

# SENATE BILL NO. 198

March 20, 2025, Introduced by Senator SINGH and referred to Committee on Regulatory Affairs.

A bill to regulate data collection by motor vehicle dealers, manufacturers, and third parties; to prescribe requirements for the collection, sharing, and use of protected dealer data; to regulate dealer data vendors and authorized integrators; and to prescribe civil sanctions.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 1. This act may be cited as the "motor vehicle dealer  
2 data collection act".

3       Sec. 3. As used in this act:

4       (a) "Authorized integrator" means a third party that a dealer

1 enters into a contractual relationship with to perform a specific  
2 function for the dealer that allows the third party to access  
3 protected dealer data or to write data to a dealer data system, or  
4 both, to carry out the specified function.

5 (b) "Cyber ransom" means to encrypt, restrict, or prohibit or  
6 threaten or attempt to encrypt, restrict, or prohibit a dealer's or  
7 an authorized integrator's access to protected dealer data for  
8 monetary gain.

9 (c) "Dealer" means that term as defined in section 11 of the  
10 Michigan vehicle code, 1949 PA 300, MCL 257.11.

11 (d) "Dealer data system" means a software, hardware, or  
12 firmware system that is owned, leased, or licensed by a dealer and  
13 includes a system of web-based applications, computer software, or  
14 computer hardware, located at the motor vehicle dealership or a  
15 remote location, that stores or provides access to protected dealer  
16 data including, but not limited to, dealership management systems  
17 and consumer relations management systems.

18 (e) "Dealer data vendor" means a dealer management system  
19 provider, consumer relationship management system provider, or  
20 other vender providing similar services that permissibly stores  
21 protected dealer data under a contract with the dealer.

22 (f) "Fee" means a charge for access to protected dealer data  
23 beyond any direct costs incurred by the dealer data vendor in  
24 providing protected dealer data access to an authorized integrator  
25 or allowing an authorized integrator to write data to a dealer data  
26 system.

27 (g) "Motor vehicle" means that term as defined in section 33  
28 of the Michigan vehicle code, 1949 PA 300, MCL 257.33. Motor  
29 vehicle does not include a bus, tractor, or farm equipment.

1 (h) "Person" means an individual or a partnership,  
2 corporation, limited liability company, association, or other legal  
3 entity.

4 (i) "Prior express written consent" means consent from a  
5 dealer contained in a document that is separate from any other  
6 consent, contract, franchise agreement, or other writing that  
7 contains all of the following:

8 (i) The dealer's express consent to the data sharing and  
9 identification of the parties with whom the data may be shared.

10 (ii) Any details required by the dealer relating to the scope  
11 and nature of the data to be shared, including the data fields and  
12 the duration for which the sharing is authorized.

13 (iii) All provisions and restrictions that are required under  
14 federal law to allow the sharing of the data.

15 (j) "Protected dealer data" means any of the following types  
16 of data:

17 (i) Personal, financial, or other data relating to a consumer  
18 that a consumer provides to a dealer or that a dealer otherwise  
19 obtains and that is stored in the dealer's dealer data system.

20 (ii) Motor vehicle diagnostic data that is stored in a dealer  
21 data system and used to fulfill a dealer's obligation to provide  
22 warranty, repair, or service work to consumers.

23 (iii) Other data regarding a dealer's business operations that  
24 is stored in the dealer data system.

25 (k) "Required manufacturer data" means data that is required  
26 to be obtained by the manufacturer under federal or state law or  
27 required to complete or verify a transaction between the dealer and  
28 the manufacturer. Required manufacturer data does not include  
29 consumer data on a consumer credit application or a dealer's notes

1 about a consumer that are not related to a transaction.

2 (l) "Star standards" means the current applicable security  
3 standards published by the Standards for Technology in Automotive  
4 Retail.

5 (m) "Third party" means a service provider, vendor, dealer  
6 data vendor, authorized integrator, or any other person other than  
7 a dealer, a government entity acting under federal, state, or local  
8 law, an entity acting pursuant to a valid court order, or a  
9 manufacturer.

10 Sec. 5. (1) A manufacturer or a third party shall not require  
11 a dealer to grant the manufacturer, the third party, or any person  
12 acting on behalf of the manufacturer or third party, direct or  
13 indirect access to the dealer's dealer data system.

14 (2) A dealer may submit or push data or information to a  
15 manufacturer or third party through a widely acceptable electronic  
16 file format or protocol that complies with star standards or other  
17 generally accepted cybersecurity standards that are at least as  
18 comprehensive as star standards.

19 Sec. 7. (1) A third party shall not do any of the following:

20 (a) Access, share, sell, copy, use, or transmit protected  
21 dealer data without prior express written consent.

22 (b) Engage in an act of cyber ransom.

23 (c) Take an action by contract, technical means, or any other  
24 means to prohibit or limit a dealer's ability to protect, store,  
25 copy, share, or use protected dealer data, including, but not  
26 limited to, any of the following actions:

27 (i) Imposing a fee or other restriction on a dealer or an  
28 authorized integrator for accessing or sharing protected dealer  
29 data or for writing data to a dealer data system, including a fee

1 on a dealer that submits or pushes data or information to a third  
2 party under section 5. A charge is considered a fee under this  
3 subparagraph unless a third party discloses the charge to the  
4 dealer and justifies the charge by documentation of the costs  
5 associated with access and, on written request by the dealer,  
6 provides the dealer with documentation that the charges were agreed  
7 to in writing by the dealer or provided for in the contract for  
8 service or goods.

9 (ii) Prohibiting a third party that is compliant with star  
10 standards or other generally accepted cybersecurity standards that  
11 are at least as comprehensive as star standards and that the dealer  
12 has identified as an authorized integrator from integrating into  
13 the dealer's dealer data system.

14 (iii) Placing an unreasonable restriction on integration by an  
15 authorized integrator or a third party that the dealer wishes to be  
16 an authorized integrator.

17 (d) Access or permit access to protected dealer data without  
18 prior express written consent.

19 (2) An unreasonable restriction under subsection (1) (c) (iii)  
20 includes all of the following:

21 (a) An unreasonable limitation or condition on the scope or  
22 nature of the protected dealer data that is shared with an  
23 authorized integrator.

24 (b) An unreasonable limitation or condition on the ability of  
25 the authorized integrator to write data to a dealer data system.

26 (c) An unreasonable limitation or condition on a third party  
27 that accesses or shares protected dealer data or that writes data  
28 to a dealer system.

29 (d) A requirement of unreasonable access to sensitive,

1 competitive, or other confidential business information of a third  
2 party as a condition for access to protected dealer data or sharing  
3 protected dealer data with an authorized integrator.

4 Sec. 9. (1) Prior express written consent may be unilaterally  
5 revoked or amended by a dealer without cause with a 60-day notice  
6 or immediately for cause.

7 (2) Subject to this subsection, prior express written consent  
8 must not be a condition of or factor for consideration or  
9 eligibility for any manufacturer program, standard, or policy,  
10 including one that offers a bonus, incentive, rebate, or other  
11 payment or benefit to a dealer. If the bonus, incentive, rebate, or  
12 other payment program requires the delivery of information that is  
13 considered protected dealer data to qualify for the program and  
14 receive the program benefits, a dealer shall supply the information  
15 to participate in the program.

16 Sec. 11. (1) A manufacturer shall not access, share, sell,  
17 copy, use, transmit, or require a dealer to share or provide access  
18 to protected dealer data beyond the required manufacturer data  
19 without prior express written consent.

20 (2) A manufacturer may use required manufacturer data obtained  
21 from a dealer data system, as reasonably necessary, for any of  
22 following purposes:

23 (a) To satisfy a safety, recall, or other legal notice  
24 obligation.

25 (b) To process and complete the sale and delivery of a new  
26 motor vehicle or a certified used motor vehicle to a consumer.

27 (c) To validate and pay consumer or dealer incentives.

28 (d) A claim for dealer supplied services relating to warranty  
29 parts or repairs.

1 (e) To evaluate a dealer's performance, including, but not  
2 limited to, a dealer's monthly financial statements, sales,  
3 service, or consumer satisfaction with the dealer through direct  
4 consumer contact or consumer surveys.

5 (f) Dealer and market analytics.

6 (g) To identify the dealer that sold or leased a specific  
7 motor vehicle and the date of the transaction.

8 (h) Marketing purposes designed for the benefit of or to  
9 direct leads to dealers.

10 (i) Motor vehicle diagnostic data.

11 (j) To develop, evaluate, or improve the manufacturer's  
12 products or services.

13 (3) A manufacturer shall not engage in an act of cyber ransom  
14 or take an action by contract, technical means, or any other means  
15 to prohibit or limit a dealer's ability to protect, store, copy,  
16 share, or use protected dealer data, including by an action  
17 described in section 7(1)(c)(ii).

