

Chapter 2

Record Keeping Requirements

Section 2-1

Required Records

2-1.1 Authorization. The Motor Vehicle Service and Repair Act (the Act) requires motor vehicle repair facilities to make and keep certain records concerning vehicle repairs. Facilities must keep these records for a minimum of three years. Records are subject to random inspection by law enforcement officials and Department of State investigators during unannounced visits to repair facilities.

2-1.2 Required Documents. A repair facility is required to keep the following documents for every vehicle serviced by the facility at the registered location. This includes vehicles that are sublet for repairs to another facility.

- a) Written estimate;
- b) Final invoice;
- c) Any waivers, warranties or sublet invoices; and
- d) Part purchase receipts and any other documents pertaining to the repair transaction.

NOTE: Records of warranties, contracts, or agreements extending beyond three years must be maintained until the warranty or contract period expires.

2-1.3 Violation of Record Keeping Requirements. Failure to maintain or make the records available upon request as required by the Motor Vehicle Services and Repair Act may be grounds for denial, suspension, or revocation of a repair facility registration.

2-1.4 Disputes. If the Department of State notifies a repair facility a dispute has arisen and a specific repair transaction is under investigation, all documents pertaining to the dispute must be retained until the matter is resolved or three years has elapsed, whichever is longer.

The Act authorizes the Department to do the following during an investigation:

- a) Require or permit a person to file a statement as the Department determines to all the facts and circumstances concerning the matter being investigated;

- b) Mediate disputes among parties arising from violations of the Act;
- c) Conduct unscheduled inspections of motor vehicle repair facilities, registered or required to be registered, to determine if the facility is in compliance with this Act;
- d) Conduct mechanical and diagnostic examinations of vehicles when there are reasonable grounds to believe that an unlawful act or practice was used to produce the repair or to make the repair;
- e) Pursue administrative action against a facility or mechanic. The administrative action could include any of the following:
 - 1) No Further Action;
 - 2) Warning Letter;
 - 3) Probation Agreement;
 - 4) Suspension Agreement;
 - 5) Revocation Request.

2-1.5 Late Model Major Component Parts. The Motor Vehicle Service and Repair Act (MCL 257.1302a) requires that a Major Component Part log or similar record keeping system must be maintained by repair facilities who use late model major component parts to repair vehicles. The log must reflect all late model major component parts purchased, acquired or sold. In addition to the log, receipts must also be kept for all late model major component parts purchased, acquired or sold.

NOTE: The major component parts log is typically used by only collision shops, but if any repair facility uses a late model major component part to repair a vehicle, the facility must maintain a major component parts log.

A “late model” vehicle is one manufactured in the current model year or one of the five previous model years, if the vehicle weighs 8,000 pounds or less. Vehicles weighing more than 8,000 pounds are considered late model if manufactured in the current model year or one of the 15 previous model years.

As used in this act:

"Major component part" means any of the following parts of a motor vehicle:

- (i) The engine;

- (ii) The transmission;
- (iii) The right or left front fender;
- (iv) The hood;
- (v) A door that allows entrance to or egress from the passenger compartment of the vehicle;
- (vi) The front or rear bumper bar;
- (vii) The right or left rear quarter panel;
- (viii) The deck lid, tailgate, or hatchback;
- (ix) The trunk floor pan;
- (x) The cargo box of a pickup;
- (xi) The frame, or if the vehicle has a unitized body, the parts identified by the motor vehicle manufacturer as structural components;
- (xii) The cab of a truck;
- (xiii) The body of a passenger vehicle;
- (xiv) Airbags and seatbelts.

2-1.6 Content Requirements. A record of a late model major component part must be maintained in hard copy (paper) format or in electronic format. The record keeping system must include a reference guide to explain any codes or abbreviations used. The guide must be available at the business location and be available to any Department of State investigator or law enforcement officer conducting a record inspection or investigating a complaint.

Information entries must be maintained in sequential order in a ledger-type format with single-line entries. These records must be available for inspection at the business location and include the following information:

- a) Date the part was purchased or acquired;
- b) Description of the part (e.g., engine, door, right fender);
- c) Vehicle Identification Number or stock number assigned to the part;

- d) Year, make, model and color of the vehicle from which the part was removed;
- e) Name and address of the person from whom the part was purchased, acquired, or to whom it was sold;
- f) Invoice number of parts purchased;
- g) Date of sale (Repair Invoice Date);
- h) Repair Invoice Number.

Repair facilities maintaining electronic records must be prepared at any time to present paper copies of records if requested by Department of State investigative staff or law enforcement.

NOTE: A business wishing to repair and reuse late model major component parts that are removed from a damaged vehicle and which are no longer wanted by the customer and the insurance company must assign stock numbers to the parts and enter the information in the major component part record.

