

**SUBSTITUTE FOR
SENATE BILL NO. 867**

A bill to amend 1974 PA 300, entitled "Motor vehicle service and repair act," by amending sections 2, 13b, 14, 15, 16, 17, 18, 30, 32, 32a, 33, and 40 (MCL 257.1302, 257.1313b, 257.1314, 257.1315, 257.1316, 257.1317, 257.1318, 257.1330, 257.1332, 257.1332a, 257.1333, and 257.1340), section 2 as amended by 2020 PA 227 and sections 13b and 32a as added and sections 14, 15, 16, 17, 18, 30, 32, and 33 as amended by 2016 PA 430, and by adding section 30a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 2. As used in this act:
- 2 **(a) "Auxiliary facility" means a motor vehicle repair facility**
- 3 **that meets the requirements of section 14(3).**
- 4 **(b) ~~(a)~~"Administrator" means the secretary of state or any**

1 individual designated by the secretary of state to act ~~in his or~~
2 ~~her place.~~ **on behalf of the secretary of state.**

3 (c) ~~(b)~~—"Advertise" means to advise, announce, apprise,
4 command, give notice of, inform, make known, or publish any
5 material that calls to the attention of the public the availability
6 of parts and services.

7 (d) ~~(e)~~—"Approved educational institution" means a school,
8 academy, or other similar establishment approved by the
9 administrator under section 13a to provide training to mechanics or
10 mechanical trainees under this act.

11 (e) ~~(d)~~—"Automobile or light truck" means a motor vehicle that
12 has a gross vehicle weight rating of less than 14,000 pounds.

13 (f) ~~(e)~~—"BAIID mechanic" means a specialty mechanic who holds
14 a certification from the department under section 10 to perform
15 BAIID service.

16 (g) ~~(f)~~—"BAIID service" means the installation, removal,
17 repair, or other servicing of breath alcohol ignition interlock
18 devices.

19 (h) ~~(g)~~—"Breath alcohol ignition interlock device" or "BAIID"
20 means that term as defined in section 20d of the Michigan vehicle
21 code, 1949 PA 300, MCL 257.20d.

22 (i) ~~(h)~~—"Contract" means a written or oral agreement, or a
23 similar understanding or arrangement, in which a person agrees that
24 another person will perform work, labor, diagnosis, repair,
25 reconditioning, replacement, adjustment, or alteration, directly or
26 indirectly, on a motor vehicle.

27 (j) ~~(i)~~—"Customer" means the owner or operator of a motor
28 vehicle.

29 (k) ~~(j)~~—"Department" means the department of state.

1 (l) ~~(k)~~ "Distressed vehicle" means that term as defined in
2 section 12a of the Michigan vehicle code, 1949 PA 300, MCL 257.12a.

3 (m) **"Established place of business" means the premises**
4 **occupied continuously or at regular periods by a facility where**
5 **that facility maintains records.**

6 (n) ~~(l)~~ "Estimate" means a written statement that itemizes as
7 closely as possible the price for labor, by showing the labor price
8 per hour, the number of hours required to perform the work, and the
9 price of parts necessary for a specific repair.

10 (o) ~~(m)~~ "Facility" or "motor vehicle repair facility" means a
11 place of business that is required to register under this act,
12 **except for a motor vehicle repair facility that is an auxiliary**
13 **facility,** and that, for compensation, is engaged in the business of
14 performing, or employs individuals who perform, maintenance,
15 diagnosis, vehicle body work, ~~or~~ repair service, or ~~, beginning~~
16 ~~July 1, 2016,~~ BAIID service, on a motor vehicle. ~~The term does~~
17 **Facility and motor vehicle repair facility do** not include any of
18 the following:

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

22 (ii) An individual who is repairing ~~his or her~~ **the individual's**
23 own or a family member's motor vehicle.

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

1 work.

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

4 (p) ~~(n)~~ "Heavy-duty truck" means a motor vehicle that has a
5 gross vehicle weight rating of 14,000 pounds or more and includes
6 both single-unit and combination tractor trailer or tractor
7 semitrailer vehicles.

8 (q) ~~(o)~~ "Late model vehicle" means that term as defined in
9 section 24b of the Michigan vehicle code, 1949 PA 300, MCL 257.24b.

10 (r) ~~(p)~~ "Lien" means a security interest in or other
11 encumbrance on a motor vehicle ~~. The term~~ **and** includes a security
12 interest created by agreement, a judicial lien obtained by legal or
13 equitable process or proceedings, a common-law lien, or a statutory
14 lien on a vehicle.

