

EXEMPTIONS FROM REGULATIONS ON USED MOTOR VEHICLE PARTS

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Senate Bill 158 as passed by the Senate
Sponsor: Sen. Rick Jones
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform
Complete to 5-3-17

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Senate Bill 158 would amend Public Act 119 of 1986, which deals with buying and receiving used motor vehicle parts, to exclude certain entities from regulation if they are regulated under the Natural Resources and Environmental Protection Act (NREPA). Public Act 119 requires a used motor vehicle parts dealer to maintain records of transactions, prescribes the methods of payment a dealer may use to pay a customer, and sets out criminal penalties for dealers who do not comply with record-keeping requirements or who falsify a record. The act aims to discourage the sale of stolen parts and to make it easier for law enforcement to track the sale of stolen parts.

Under the act, a "dealer" is a person who engages in the ordinary course of repeated and recurrent transactions of buying or receiving used motor vehicle parts from people other than a vehicle dealer licensed under the Michigan Vehicle Code. The term also excludes a scrap metal processor or automotive recycler that buys or otherwise acquires motor vehicles or motor vehicle component parts for the purpose of processing or selling the metal for remelting.

Senate Bill 158 would amend the act to exclude other entities from the requirements of Public Act 119, as follows:

- The term "dealer" would not apply to either (1) an end-user, scrap tire hauler, or scrap tire processor, as those terms are used in Part 169 of the Natural Resources and Environmental Protection Act (NREPA), which deals with scrap tire regulation; or (2) a disposal area that is licensed under, or a solid waste hauler that is subject to, Part 115 of the NREPA, which deals with solid waste management.
- A dealer would not have to maintain a record of a transaction involving the buying or receiving of a used motor part from an end-user or scrap tire processor regulated under Part 169 of NREPA.
- The terms "end-user," "scrap tire hauler," and "scrap tire processor" are defined in Section 16901 of NREPA, as follows.
 - An "end-user" is defined as (1) a person who possesses a permit to burn tires; (2) the owner or operator of a landfill authorized under its operating license

to use scrap tires; (3) a person who uses a tire-related commodity to make a product that is sold in the market; or (4) a person who is authorized to accumulate scrap tires and who converts them into a product that is sold in the market or reused in an authorized manner.

- A "scrap tire hauler" means a person who transports more than 10 scrap tires at once in a vehicle on a public road or street (with some exceptions).
- A "scrap tire processor" means either a portable shredding operation or a person authorized to accumulate scrap tires and is engaged in the business of buying or otherwise acquiring them and reducing their volume by shredding or otherwise facilitating recycling or resource recovery techniques.

The bill also would clarify the term "used motor vehicle part" so that it would apply to both:

- (1) A motor vehicle tire wheel or rim received by the dealer in conjunction with the purchase of a replacement tire or replacement tire wheel or rim; and
- (2) A motor vehicle tire, tire wheel or rim, or continuous tire tread that is received by the dealer but is not in conjunction with the purchase of a replacement tire or replacement tire wheel or rim.

The bill specifies that the term "tire wheel or rim" includes a tire wheel or rim on which a tire is mounted.

FISCAL IMPACT:

The bill does not appear to have significant fiscal implications.

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.