

DEPARTMENT OF STATE
BUREAU OF AUTOMOTIVE REGULATION
GENERAL RULES

(By authority conferred on the secretary of state by section 9 of Act No. 300 of the Public Acts of 1974, being S257.1309 of the Michigan Compiled Laws)

PART 1. GENERAL PROVISIONS

R 257.101 Definitions.

Rule 1. (1) The terms and definitions used in the act have the same meaning given therein when used in these rules.

(2) "Act" means Act No. 300 of the Public Acts of 1974, as amended, being S257.1301 et seq. of the Michigan Compiled Laws.

(3) "Advertise" means to advise, announce, apprise, command, give notice of, inform, make known, or publish any material which calls to the attention of the public the availability of parts and services.

(4) "Contract" means a written or oral agreement, understanding, arrangement or similar circumstances whereby a person agrees that another person perform work, labor, diagnosis, repair, reconditioning, replacement, adjustment, or alteration, directly or indirectly, upon a motor vehicle.

(5) "Customer" means a person who inquires about, makes a request for, or purchases parts or services from a motor vehicle repair facility or one who seeks repairs or services under the terms of a warranty.

(6) "Estimate" means a written statement itemizing as closely as possible the price for labor, by showing both the labor price and the number of hours required to perform the work, and the price of parts necessary for a specific repair.

(7) "Facility" means a place of business operated by an association, incorporated or unincorporated, or natural person or other legal entity, required to be registered under the act, which performs services for compensation directly or indirectly, with regard to motor vehicle repairs.

(8) "Lien" means a charge, security, or incumbrance upon a motor vehicle, including where the law itself, without the stipulation of the parties, raises an implication or legal consequence from the relation of the parties or the circumstances of their dealings.

(9) "Material fact" means a fact which is used by a person as a premise upon which a conclusion is based.

(10) "Person" means a natural person, corporation, trust, partnership, incorporated or unincorporated association, or other legal entity, including a motor vehicle repair facility.

(11) "Repair" means the reconditioning, adjustment, alteration, maintenance, or diagnosis of the operating condition of a motor vehicle, with or without the replacement of any component or subassembly of a motor vehicle, for compensation or under the terms of a warranty.

(12) "Representation" means a statement made by a facility to a customer in regard to some past, present, or future fact, circumstance, or set of facts pertinent to the contract.

(13) "Warranty" means a guarantee given by a motor vehicle repair facility, in writing or by implication, of the merchantability, the integrity of the subject of a contract or of the maker's responsibility for the replacement or repair of defective parts or services, or both, assuring performance, product, or conditions as promised or declared.

History: 1979 AC.

R 257.102 Public access to records.

Rule 2. (1) Access to records shall be in accordance with sections 21 and 22 of Act No. 306 of the Public Acts of 1969, being SS24.221 and

24.222 of the Michigan Compiled Laws.

(2) Requests for access to records shall be in writing and shall identify the specific record. A request will be regarded as identifiable if the department can reasonably ascertain the particular record without unduly interfering or burdening its operations.

(3) The administrator shall grant or deny a request for records within a reasonable time after its receipt.

(4) A denial of a written request for a record shall be in writing and shall state specific grounds for the denial.

(5) Where the production of identifiable records of the department is denied, a person may petition the circuit court for the county in which the department records are situated for relief.

(6) There shall be a reasonable charge for the reproduction and mailing of identifiable records.

History: 1979 AC.

R 257.103 Address of administrator.

Rule 3. The official address of the administrator for delivery and receipt of all mail, telegrams, information, filings, registrations, applications, and other material required by the act or these rules is:

Department of State
Bureau of Automotive Regulation
Lansing, Michigan 48918

History: 1979 AC.

R 257.104 Declaratory rulings.

Rule 4. (1) The administrator, on request of an interested person, may issue a declaratory ruling as to the applicability to an actual statement of facts of the act or a rule herein when he submits to the administrator the following:

(a) A clear and concise statement of the actual statement of facts.