15 Sec. 13b. (1) A certified specialty or master mechanic shall
16 display, in a conspicuous location in the ~~place of business where~~
17 ~~he or she~~ **motor vehicle repair facility where the certified**
18 **specialty or master mechanic** is employed or engaged to perform
19 repairs, a current and valid certificate issued by the
20 administrator. **A certified specialty or master mechanic who works**
21 **at an auxiliary facility does not need to display in the auxiliary**
22 **facility a current and valid certificate issued by the**
23 **administrator.**

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

29 (3) A certified specialty or master mechanic or mechanic

1 trainee shall not depart from, or disregard in any material
2 respect, accepted motor vehicle repair industry standards.
3 Compliance with published vehicle manufacturer, parts manufacturer,
4 equipment manufacturer, or recognized aftermarket repair manual
5 specifications creates a presumption that the mechanic or mechanic
6 trainee has followed accepted motor vehicle repair industry
7 standards.

8 (4) If the administrator, after notice and a hearing,
9 determines that a specialty or master mechanic or mechanic trainee
10 has violated subsection (3), the administrator may, under section
11 21, require that the specialty or master mechanic or mechanic
12 trainee do both of the following:

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

15 (b) ~~Only perform~~ **Perform only** specific motor vehicle repairs
16 or repair procedures identified by the administrator until the
17 training course or program described in subdivision (a) is
18 completed.

19 Sec. 14. **(1) The** ~~Except for an auxiliary facility, the~~ owner
20 of a motor vehicle repair facility shall register the facility by
21 providing all of the following information to the administrator, on
22 a registration form provided by the administrator, accompanied by a
23 registration fee in an amount determined under section 30:

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

27 **(b) For applicants that apply on or after July 1, 2025, the**
28 **location of the applicant's established place of business in this**
29 **state, along with written verification from the appropriate**

1 **municipal governing body or zoning authority that states that the**
 2 **applicant's established place of business meets all applicable**
 3 **municipal and zoning requirements.**

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

7 (d) ~~(e)~~—The principal occupation or business for the past 5
 8 years of all of the following, as applicable:

9 (i) Each person that owns ~~10%~~**25%** or more of the facility.

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

14 (e) ~~(d)~~—A description of the facility that includes all of the
 15 following **information**:

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

17 (ii) The type of repairs the facility performs.

18 (iii) The type of vehicles the facility services.

19 (iv) The number of mechanics the facility employs who perform
 20 repairs.

21 (v) ~~The~~**Subject to subdivision (f), the** range of gross revenue
 22 received by the facility from performing repairs, including revenue
 23 from parts and goods sold in conjunction with repairs, for the most
 24 recent federal income tax year.

25 (vi) Measured in square feet, the size of ~~that part of the~~
 26 **space within** the facility ~~utilized~~**used** for performing repairs.

27 (f) **Unless the applicant's gross revenue exceeds \$300,000.00,**
 28 **proof of the facility's gross revenue provided under subdivision**
 29 **(e) (v), if requested by the administrator.**

1 **(g)** ~~(e)~~—An irrevocable appointment of the secretary of state
2 as the agent for the facility for service of process.

3 **(h)** ~~(f)~~—A copy of each instrument, form, contract, or other
4 document used by the applicant in ~~dealing~~**connection** with the
5 ~~public in the~~ repair of motor vehicles **for the public**, including,
6 but not limited to, all of the following:

7 (i) Any document on which the facility routinely requires ~~the~~**a**
8 customer's signature.

9 (ii) Any document used by the facility in connection with
10 providing estimates, diagnoses, or repairs.

11 (iii) Any invoices, warranties, or waivers.

12 (iv) Any other document used by the facility to comply with
13 this act or rules promulgated under this act.

14 **(i) If applicable, any auxiliary facilities that will share**
15 **the same registration and registration number as the facility that**
16 **the owner is registering.**

17 **(j)** ~~(g)~~—Any other relevant information required by the
18 administrator.

19 **(2) Subject to this section, the owner of a motor vehicle**
20 **repair facility that is registered under subsection (1) may be**
21 **approved for a single, auxiliary facility under the same**
22 **registration and registration number as the facility registered**
23 **under subsection (1) if the owner of that motor vehicle repair**
24 **facility submits an application for an auxiliary facility to the**
25 **department, along with written verification from the appropriate**
26 **municipal governing body or zoning authority that states that the**
27 **auxiliary facility meets all applicable municipal and zoning**
28 **requirements. The application for an auxiliary facility must be in**
29 **a format as determined by the administrator.**

1 (3) An auxiliary facility must meet all of the following
2 requirements:

3 (a) Be located within a 1-mile radius of the motor vehicle
4 repair facility described under subsection (2).

5 (b) Serve as an extension of the motor vehicle repair facility
6 described under subsection (2).

7 (c) Mirror the registered facility's hours of operation, types
8 of vehicles serviced, and repairs performed.

9 (d) Rely on the established place of business of the motor
10 vehicle repair facility described under subsection (2) for all in-
11 person customer interactions including, but not limited to,
12 customer drop off and pick up of vehicles, payment for services
13 rendered, invoice generation, and other documents shared with a
14 customer.

15 (e) Not perform any repairs that are not approved, directed,
16 or initiated by and through the motor vehicle repair facility
17 described under subsection (2).

18 (4) Upon receiving an application for an auxiliary facility
19 under subsection (2), the administrator shall review the compliance
20 history of the registered motor vehicle repair facility and may, if
21 the registered motor vehicle repair facility has any of the
22 following, deny the application or revoke the approval of the
23 application:

24 (a) Two or more unresolved violations involving customer parts
25 retention.

26 (b) Two or more unresolved violations for failing to maintain
27 records.

28 (c) An unresolved violation for hindering or obstructing a
29 general compliance inspection or a consumer complaint inspection.

1 (5) An auxiliary facility does not need any of the following:

2 (a) A registration certificate with a separate registration
3 number from the facility with which the auxiliary facility shares a
4 registration.

5 (b) An exterior sign that identifies the business.

6 (c) Any customer instrument, form, contract, written
7 statement, or other document required under section 32(6) or
8 section 34 that is distinct from the instruments, forms, contracts,
9 written statements, or other documents used by the facility with
10 which the auxiliary facility shares a registration.

11 (d) A consumer information sign.

12 (e) A notice of parts return sign.

13 Sec. 15. (1) A motor vehicle repair facility registration
14 under this act takes effect on the date it is approved by the
15 administrator and expires 1 year after that date. ~~The~~ **Except as**
16 **otherwise provided in subsection (4), the** owner of a motor vehicle
17 repair facility shall renew ~~its~~ **the facility's** registration
18 annually and shall submit an application for renewal of the
19 registration, accompanied by a registration fee in an amount
20 determined under section 30, with the administrator ~~at least~~ **not**
21 **later than** 30 days before the expiration of ~~its~~ **the facility's**
22 then-current registration.

23 (2) A motor vehicle repair facility may continue to operate
24 after the expiration date of ~~its~~ **the facility's** then-current
25 registration, pending approval of the renewal application by the
26 administrator, if the renewal application and renewal fee are
27 received by the administrator on or before the expiration date. If
28 a renewal application and renewal fee are filed after the
29 expiration date, the facility may operate from the day on which the

1 application and appropriate fee are received by the administrator,
 2 pending approval of the renewal application. The administrator
 3 shall charge a fee of 1-1/2 times the normal registration fee **for**
 4 **each year the license is expired** if the renewal application is
 5 received by the administrator after the expiration date.

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

13 (4) **An owner of a motor vehicle repair facility with a gross**
 14 **revenue that exceeds \$300,000.00 may renew the facility's**
 15 **registration for more than 1 year but not more than 4 years if the**
 16 **owner submits an application for renewal to the administrator**
 17 **accompanied by a registration fee in an amount determined under**
 18 **section 30(4).**

19 Sec. 16. (1) If there is a change ~~in~~**of** ownership of a motor
 20 vehicle repair facility, a new registration and payment of a new
 21 registration fee is required and the facility shall not operate
 22 until ~~its~~**the facility's** registration application is approved by
 23 the administrator and the fee is paid. If a name ~~or~~**and** address of
 24 ~~the~~**a** motor vehicle repair facility changes ~~,~~ and there is not a
 25 change of ownership, the facility shall notify the administrator in
 26 writing of the change ~~and shall make the appropriate changes on the~~
 27 ~~next renewal registration when due.~~**by completing and submitting the**
 28 **repair facility change of address notification. If an address of a**
 29 **motor vehicle repair facility changes, the facility shall submit a**

1 written verification from the appropriate municipal governing body
2 or zoning authority that states that the established place of
3 business and, if applicable, any auxiliary facility, meet all
4 applicable municipal and zoning requirements.

5 (2) If the owner of a motor vehicle repair facility is a
6 corporation, and ~~10%~~**25%** or more of the stock of the corporation is
7 sold or transferred, the owner shall notify the administrator of
8 that change ~~within~~**not later than** 30 days ~~of~~**after** the sale or
9 transfer.

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

16 Sec. 17. (1) The owner of a facility that is registered or is
17 required to register under this act shall ensure that the facility
18 ~~is~~**and, if applicable, any auxiliary facilities are** open to
19 inspection by the administrator and other law enforcement officials
20 during reasonable business hours. During reasonable business hours,
21 the administrator and other law enforcement officials may make
22 periodic unannounced inspections of the premises, parts records,
23 and parts inventories of a facility **or auxiliary facility**.

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

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

28 Sec. 18. (1) The owner of a motor vehicle repair facility
29 shall maintain reasonable business records for the facility **and, if**

1 **applicable, any auxiliary facilities** and ensure that those records
2 are open for reasonable inspection by the administrator or other
3 law enforcement officials. As used in this subsection, "reasonable
4 business records" includes those documents and records described in
5 subsection (2) (a) to (c).

6 (2) The owner of a motor vehicle repair facility shall retain
7 the records of the facility **and, if applicable, any auxiliary**
8 **facilities** for the following time periods:

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

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

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

17 (iii) Any invoice, warranty, or waiver.

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

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

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

1 (c) If a repair transaction involves the assumption by the
 2 facility of an obligation ~~extending beyond~~ **for more than** 3 years,
 3 the owner shall retain records or documents relating to that
 4 obligation for ~~at least~~ **not less than** the term of the obligation.

5 (d) For any other document or record than those described in
 6 subdivision (a), (b), or (c), the owner shall retain that document
 7 or record for ~~at least~~ **not less than** 3 years.

8 **(e) Business records for an auxiliary facility must be stored**
 9 **at the facility with which the auxiliary facility shares a**
 10 **registration.**

11 (3) A facility that engages in vehicle body work shall
 12 maintain records in a form prescribed by the administrator. The
 13 records ~~shall~~ **must** contain the date of purchase or acquisition of
 14 each distressed vehicle, a description of the vehicle, and the name
 15 and address of the person from which the vehicle was acquired. If
 16 the vehicle is sold, the record ~~shall~~ **must** contain the date of sale
 17 and the name and address of the purchaser. The record ~~shall~~ **must**
 18 indicate whether a certificate of title or salvage certificate of
 19 title was obtained by the facility for the vehicle. If the vehicle
 20 is a late model vehicle, the facility shall maintain a record of
 21 the purchase or sale of each major component part purchased or
 22 acquired by the facility for the vehicle. The record ~~shall~~ **must**
 23 contain the date of purchase or acquisition of the part, a
 24 description of the part, the identification number assigned to the
 25 part, and the name and address of the person to or from which the
 26 part was purchased, acquired, or sold.

27 (4) A facility shall maintain or attach the record of a sale,
 28 purchase, or acquisition of a major component part to a police book
 29 described in section 251 of the Michigan vehicle code, 1949 PA 300,

1 MCL 257.251. A facility shall make ~~its~~**the facility's** police book
2 and ~~its~~**the facility's** records of vehicle part sales, purchases, or
3 acquisitions immediately available for inspection by the
4 administrator and other law enforcement officials if a request for
5 inspection is made.

6 (5) This section does not authorize a facility to engage in
7 the business of dealing in vehicles or salvageable parts without a
8 dealer's license under the Michigan vehicle code, 1949 PA 300, MCL
9 257.1 to 257.923.

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

14	GROSS ANNUAL REVENUE	FEE
15	under	\$ 25.00 100.00
16	\$5,000.00 \$50,000.00	
17	\$5,001.00 \$50,001.00 to	50.00 200.00
18	\$15,000.00 \$100,000.00	
19	\$15,001.00 \$100,001.00 to	75.00 300.00
20	\$25,000.00 \$200,000.00	
21	\$25,001.00 \$200,001.00 to	100.00 400.00
22	\$40,000.00 \$300,000.00	
23	\$40,001.00 to \$60,000.00 over \$300,000.00	125.00 500.00
24	\$60,001.00 to	150.00
25	\$80,000.00	
26	\$80,001.00 to	175.00
27	\$100,000.00	
28	\$100,001.00 to	200.00
29	\$120,000.00	

1	\$120,001.00 to	225.00
2	\$140,000.00.....	
3	\$140,001.00 to	250.00
4	\$160,000.00.....	
5	\$160,001.00 to	275.00
6	\$180,000.00.....	
7	\$180,001.00 to	300.00
8	\$200,000.00.....	
9	\$200,001.00 to	325.00
10	\$220,000.00.....	
11	\$220,001.00 to	350.00
12	\$240,000.00.....	
13	\$240,001.00 to	375.00
14	\$260,000.00.....	
15	\$260,001.00 to	400.00
16	\$280,000.00.....	
17	\$280,001.00 to	425.00
18	\$300,000.00.....	
19	\$300,001.00 to	450.00
20	\$320,000.00.....	
21	\$320,001.00 to	475.00
22	\$340,000.00.....	
23	over	500.00
24	\$340,000.00.....	

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

27 (a) Each certification examination administered by the
28 administrator, ~~\$6.00.~~**\$18.00. Notwithstanding the requirements of**
29 **section 40, the department shall deposit \$12.00 of each \$18.00**

1 **certification examination fee it receives into the mechanic**
 2 **certification examination fund created under section 30a.**

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

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

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

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

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

22 (d) Replacement certificate, \$5.00.

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

24 (a) Application for a mechanic trainee permit, \$20.00.

25 However, either of the following may apply for a mechanic trainee
 26 permit without paying a fee under this subdivision:

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

29 (ii) A student who is currently enrolled in a vocational

1 education or special education program that includes employment by
 2 a motor vehicle repair facility; that is approved by the department
 3 of education; and for which the student receives credit toward the
 4 award of a high school or special education diploma.

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

6 **(4) The fee for a multiyear registration described under**
 7 **section 15(4) is the applicable fee under subsection (1) multiplied**
 8 **by the number of years the registration is renewed.**

9 (5) ~~(4)~~—As used in this section:

10 (a) "Armed forces" means that term as defined in section 2 of
 11 the veteran right to employment services act, 1994 PA 39, MCL
 12 35.1092.

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

20 **Sec. 30a. (1) The mechanic certification examination fund is**
 21 **created in the state treasury.**

22 **(2) The state treasurer shall deposit money and other assets**
 23 **received from any other source into the fund. The state treasurer**
 24 **shall direct the investment of money in the fund and credit**
 25 **interest and earnings from the investments to the fund.**

26 **(3) The department of state is the administrator of the fund**
 27 **for audits of the fund.**

28 **(4) The department of state shall expend money from the fund**
 29 **on appropriation, only for 1 or more of the following purposes:**

1 **(a) To develop and update the content of the mechanic**
2 **certification examination.**

3 **(b) To administer the mechanic certification examination.**

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

26 (2) If a facility or mechanic informs the customer that the
27 price for repair will exceed the written estimate or the stated
28 limit in the waiver and the customer does not want the repair work
29 performed, the customer is responsible for all reasonable costs to

1 return the vehicle to the condition it was in at the time it
2 entered the facility. The facility shall indicate those costs in
3 written form, itemizing the costs as closely as possible with a
4 copy given to the customer. The cost of a diagnosis made by the
5 facility, whether or not the customer authorizes the facility to
6 perform those repairs, ~~shall~~**must** be included in the written
7 estimate before the diagnosis is undertaken.

8 (3) If a customer initiates a request for service or parts for
9 the repair of a motor vehicle without receiving a written estimate
10 and voluntarily agrees to pay all reasonable costs of repair up to
11 an amount stated by the customer, a facility may obtain from the
12 customer a waiver of ~~his or her~~**the customer's** right to receive a
13 prior estimate of repair costs. The waiver ~~shall~~**must** be in 14
14 point or larger bold capital type face and executed with 1 copy to
15 the customer who is requesting the repairs. The waiver ~~shall~~**must**
16 read as follows:

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

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

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

28 Motor vehicle description:

29 Customer signature _____

1 Date _____
 2 Time _____".

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

9 (5) ~~A~~ **Except for a motor vehicle repair facility that is an**
 10 **auxiliary facility, a** motor vehicle repair facility shall at all
 11 times display, in a place and manner conspicuous to ~~its~~ **the**
 12 **facility's** customers, a current and valid certificate of repair
 13 facility registration issued by the administrator.

