this act, shall not, directly or through an agent or employee, do any of the following:

(a) Unless legally waived by the customer, fail to give the customer a written estimate before beginning work on a motor vehicle.

(b) Charge for work done or parts supplied in excess of the estimated price without the knowing consent, orally or in writing, of the customer.

(c) Fail to give a customer an estimate for the cost, if any, of reassembly, disassembly, or diagnosis.

(d) Fail to inform a customer, at a time before the customer executes a document or engages the facility for the work, by the use of a notice required under section 33, of his or her right to receive or inspect replaced parts for which he or she will be charged in the repair of his or her motor vehicle.

(e) Fail to retain a customer waiver with the records retained by the facility concerning the transaction.

(f) Charge a customer storage charges if there is a dispute concerning repair charges. If a delay in repairs is caused by a lack of parts, a facility may charge for storage after informing the customer of the approximate length of the anticipated delay and of the daily storage charge rate and obtaining the customer's consent to the delay and the storage charges.

(g) Fail to comply with the truth in lending act, 15 USC 1601 to 1667f, and the retail installment sales act, 1966 PA 224, MCL 445.851 to 445.873, if the customer finances repairs through the facility.

(h) Fail in practice to comply with advertised or stated payment policies.

(i) Conspire with another to fix prices.

(j) Conspire with another to allocate the market between them.

(k) Fail to notify a customer of an exchange agreement and charges for exchange parts if the customer wishes to have those parts returned.

(l) Fail to disclose, on the customer's request, the method used by a facility to compute labor charges.

Sec. 7f. A motor vehicle repair facility that is subject to this act, or a person that is an owner or operator of a motor vehicle repair facility that is subject to this act, shall not, directly or through an agent or employee, do any of the following:

(a) Improperly utilize waivers in a manner that suggests or implies, directly or indirectly, orally or by action, that signing a waiver will improve or expedite service or repairs or will reduce the price.

(b) Exaggerate the seriousness of a malfunction to induce a customer to agree to a repair.

(c) Suggest or imply, directly or indirectly, orally or by action, that service will be improved or expedited or that the price will be reduced if the customer agrees that the facility is not required to return for inspection any parts that the facility replaced.

(d) Misrepresent that because of some defect in the customer's motor vehicle, the health, safety, and lives of the customer or his or her family are in danger if parts or repair services are not purchased, if in fact the defect does not exist or the installation of the parts or the performance of the services would not remove the danger.

Sec. 9. The administrator shall do all of the following:

(a) Certify master and specialty mechanics and issue permits to mechanic trainees who are subject to this act.

(b) Register motor vehicle repair facilities that are subject to this act.

(c) Keep a complete register of motor vehicle repair facilities, and make that register available for public inspection at the office of the secretary of state.

(d) Keep an accurate listing by name and by certificate number of each specialty and master mechanic who is certified by the administrator at the office of the secretary of state.

(e) Engage in a public information program to inform the public of their rights and remedies under this act.

(f) Inform registered motor vehicle repair facilities at least annually of the rules promulgated under this act, of representative disciplinary hearings, orders, or judgments issued or obtained by the administrator, and suspensions or

revocations of registrations or licenses. A motor vehicle repair facility shall inform the mechanics in its employ of these actions.

(g) Establish procedures for receiving complaints relating to alleged violations of this act or rules promulgated under this act.

(h) Establish and collect fees for certification examinations administered by the administrator.

(i) Promulgate any rules that are necessary to implement this act under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(j) Issue declaratory rulings to implement this act. All of the following apply to a declaratory ruling under this subdivision:

(i) The administrator may issue a declaratory ruling concerning the applicability of this act or rules promulgated under this act to an actual statement of facts if the administrator receives a request for a declaratory ruling from an interested person and the interested person submits a clear and concise statement of facts to the administrator. The interested person may submit to the administrator a brief or other reference to legal authorities on which the interested person relies concerning the applicability of this act or rules promulgated under this act to the statement of facts.

(ii) If he or she decides to issue a declaratory ruling, the administrator shall provide the interested person that requested the ruling a statement that he or she will issue a declaratory ruling and the date by which the administrator will issue the ruling.

(iii) A declaratory ruling shall include the actual statement of facts provided by the interested person that requested the ruling, the legal authority on which the administrator relies for his or her ruling, if any, and the ruling of the administrator.

(iv) After it is issued, a declaratory ruling is binding on the administrator and he or she may not retroactively change the ruling. However, this subdivision does not prohibit the administrator from prospectively changing a declaratory ruling.

Sec. 10. (1) Subject to subsection (3) and section 10b(3) and (4), an individual may become certified as a specialty mechanic in 1 or more repair categories described in section 10b(1) or (2) if that individual takes 1 or more examinations, developed or approved by the administrator, and receives scores, as determined by the administrator, that indicate competency to perform motor vehicle repairs in the repair category or categories.

(2) An individual may apply for a specialty mechanic's certificate in any or all repair categories but he or she is only required to pay 1 certification fee if the individual applies for more than 1 category at 1 time.

(3) On application, the department shall issue an initial specialty mechanic's certificate in BAIID service, without examination, to an individual who holds a valid specialty mechanic's certificate in electrical systems repair on June 5, 2016.