(b) If the interested person desires, a brief or other reference to legal authorities upon which he relies for determination of the applicability of the act or a rule to the statement of facts.

(2) The administrator, if he determines to issue a declaratory ruling, shall furnish the person with a statement to that effect and set forth the time in which the ruling will be issued.

(3) A ruling shall repeat the actual statement of facts, the legal authority on which the department relies for its ruling, if any, and the ruling it makes. A ruling once issued is binding on the administrator and he may not retroactively change the ruling, but nothing in this rule shall prohibit the administrator from prospectively changing a ruling.

History: 1979 AC.

PART 2. MAJOR AND MINOR REPAIRS

R 257.111 Minor repair services.

Rule 11. Minor repair services shall include lubrication, oil changes, and the replacement, adjustment, repair, or servicing of the following parts and assemblies:

(a) Air cleaner element.

(b) Air conditioner compressor belts.

(c) Air pump belt.

(d) Air pump hose.

(e) Antifreeze, installing, changing, or otherwise servicing the coolant.

(f) Automatic door lamp switch.

(g) Battery.

(h) Battery ground cable.

- (i) Battery hold-down strap.
- (j) Battery positive cable.
- (k) Battery-to-starter relay cable.
- (l) Body repairing, except for unitized body structural repair.
- (m) Crankcase vent air cleaner.
- (n) Crankcase vent air cleaner hose.
- (o) Engine oil filter.
- (p) Exhaust pipe, muffler, catalytic converter, tail pipe, and associated attaching parts.
- (q) Fan and alternator drive belts.
- (r) Fuel filter.
- (s) Fuel line flex hoses or lines.
- (t) Fuel tank, except for those tanks that contain a fuel pump.
- (u) Fuses.
- (v) Headlamp foot dimmer.
- (w) Heater hoses.
- (x) Horns.
- (y) Idler pulley, adjust only.
- (z) Ignition coil output wire.
- (aa) Light bulbs and headlamps.
- (bb) Motor and transmission mounts.
- (cc) Ornamental accessories.
- (dd) Positive crankcase ventilation control valve.
- (ee) Power steering pump belt.
- (ff) Radiators.
- (gg) Radiator hoses, upper and lower.
- (hh) Radiator reserve tank.
- (ii) Rear springs, leaf or coil, except MacPherson strut-type assemblies.
- (jj) Shock absorbers which are not built in combination with other parts of the suspension.
- (kk) Speedometers.
- (ll) Vapor canister hoses.
- (mm) Wheels, except alignment.
- (nn) Windshield washer hose.
- (oo) Windshield washer tank.
- (pp) Wiper blades.

History: 1991 AACS.

R 257.112 Motor vehicle repair not defined as minor repair service.

Rule 12. A motor vehicle repair, not defined in the act or in these rules as a minor repair service, shall be performed, inspected, and approved after January 1, 1978, by a master or specialty mechanic certified in the category of the repair.

History: 1979 AC.

PART 3. REGISTRATION OF FACILITIES

R 257.121 Motor vehicle repair facility registration; applicant; description of facility; effective and expiration dates; renewal; operation after expiration date.

Rule 21. (1) An applicant for registration as a motor vehicle repair facility shall submit to the administrator a description of the facility to be registered which shall include, in addition to other information required by the act or these rules, all of the following information:

- (a) The type of service business operated.
- (b) The type of repairs performed.
- (c) The type of vehicles serviced.

(d) The number of mechanics employed in the performance of motor vehicle repairs.

(e) The range of gross revenue obtained from the performance of motor vehicle repairs, including parts and goods sold in conjunction with motor vehicle repairs, for the most recent federal income tax year.

(f) The size of the facility in terms of the number of square feet devoted to the performance of motor vehicle repairs.

