

MOTOR VEHICLE SERVICE REPAIR ACT

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House Bill 5857 as reported from committee
Sponsor: Rep. Peter Pettalia
Committee: Transportation and Infrastructure
Complete to 10-10-16

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

(Public Act 430 of 2016)

SUMMARY:

The Motor Vehicle Service Repair Act regulates the practice of servicing and repairing motor vehicles and provides for the registration of motor vehicle repair facilities, among other things. The act specifies that each motor vehicle repair facility must have at least one specialty or master mechanic in its employ certified in each category of repair as specified in the act. Unless otherwise exempt by the act, a person shall not engage in the business or activity of a motor vehicle repair facility unless the person registers the facility with the Department of State. The term "administrator" as found in the act and this summary refers to the Secretary of State.

House Bill 5857 would rewrite the Motor Vehicle Service Repair Act. It would rescind the current rules that implement the act—R 257.101 to 257.173 of the Michigan Administrative Code—but many of the definitions and provisions in those rules would be imported into the statute

Facility/Facility Registration

Under the act currently, the owner of a motor vehicle repair facility must register the facility with the state and pay a registration fee. The bill would import from current administrative rules information that must be provided in describing a facility being registered. This would include: the type of service business the facility operates; the type of repairs the facility performs; the type of vehicles the facility services; the number of mechanics the facility employs who perform repairs; the range of gross revenue received by the facility from performing repairs, including revenue from parts and goods sold in conjunction with repairs, for the most recent federal income tax year; and the size of that part of the facility utilized for performing repairs, measured in square feet.

Currently, a facility being registered must supply the administrator with a copy of each instrument, form, contract or other document used by the applicant in dealing with the public. The bill would specify that such documents would have to at least include: any document on which the facility routinely requires the customer's signature; any document used by the facility in connection with providing estimates, diagnoses, or repairs; any invoices, warranties, or waivers; and any other document used by the facility to comply with this act or rules promulgated under this act.

Effective Date of Motor Vehicle Repair Facility Registration

As is now specified in administrative rules, a motor vehicle repair facility registration under this act takes effect on the date it is approved by the administrator and expires one

year after that date. The repair facility owner must renew the registration annually and submit an application for renewal of the registration, accompanied by a registration fee in a determined amount, with the administrator at least 30 days before the expiration of its then-current registration.

As current rules provide, a motor vehicle repair facility could continue to operate after the expiration date of its then-current registration, pending approval of the renewal application by the administrator, if the renewal application and renewal fee are received by the administrator on or before the expiration date. If a renewal application and renewal fee are filed after the expiration date, the facility may operate from the day on which the application and appropriate fee are received by the administrator, pending approval of the renewal application. The administrator shall charge a fee of one and one-half times the normal registration fee if the renewal application is received by the administrator after the expiration date.

As now provided in the statute, a person who owns more than one vehicle repair facility would be required to file a single registration for all the facilities annually, clearly indicating the location of the individual in charge of each facility and pay a separate registration fee for each facility.

Change of Ownership

As the administrative rules currently provide, if there is a change in ownership of a motor vehicle repair facility, a new registration and payment of a new registration fee is required and the facility could not operate until its registration application is approved by the administrator and the fee is paid.

If the owner of facility is a corporation, and 10% or more of the stock of the corporation is sold or transferred, the owner shall notify the administrator of that change within 30 days of the sale or transfer.

The bill contains a definition of "change of ownership" similar to that found in current administrative rules. The term would mean a sale of all or part of a facility to a new owner. The term would include a sale or transfer of a partnership interest in the owner of a facility if the owner is a partnership. The term would not include the sale or transfer of stock in the owner of a facility if the owner is a corporation.

Displaying Certificate of Repair Facility Registration. A motor vehicle repair facility would have to display, at all times, in a place and manner conspicuous to its customers, a current and valid certificate of repair facility registration issued by the administrator. The facility also must include its registration number on each copy of any instrument, form, contract, or other document used by the applicant in dealing with the public in the repair of motor vehicles.

Displaying Customer Information Sign. A motor vehicle repair facility would have to display a consumer information sign, with its content delineated in the bill. This requirement is currently in rules. The sign, generally speaking, explains that the

establishment is registered, that written estimates are required for repairs of \$50 or more and that a detailed statement of labor and parts will be furnished. The address of the Department of State must also be listed on the sign.

Facility Registration Fees. The registration fee for registering a facility would be determined by a sliding fee scale as specified in the act, based on gross annual revenue. The current registration fees are not changed by the bill and range from \$25 to \$500.

Motor Vehicle Repair Facility Prohibitions

Below are a series of prohibited activities imported into statute from current administrative rules.

Prohibited Contracts

A motor vehicle repair facility, owner, or operator of a facility that is subject to this act, could not enter into a contract with a customer:

- To circumvent or evade this act.
- That takes advantage of a customer's inability to reasonably protect his or her interests because of illiteracy or inability to understand the language of an agreement, if the facility knows or reasonably should know of the customer's illiteracy or inability to understand.
- That has gross discrepancies between the oral representations of the facility and the written agreement covering the same transaction.
- That makes, either written or orally, an untrue or misleading statement of a material fact to a customer.
- Fails to reveal a material fact to a customer that the customer could not reasonably know if that omission tends to mislead or deceive the customer.
- That attempts to abrogate, disclaim, or disallow the legal rights, obligations, or remedies of the customer.
- That allow a customer to sign an acknowledgment, certificate, or other writing that affirms acceptance, delivery, compliance with a requirement of law, or other performance, if the facility knows or has reason to know that the statement is not true.
- That set up contractual provisions with a customer, including the statement of repairs and waivers that are not specific in language, clearly described, or reasonably legible.
- That attempts to avoid or evade the law through a contract with a customer or any provision of a contract with a customer.
- That if a contract with a customer is rescinded, canceled, or otherwise terminated under the terms of the contract or under this act, fail to promptly return any deposit, down payment, or other payment to the person that is entitled to receive it.
- That allows a customer to sign a document in blank relating to the repair of a motor vehicle.
- That fails to give a customer a copy of a document evidencing the engagement of a facility at the time the document is executed by the customer.

- When returning a repaired vehicle to a customer, that fails to give a written statement of repairs to the customer that discloses all of the following:
 - *The repairs needed, as determined by the facility.
 - *The repairs requested by the customer.
 - *The repairs authorized by the customer.
 - *The facility's estimate of repair costs.
 - *The actual costs of repairs.
 - *The repairs or services performed, including a detailed identification of all parts that were replaced and a specification of which parts are new, used, rebuilt, OEM surplus, or reconditioned.
 - *A certification that authorized repairs were completed properly or a detailed explanation of an inability to complete repairs properly. The owner of the facility, or an individual designated by the owner to represent the facility, shall sign the certification statement. The statement shall include the name of the mechanic who performed the diagnosis and the repair.

Repairs

A repair facility could not:

- Charge for repairs that are in fact not performed.
- Perform repairs that are in fact not necessary, unless the customer insists that the facility perform the repair and disregards the facility's advice that the repair is unnecessary.
- Represent, directly or indirectly, that repairs are necessary when in fact they are not.
- Perform and charge for repairs that are not specifically authorized.
- Fail to perform promised repairs within the period of time agreed, or within a reasonable time, unless circumstances beyond the control of the facility prevent the timely performance of the repairs and the facility did not have reason to know of those circumstances at the time the contract was made.
- Represent, either directly or indirectly, that a replacement part used in the repair of a vehicle is new or of a particular manufacture when in fact it is used, rebuilt, reconditioned, deteriorated, or of a different manufacture, or otherwise fail to disclose in writing, before beginning a repair, the use of used, rebuilt, or reconditioned parts.
- Subsequent to a diagnosis requested by a customer for which a charge is made, fail to disclose a diagnosed or suspected malfunction, the recommended remedy for the malfunction, and any test, analysis, or other procedure employed to determine the malfunction.

Warranties:

It is prohibited to:

- Disclaim or limit the implied warranty of merchantability or fitness for use, unless excluded or modified under Section 2316 of the Uniform Commercial Code.

- Fail to extend the period of a facility's own warranty for repairs and services, if the customer was deprived of the use or enjoyment of the subject of the warranty because of a failure on the part of the facility to comply completely with the terms of the warranty, for a period of time that is equal to or greater than the period of the deprivation.
- Fail to honor a warranty on a new part by replacing it with a used part or replacing it with a rebuilt or remanufactured part that does not meet original equipment quality, standards, or specifications or does not comply with warranty repair of warrantor.
- Fail to honor an express warranty.
- Fail to disclose in written language, that is clear as to the nature or scope of the warranty, all material aspects and the intent of a warranty, including, but not limited to, what is warranted, the person that will honor the warranty, the duration of the warranty, the obligations, if any, of the person to which the warranty is extended, and any exceptions and exclusions from the terms of the written warranty agreement.

Advertising:

It is prohibited to advertise or represent, directly or indirectly, any of the following:

- Reduced prices for products or services and not sell them at the advertised price during the period of the offering.
- Products or services at a particular price during a particular period and fail to extend the offer beyond that period to any person that seeks but does not obtain the products or services during the advertised period because the facility has failed to prepare for the reasonably expected public demand.
- That a customer will receive products or services "free" or "without charge," or using words of similar import, if there are undisclosed conditions, terms, or limitations attached to the offer of those products or services.
- Products or services while failing to reveal a material fact that a customer could not reasonably know, if the omission of that fact tends to mislead or deceive the customer.
- That a customer will receive a rebate, discount, or other benefit as an inducement for entering into a contract, if the benefit is contingent on the occurrence of an event after the transaction is completed.
- That a facility has the ability to perform repair services using personnel who are qualified in specific repair specialties, including those specialties enumerated in sections of this act, if in fact the facility does not employ mechanics who are legally certified in those specialties.
- Products or services, if there is a material contingency, condition, or limitation on the offer of those products or services, unless the contingency, condition, or limitation is stated contemporaneously with the offer in a manner clearly and easily understood by the customer.
- Products or services in a language other than English, unless the advertisement or representation includes any required disclosures or limitations on the offer in the language principally used in the advertisement or representation.

- That mechanics employed by a facility are "certified," "licensed," or otherwise qualified if that representation tends to give the impression that all mechanics employed by the facility are certified or licensed if in fact they are not.
- That a customer's failure to act quickly or within a certain period of time to procure products or services will result in the loss of opportunity to procure them at a particular price, if in fact it is untrue.
- Credit availability, in a manner that creates a likelihood of confusion or misunderstanding of the terms or conditions of credit, or that credit availability or the terms of credit are "easy," or using words of similar import to describe credit availability or terms, if in fact that is untrue.
- That products or services are sold under the terms of "satisfaction guaranteed or money back," or using words of similar import, if in fact the customer's declaration of dissatisfaction is not a sufficient basis for obtaining a refund of the purchase price for those products or services.
- The necessity, desirability, or advantage to a prospective customer of dealing with a facility by misrepresenting the facility's alleged advantages of size.
- That a document that a customer signs is something other than what it is.
- An aspect of a repair transaction in a manner that causes a likelihood of confusion, or of misunderstanding, with respect to the authority of a mechanic, salesperson, representative, or agent to negotiate the final terms of the transaction.
- An aspect of a repair transaction in a manner that causes a likelihood of confusion, or of misunderstanding, of the legal rights, obligations, or remedies of a party to the transaction.
- That service on an offered product is available under a warranty if in fact it is not available or there are undisclosed limitations or conditions on the availability of that service.
- A free or low-cost inspection or diagnosis that requires the removal or dismantling, or both, of a part or assembly and failing to disclose before the transaction a charge for replacement or reassembly if the customer declines to authorize a recommended repair.
- A product or service at a reduced rate and, if the facility fails to provide it at the offered price during the period of the offering to a customer seeking it, failing to offer and provide the customer the opportunity to obtain the product or service at the same reduced rate within a reasonable period of time after the expiration of the original offer.
- Products or services, or the availability of products or services, in a manner that involves the solicitation of waivers by the facility.
- Products or services that fail to meet the reasonably expected public demand for the duration of the advertised offering, unless the advertisement has clearly expressed a specific limitation on the quantity of the advertised products or services.
- The words "certification," "licensing," or "registration," or the use of words of similar import, of a motor vehicle repair facility or mechanic, by an organization, association, governmental entity, or other program or authority other than the administrator, without clearly and conspicuously disclosing the source of the

certification, licensing, or registration, and without adding the disclaimer "not the Michigan Department of State."

- The desirability or advantages of certification or licensing by a federal, state, or local governmental agency, or that a motor vehicle repair facility or mechanic is approved or sanctioned by the administrator.

Mechanic's Liens and Similar Liens

It is an unfair and deceptive practice to:

- Assert, claim, or impose a mechanic's or similar type lien if the facility has violated this act or rules promulgated under this act with respect to the transaction on which the lien is based.
- Seek the repossession of a motor vehicle if the facility has violated this act or rules promulgated under this act with respect to the transaction on which the repossession is based.
- Seek to assert or enforce a lien by refusing to return a vehicle if the facility has violated this act or rules promulgated under this act with respect to the transaction on which the refusal is based.
- Fail to return a customer's vehicle if there is a dispute and the customer has paid the amount of the written estimate and any amount in excess of that amount that was agreed to either orally or in writing by the customer.

Estimates and Charges

It is an unfair and deceptive practice to:

- Unless legally waived by the customer, fail to give the customer a written estimate before beginning work on a motor vehicle.
- Charge for work done or parts supplied in excess of the estimated price without the knowing consent, orally or in writing, of the customer.
- Fail to give a customer an estimate for the cost, if any, of reassembly, disassembly, or diagnosis.
- Fail to inform a customer, at a time before the customer executes a document or engages the facility for the work, by the use of a notice required under Section 33, of the right to receive or inspect replaced parts for which the customer will be charged in the repair of the motor vehicle.
- Fail to retain a customer waiver with the records retained by the facility concerning the transaction.
- Charge a customer storage charges if there is a dispute concerning repair charges. If a delay in repairs is caused by a lack of parts, a facility may charge for storage after informing the customer of the approximate length of the anticipated delay and of the daily storage charge rate and obtaining the customer's consent to the delay and the storage charges.
- Fail to comply with the federal Truth-in-Lending Act, and the state Retail Installment Sales Act, if the customer finances repairs through the repair facility.
- Fail in practice to comply with advertised or stated payment policies.
- Conspire with another to fix prices.

- Conspire with another to allocate the market between them.
- Fail to notify a customer of an exchange agreement and charges for exchange parts if the customer wishes to have those parts returned.
- Fail to disclose, on the customer's request, the method used by a facility to compute labor charges.

Coercive Practices:

It would be an unfair and deceptive practice to:

- Improperly utilize waivers in a manner that suggests or implies, directly or indirectly, orally or by action that signing a waiver will improve or expedite service or repairs or will reduce the price.
- Exaggerate the seriousness of a malfunction to induce a customer to agree to a repair.
- Suggest or imply, directly or indirectly, orally or by action, that service will be improved or expedited or that the price will be reduced if the customer agrees that the facility is not required to return for inspection any parts that the facility replaced.
- Misrepresent that because of some defect in the customer's motor vehicle, the health, safety, and lives of the customer or his or her family are in danger if parts or repair services are not purchased, if in fact the defect does not exist or the installation of the parts or the performance of the four services would not remove the danger.

Mechanic Certification

The act provides for the certification as of the following:

- A specialty mechanic in one or more repair categories
- A master mechanic for automobiles and light trucks (if qualified in all repair categories)
- A specialty mechanic or master mechanic for heavy-duty trucks
- A master motorcycle mechanic
- A recreational trailer mechanic
- A specialty mechanics certificate in BAIID service

All of the certificates require passing examinations approved by the administrator.

Repair categories are listed and are, generally, imported from current administrative rules. For example, the repair categories for automobiles and light trucks are: engine repair; automatic transmission; manual transmission, front and rear drive axle; front end, suspension, and steering systems; brakes and braking systems; electrical systems; heating and air-conditioning; engine tune-up and performance; collision-related mechanical repair; and unitized body structural repair. There is a separate category for pre-1973 vehicles.

On application, the department would issue an initial specialty mechanic's certificate in BAID service without examination to an individual who holds a valid specialty mechanic's certificate in electrical systems repair on June 5, 2016. By October 4, 2016, the administrator would need to develop or adopt an examination for specialty mechanic certification in the repair or service category for an individual who is engaged, for compensation, in BAID service.

Individuals who cannot renew a certification because they cannot meet the requirements could apply instead for a mechanic trainee permit. An individual could keep this status for two years while working under the direct supervision of a specialty or master mechanic and engaging in further training.

Determination of Violation of Repair Standards

After notice and a hearing, if the administrator determines that a specialty or master mechanic or mechanic trainee is in violation of subsection (3), [i.e., departing from or disregarding acceptable motor vehicle standards] the administrator could require that the specialty or master mechanic or mechanic trainee do both of the following: (a) Successfully complete a designated training course or program as a prerequisite to continued certification; and (b) Only perform specific motor vehicle repairs or repair procedures identified by the administrator until the training course or program is completed.

Mechanic Fees

Mechanic fees also remain unchanged. However, any of the following may apply for an original specialty or master mechanic certificate without paying a fee under this subdivision:

- An individual who is currently certified by the administrator in at least one repair category may apply for certification in one or more additional repair categories without paying a fee under this subdivision.
- A mechanic trainee who presents proof that he or she has successfully completed 30 or more hours of continuing mechanic education courses given by an approved educational institution during the five-year period immediately preceding the date the trainee submits the application for certification.
- An individual who served in the armed forces; was separated from that service; and provides to the administrator a form DD214, a form DD215, or any other form that is satisfactory to the administrator that demonstrates that the individual was separated from that service, with an honorable character of service or under honorable conditions (general) character of service.