(4) By October 4, 2016, the administrator shall develop or adopt an examination for specialty mechanic certification in the repair or service category described in section 10b(1)(l) for an individual who is engaged, for compensation, in BAIID service.

(5) An individual may apply for and receive a certificate as a master mechanic for automobiles or light trucks if he or she is qualified as a specialty mechanic in all of the repair categories described in section 10b(1), except that qualification in a specialty category described in section 10b(1)(i), (j), (k), or (l) is not necessary for a master mechanic's certificate.

(6) An individual may apply for and receive a certificate as a master mechanic for heavy-duty trucks if that individual is qualified as a specialty mechanic in all repair categories described in section 10b(2), except that certification in the repair category described in section 10b(2)(g) is not necessary for a master mechanic's certificate described in this subsection.

Sec. 10b. (1) The administrator may issue a certification to perform repair work as a specialty or master mechanic for automobiles and light trucks in 1 or more of the following repair categories:

(a) Engine repair.

(b) Automatic transmission.

(c) Manual transmission, front and rear drive axle.

(d) Front end, suspension, and steering systems.

(e) Brakes and braking systems.

(f) Electrical systems.

(g) Heating and air-conditioning.

(h) Engine tune-up and performance.

(i) Collision-related mechanical repair.

(j) Unitized body structural repair.

(k) Pre-1973 automobile or light truck repair. As used in this subdivision, "pre-1973 automobile or light truck repair" means the repair of an automobile or light truck manufactured before 1973 or the reconditioning, replacement, adjustment, or alteration of the operating condition of any component or subassembly of an automobile or light truck manufactured before 1973.

(l) BAIID service.

(2) The administrator may issue a certification to perform repair work as a specialty or master mechanic for heavy-duty trucks in 1 or more of the following repair categories:

(a) Engine repair, gasoline.

(b) Engine repair, diesel.

(c) Drivetrains.

(d) Brakes and braking systems.

(e) Suspension and steering systems.

(f) Electrical systems.

(g) Collision-related mechanical repair.

(3) An individual who is applying for certification as a specialty automobile or light truck mechanic is eligible for that certification if he or she passes an examination in the repair category that relates to that specialty. An individual who is applying for certification as a master automobile or light truck mechanic is eligible for that certification if he or she passes the examinations in all repair categories listed in subsection (1)(a) to (h).

(4) An individual who is applying for certification as a specialty heavy-duty truck mechanic is eligible for that certification if he or she passes an examination in the repair category that relates to that specialty. An individual who is applying for certification as a master heavy-duty truck mechanic is eligible for that certification if he or she passes the examinations in all repair categories listed in subsection (2)(a) to (f).

(5) An individual who is applying for certification as a master motorcycle mechanic is eligible for that certification if he or she passes an examination pertaining to all mechanical aspects of motorcycle repair.

(6) An individual who is applying for certification as a recreational trailer mechanic is eligible for that certification if he or she passes an examination pertaining to all mechanical aspects of the installation, service, and repair of recreational trailer equipment. As used in this subsection, "recreational trailer equipment" includes recreational trailer brakes, suspension, wheels, or axles; adaptations and alterations made to towing vehicles; and other items of equipment on a recreational trailer required under sections 683 to 711 of the Michigan vehicle code, 1949 PA 300, MCL 257.683 to 257.711.

Sec. 11. (1) An individual shall not engage or offer to engage in employment as a specialty or master mechanic if he or she has not applied for and received a certificate for that employment from the department. An applicant for a specialty or master mechanic's certificate shall submit to the administrator, on a form provided by the department, all of the following information and the results of the required examinations:

(a) The name and home address of the applicant.

(b) The repair category or categories for which the applicant is applying.

(c) The number of years the applicant has worked as a motor vehicle mechanic for compensation and the education or training he has had to prepare him for work as a motor vehicle mechanic, specialty mechanic, or master mechanic.

(d) The states or jurisdictions in which the applicant is licensed or certified to work as a motor vehicle mechanic, specialty mechanic, or master mechanic.

(e) A copy of an irrevocable appointment of the secretary of state as the applicant's agent for service of process.

(f) Other relevant information required by the administrator.

(2) The term of a master mechanic's certificate is 1 year. An individual may renew a master mechanic's certificate by providing all of the information described in subsection (1)(a) to (f), on a form provided by the administrator, and paying the renewal fee described in section 30.

(3) The term of a specialty certificate is 1 year. The administrator may only renew a specialty certificate if the individual who is applying for renewal provides all of the information described in subsection (1)(a) to (f), on a form provided by the administrator, pays the renewal fee described in section 30, and, if applicable, meets 1 of the following:

(a) If he or she is seeking to renew a certification as a mechanic in the area of automobile and light truck engine tune-up and performance, in the 1998 calendar year or in any fifth calendar year after 1998, does 1 of the following:

(i) Takes and passes a test given or approved by the administrator.

(ii) Presents proof that he or she has successfully completed an acceptable course of training in automobile and light truck engine tune-up and performance provided by an approved educational institution, motor vehicle manufacturer, or distributor.

(iii) Presents a valid, current certification in automobile and light truck engine tune-up and performance, or a comparable category, from the National Institute for Automotive Service Excellence or another mechanic certification organization approved by the administrator.