(2) A motor vehicle repair facility registration shall take effect on the date it is approved by the administrator and shall expire 1 year from that date, except that an original registration issued prior to October 1,

1976, shall expire on September 30, 1977, and an original registration issued after October 1, 1976, to a business operating as a motor vehicle repair facility on or prior to October 1, 1976, shall be deemed to be effective as of October 1, 1976, and shall expire on September 30, 1977. A motor vehicle repair facility registration shall be renewed annually, and a motor vehicle repair facility shall file application for renewal with the administrator not later than 30 days prior to the expiration of its registration.

(3) A motor vehicle repair facility may continue to operate after the expiration date, pending approval of the renewal application, if the renewal application has been received by the administrator on or before the expiration date. If a renewal application is filed after the expiration date, the facility may operate from the day on which the application is received by the administrator, pending approval of the renewal application. A renewal fee of 1-1/2 times the normal renewal fee shall be imposed if the application is received by the administrator after the expiration date.

History: 1979 AC.

R 257.122 Forms; documents; records; inspection.

Rule 22. (1) Applications, renewal applications, and applications for a duplicate registration shall be submitted on forms provided by the administrator.

(2) A motor vehicle repair facility shall provide with the application for registration 1 copy each of contracts or other papers used by the facility in dealing with the public in the execution of estimates, diagnoses, repairs, invoices, warranties, waivers, and papers otherwise used to comply with the act or rules, including papers upon which the facility routinely requires the customer's signature.

(3) A motor vehicle repair facility shall maintain for a period of not less than 1 year subsequent to the completion of a repair transaction, copies of contracts and papers used with respect to the transaction in the execution of estimates, diagnoses, repairs, waivers, warranties, including other means used by the facility to record or convey the terms of the transaction, or other papers required by the act. If the facility is advised by the administrator that a complaint has been received and is under investigation by the administrator, records relating to the transaction at issue shall be maintained until the administrator advises the repair facility in writing that the complaint has been closed, but in no case shall the records be maintained for less than 1 year subsequent to the transaction. In the event that a repair service transaction involves the assumption by the facility of an obligation extending beyond 1 year, papers relating to that obligation shall be maintained for not less than the term of the obligation.

(4) A facility shall maintain posted business hours during which time the administrator or his designated representatives may inspect all records kept by the facility.

History: 1979 AC.

R 257.123 Change of ownership.

Rule 23. (1) In the event of a change of ownership of a repair facility, a new registration and payment of a new registration fee shall be required and the facility shall not operate until its application is approved by the administrator. For purposes of this rule, "change of ownership" means a change in the ownership of a facility which is either a sole proprietorship or partnership.

(2) Corporations which have a change of 10% or more of the ownership of the corporation shall notify the administrator of the change within 30 days.

History: 1979 AC.

R 257.124 Registration fee; determination.

Rule 24. The fee for the registration of a motor vehicle repair facility shall accompany the facility's application for registration filed with the administrator. The fee shall be determined by a sliding fee scale based upon all of the following:

(a) The size of the facility in terms of square feet devoted to the performance of motor vehicle repairs.

(b) The number of mechanics employed in the performance of motor vehicle repairs.

(c) The range of gross revenue obtained from the performance of motor vehicle repairs, including parts and goods sold in conjunction with repairs, for the last federal income tax year. In the case of a business which has not completed a full federal income tax year, the range of gross revenue shall be based on the reasonably anticipated gross revenue for the first full federal income tax year of operation.

History: 1979 AC.

R 257.124a Fees; basis for determination.

Rule 24a. (1) The fee for the registration of a motor vehicle repair facility shall accompany the facility's application for registration filed with the administrator. The fee shall be determined by the range of gross revenue obtained in conjunction with repairs, including parts and goods sold in conjunction with repairs, for the last federal income tax year. If a business has not completed a full federal income tax year, the fee shall be based on the reasonably anticipated gross revenue for the first full federal income tax year of operation.

(2) This rule shall be effective only for the period after September 9, 1976, to 2 p.m. on July 22, 1977.

History: 1980 AACS.