18 (4) A manufacturer or a manufacturer's selected third party  
19 shall not require a dealer to pay a fee for sharing required  
20 manufacturer data if all of the following apply:

21 (a) The manufacturer requires the dealer to provide the  
22 required manufacturer data through a specific third party that the  
23 manufacturer selects.

24 (b) The required manufacturer data is in a format that is  
25 compatible with the file format required by the manufacturer.

26 (c) The third-party vendor satisfies or is in compliance with  
27 the star standards or other generally accepted cybersecurity  
28 standards that are at least as comprehensive as the star standards.

29 (5) Unless otherwise provided in this section or section 21,

1 this act does not restrict or limit a manufacturer's right to  
2 obtain required manufacturer data, use required manufacturer data  
3 for the purposes under subsection (2), or use or control data that  
4 is proprietary to the manufacturer, created by the manufacturer,  
5 obtained from a source other than the dealer, or that is public  
6 information.

7       Sec. 13. A manufacturer shall indemnify a dealer for a third-  
8 party claim asserted against or damages incurred by the dealer to  
9 the extent caused by access to, use of, or disclosure of protected  
10 dealer data in violation of this act by the manufacturer or a third  
11 party acting on behalf of a manufacturer to whom the manufacturer  
12 has provided the protected dealer data.

13       Sec. 15. (1) A dealer data vendor shall adopt and make  
14 available a standardized framework for both of the following:

15       (a) The exchange, integration, and sharing of protected dealer  
16 data from a dealer data system with an authorized integrator.

17       (b) The retrieval of protected dealer data by an authorized  
18 integrator using star standards or a standard that is compatible  
19 with star standards.

20       (2) A dealer data vendor shall provide access to open  
21 application programming interfaces to an authorized integrator.

22       (3) If the application program interfaces under subsection (2)  
23 are not the reasonable commercial or technical standard for secure  
24 data integration, the dealer data vendor may provide a similar open  
25 access integration method if that method provides the same or  
26 better access as an application programming interface and that  
27 method uses the required standardized framework.

28       Sec. 17. (1) A dealer data vendor or an authorized integrator  
29 may access, use, store, or share protected dealer data or any other



1 data from a dealer data system only to the extent allowed in a  
2 written agreement between the dealer data vendor or authorized  
3 integrator and the dealer.

4 (2) An agreement regarding access to, sharing or selling of,  
5 copying, using, or transmitting protected dealer data must be  
6 terminable not more than 90 days after a dealer data vendor or  
7 authorized integrator receives notice from the dealer.

8 (3) On notice of the dealer's intent to terminate the  
9 agreement under subsection (2), a dealer data vendor or an  
10 authorized integrator shall ensure a secure transition of all  
11 protected dealer data to a successor dealer data vendor or  
12 authorized integrator by doing both of the following:

13 (a) Providing access to, or an electronic copy of, all  
14 protected dealer data and all other data stored in the dealer data  
15 system in a commercially reasonable time and format that a  
16 successor dealer data vendor or authorized integrator can access  
17 and use.

18 (b) Deleting or returning all protected dealer data to the  
19 dealer before the termination of the agreement in accordance with  
20 any written directions of the dealer.

21 (4) On request by a dealer, a dealer data vendor or an  
22 authorized integrator must provide the dealer with a list of any  
23 entity the dealer data vendor or authorized integrator is sharing  
24 protected dealer data with or any entity to whom the dealer data  
25 vendor or authorized integrator has allowed access to protected  
26 dealer data.

27 (5) A dealer data vendor or an authorized integrator shall  
28 allow a dealer to audit the dealer data vendor's or authorized  
29 integrator's access to and use of any protected dealer data.

1       Sec. 19. A person that violates this act is subject to a civil  
2 fine of not more than \$5,000.00 for each violation.

3       Sec. 21. This act does not do any of the following:

4       (a) Govern, restrict, or apply to data that exists outside of  
5 a dealer data system, including data that is generated by a motor  
6 vehicle or by a device that a consumer connects to a motor vehicle.

7       (b) Authorize a dealer or a third party to use data that is  
8 obtained from a person in a manner inconsistent with an agreement  
9 with that person or with the purposes for which that person  
10 provided the data to the dealer or third party.

11       (c) Prevent a dealer, manufacturer, or third party from  
12 discharging the obligations of the dealer, manufacturer, or third  
13 party as a service provider under federal or state law to protect  
14 and secure protected dealer data or to otherwise limit those  
15 responsibilities.