(b) If he or she is seeking to renew a certification as a mechanic in the area of automobile and light truck electrical systems, in the 1999 calendar year or in any fifth calendar year after 1999, does 1 of the following:

(i) Takes and passes a test given or approved by the administrator.

(ii) Presents proof that he or she has successfully completed an acceptable course of training in automobile and light truck engine electrical systems provided by an approved educational institution, motor vehicle manufacturer, or distributor.

(iii) Presents a valid, current certification in automobile and light truck engine electrical systems, or a comparable category, from the National Institute for Automotive Service Excellence or another mechanic certification organization approved by the administrator.

(c) If he or she is seeking to renew a certification as a mechanic in the area of automobile and light truck brakes and braking systems, in the 2000 calendar year or in any fifth calendar year after 2000, does 1 of the following:

(i) Takes and passes a test given or approved by the administrator.

(ii) Presents proof that he or she has successfully completed an acceptable course of training in automobile and light truck engine brakes and braking systems provided by an approved educational institution, motor vehicle manufacturer, or distributor.

(iii) Presents a valid, current certification in automobile and light truck brakes and braking systems, or a comparable category, from the National Institute for Automotive Service Excellence or another mechanic certification organization approved by the administrator.

Sec. 12. All of the following apply to a certification examination under this act:

(a) An examination shall be written, except that the administrator may allow an individual to take an oral or practical examination if the administrator determines that the individual meets 1 of the following:

(i) He or she has special language problems that preclude the possibility of passing a standard English language examination.

(ii) He or she was unsuccessful on the written examination.

(b) The administrator shall review examinations that are being given by private or public agencies, including the department of education. If the administrator approves an agency for the purposes of administering examinations, an applicant may take an examination administered by that agency, and the testing agency shall forward the results to the administrator for review and verification, or the prospective applicant may take the examination developed and given by the administrator, if any.

(c) An examination shall be given at places and times determined by the administrator.

(d) The results of an examination are not final until approved by the administrator. The administrator shall forward the results of an examination to the applicant or to the applicant's authorized representative.

Sec. 13. (1) If an individual is unable to obtain a certificate as a specialty or master mechanic under this act, and that individual desires to become a specialty or master mechanic, he or she may apply for a mechanic trainee permit on a form prescribed or approved by the administrator.

(2) If an individual is unable to renew a specialty certification as a mechanic in the area of automobile and light truck engine tune-up and performance, automobile and light truck electrical systems, or automobile and light truck brakes and braking systems because he or she does not meet the requirements of section 11(3)(a), (b), or (c), he or she may apply for a mechanic trainee permit, on a form prescribed or approved by the administrator, if he or she meets all legal requirements for the permit and was not issued a mechanic trainee permit by the administrator in the 3-year period before the administrator receives his or her application for the mechanic trainee permit under this subsection.

(3) All of the following apply to a mechanic trainee described in this section:

(a) An individual who qualifies as a mechanic trainee may retain that status for a period of not more than 2 years.

(b) A mechanic trainee who is employed by a motor vehicle repair facility is required to work under the direct supervision of a specialty or master mechanic during the full time of his or her employment.

(c) The administrator shall select 1 or more approved educational institutions to engage in mechanic trainee training.

Sec. 13a. (1) The administrator shall evaluate and may approve a school, academy, or other similar establishment that intends to provide training to mechanics or mechanic trainees under this act.

(2) All of the following apply to the approval of a school, academy, or similar establishment by the administrator under subsection (1):

(a) An establishment seeking approval shall submit an application for approval to the administrator. The administrator shall determine the form and content of the application. The application shall include supporting materials required by the administrator.

(b) The administrator shall review an application and supporting materials submitted under subdivision (a) and shall approve, deny approval of, or withdraw approval from the training program offered to mechanics and mechanic trainees by the establishment.

(c) In evaluating an establishment for approval, the administrator shall consider all of the following factors:

(i) Accreditation or lack of accreditation by a recognized accreditation agency.

(ii) Quantity and quality of classroom training provided.

(iii) Course objectives.

(iv) Number, quality, and age of tools, equipment, and materials made available to students.

(v) Percentage of class time spent in hands-on training.

(vi) Qualifications of instructors and other staff.

(vii) Quality, quantity, and accessibility of records maintained by the establishment.

(viii) Class size and location.

(ix) Quality of testing administered.

(x) Other related factors the administrator considers relevant.

(3) The administrator may contract with approved educational institutions to provide training or testing required under this act.

Sec. 13b. (1) A certified specialty or master mechanic shall display, in a conspicuous location in the place of business where he or she is employed or engaged to perform repairs, a current and valid certificate issued by the administrator.

(2) If a certified mechanic works on, inspects and approves, or supervises a repair, he or she shall affix his or her name and certification number, as assigned by the administrator, to the written statement of repairs given the customer under section 34.

(3) A certified specialty or master mechanic or mechanic trainee shall not depart from, or disregard in any material respect, accepted motor vehicle repair industry standards. Compliance with published vehicle manufacturer, parts manufacturer, equipment manufacturer, or recognized aftermarket repair manual specifications creates a presumption that the mechanic or mechanic trainee has followed accepted motor vehicle repair industry standards.

(4) If the administrator, after notice and a hearing, determines that a specialty or master mechanic or mechanic trainee has violated subsection (3), the administrator may, under section 21, require that the specialty or master mechanic or mechanic trainee do both of the following:

(a) Successfully complete a designated training course or program as a prerequisite to continued certification.