R 257.124b Fees; schedule; duration; renewal.

Rule 24b. (1) Fees shall range from a minimum of \$25.00 to a maximum of \$300.00, as determined by the following schedule:

Gross Annual Revenue	Fee
Under \$15,000.00	\$ 25.00
\$15,000.00 to \$25,000.00	50.00
\$25,000.01 to \$40,000.00	75.00
\$40,000.01 to \$60,000.00	100.00
\$60,000.01 to \$80,000.00	125.00
\$80,000.01 to \$100,000.00	150.00
\$100,000.01 to \$120,000.00	175.00
\$120,000.01 to \$140,000.00	200.00
\$140,000.01 to \$160,000.00	225.00
\$160,000.01 to \$180,000.00	250.00
\$180,000.01 to \$200,000.00	275.00
Over \$200,000.00	300.00

(2) The annual registration renewal fee for a motor vehicle repair facility shall be determined in the same manner and according to the same schedule as the original registration fee.

(3) If a registration that is issued to a motor vehicle repair facility is lost, destroyed, or mutilated, the facility shall immediately apply to the administrator for a duplicate registration. The application for a duplicate registration shall be accompanied by a \$5.00 fee.

(4) This rule shall be effective only for the period after September 9, 1976, to 2 p.m. on July 22, 1977.

History: 1980 AACS.

R 257.125 Registration fee schedule; renewal fee; loss, destruction, or mutilation of registration; replacement registration.

Rule 25. (1) Fees shall range from \$25.00 to a maximum of \$300.00 as determined by the following schedule:

Figure for 257.125

Gross Annual Revenue	Facility Area Over 500 Square Feet		Facility Area Under 500 Square Feet	
	1 to 3 Mechanics	Over 3 Mechanics	1 to 3 Mechanics	Over 3 Mechanics
Under \$15,000.00 _____	Fee \$ 35	Fee \$ 40	Fee \$ 25	Fee \$ 30
\$ 15,000.00 to				
\$ 25,000.00 _____	\$ 50	\$ 60	\$ 40	\$ 45
\$ 25,000.01 to				
\$ 40,000.00 _____	\$ 75	\$ 85	\$ 60	\$ 65
\$ 40,000.01 to				
\$ 60,000.00 _____	\$100	\$110	\$ 75	\$ 85
\$ 60,000.01 to				
\$ 80,000.00 _____	\$125	\$135	\$ 90	\$100
\$ 80,000.01 to				
\$100,000.00 _____	\$150	\$160	\$115	\$125
\$100,000.01 to				
\$120,000.00 _____	\$175	\$185	\$140	\$150
\$120,000.01 to				
\$140,000.00 _____	\$200	\$210	\$165	\$175
\$140,000.01 to				
\$160,000.00 _____	\$225	\$235	\$190	\$200
\$160,000.01 to				
\$180,000.00 _____	\$250	\$260	\$215	\$225
\$180,000.01 to				
\$200,000.00 _____	\$275	\$285	\$240	\$250
Over \$200,000.00	\$300	\$300	\$265	\$275

(2) The annual registration renewal fee for a motor vehicle repair facility shall be determined in the same manner and according to the same schedule as the original registration fee.

(3) In the event that a registration issued to a motor vehicle repair facility is lost, destroyed, or mutilated, the facility shall immediately apply to the administrator for a replacement registration. The application for a replacement registration shall be accompanied by payment of a \$5.00 fee.

History: 1979 AC.

R 257.126 Display of certificate of registration; registration number; consumer information sign; contents; specifications; display; replacement.

Rule 26. (1) A motor vehicle repair facility shall display, upon issuance, in a place and manner conspicuous to its customers, a current and valid certificate of repair facility registration issued by the administrator. The facility shall affix its registration number, as assigned by the administrator, to each copy of every contract or other paper used in dealing with the public in the execution of estimates,

diagnoses, repairs, invoices, warranties, waivers, and other papers used to comply with the act or these rules.

