

Chapter 1

Licensing Requirements

Section 1-1

Registering a repair facility

1-1.1 Requirement. The Motor Vehicle Service and Repair Act (the Act) (Public Act 300 of 1974, as amended) 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 department). The Business Licensing Section oversees this activity for the department. The department also regulates automotive vehicle dealerships.

1-1.2 Exemptions. A business is not required to register as a motor vehicle service and repair facility if any of the following apply (MCLs 257.1303 and 257.1304):

- 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, race cars, etc.).

1-1.3 Other licensing requirements. A business that sells used or rebuilt late model major component parts (see Chapter 2) over the counter must obtain a Class C (Used Vehicle Parts Dealer) or a Class R (Automotive Recycler Dealer) license. A dealer license application packet is available on the department's website at www.michigan.gov/sos, then select Industry services – Vehicle dealers – and then

under the Licensing section, select Obtaining a License.

1-1.4 Reporting unlicensed repair facilities or mechanics. It is a violation of the Act to operate a motor vehicle repair facility or perform a motor vehicle repair without a registration issued by the Michigan Department of State. The expiration or absence of a registration, certificate, or permit of a facility or person shall not restrict the department from proceeding with an investigation, petition, disciplinary proceeding, or other action authorized against a facility or person. Information regarding an unlicensed repair facility or uncertified mechanic can be provided anonymously to the Michigan Department of State through the department's website, 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: 517-335-3192
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, Business Licensing Section. A facility can apply online (fastest method) by going to www.Michigan.gov/SOSonline – Business Services – Repair Facility Services – Apply to be a Repair Facility. The paper application for a repair facility registration (Form AR-0012, Motor Vehicle Repair Facility Registration) may be obtained online at www.Michigan.gov/sos/resources/forms – Repair Facility Original Application. The application contains a zoning and municipality approval form that must be completed by the appropriate local authority and submitted with the application. A sample of the estimate and invoice you will be providing customers with must also be submitted with the application.

When completed, the application, all additional required documentation, and fee can be submitted to the Business Licensing Section at the following address:

Michigan Department of State
Business Licensing Section
Office of Investigative Services
430 W Allegan, 4th Floor
Lansing, MI 48918

1-2.2 Original application fee. The fee for an original repair facility registration is based on the business's expected gross annual revenue, which is 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.

Note: Repairs cannot be performed for compensation until the repair facility receives notification that its registration has been issued by the department.

Table 1-1
Repair facility registration fees

Gross annual revenue	Annual fee
Under \$50,000	\$100
\$50,000 to \$100,000	\$200
\$100,001 to \$200,000	\$300
\$200,001 to \$300,000	\$400
Over \$300,000	\$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 department. If approval is granted, the department 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 approximately 60 days before their current registrations expire.

Early submission of renewal applications ensures the renewal will be processed before the facility's registration expires. A repair facility which has not received its renewal application form 30 days before the registration expiration date should contact the Business Licensing Section at 1-888-SOS-MICH or email at licensing@michigan.gov.

Renewal of a repair facility registration, prior to expiration, can also be completed through the facility's eServices account. **The department recommends all repair facilities renew through their eServices account to prevent delays in the renewal being processed.**

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 below.

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.

Note: Repair facilities should confirm with the Business Licensing Section that the renewal application and appropriate fees have been received before continuing in business. Business Licensing can be reached at licensing@michigan.gov.

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.

Note: Repair facilities who have a gross annual revenue over \$300,000, may renew their registration up to 4 years (multiyear renewal).

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 registration expiration date.

1-2.8 Auxiliary facility. An auxiliary facility is a separate location used as an extension of the main facility with which it shares a registration number. It must be within a 3-mile radius of the main facility, and no customers are permitted at an auxiliary facility.

The owner of a registered repair facility may be approved for a single, auxiliary facility under the same registration and registration number if the owner submits an application for an auxiliary facility to the department along with an approved zoning and municipality approval form. **This application can only be submitted online.**

An auxiliary facility must meet ALL the following requirements:

- a) Be located within a 3-mile radius of the main facility.
- b) Serve as an extension of the main facility.
- c) Mirror the main facility in regard to hours of operation, types of vehicles serviced, and repairs performed.
- d) Rely on the main location for all in-person customer interactions including, but not limited to, customer drop-off and pick up of vehicles, payment for services rendered, invoice generation, and other documents shared with a customer.
- e) Not perform any repairs not initiated by and through the main facility.