(b) Only perform specific motor vehicle repairs or repair procedures identified by the administrator until the training course or program described in subdivision (a) is completed.

Sec. 14. The owner of a motor vehicle repair facility shall register the facility by providing all of the following information to the administrator, on a registration form provided by the administrator, accompanied by a registration fee in an amount determined under section 30:

(a) The name, address, and form of ownership of the facility, and if the owner is a corporation, the date and place of incorporation.

(b) The name and address of each of the owner's resident agents, officers, directors, and partners in this state, as applicable.

(c) The principal occupation or business for the past 5 years of all of the following, as applicable:

(i) Each person that owns 10% or more of the facility.

(ii) For each owner described in subparagraph (i), every officer and director if the owner is a corporation; every partner if the owner is a partnership; and any other person that occupies a similar status or performs similar functions.

(d) A description of the facility that includes all of the following:

(i) The type of service business the facility operates.

(ii) The type of repairs the facility performs.

- (iii) The type of vehicles the facility services.
- (iv) The number of mechanics the facility employs who perform repairs.
- (v) The range of gross revenue received by the facility from performing repairs, including revenue from parts and goods sold in conjunction with repairs, for the most recent federal income tax year.
- (vi) Measured in square feet, the size of that part of the facility utilized for performing repairs.
- (e) An irrevocable appointment of the secretary of state as the agent for the facility for service of process.
- (f) A copy of each instrument, form, contract, or other document used by the applicant in dealing with the public in the repair of motor vehicles, including, but not limited to, all of the following:
 - (i) Any document on which the facility routinely requires the customer's signature.
 - (ii) Any document used by the facility in connection with providing estimates, diagnoses, or repairs.
 - (iii) Any invoices, warranties, or waivers.
 - (iv) Any other document used by the facility to comply with this act or rules promulgated under this act.
 - (g) Any other relevant information required by the administrator.

Sec. 15. (1) A motor vehicle repair facility registration under this act takes effect on the date it is approved by the administrator and expires 1 year after that date. The owner of a motor vehicle repair facility shall renew its registration annually and shall submit an application for renewal of the registration, accompanied by a registration fee in an amount determined under section 30, with the administrator at least 30 days before the expiration of its then-current registration.

(2) A motor vehicle repair facility may continue to operate after the expiration date of its then-current registration, pending approval of the renewal application by the administrator, if the renewal application and renewal fee are received by the administrator on or before the expiration date. If a renewal application and renewal fee are filed after the expiration date, the facility may operate from the day on which the application and appropriate fee are received by the administrator, pending approval of the renewal application. The administrator shall charge a fee of 1-1/2 times the normal registration fee if the renewal application is received by the administrator after the expiration date.

(3) A person that owns more than 1 motor vehicle repair facility shall file a single registration form for all of those facilities annually, that along with the other information required under this act, clearly indicates the location of and the individual in charge of each facility, and shall pay a separate registration fee for each of those facilities.

Sec. 16. (1) If there is a change in ownership of a motor vehicle repair facility, a new registration and payment of a new registration fee is required and the facility shall not operate until its registration application is approved by the administrator and the fee is paid. If a name or address of the motor vehicle repair facility changes, and there is not a change of ownership, the facility shall notify the administrator in writing of the change and shall make the appropriate changes on the next renewal registration when due.

(2) If the owner of a motor vehicle repair facility is a corporation, and 10% or more of the stock of the corporation is sold or transferred, the owner shall notify the administrator of that change within 30 days of the sale or transfer.

(3) As used in this section, "change of ownership" means a sale of all or part of a facility to a new owner. The term includes a sale or transfer of a partnership interest in the owner of a facility if the owner is a partnership. The term does not include the sale or transfer of stock in the owner of a facility if the owner is a corporation.

Sec. 17. (1) The owner of a facility that is registered or is required to register under this act shall ensure that the facility is open to inspection by the administrator and other law enforcement officials during reasonable business hours. During reasonable business hours, the administrator and other law enforcement officials may make periodic unannounced inspections of the premises, parts records, and parts inventories of a facility.

(2) A person shall not hinder, obstruct, or otherwise prevent an inspection under this section or section 18 or 18a.

(3) As used in this section, "reasonable business hours" includes any posted or advertised business hours of a facility.

Sec. 18. (1) The owner of a motor vehicle repair facility shall maintain reasonable business records for the facility and ensure that those records are open for reasonable inspection by the administrator or other law enforcement officials. As used in this subsection, "reasonable business records" includes those documents and records described in subsection (2)(a) to (c).

(2) The owner of a motor vehicle repair facility shall retain the records of the facility for the following time periods:

(a) The owner shall retain copies of each instrument, form, contract, or other document used in connection with a repair transaction, including, but not limited to, all of the following for at least 3 years after completion of the repair transaction:

(i) Any document on which the facility required the customer's signature.

(ii) Any document used by the facility in connection with providing an estimate, diagnosis, or repair.

(iii) Any invoice, warranty, or waiver.

(iv) Any other document used by the facility to record or convey the terms of the transaction.

(v) Any other document required under this act or rules promulgated under this act in connection with a repair transaction.