(2) A motor vehicle repair facility shall display a consumer information sign. The sign shall contain 15 lines of lettering worded substantially as follows:

THIS ESTABLISHMENT IS REGISTERED WITH THE MICHIGAN DEPARTMENT OF STATE AND IS REQUIRED BY LAW TO FURNISH A CUSTOMER WITH A:

(1) WRITTEN ESTIMATE IF REPAIRS WILL BE \$20 OR MORE OR UPON REQUEST IF REPAIRS WILL BE LESS THAN \$20.

(2) DETAILED INVOICE OF LABOR AND PARTS SUPPLIED. QUESTIONS REGARDING SERVICE WORK SHOULD BE DIRECTED FIRST TO THE MANAGER OF THIS REPAIR FACILITY.

MICHIGAN DEPARTMENT OF STATE

P.O. BOX _____, LANSING, MI 489____

TOLL-FREE TELEPHONE: 800 _____

MON.-FRI., 8:30 A.M. - 4:30 P.M.

(3) The sign shall be rectangular in shape and not less than 28 inches high by 24 inches wide. It shall be constructed of durable material. The background shall be white. Print and other markings shall be black. The wording of the sign in lines 1, 2, 12, 13, and 14 shall be printed in bold, block, capital letters 1-inch high and 1/2-inch wide; lines 3, 4, and 15 in bold, block, capital letters 3/4-inch high and 1/2-inch wide; and lines 5 to 11 in bold, block, capital letters 1/2-inch high and 3/8-inch wide. The sign shall be laid out in a clearly legible fashion, with the lettering arranged so that there is not less than a 1/8-inch space between any 2 letters within a line and not less than a 1/2-inch space between any 2 lines. The department of state address and telephone numbers in lines 13 and 14 shall be included as they are provided by the administrator.

(4) The sign shall be displayed at each entrance to the facility. For purposes of this rule, "entrance to the facility" means each location in or about the facility where customer repair service orders are initially executed. The sign shall be displayed at each cashier station. At all times, the sign shall be unobstructed and clearly and readily visible to customers. In the case of an unenclosed or mobile repair facility, the sign shall be placed in an area where it is easily noticeable to customers transacting business with the facility.

(5) The administrator may require the replacement of any sign which fails to meet the specifications outlined above or which is no longer readily legible, or the repositioning of any sign which is improperly displayed.

History: 1979 AC.

PART 4. UNFAIR AND DECEPTIVE PRACTICES

R 257.131 Contracts and invoices.

Rule 31. (1) The following contracts are unfair and deceptive:

- (a) A contract which uses a waiver to circumvent or evade the act.
- (b) A contract which takes advantage of a customer's inability to reasonably protect his interests on account of illiteracy or inability to understand the language of an agreement, if the facility knows or reasonably should know of the customer's inability.
- (c) A contract which has gross discrepancies between the oral representations of the facility and the written agreement covering the same transaction.

(2) It is an unfair and deceptive practice to:

- (a) Make, either written or orally, an untrue or misleading statement of a material fact.
- (b) Fail to reveal a material fact, the omission of which tends to mislead or deceive the customer and which fact could not reasonably be known by the customer.
- (c) Enter into a contract which attempts to abrogate, disclaim, or disallow the legal rights, obligations, or remedies of a customer.

(d) Allow a customer to sign an acknowledgment, certificate, or other writing which affirms acceptance, delivery, compliance with a requirement of law, or other performance, if the facility knows or has reason to know that the statement is not true.

(e) Set up contractual provisions, including the statement of repairs and waivers, which are not specific in language, clearly described, or reasonably legible.

(f) Attempt to avoid or evade the law through a contract or any provision thereof.

(g) Fail to promptly restore to the person entitled thereto any deposit, down payment, or other payment when a contract is rescinded, cancelled, or otherwise terminated in accordance with the terms of the contract or the act.

(h) Allow a customer to sign a document in blank relating to the repair of a motor vehicle.

