
Chapter 1

Licensing Requirements

Section 1-1

Registering a Repair Facility

1-1.1 Requirement. Section 6 of the *Motor Vehicle Service and Repair Act* [MCL 257.1306] requires businesses performing motor vehicle maintenance, diagnosis, vehicle body work, or repair service on a motor vehicle for compensation to be registered with the Michigan Department of State. The Business Licensing Section oversees this activity for the Department of State. The Department also regulates automotive vehicle dealerships.

1-1.2 Exemptions. A business need not register as a motor vehicle service and repair facility if any of the following apply:

- (a) The business does not involve motor vehicle service or repair;
- (b) The business does not perform motor vehicle service or repair for compensation;
- (c) The business *only* services or repairs its own vehicles;
- (d) The business performs motor vehicle service or repair only for a single government agency or a single commercial or industrial establishment;
- (e) The business engages *only* in the sale of motor fuels and lubricants;
- (f) The business, such as a machine shop, does not diagnose the operating condition of, remove parts from, or install parts on a motor vehicle;
- (g) The business *exclusively* performs services or repairs on motor vehicles *not* required to be registered and titled (bulldozers, cranes, road rollers, etc.).

1-1.3 Other Licensing Requirements. A business which sells used or rebuilt late model major component parts (see Chapter 2) over-the-counter must obtain a Class C (Used Vehicle Parts Dealer) license. To obtain a dealer license application packet, go online at www.michigan.gov/sos within Automotive Related Businesses.

1-1.4 Loss of Registration. A repair facility registration may be revoked, suspended or denied, if, after a hearing is offered, the Secretary of State determines that the person or facility:

- (a) Engaged in an unfair or deceptive act or practice or made an untrue statement of a material fact;
- (b) Violated any provision of the *Motor Vehicle Service and Repair Act*;
- (c) Violated a probation agreement;
- (d) Made unnecessary repairs or repairs not authorized by a customer;
- (e) Refused to honor a warranty given to a customer;
- (f) Caused or permitted a customer to sign a blank document regarding a motor vehicle repair, such as an estimate, repair order, or invoice;
- (g) Was ordered by a court not to repair motor vehicles as a business or not to violate the *Motor Vehicle Service and Repair Act*;
- (h) A stockholder, officer or director of a corporate licensee and as an individual, either did something or failed to do something which would be grounds for refusing to issue, suspending, or revoking a license issued to that person as an individual;
- (i) Failed to comply with a final cease and desist order;
- (j) Was convicted of a criminal violation of the *Motor Vehicle Service and Repair Act*;
- (k) Used the “Waiver of Liability” provision of the *Motor Vehicle Service and Repair Act* to avoid other requirements of the Act;
- (l) Was convicted of violating the *Used Motor Vehicle Parts Act*;
- (m) Was convicted of any of the following offenses [MCL 257.1322]:
 - (1) Unlawfully driving away a motor vehicle (MCL 750.413);
 - (2) Concealing or misrepresenting the identity of a motor vehicle (MCL 750.415);
 - (3) Buying, receiving, possessing, concealing, or aiding in the concealment of stolen, embezzled or converted property (MCL 750.535);
 - (4) Owning, operating, or conducting a chop shop (MCL 750.535a);

- (5) Obscuring, defacing, altering, obliterating, removing, destroying or otherwise concealing or disguising the identity of a registration, serial, or identification number (MCL 750.536a).

1-1.5 Reporting Unlicensed Repair Facilities or Mechanics. It is a violation of the *Motor Vehicle Service and Repair Act* to operate a motor vehicle repair facility or perform a motor vehicle repair without a registration issued by the Michigan Department of State. Information regarding an unlicensed repair facility or uncertified mechanic can be provided anonymously to the Michigan Department of State by telephone, e-mail, fax, or in writing, as follows:

Michigan Department of State
Office of Investigative Services
Regulatory Monitoring Division
Lansing, MI 48918
Telephone: 1-888-SOS-MICH (1-888-767-6424)
Fax: 517/373-7419
Web Site: www.Michigan.gov/sos
E-mail: SOS-RMD-800@Michigan.gov

Section 1-2

Registration Application

1-2.1 Registration Form. As noted above, any person engaging in the business or activity of a motor vehicle repair facility in Michigan must register with the Michigan Department of State, Driver Programs Division.