(b) If a facility is advised by the administrator that he or she has received a complaint about a repair transaction performed by the facility, and the facility is under investigation by the administrator, the owner shall retain records relating to the transaction or otherwise relevant to the complaint until the date the administrator advises the facility in writing that the complaint is closed, or for 3 years after the completion of the repair transaction, whichever is later.

(c) If a repair transaction involves the assumption by the facility of an obligation extending beyond 3 years, the owner shall retain records or documents relating to that obligation for at least the term of the obligation.

(d) For any other document or record than those described in subdivision (a), (b), or (c), the owner shall retain that document or record for at least 3 years.

(3) A facility that engages in vehicle body work shall maintain records in a form prescribed by the administrator. The records shall contain the date of purchase or acquisition of each distressed vehicle, a description of the vehicle, and the name and address of the person from which the vehicle was acquired. If the vehicle is sold, the record shall contain the date of sale and the name and address of the purchaser. The record shall indicate whether a certificate of title or salvage certificate of title was obtained by the facility for the vehicle. If the vehicle is a late model vehicle, the facility shall maintain a record of the purchase or sale of each major component part purchased or acquired by the facility for the vehicle. The record shall contain the date of purchase or acquisition of the part, a description of the part, the identification number assigned to the part, and the name and address of the person to or from which the part was purchased, acquired, or sold.

(4) A facility shall maintain or attach the record of a sale, purchase, or acquisition of a major component part to a police book described in section 251 of the Michigan vehicle code, 1949 PA 300, MCL 257.251. A facility shall make its police book and its records of vehicle part sales, purchases, or acquisitions immediately available for inspection by the administrator and other law enforcement officials if a request for inspection is made.

(5) This section does not authorize a facility to engage in the business of dealing in vehicles or salvageable parts without a dealer's license under the Michigan vehicle code, 1949 PA 300, MCL 257.1 to 257.923.

Sec. 19. In the event of loss, destruction, or mutilation of a registration, certificate, or trainee permit, the person to which it was issued may obtain a replacement by furnishing satisfactory proof of the loss, destruction, or mutilation and paying the fee required under section 30. An application for a replacement registration, certificate, or trainee permit shall include all of the following information:

(a) The name and address of the applicant.

(b) An explanation of the loss, destruction, or mutilation of the original registration, certificate, or permit.

Sec. 20. (1) A certification as a specialty or master mechanic under this act takes effect on the date it is approved by the administrator and expires 1 year after that date. A specialty or master mechanic may annually renew his or her certification by submitting an application for renewal, accompanied by the certification fee described in section 30, with the administrator on or before the expiration date of his or her then-current certification.

(2) A mechanic may continue to function as a certified mechanic after the expiration date of his or her then-current certification, pending approval of the renewal application by the administrator, if the renewal application and renewal fee are received by the administrator on or before the expiration date. If a renewal application and renewal fee are filed after the expiration date, the mechanic may temporarily engage in repairs without a certificate from the day on which the application and appropriate fee are received by the administrator, pending approval of the renewal application. The administrator shall charge a fee of 1-1/2 times the normal renewal fee if the renewal application is received by the administrator after the expiration date.

Sec. 21. (1) If the administrator determines after notice and a hearing that a person has violated this act or a rule promulgated under this act, directly or through an agent or employee, he or she may issue an order requiring the person to cease and desist from the violation or to take an affirmative action that in the judgment of the administrator would carry out the purposes of this act.

(2) If the administrator makes a finding of fact in writing that the public interest will be irreparably harmed by delay in issuing an order, he or she may issue a temporary cease and desist order. Before issuing the temporary cease and desist order, the administrator when possible by telephone or otherwise shall give notice of the proposal to issue a temporary cease and desist order to the facility. A temporary cease and desist order shall include in its terms a provision that on request the administrator shall hold a hearing within 30 days to determine whether or not the order shall become permanent.

Sec. 22. (1) The administrator may take any administrative action described in subsection (2) if the administrator determines that a facility, mechanic, or trainee, or a stockholder, officer, director, or partner of a facility that is a corporation or partnership, does 1 or more of the following:

- (a) Makes an untrue statement of a material fact.
- (b) Violates this act or a rule promulgated under this act.
- (c) Violates a condition of probation.
- (d) Makes unnecessary repairs or repairs not authorized by the customer.
- (e) Refuses to honor warranties made by a facility.
- (f) Causes or allows a customer to sign a document in blank relating to the repair of a motor vehicle.
- (g) Is enjoined by a court of competent jurisdiction from engaging in the trade or business of repairing motor vehicles or from a violation of this act or a rule promulgated under this act.
- (h) Fails to comply with the terms of a final cease and desist order.
- (i) Is convicted of a violation of this act.
- (j) Uses the waiver of liability provision in an attempt to evade this act.
- (k) Is convicted of a violation of 1986 PA 119, MCL 257.1351 to 257.1355.

(l) Is convicted under section 413, 415, 535, 535a, or 536a of the Michigan penal code, 1931 PA 328, MCL 750.413, 750.415, 750.535, 750.535a, and 750.536a, or has been convicted in another state of a violation of a law substantially corresponding to 1 of those sections of the Michigan penal code.

