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House Bill 6233 (Substitute H-3 as passed by the House)
Sponsor: Representative Jason M. Sheppard
House Committee: Government Operations
Senate Committee: Regulatory Reform

Date Completed: 12-8-20

CONTENT

The bill would amend the Motor Vehicle Franchise Act to do the following:

- **Allow a vehicle manufacturer to own a service and repair facility for the repair of manufacturer-owned vehicles or, at the request of a fleet operator, for the repair of a fleet operator's vehicle.**
- **Allow a manufacture to authorize a motor vehicle service and repair facility to perform motor vehicle warrant repairs and recall work under certain circumstances, including that the work was performed by the vehicle manufacturer on a fleet operator's vehicles.**

The Act prohibits a manufacturer from authorizing a motor vehicle service and repair facility to perform motor vehicle warranty repairs and recall work, unless the work meets any of the following:

- Is required for emergency service of a vehicle.
- Is work performed at a service center owned or operated by a manufacturer on a manufacturer-owned vehicle.
- Is work performed by employees of a fleet operator on its own vehicles.

The bill would refer to work performed by *the vehicle manufacturer* or employees of a fleet operator on *the fleet operator's* own vehicles.

The Act also prohibits a manufacturer from owning a motor vehicle service and repair facility, except that a manufacturer may own a service and repair facility for the repair of manufacturer-owned vehicles. Under the bill, a manufacturer could not directly or indirectly own a motor vehicle service and repair facility, except that a manufacturer could own a service and repair facility for the repair of manufacturer-owned vehicles and, at the request of a fleet operator, for the repair of a fleet operator's vehicle as permitted under the bill.

Additionally, the bill would define "sell" or "selling" as it applied to a new motor vehicle as engaging in the business of selling, trading, leasing, or offering for sale or lease, negotiating, or otherwise attempting to sell, trade, or lease a new motor vehicle, or any interest in, or written instrument pertaining to, a new motor vehicle to a customer at retail.

MCL 445.1566 & 445.1574

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have a negligible fiscal impact on State and local government. Although the bill would loosen some of the restrictions within the Motor Vehicle Franchise Act that currently prohibit Tesla, Inc. from selling or servicing its vehicles in Michigan, the proposed changes likely would not affect sales or use tax as they relate to Tesla vehicle purchases.

Fiscal Analyst: Michael Siracuse

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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.