(i) Fail to give the customer a copy of a document evidencing the engagement of the facility at the time of its signing by the customer.

(j) Fail upon return of a repaired vehicle to the customer to give a written statement of repairs to the customer which discloses:

(i) Repairs needed, as determined by the facility:

(ii) Repairs requested by the customer.

(iii) Repairs authorized by the customer.

(iv) The facility's estimate of repair costs.

(v) Actual costs of repairs.

(vi) Repairs or services performed, including a detailed identification of all parts that were replaced and a specification as to which are new, used, rebuilt, or reconditioned.

(vii) A certification that authorized repairs were completed properly or a detailed explanation of an inability to complete repairs properly. The statement shall be signed by the owner of the facility or by a person designated by the owner to represent the facility. The name of the mechanic who performed the diagnosis and the repair shall appear on the statement.

History: 1979 AC.

R 257.132 Repair and parts replacement; performance, disclosure, and representation.

Rule 32. It is an unfair and deceptive practice to:

(a) Charge for repairs that are in fact not performed.

(b) Perform repairs which are in fact not necessary, except when a customer insists that a repair be performed in disregard to the facility's advice that it is unnecessary.

(c) Represent, directly or indirectly, that repairs are necessary when in fact they are not.

(d) Perform repairs not specifically authorized.

(e) Fail to perform promised repairs within the period of time agreed, or within a reasonable time, unless circumstances beyond the control of the repair facility, of which the repair facility did not have reason to know at the time of consignment, prevent the timely performance of the repairs.

(f) Represent, either directly or indirectly, that a replacement part used in the repair of a vehicle is new or of a particular manufacture when in fact it is used, rebuilt, reconditioned, deteriorated, or of a different manufacture, or otherwise fail to disclose in writing, prior to the commencement of repairs, the use of used, rebuilt, or reconditioned parts.

(g) Replace a part with one that lacks merchantability or fitness, or represent that parts or components provided or repairs performed are of a particular standard or grade when in fact they are not.

(h) Fail, subsequent to a diagnosis for which a charge is made, to disclose, at the customer's request, a diagnosed or suspected malfunction together with the recommended remedy and any test, analysis, or other procedure employed to determine the malfunction.

History: 1979 AC.

R 257.133 Warranties.

Rule 33. It is an unfair and deceptive practice to:

(a) Disclaim or limit the implied warranty of merchantability or fitness for use, unless excluded or modified pursuant to section 2316 of the Uniform Commercial Code, Act No. 174 of the Public Acts of 1962, being S440.2316 of the Michigan Compiled Laws.

(b) Fail to extend the period of a repair facility's own warranty for repairs and services, if the customer has been deprived of the use or enjoyment of the subject of the warranty because of a failure on the part of the repair facility to comply completely with the terms of the warranty. The extension shall be equal to or greater than the time of the deprivation.

(c) Fail to honor a warranty on a new part by replacing it with a used part or replacing it with a rebuilt or remanufactured part which does not meet original equipment quality, standards, or specifications.

(d) Fail to honor an express warranty.

(e) Fail to disclose in written language which is clear as to the nature or scope of a warranty all material aspects and intent, including, but not limited to, what is warranted, who will honor the warranty, the duration of the warranty, obligations, if any, of the person to whom the warranty is extended, and exceptions and exclusions from the terms of the written warranty agreement.

History: 1979 AC.

R 257.134 Advertising and representations.

Rule 34. It is an unfair and deceptive practice to advertise or represent, either directly or indirectly:

(a) Reduced prices for products or services and not sell them at the advertised price during the period of the offering.

(b) Products or services at a particular price during a particular period and fail to extend the offer beyond that period to persons seeking but not obtaining the products or services during the advertised period because the facility has failed to prepare for the reasonably expected public demand.

(c) That a customer will receive products or services "free," "without charge," or words of similar import, if there are undisclosed conditions, terms, or limitations attached to the offering.