(2) After notice and opportunity for a hearing, the administrator may do 1 or more of the following if he or she determines that a facility, mechanic, or trainee, or a stockholder, officer, director, or partner of a facility that is a corporation or partnership, violates subsection (1):

- (a) Place a limitation on a registration, certificate, or mechanic trainee permit.
- (b) Suspend a registration, certificate, or mechanic trainee permit.
- (c) Deny a registration, certificate, or mechanic trainee permit or renewal of a registration, certificate, or mechanic trainee permit.
- (d) Revoke a registration, certificate, or mechanic trainee permit.
- (e) Censure the person that holds a registration, certificate, or mechanic trainee permit.

(3) As an alternative or in addition to administrative action under subsection (2) for a violation or alleged violation of subsection (1), the administrator may, by written agreement with a person that holds a registration, certificate, or mechanic trainee permit, place a registration, certificate, or mechanic trainee permit on probation and include conditions of probation in the agreement.

(4) The remedies and sanctions under this act are independent and cumulative. The use of a remedy or sanction under this act, including, but not limited to, administrative action by the administrator under subsection (2) or an agreement for probation under subsection (3), does not bar other lawful remedies and sanctions against a person and does not limit a person's criminal or civil liability under law.

Sec. 30. (1) The registration fee for the registration of a facility is determined by a sliding fee scale that is based on the gross annual revenue of the facility, as follows:

GROSS ANNUAL REVENUE	FEE
under \$5,000.00.....	\$ 25.00
\$5,001.00 to \$15,000.00	50.00
\$15,001.00 to \$25,000.00	75.00
\$25,001.00 to \$40,000.00	100.00
\$40,001.00 to \$60,000.00	125.00
\$60,001.00 to \$80,000.00	150.00
\$80,001.00 to \$100,000.00	175.00
\$100,001.00 to \$120,000.00	200.00
\$120,001.00 to \$140,000.00	225.00
\$140,001.00 to \$160,000.00	250.00
\$160,001.00 to \$180,000.00	275.00
\$180,001.00 to \$200,000.00	300.00
\$200,001.00 to \$220,000.00	325.00
\$220,001.00 to \$240,000.00	350.00
\$240,001.00 to \$260,000.00	375.00
\$260,001.00 to \$280,000.00	400.00
\$280,001.00 to \$300,000.00	425.00

\$300,001.00 to \$320,000.00	450.00
\$320,001.00 to \$340,000.00	475.00
over \$340,000.00	500.00

(2) The examination, application, certificate, and renewal fees for the certification of mechanics are as follows:

(a) Each certification examination administered by the administrator, \$6.00.

(b) Application for original certificate, \$25.00. However, any of the following may apply for an original specialty or master mechanic certificate without paying a fee under this subdivision:

(i) An individual who is currently certified by the administrator in at least 1 repair category may apply for certification in 1 or more additional repair categories without paying a fee under this subdivision.

(ii) A mechanic trainee who presents proof that he or she has successfully completed 30 or more hours of continuing mechanic education courses given by an approved educational institution during the 5-year period immediately preceding the date the trainee submits the application for certification.

(iii) An individual who served in the armed forces; was separated from that service; and provides to the administrator a form DD214, a form DD215, or any other form that is satisfactory to the administrator that demonstrates that the individual was separated from that service, with an honorable character of service or under honorable conditions (general) character of service.

(c) Application for renewal certificate, \$20.00.

(d) Replacement certificate, \$5.00.

(3) The permit fees for a mechanic trainee are as follows:

(a) Application for a mechanic trainee permit, \$20.00. However, either of the following may apply for a mechanic trainee permit without paying a fee under this subdivision:

(i) An individual who is currently certified by the administrator in at least 1 repair category.

(ii) A student who is currently enrolled in a vocational education or special education program that includes employment by a motor vehicle repair facility; that is approved by the department of education; and for which the student receives credit toward the award of a high school or special education diploma.

(b) Replacement of trainee permit, \$5.00.

(4) As used in this section:

(a) "Armed forces" means that term as defined in section 2 of the veteran right to employment services act, 1994 PA 39, MCL 35.1092.

(b) "Gross annual revenue" means a facility's gross revenue from performing repairs, including parts and goods sold in conjunction with repairs, in its most recently completed federal income tax year, or, if the facility has not been in business for a complete federal income tax year, the facility's reasonably anticipated gross revenue for its first full federal income tax year of operation.

Sec. 32. (1) Before beginning repair work, a motor vehicle repair facility shall give to the customer a written estimate that itemizes as closely as possible the price for labor and parts necessary for the work. A facility shall not charge for work done or parts supplied in excess of the estimated price, or in excess of the limit stated by the customer in the waiver described in subsection (3), without the knowing written or oral consent of the customer, obtained at some time after the facility determines that the estimated price or stated limit is insufficient and before any work that is not estimated or is in excess of the limit is done or the parts that are not estimated or are in excess of the limit are supplied. If a waiver is not signed under subsection (3) and the estimated price is exceeded by not more than 10% or \$50.00, whichever is lesser, the facility is not required to obtain the written or oral consent of the customer for the excess charge unless specifically requested by the customer. This section shall not be construed as requiring a motor vehicle repair facility, mechanic, or mechanic trainee to give a written estimated price if the facility, mechanic, or trainee agrees not to perform the requested repair. If the actual cost of a repair is less than the agreed on estimated cost, the customer shall pay only the actual cost.