The bill also allows the following to obtain a mechanic trainee permit without paying a fee: (1) an individual currently certified in at least one repair category; and (2) a student currently enrolled in a vocational education or special education program that includes employment by a motor vehicle repair facility, is approved by the state Department of Education, and for which the student receives credit toward a high school or special education diploma.

Return of Parts and Use of Replacement Parts

A motor vehicle repair facility is required to return replaced parts to the customer at the time the repair work is completed. A facility would not be required to return any of the following replaced parts to the customer:

- Parts that are exempted by the administrator. However, a facility could not prevent a customer from removing any heavy or large part, by the customer's means and own expense.
- Parts the facility or mechanic is required to return to the manufacturer/distributor under a warranty or exchange agreement.
- For safety reasons, a gasoline tank or any other container-type part that was filled with or was in contact with flammable fuels unless that part was rendered non-flammable.

If the returned part presents a danger of flammability or explosiveness the facility would need to clearly inform the customer of the danger. When the repair work is completed if requested by the customer, the facility would have to reasonably clean the replaced parts to be inspected by the customer. The facility would need to store any parts identified as not portable in a suitable place for the customer's inspection.

If the facility charges a fee to the customer, it must disclose that fee in writing before the customer engages the facility to replace the part.

Right to Receive or Inspect Replaced Parts/Notice. Under the bill, a customer would have to be informed of the right to receive or inspect replaced parts before executing any document or engaging the facility for the work. The facility would be required to provide notice to the customer, printed or displayed on the face of the contract or work order in at least 12-point boldfaced letters at least 4 points larger than the principal size of letters in the document or provide notice in a separate written document in 12-point, boldface, capital letters.

Replaced Part Return to Manufacturer/Exchange Agreement. If a facility is obligated to return a replaced part to the manufacturer or a distributor under a warranty agreement, or, subject to subsection (4), under an exchange agreement, the facility is not required to return that part to the customer. However, the facility or mechanic shall offer the customer an opportunity to inspect the replaced part. If the customer accepts the offer to inspect the part, or otherwise requests to inspect the part, the facility or mechanic shall allow the customer to inspect the part when the repair work is completed. A facility is not required to show a replacement part to a customer if the replacement is made without charge to the customer.

If replacement of a part is contingent on the facility keeping the part under an exchange agreement, the facility shall explain, in a manner understandable to the customer, the precise terms of the exchange agreement, including if applicable a disclosure of the price to the customer if he or she wishes to reclaim the part. If a customer raises a question or dispute with the facility within two business days after the delivery of the repaired

vehicle to the customer and the dispute involves an exchanged part for which the facility required the customer pay a deposit in the amount of the facility's obligation, the facility shall refund the deposit to the customer if the customer returns the part to the facility.

Disposition of Replaced Parts Not Returned to Customer. Unless otherwise provided in the act, the facility could not dispose of the parts for at least two business days after the customer takes possession of the repaired vehicle, unless the customer has specifically authorized immediate disposition of the parts. If a customer questions or disputes repairs performed by a facility or the charges for those repairs within two days after the customer takes possession of the repaired vehicle, the facility could not dispose of the replaced parts until the question or dispute is resolved. If the dispute involves the replaced part, the facility could, in the presence of the customer, immediately affix to the part a permanent mark sufficient to identify it.

If requested by a customer, a facility would need to explain exactly why a replaced part is defective or nonfunctional, or why it was replaced.

Estimates

Repair Estimate Pricing. The bill says that before beginning repair work, the facility must give the customer a written estimate that itemizes, as closely as possible, the work being done and not charge for work done or parts supplied in excess of that estimated cost. Should the facility determine the estimated price is insufficient before any work is done and if a waiver is not signed, and the cost exceeds the estimate by not more than 10 percent or \$50 (whichever is greater), the facility would not be required to obtain written or oral consent from the customer for the excess charge unless specifically requested by the customer to do so.

A waiver as defined in the act would not be effective unless it is given to the customer voluntarily and with full knowledge of the implications of the waiver.

No Written Estimate. Unless requested by the customer, the requirement of a written estimate would not apply to repair work performed by the repair facility if the total cost for services and parts is less than \$50. This would not apply to or limit a facility's obligation to furnish the customer a written statement that includes the actual cost of repairs.

Retention of Records

The owner of a motor vehicle repair facility would be required to retain the records of the facility for specified periods of time. For example, the following would have to be retained for at least three years:

- Any document on which the facility required the customer's signature.
- Any document used by the facility in connection with providing an estimate, diagnosis, or repair.
- Any invoice, warranty, or waiver.

- Any other document used by the facility to record or convey the terms of the transaction.
- Any other document required under this act or rules promulgated under this act in connection with a repair transaction.

If a facility is advised by the administrator that of a complaint about a repair transaction performed by the facility, and it is under investigation by the administrator, the owner would have to retain records relating to the transaction until the date the administrator advises the facility in writing that the complaint is closed, or for three years after the completion of the repair transaction, whichever is later.

If a repair transaction involves the assumption by the facility of an obligation extending beyond three years, the owner would have to retain records or documents relating to that obligation for at least the term of the obligation. For any other document or record, the owner would have to retain it for at least three years.

Administrator Powers/Duties

Declaratory Rulings. Provisions on declaratory rulings by the administrator (the secretary of state) are imported into statute from current administrative rules. Under the bill, the administrator would be required to issue declaratory rulings concerning the applicability of this act or rules promulgated under this act to an actual statement of facts if the administrator receives a request for a declaratory ruling from an interested person and the interested person submits a clear and concise statement of facts to the administrator. The interested person could submit a brief or other reference to legal authorities on which the interested person relies concerning the applicability of this act or rules promulgated under this act to the statement of facts.

In issuing a declaratory ruling, the administrator would be required to provide the person requesting the ruling a statement that a declaratory ruling will be issued and the date by which the ruling will be issued.

A declaratory ruling would have to include the actual statement of facts provided by the interested person that requested the ruling, the legal authority on which the administrator is relying for the ruling, if any, and the ruling itself.

Once issued, a declaratory ruling is binding on the administrator and cannot be changed retroactively. However, this does not prohibit the administrator from prospectively changing a declaratory ruling.

Assessment of Penalty for Violation. After notice and opportunity for hearing, the administrator could do any one of the following if he or she determines there has been a violation:

- Place a limitation on a registration, certificate, or mechanic trainee permit.
- Suspend a registration, certificate, or mechanic trainee permit.

- Deny a registration, certificate, or mechanic trainee permit or renewal of a registration, certificate, or mechanic trainee permit.
- Revoke a registration, certificate, or mechanic trainee permit.
- Censure the person that holds a registration, certificate, or mechanic trainee permit.

As an alternative or in addition to administrative action for a violation or alleged violation, the administrator could, by written agreement with a person that holds a registration, certificate, or mechanic trainee permit, place a registration, certificate, or mechanic trainee permit on probation and include conditions of probation in the agreement.

The remedies and sanctions under the act would be independent and cumulative. The use of a remedy or sanction under this act, including but not limited to administrative action by the administrator, or an agreement for probation, would not bar other lawful remedies and sanctions against a person and would not limit a person's criminal or civil liability under law.

Selection of Training Establishment. The administrator must select one or more approved educational institutions to engage in mechanic trainee training. Under the bill, the administrator would be required to evaluate and could approve a school, academy, or other similar establishment that intends to provide training to mechanics or mechanic trainees under this act.

An establishment seeking approval would submit an application for approval to the administrator, including supporting materials required by the administrator. The administrator would review the application and supporting materials and approve, deny approval of, or withdraw approval from the training program offered to mechanics and mechanic trainees by the establishment.

In evaluating an establishment for approval, the administrator would have to consider all of the following factors:

- Accreditation or lack of accreditation by a recognized accreditation agency.
- Quantity and quality of classroom training provided.
- Course objectives.
- Number, quality, and age of tools, equipment, and materials made available to students.
- Percentage of class time spent in hands-on training.
- Qualifications of instructors and other staff.
- Quality, quantity, and accessibility of records maintained by the establishment.
- Class size and location.
- Quality of testing administered.
- Other related factors considered relevant.

The administrator could contract with approved educational institutions to provide training or testing required under this act.

The bill would take effect 90 days after being enacted into law.

MCL 257.1302 et al.

FISCAL IMPACT:

The bill would have no fiscal impact on the Department of State or local units of government.

POSITIONS:

A representative from the office of the Secretary of State testified in support of the bill. (9-20-16)

Automotive Service Association of Michigan supports the bill. (9-20-16)

Property Casualty Insurers Association of America indicated neutrality on the bill. (9-20-16)

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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.