2-1.7 Air Bag Requirements. A facility repairing or replacing air bags in a motor vehicle must maintain a record of each *used* or *reconditioned* air bag purchased, acquired or sold by the facility (MCL 257.1318a). This information must be maintained in a Police Book or a late model major component part record format with a single-line entry for each air bag. Pages must be numbered consecutively. The information must be available for inspection by law enforcement officials and Department of State investigators. The records must contain:

- a) The date the air bag was purchased or acquired;
- b) A description of each air bag;
- c) The identification number assigned to each air bag;
- d) The name and address of the person the air bag was acquired from;
- e) The name and address of the person to whom the air bag was sold.

Section 2-2

Authorization for Police Book

2-2.1 Description. A Police Book is a hardcover, bound volume which contains a complete bought-and-sold record for each vehicle bought or sold by a business. If a facility does not acquire vehicles to dismantle for parts, then a Police Book is not required. Police Books can be purchased at office supply stores and at some printing companies.

2-2.2 Use. When a dealer or repair facility acquires vehicles, the following information must be recorded in the Police Book in ink:

- a) The date the vehicle was acquired;
- b) The stock or inventory number assigned;
- c) The description of the vehicle (year, make, body style, color);
- d) The vehicle identification number (VIN);
- e) The name and address of the former owner of the vehicle;
- f) The vehicle's certificate of title number.

2-2.3 Dismantled Vehicle Requirements. When a dealer or body shop sells or delivers a vehicle or its remaining parts after dismantling, the following information must be recorded in the Police Book:

- a) The name and address of the person to whom the vehicle or remaining parts were sold;
- b) The date of sale.

Section 2-3

Dismantled Vehicles

A repair facility that intends to acquire vehicles to dismantle and sell parts to the general public, must also be licensed as a Class C Used Vehicle Parts Dealer or a Class R Automotive Recycler.

Section 2-4

Salvage Vehicles

A repair facility may not buy a salvage vehicle at a salvage pool unless the body shop is licensed as a Class C Used Vehicle Parts Dealer or a Class R Automotive Recycler Dealer and have a Salvage Vehicle Agent. Facilities may not sell a whole salvage vehicle or a rebuilt vehicle without a Class C or R dealer license.

Section 2-5

Disposing of a Salvage Vehicle

If a body shop purchases a vehicle and removes one or more of its major component parts, the body shop may sell the remaining portion of the vehicle to one of the following:

- a) A Class C used vehicle parts dealer;
- b) A Class E distressed vehicle transporter;
- c) A Class R automotive recycler;
- d) A Class F scrap metal processor; or
- e) A Class H foreign salvage vehicle dealer.

When the remaining portion of the vehicle is sold, the body shop must update its Police Book to show when and to whom it was sold.

Section 2-6

Other Record Requirements

2-6.1 Authorization. The *Used Motor Vehicle Parts Act* (Public Act 119 of 1986, MCL 257.1352) requires a repair facility to maintain a **separate** permanent record of each purchase or other acquisition of any used major component part of a late model motor vehicle *from the general public*. **Please note, this is NOT the Major Component Part Log referenced at the end of this Chapter.**

2-6.2 Specific Parts. MCL 257.1352 requires the following parts to be listed:

- a) Dashboard;
- b) Doors;
- c) Engine;
- d) Front end assembly, including fenders, grills, hood, bumper and related parts;
- e) Radio;
- f) Rear clip assembly, including quarter panels and floor panel assembly;
- g) Seat;
- h) Stereo;
- i) Tires, wheels, and continuous treads;
- j) Transmission;
- k) T-tops.

2-6.3 Content Requirements. Records must be written in ink and filled out in duplicate. Records must be numbered consecutively, beginning with numeral "1" plus the calendar year. The following information must be included:

- a) A description of the part;
- b) The Vehicle Identification Number of the vehicle the part came from;
- c) The state of origin of the part;
- d) The date the part was acquired;
- e) The name of the person who acquired the part for the facility;
- f) The name, date of birth, driver license number, street and house number, and legible imprint of the right thumb of the person from whom the part was acquired;
- g) The price paid for the part;
- h) The method of payment;
- i) The signature of the person from whom the part was acquired.

2-6.4 Inspection. The records must be open for inspection for at least one year by any Department of State investigator or law enforcement official during normal business hours.

NOTE: While most records must be kept for three years, the Used Motor Vehicle Parts Act requires records must be available for only one year.

2-6.5 Violation. A conviction for any violation of the *Used Motor Vehicle Parts Act* may be grounds for denial, suspension, or revocation of a repair facility registration, mechanic certificate, or mechanic trainee permit.

MAJOR COMPONENT PARTS RECORD

Date of Purchase	Description	VIN or Assigned Part Number	Year	Make	Model	Color	Name & Address Purchased From	Invoice Number	Dealer Number	Date Sold	Name & Address Sold to	Invoice Number