(2) If a facility or mechanic informs the customer that the price for repair will exceed the written estimate or the stated limit in the waiver and the customer does not want the repair work performed, the customer is responsible for all reasonable costs to return the vehicle to the condition it was in at the time it entered the facility. The facility shall indicate those costs in written form, itemizing the costs as closely as possible with a copy given to the customer. The cost of a diagnosis made by the facility, whether or not the customer authorizes the facility to perform those repairs, shall be included in the written estimate before the diagnosis is undertaken.

(3) If a customer initiates a request for service or parts for the repair of a motor vehicle without receiving a written estimate and voluntarily agrees to pay all reasonable costs of repair up to an amount stated by the customer, a facility may obtain from the customer a waiver of his or her right to receive a prior estimate of repair costs. The waiver shall

be in 14 point or larger bold capital type face and executed with 1 copy to the customer who is requesting the repairs. The waiver shall read as follows:

"I, _____, voluntarily authorize _____ to provide services or parts in the repair of the below described motor vehicle without receiving an estimate of repair costs. By signing this form, I understand that I will give up my right to:

1. Receive a written estimate of the cost for repairs;
2. Approve in advance any repairs or costs with a total cost under \$ _____; and
3. Refuse to pay for repairs with a total cost less than the amount stated above.

The facility may exceed the amount stated above only after I give my written or oral approval.

Motor vehicle description:

Customer signature _____

Date _____

Time _____".

(4) A waiver described in subsection (3) is not effective unless it is given by the customer voluntarily and with full knowledge of the implications of the waiver. A motor vehicle repair facility or anyone in its employ shall not make use of a waiver described in subsection (3) in an attempt to evade this act.

(5) A motor vehicle repair facility shall at all times display, in a place and manner conspicuous to its customers, a current and valid certificate of repair facility registration issued by the administrator.

(6) A motor vehicle repair facility shall include its registration number, as assigned by the administrator, on each copy of any instrument, form, contract, or other document used by the applicant in dealing with the public in the repair of motor vehicles, including, but not limited to, all of the following:

- (a) Any document on which the facility routinely requires the customer's signature.
- (b) Any document used by the facility in connection with providing estimates, diagnoses, or repairs.
- (c) Any invoices, warranties, or waivers.
- (d) Any other document used by the facility to comply with this act or rules promulgated under this act.

Sec. 32a. (1) A motor vehicle repair facility shall display a consumer information sign. The sign shall contain 12 lines of lettering worded substantially as follows:

"THIS ESTABLISHMENT IS REGISTERED WITH THE MICHIGAN DEPARTMENT OF STATE AND IS REQUIRED BY LAW TO FURNISH A CUSTOMER WITH A:

(1) WRITTEN ESTIMATE IF REPAIRS WILL BE \$50 OR MORE OR ON REQUEST IF REPAIRS WILL BE LESS THAN \$50.

(2) DETAILED STATEMENT OF LABOR AND PARTS SUPPLIED. QUESTIONS REGARDING SERVICE WORK SHOULD BE DIRECTED FIRST TO THE MANAGER OF THIS REPAIR FACILITY.

MICHIGAN DEPARTMENT OF STATE
P.O. BOX _____, LANSING, MI 489 ____
TOLL-FREE TELEPHONE: 800 _____
MON.-FRI., 8:30 a.m. - 4:30 p.m.
DEPARTMENT OF STATE WEBSITE: _____."

(2) All of the following apply to a sign required under subsection (1):

- (a) It shall be rectangular in shape and at least 28 inches high by 24 inches wide.
- (b) It shall be constructed of durable material.
- (c) The background of the sign shall be white.
- (d) Print and other markings on the sign shall be black.

(e) The wording of the sign shall be printed in bold, block, capital letters that are 1-inch high and 1/2-inch wide in lines 1, 2, 8, 9, 10, and 12; 3/4-inch high and 1/2-inch wide in line 11; and 1/2-inch high and 3/8-inch wide in lines 3 to 7.

(f) The sign shall be laid out in a clearly legible fashion, with the lettering arranged so that there is at least a 1/8-inch space between any 2 letters within a line and at least a 1/2-inch space between any 2 lines.

(g) The sign shall include the address, telephone numbers, and internet website address of the department in lines 9, 10, and 12, as provided by the administrator.

(3) All of the following apply to the display of a sign required under subsection (1) by a motor vehicle repair facility:

(a) The facility shall display the sign at each entrance to the facility and at each cashier station. As used in this subsection, "entrance to the facility" means each location in or about the facility where customer repair service orders are initially executed.

(b) The facility shall ensure that the sign is unobstructed and clearly and readily visible to customers.

(c) If the facility is not enclosed or is a mobile facility, the facility shall ensure that it is placed in an area where it is easily noticeable to customers who are transacting business with the facility.

(4) The administrator may require that a facility replace any sign that does not meet all of the requirements of this section or is no longer readily legible, or that the facility reposition any sign that is improperly displayed.

Sec. 33. (1) A motor vehicle repair facility shall return replaced parts to the customer at the time the repair work is completed. All of the following apply to the obligation to return replaced parts under this subsection:

(a) A facility is not required to return any of the following replaced parts to the customer:

(i) Parts that are exempted from the return requirement by the administrator because of size, weight, or similar factors. However, a facility shall not prevent a customer from removing any heavy or large part, by the customer's own means and at his or her expense.