Applications for a repair facility registration (Form AR-0012, *Motor Vehicle Repair Facility Registration*) may be obtained from the Business Licensing Section at 1-888-SOS-MICH (1-888-767-6424) or online at www.michigan.gov/sos within Automotive Related Businesses. When completed, the application is submitted to the Business Licensing Section at the following address:

Michigan Department of State
Business Licensing Section
Driver Programs Division
Bureau of Driver and Vehicle Programs
Lansing, MI 48918

1-2.2 Original Fee. The fee for an original repair facility registration is based on the total amount of money the business expects to receive in payment for services and repairs, before expenses are subtracted, during its first year of operation. A sliding fee scale based upon the gross annual revenue of the facility determines the registration fee to be paid (see Table 1-1).

NOTE: Repairs cannot be performed for compensation until the repair facility receives notification that its registration has been issued by the Michigan Department of State.

Table 1-1
Repair Facility Registration Fees

Gross Annual Revenue	Annual Fee
Under \$5,000	\$25
\$5,001 - \$15,000	\$50
\$15,001 - \$25,000	\$75
\$25,001 - \$40,000	\$100
\$40,001 - \$60,000	\$125
\$60,001 - \$80,000	\$150
\$80,001 - \$100,000	\$175
\$100,001 - \$120,000	\$200
\$120,001 - \$140,000	\$225
\$140,001 - \$160,000	\$250
\$160,001 - \$180,000	\$275
\$180,001 - \$200,000	\$300
\$200,001 - \$220,000	\$325
\$220,001 - \$240,000	\$350
\$240,001 - \$260,000	\$375
\$260,001 - \$280,000	\$400
\$280,001 - \$300,000	\$425
\$300,001 - \$320,000	\$450
\$320,001 - \$340,000	\$475
Over \$340,000	\$500

1-2.3 Expiration of Registration. An original repair facility registration will take effect on the date the facility's application is approved by the Michigan Department of State. If approval is granted, the Department of State will issue a certificate of registration to the facility. The registration is valid for one year and must be renewed annually. Renewal application forms (AR-0064, *Motor Vehicle Repair Facility Registration Renewal*) are mailed by the Department to all registered repair facilities about 60 days before their current registrations expire.

Early submission of renewal applications will ensure that the renewal will be fully processed before the facility's registration expiration date. A repair facility which has not received its renewal application form 30 days before the registration expiration date may contact the Business Licensing Section at 1-888-SOS-MICH (1-888-767-6424).

1-2.4 Unrenewed Registration. A repair facility that has not renewed its registration may not accept compensation for any motor vehicle repairs performed after its registration expiration date, with one exception, noted in Section 1-2.5.

1-2.5 Renewal Pending. A repair facility may continue to operate temporarily after its expiration date, pending approval of its renewal application, provided that the renewal application and appropriate fees have been received by the Department of State on or before the expiration date.

1-2.6 Renewal Fee. The fee for registration renewal is determined by using the same fee schedule used to compute original registration fees (see Table 1-1). The fee for renewal of the registration is based on the gross annual revenue of the facility for services or repairs provided, before expenses, for the facility's most recent complete federal income tax year.

1-2.7 Late Fee. The law requires payment of a late fee of 1-1/2 times the regular renewal fee if the renewal application is not received on or before the facility's registration expiration date.

1-2.8 Additional Locations. A facility must obtain a separate registration for each location where repairs are offered. An additional fee for each separate location must accompany the facility's application for registration (see Table 1-1).

NOTE: Information on a sales tax license can be obtained by contacting the Michigan Department of Treasury's Sales, Use, and Withholding Taxes Division at 517/373-3190.

Section 1-3

Replacement Registration

1-3.1 Directions. If a certificate of registration is lost or destroyed, the facility must immediately apply to the Michigan Department of State for a replacement registration (Section 257.1325). The request for a replacement registration must contain the following information:

- (a) Name and address of the facility;
- (b) Facility registration number;
- (c) Explanation of the loss or destruction of the registration.

1-3.2 Replacement Fee. A \$5 registration replacement fee must be submitted.

Section 1-4

Business Hours

1-4.1 Requirement. A repair facility must maintain *posted* business hours and indicate those hours in its registration application. During posted business hours, the Department of State has legal authority to inspect all records kept by the facility. A facility's business hours are kept on record with the Department [MCL 257.1317].

1-4.2 Change in Business Hours. A repair facility must notify the Driver Programs Division of any change in its business hours. There are two ways to notify the Department of such a change:

- (a) Mail, fax or e-mail a brief letter to the Business Licensing Section listing the new hours.

The address, fax number and e-mail address are:

Michigan Department of State
Business Licensing Section
Driver Programs Division
Bureau of Driver and Vehicle Programs
Lansing, MI 48918
Fax: 517-335-2810
E-mail: Licensing@Michigan.gov

- (b) Indicate the new hours on the facility's next registration renewal application.

Section 1-5

Change of Address or Business Name

1-5.1 Change of Address. If a repair facility's business address has changed, the facility owner must write, fax, or e-mail notice of the change to the Business Licensing Section.

1-5.2 Change of Name. When a repair facility changes its name, the owner must write, fax or e-mail notice of the new name to the Business Licensing Section.

Section 1-6

Change of Ownership

1-6.1 Requirement. Changes in the ownership of a repair facility must be reported in writing to the State using Form AR-0012, *Motor Vehicle Repair Facility Registration Application*. This form is available online at www.michigan.gov/sos within Automotive Businesses.

1-6.2 Individual Ownership. If there is *any* change of ownership in a business which is operated as a sole proprietorship (one owner), the new owners must immediately obtain a new registration from the Michigan Department of State and a new registration fee must be paid. Use Form AR-0012, *Motor Vehicle Repair Facility Registration Application*. This form is available online at www.michigan.gov/sos within Automotive Businesses. Return the completed form with the registration fee to the Business Licensing Section.

1-6.3 Partnerships. Adding or deleting a partner requires submission of a new registration application and an original registration fee. Complete Form AR-0012, *Motor Vehicle Repair Facility Registration Application*, and return with the registration fee to the Business Licensing Section. This form is available online at www.michigan.gov/sos within Automotive Businesses.

1-6.4 Corporations. Corporations which have a change of 10% or more of their stockholders, or a change of corporate officers, must complete Form AR-0075, *Motor Vehicle Repair Facility Registration Change of Officers, Director, Stockholder Application*. This form is available online at www.michigan.gov/sos within Automotive Businesses. The form must be submitted to Business Licensing Section within 30 days of the change.

1-6.5 Limited Liability Companies and Trusts. Written notification to the Business Licensing Section is required when a managing member is added or deleted from a repair facility registration issued to a limited liability company or a trust. Fax or mail this information to the Business Licensing Section as soon as possible.

Section 1-7

In-Transit Repair Plates

1-7.1 Authorization. Registered repair facilities may use special license plates on vehicles. Michigan law permits the use of in-transit repair plates for specified purposes only. All other uses are prohibited.

1-7.2 Use. Individuals or businesses that occasionally pick up and deliver a vehicle or move a vehicle for repair or service may use an in-transit plate to do so. No bonding is required of these individuals or businesses.

1-7.3 Expiration Date. In-transit plates expire on March 31st of each year. Applications for in-transit plates are obtained and processed at Secretary of State branch offices using Form BDVR-124. Proof of insurance for all non-owned vehicles is required and must be presented at time of application. The annual fee for each plate is \$20.

1-7.4 Replacement. If an in-transit plate is lost, destroyed or stolen, a replacement plate may be obtained for \$5 at any Secretary of State branch office.

Section 1-8

Consumer Information Sign

1-8.1 Requirement. A repair facility is required to display a consumer information sign informing its customers of their basic rights under the *Motor Vehicle Service and Repair Act* [MCL 257.1332a(1)]. The sign is designed to inform customers of their rights on written estimates and final invoices.

The sign must contain the address and telephone number of the Bureau of Regulatory Services and be of a size, construction and wording as explained below. A sample is provided in **Appendix A**. The sign must also be legible and easily visible to customers.

1-8.2 Location. A consumer sign must be displayed in the cashier's area and at each location where customer service orders are written.

1-8.3 Dimensions. The sign must have 18 lines of lettering. It must be rectangular in shape and be at least 28 inches high by 24 inches wide. Durable material must be used. The sign must also meet specifications listed in **Appendix A**.

NOTE: Repair facility owners are responsible for purchasing or otherwise obtaining these signs.