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

20 (a) Any document on which the facility routinely requires the
 21 customer's signature.

22 (b) Any document used by the facility in connection with
 23 providing estimates, diagnoses, or repairs.

24 (c) Any invoices, warranties, or waivers.

25 (d) Any other document used by the facility to comply with
 26 this act or rules promulgated under this act.

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

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

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

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

8 MICHIGAN DEPARTMENT OF STATE

9 P.O. BOX _____, LANSING, MI 489 _____

10 TOLL-FREE TELEPHONE: 800 _____

11 MON.-FRI., 8:30 A.M. - 4:30 P.M.

12 DEPARTMENT OF STATE WEBSITE: _____."

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

15 (a) It ~~shall~~**must** be rectangular in shape and ~~at least~~**not**
16 **less than** 28 inches high by 24 inches wide.

17 (b) It ~~shall~~**must** be constructed of durable material.

18 (c) The background of the sign ~~shall~~**must** be white.

19 (d) Print and other markings on the sign ~~shall~~**must** be black.

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

25 (f) The sign ~~shall~~**must** be laid out in a clearly legible
26 fashion, with the lettering arranged so that there is ~~at least~~**not**
27 **less than** a 1/8-inch space between any 2 letters within a line and
28 ~~at least~~**not less than** a 1/2-inch space between any 2 lines.

29 (g) The sign ~~shall~~**must** include the address, telephone

1 numbers, and ~~Internet~~ website address of the department in lines 9,
2 10, and 12, as provided by the administrator.

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

5 (a) The facility shall display the sign at each entrance to
6 the facility and at each cashier station. As used in this
7 subsection **and section 33(8)**, "entrance to the facility" means each
8 location in or about the facility where customer repair service
9 orders are initially executed.

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

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

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

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

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

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

1 **customer's** expense.

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

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

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

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

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

23 (2) A customer shall be informed of ~~his~~**the customer's** right
24 to receive or inspect replaced parts as provided in this section
25 before the customer executes any document or engages the facility
26 or mechanic for the work. Subject to subsection (5), the facility
27 shall provide this information to the customer by providing the
28 following notice to the customer, printed or displayed on the face
29 of any contract, work order form, or other document that evidences

1 the engagement of the facility or mechanic in ~~at least~~**not less**
 2 **than** 12-point boldfaced letters that are ~~at least~~**not less than** 4
 3 points larger than the principal size of the letters in that
 4 document, or providing the notice in a separate written document in
 5 ~~at least~~**not less than** 12-point, boldfaced, capital letters, as
 6 follows:

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

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

23 (4) If replacement of a part is contingent on the facility
 24 keeping the part under an exchange agreement, the facility shall
 25 explain, in a manner understandable to the customer, the precise
 26 terms of the exchange agreement, including if applicable a
 27 disclosure of the price to the customer if ~~he or she~~**the customer**
 28 wishes to reclaim the part. If a customer raises a question or
 29 dispute with the facility ~~within~~**not later than** 2 business days

1 after the delivery of the repaired vehicle to the customer and the
2 dispute involves an exchange part for which the facility required
3 the customer pay a deposit in the amount of the facility's
4 obligation, the facility shall refund the deposit to the customer
5 if ~~he or she~~ **the customer** returns the part to the facility.

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

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

14 (a) Unless subdivision (b) applies, the facility shall ~~not~~
15 ~~dispose of~~ **keep** the parts for ~~at least~~ **not less than** 2 business
16 days after the customer takes possession of the repaired vehicle,
17 unless the customer has specifically authorized immediate
18 disposition of the parts.

19 (b) If a customer questions or disputes repairs performed by a
20 facility or the charges for those repairs ~~within~~ **not later than** 2
21 days after the customer takes possession of the repaired vehicle,
22 the facility shall not dispose of the replaced parts until the
23 question or dispute is resolved. If the dispute involves the
24 replaced part, the facility shall, in the presence of the customer,
25 immediately affix to the part a permanent mark sufficient to
26 identify the part.

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

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

6 Sec. 40. ~~The~~ **Except as otherwise provided in section 30(2)(a)**,
7 fees collected pursuant to this act shall be credited to the
8 general fund of the state.

9 Enacting section 1. This amendatory act takes effect July 1,
10 2025.