(ii) Subject to subsection (3), parts that the motor vehicle repair facility or mechanic is required to return to the manufacturer or distributor under a warranty or exchange arrangement.

(iii) For reasons of safety, a gasoline tank or any other container-type part that was filled with or was otherwise in appreciable contact with flammable fuels, unless that part is rendered nonflammable.

(b) If any returned part presents an actual danger of flammability or explosiveness, the facility shall clearly inform the customer of that danger.

(c) When the repair work is completed, if requested by the customer, the facility shall reasonably clean the replaced parts that are to be returned or inspected by the customer. The facility shall place portable parts in a suitable container. The facility shall store any parts that it identifies as not portable in a suitable place in the facility for the customer's inspection.

(d) If a facility charges a fee to a customer in connection with the return of replaced parts, the facility must disclose that fee to the customer in writing before the customer engages the facility to replace the part.

(2) A customer shall be informed of his right to receive or inspect replaced parts as provided in this section before the customer executes any document or engages the facility or mechanic for the work. Subject to subsection (5), the facility shall provide this information to the customer by providing the following notice to the customer, printed or displayed on the face of any contract, work order form, or other document that evidences the engagement of the facility or mechanic in at least 12-point boldfaced letters that are at least 4 points larger than the principal size of the letters in that document, or providing the notice in a separate written document in at least 12-point, boldfaced, capital letters, as follows:

YOU ARE ENTITLED BY LAW TO THE RETURN OF ALL PARTS REPLACED, EXCEPT THOSE WHICH ARE TOO HEAVY OR LARGE, AND THOSE REQUIRED TO BE SENT BACK TO THE MANUFACTURER OR DISTRIBUTOR BECAUSE OF WARRANTY WORK OR AN EXCHANGE AGREEMENT. YOU ARE ENTITLED TO INSPECT THE PARTS WHICH CANNOT BE RETURNED TO YOU.

(3) If a facility is obligated to return a replaced part to the manufacturer or a distributor under a warranty agreement, or, subject to subsection (4), under an exchange agreement, the facility is not required to return that part to the customer. However, the facility or mechanic shall offer the customer an opportunity to inspect the replaced part. If the customer accepts the offer to inspect the part, or otherwise requests to inspect the part, the facility or mechanic shall allow the customer to inspect the part when the repair work is completed. A facility is not required to show a replacement part to a customer if the replacement is made without charge to the customer.

(4) If replacement of a part is contingent on the facility keeping the part under an exchange agreement, the facility shall explain, in a manner understandable to the customer, the precise terms of the exchange agreement, including if applicable a disclosure of the price to the customer if he or she wishes to reclaim the part. If a customer raises a question or dispute with the facility within 2 business days after the delivery of the repaired vehicle to the customer and the dispute involves an exchange part for which the facility required the customer pay a deposit in the amount of the facility's obligation, the facility shall refund the deposit to the customer if he or she returns the part to the facility.

(5) A facility that displays the notice described in subsection (2) on a clearly legible sign with lettering at least 1 inch high, conspicuously displayed in the part of the facility where customers routinely contract for repairs, is not required to provide the notice to a customer in the form of a document described in subsection (2).

(6) All of the following apply to the disposition of replaced parts that are not returned to the customer:

(a) Unless subdivision (b) applies, the facility shall not dispose of the parts for at least 2 business days after the customer takes possession of the repaired vehicle, unless the customer has specifically authorized immediate disposition of the parts.

(b) If a customer questions or disputes repairs performed by a facility or the charges for those repairs within 2 days after the customer takes possession of the repaired vehicle, the facility shall not dispose of the replaced parts until the

question or dispute is resolved. If the dispute involves the replaced part, the facility shall, in the presence of the customer, immediately affix to the part a permanent mark sufficient to identify the part.

(7) If requested by a customer, a facility shall explain exactly why a replaced part is defective or nonfunctional, or otherwise why it was replaced.

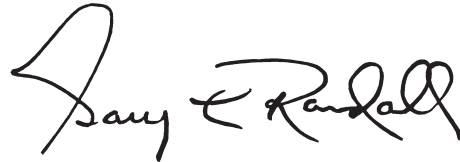
(8) The motor vehicle repair facility shall display a clearly legible sign in a conspicuous place at the entrance of the facility that indicates that customers may make inquiries concerning repair service or complaints to the administrator and states the address and telephone number of the department.

Sec. 34a. Unless otherwise requested by the customer, the requirement to furnish a written estimate under section 32 does not apply to repair work performed by a motor vehicle repair facility if the total cost for services and parts is less than \$50.00. This section does not apply to or limit a facility's obligation to furnish to the customer a written statement under section 34 that includes the actual cost of repairs.

Sec. 36. A facility that violates this act is liable as provided in this act, to a person that suffers damage or injury as a result of that violation, in an amount equal to the damages plus reasonable attorney fees and costs. If the damage or injury to the person occurs as the result of a willful and flagrant violation of this act, the person shall recover double the damages plus reasonable attorney fees and costs from the facility.

Sec. 39. R 257.101 to 257.173 of the Michigan Administrative Code are rescinded.

Enacting section 1. This amendatory act takes effect 90 days after the date it is enacted into law.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor