



Senate Bill 867 (as introduced 5-9-24)
Sponsor: Senator John Cherry
Committee: Regulatory Affairs

Date Completed: 10-8-24

CONTENT

The bill would amend the Motor Vehicle Service and Repair Act to allow the owner of a motor vehicle repair facility to operate an additional facility under the same registration as the primary facility if the additional facility met certain requirements.

Among other things, the Act regulates the practice of servicing and repairing motor vehicles, provides for mechanic training and certification, and establishes the process for the registration of motor vehicle repair facilities. Currently, a person who owns multiple motor vehicle repair facilities must register each independently (using one form) and pay applicable fees each year.

Under the bill, if the owner of a motor vehicle repair facility owned an additional facility that 1) was located within a reasonable proximity of the primary motor vehicle repair facility, 2) served as an extension of the primary facility, and 3) did not operate independently from the primary facility, the owner could operate the additional facility using the same registration and registration number as the primary facility.

The owner of an additional facility would *not* need to register that facility separately or pay a registration fee. More specifically, an additional facility would not need any of the following:

- A registration certificate with a separate registration number from the facility with which the additional facility shared a registration.
- An exterior sign that identified the business.
- Any customer instrument, form, contract, written statement, or other document that was distinct from the documents used by the primary facility; this would include the written statement required to be given to a customer upon the return of a repaired vehicle and documents required to include the facility's registration number.

Currently, a motor vehicle repair facility must conspicuously display a current and valid certificate of repair facility registration issued by the administrator. Additionally, the Act requires a certified specialty or master mechanic to conspicuously display a current or valid certificate issued by the administrator in the mechanic's place of work. The bill would exempt an additional facility or a certified specialty or master mechanic working in an additional facility from these requirements.

The bill would require the owner of a motor vehicle repair facility to disclose on its registration form any additional facilities that would share the same registration and registration number as the facility that the owner was registering, if applicable.

It also would require the owner of a motor vehicle repair facility to maintain reasonable business records for an additional facility, if applicable, and extend record retention periods to include additional facilities. Business records for an additional facility would have to be

stored at the facility with which the additional facility shared a registration. Lastly, the bill also would allow the administrator and other law enforcement officials to make periodic unannounced inspections of the premises, records, and inventories of additional facilities and would require the owner of a facility to ensure that additional facilities were open to inspection by the administrator and other law enforcement officials during reasonable business hours.

Additional Provisions

The bill would allow the owner of a motor vehicle repair facility to renew the owner's facility registration for between one and four years if the owner submitted an application for renewal to the administrator accompanied by a registration fee equal to the applicable one-year registration fee¹ multiplied by the number of years the registration was renewed.

The Act requires a motor vehicle repair facility to notify the administrator in writing of certain changes, such as a name change. Currently, if a corporation owns a motor vehicle repair facility, it must notify the administrator if 10% or more of the corporation's stock is sold or transferred within 30 days of the sale or transfer. The bill would increase this threshold to 25%.

MCL 257.1302 et al.

Legislative Analyst: Nathan Leaman

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Joe Carrasco, Jr.

¹ Annual registration fees are based on the gross annual revenue of the facility whose registration is being renewed. For details, see MCL 257.1330.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.