An auxiliary facility does NOT need any of the following:

- a) A registration certificate with a separate registration number from the main facility.
- b) An exterior sign that identifies the business.
- c) Any estimates, invoices or other document required under the Act that is different from these documents used by the main facility.
- d) A consumer information sign.
- e) A notice of parts return sign.

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 517-636-4357.

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 through their eServices account, by mail, or email. The request for a replacement registration must contain the following information:

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

1-3.2 Replacement fee. A \$5.00 registration replacement fee is required with the request.

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 has legal authority to inspect all records kept by the facility. A facility's business hours are kept on record with the department.

1-4.2 Change in business hours. A repair facility must notify the Business Licensing Section of any change in its business hours. Changes can be made through the facility's eServices account (fastest method), by mail, or email below:

Michigan Department of State
Business Licensing Section
430 W. Allegan St.
Lansing, MI 48918
E-mail: licensing@michigan.gov

New business hours must be indicated on the facility's next registration renewal application.

Section 1-5

Change of business address, business name or business ownership

1-5.1 Change of address requirement. To change a repair facility business address, the facility must submit a [Repair Facility Change of Address](#) as well as a zoning and municipality form approved by the local government to the Business Licensing Section. This MUST be done *prior* to moving the facility's place of business. The [Repair Facility Change of Address](#) form as well as the approved zoning and municipality form should be sent to the Business Licensing Section through eServices, which is the fastest method. You may also send the forms by mail, or email.

1-5.2 Change of business name requirement. When a repair facility changes the business name, the facility must notify the department *prior* to completing the name change. A facility must submit this change to the Business Licensing Section through their eServices account

Note: It is recommended that facility contact the Business Licensing Section prior to submitting a change of business name to ensure a new repair facility application is not required.

1-5.3 Change of ownership requirement. Changes in the ownership of a repair facility must be reported in writing to the department by using the respective form as indicated below.

1-5.4 Individual ownership. Any change of ownership (unless adding or removing a spouse) in a business which is operated as a sole proprietorship (one owner), requires submission of a new registration application and an original registration fee. Complete Form AR-0012, *Repair Facility Original Application*, and return with the registration fee to the Business Licensing Section. This form is available online at www.michigan.gov/sos under Resources – Forms and publications – Repair Facility

Original Application. Return the completed form with the registration fee to the Business Licensing Section. The former owner must submit a repair facility closeout statement.

1-5.5 Partnerships. Adding or deleting a partner requires submission of a new registration application and an original registration fee. Complete Form AR-0012, *Repair Facility Original Application*, and return with the registration fee to the Business Licensing Section. This form is available online at www.michigan.gov/sos under Resources – Forms and publications – Repair Facility Original Application. Return the completed form with the registration fee to the Business Licensing Section. The former owner must submit a repair facility closeout statement.

1-5.6 Corporations, limited liability companies (LLC) and trusts. Entities which have a change of their stockholders with a 25% or more holding in the facility, or a change of corporate officers, must complete Form AR-0175, *Repair Facility Change of Officers, Director, Stockholder Application*. This form is available online at www.michigan.gov/sos under Resources-Forms and publications-Repair Facility Change of Officer, Director, Stockholder Application. The form must be submitted to Business Licensing Section within 30 days of the change. A new application is not required unless a new corporation is being formed.

Section 1-6

Certified mechanics

1-6.1 Requirement. The Act requires repair facilities to employ persons properly certified for the types of repairs performed by the facility. Holders of valid mechanic trainee permits must work under the supervision of a properly certified mechanic. (MCL 257.1305 and MCL 257.1337)

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. Insurance for **non-owned** vehicles must be maintained on these plates. These plates are issued by the Internal Services Section. The application can be found online at [Application for Repossession, In-transit Repair, or Special Farm Plate](#).

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 Act. The sign must include the address and telephone number of the Office of Investigative Services and be of a size, construction and wording as explained in **Appendix A**. The sign must be displayed in the cashier's area and at each location where customer service orders are written.

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

Section 1-9

Right to replaced parts

1-9.1 Requirement. A repair facility is required by law to give customers a notice which informs them of their right to reclaim replaced parts. **See Appendix C.**

The notice may be given in one of three ways:

- 1) By means of a sign displayed in the facility with lettering at least 1-inch high.
- 2) On the face of a contract form, work order form, or other document in bold face capital letters at least 12-point type size and at least 4 points larger than the principal type size of the master document.
- 3) By a separate written document in bold face capital letters at least 12-point type size.

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

Note: When an insurance company pays the invoice, the customer has the first right to return parts.