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BILL



ANALYSIS

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House Bill 5857 (as reported without amendment)
Sponsor: Representative Peter Pettalia
House Committee: Transportation and Infrastructure
Senate Committee: Regulatory Reform

CONTENT

The bill would amend the Motor Vehicle Service and Repair Act to repeal and codify administrative rules relating to the automotive repair business, and make other changes. Specifically, the bill would do the following:

- Change from \$10 to \$50 the amount a motor vehicle repair facility may charge above the estimate given to the customer who did not sign a special waiver, before the facility must obtain consent for the excess charge.
- Change from \$20 to \$50 the minimum amount that triggers a requirement for a motor vehicle repair facility to give a customer an estimate before beginning repairs.
- Allow the Administrator (the Secretary of State) to promulgate rules necessary to implement the Act.
- Codify prohibitions against certain practices regarding contracts, repairs, warranties, advertising or representation, liens, estimates or charges, and coercive practices by a motor vehicle repair facility subject to the Act, or a person who is an owner or operator of a facility subject to the Act.
- Codify provisions regarding the amount of time a motor vehicle repair facility must keep its business records for inspection, and include other requirements regarding records.
- Codify the repair activities performed by a gasoline service station or person that qualify that station or person as a motor vehicle repair facility subject to the Act.
- Establish requirements for certified master, specialty, or trainee mechanics, including provisions that would apply if those individuals violated certain requirements.
- Incorporate the rules' examination, application, certificate, and renewal fees for mechanics, and allow certain individuals to apply for certification without paying a fee.
- Codify the repair categories for automobiles and light trucks, and heavy-duty trucks that an individual may specialize in as a specialty or master mechanic.
- Allow a specialty mechanic qualified in all repair categories to apply for certification as a master mechanic for light vehicles and heavy-duty trucks, with respect to the qualifications achieved for each category.
- Codify the requirements for an individual to be certified as a master motorcycle mechanic or recreational trailer mechanic.
- Codify expiration policies for permits, certificates, or registration relating to a master mechanic, specialty mechanic, or a motor vehicle repair facility, and prescribe the process under which those documents could be renewed.
- Codify the conditions under which an applicant for certification may take an oral or practical test, and specify other details regarding the examination.

Other provisions of the rules that the bill would codify pertain to the following: the return of parts to a customer; mechanic trainee permits; the evaluation and approval of a school, academy, or other similar establishment that intends to provide training to mechanics or mechanic trainees; a change of ownership for a motor vehicle repair facility and details

regarding new registration, including required fees; and requirements for a registered motor vehicle repair facility to display certain items.

MCL 257.1302 et al.

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the State and local government. It is currently a misdemeanor punishable by imprisonment for up to 90 days and a fine of up to \$1,000, or both, for a first offense, for any person, agent, or employee of a registrant to knowingly violate the Act. A subsequent conviction is punishable by up to one year's imprisonment and a fine of up to \$5,000, or both. It is unknown whether the changes in the bill would lead to a change in the number of misdemeanor arrests and convictions under the Act.

An increase in misdemeanor arrests and convictions could place incremental resource demands on local court systems, law enforcement, probation offices, and jails. Any associated increase in fine revenue would be dedicated to public libraries.

Conversely, a decrease in misdemeanor arrests and convictions could reduce incremental resource demands on local court systems, law enforcement, probation offices, and jails. Any associated decrease in fine revenue would reduce funding to public libraries.

The bill would have no fiscal impact on the Department of State.

Date Completed: 12-8-16

Fiscal Analyst: Ryan Bergan
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.