

MOTOR VEHICLE FRANCHISE ACT (EXCERPT)
Act 118 of 1981

445.1578 Liability for damage to new motor vehicles; rejection of new motor vehicle by dealer; credit.

Sec. 18. (1) Notwithstanding the terms, provisions, or conditions of any agreement, a new motor vehicle dealer is solely liable for damages to new motor vehicles after acceptance from the carrier and before delivery to the ultimate purchaser. Acceptance by the new motor vehicle dealer shall occur when the new motor vehicle dealer signs a delivery receipt for any motor vehicle.

(2) Notwithstanding the terms, provisions, or conditions of any agreement, the manufacturer or distributor is liable for all damages to motor vehicles before delivery to a carrier or transporter.

(3) The new motor vehicle dealer is liable for damages to new motor vehicles after delivery to the carrier only if the dealer selects the method of transportation, mode of transportation, and the carrier. In all other instances, the manufacturer or distributor is liable for new motor vehicle damage.

(4) If the new motor vehicle dealer rejects a new motor vehicle pursuant to this section, the manufacturer or distributor shall credit the dealer's account within 10 business days after receipt of the notice of rejection.

History: 1981, Act 118, Imd. Eff. July 19, 1981.