(d) Products or services while failing to reveal a material fact, the omission of which tends to mislead or deceive the customer, and which fact could not reasonably be known by the customer.

(e) That a customer will receive a rebate, discount, or other benefit as an inducement for entering into a contract, if the benefit is contingent on an event to occur subsequent to the consummation of the transaction.

(f) That a repair facility has the ability to perform repair services using personnel qualified in specific repair specialties, including those specialties enumerated in section 10 of the act, when in fact the facility does not employ mechanics legally certified in those specialties.

(g) Products or services when there is a material contingency, condition, or limitation on the offer, unless the contingency, condition, or limitation is stated contemporaneously with the offer in a manner clearly and easily understood by the customer.

(h) Products or services in a language other than English without including in the advertisement or representation required disclosures or limitations on the offer in the language principally used in the advertisement or representation.

(i) That mechanics employed by a repair facility are "certified," "licensed," or otherwise qualified when that representation might tend to give the impression that all mechanics employed by the facility are certified or licensed if in fact they are not.

(j) That a customer's failure to act quickly or within a certain period of time to procure products or services will result in the loss of opportunity to procure them at a particular price when in fact this is not the case.

(k) Credit availability in such a manner as to cause a likelihood of confusion or of misunderstanding as to the terms or conditions of credit, or that credit availability or terms are "easy" or words of similar import when in fact that is not the case.

(l) That products or services are sold under the terms of "satisfaction guaranteed or money back" or words of similar import when in fact the customer's declaration of dissatisfaction is not the sole criterion for the refund of money on purchases so warranted.

(m) The necessity, desirability, or advantage to a prospective customer of dealing with a repair facility by misrepresenting the facility's alleged advantages of size.

(n) That a document which a customer signs is something other than what it is.

(o) An aspect of the repair transaction in a manner causing a likelihood of confusion, or of misunderstanding, with respect to the authority of a mechanic, salesperson, representative, or agent to negotiate the final terms of a transaction.

(p) An aspect of a repair transaction in a manner causing a likelihood of confusion, or of misunderstanding, as to the legal rights, obligations, or remedies of a party to the transaction.

(q) That service on an offered product is available under a warranty when in fact it is not available or there are undisclosed limitations or conditions on the availability of that service.

(r) A free or low-cost inspection or diagnosis necessitating the removal or dismantling, or both, of a part or assembly and fail to disclose prior to the transaction a charge for replacement or reassembly in the event the customer declines to authorize a recommended repair.

(s) A product or service at a reduced rate and, upon the facility's failure to provide it at the offered price during the period of the offering to a customer seeking it, to fail to offer and provide the customer the opportunity to obtain the product or service at the same reduced rate within a reasonable period of time after the expiration of the original offer.

(t) Products or services, or the availability or obtainability of products or services in a manner involving the solicitation of waivers by the facility.

(u) Products or services that fail to meet the reasonably expected public demand for the duration of the advertised offering, except where the advertisement has clearly expressed a specific limitation on the quantity of the advertised products or services.

(v) The words "certification," "licensing," "registration," or words of similar import, of a motor vehicle repair facility, or mechanic by an organization, association, governmental entity, or other program or authority other than the administrator, without clearly and conspicuously disclosing the source of the "certification," "licensing," or "registration," and adding the disclaimer "not the Michigan Department of State."

(w) The desirability or advantages of certification or licensing by a federal, state, or local governmental agency, or that a motor vehicle repair facility or mechanic has been indorsed or sanctioned by the administrator.

History: 1979 AC.

R 257.135 Liens.

Rule 35. It is an unfair and deceptive practice to:

(a) Assert, claim, or impose a mechanic's or similar type lien where a facility has violated the act or these rules with respect to the transaction upon which the lien is based.

(b) Seek the repossession of a motor vehicle where a facility has violated the act or these rules with respect to the transaction upon which the repossession is based.

(c) Seek to assert or enforce a lien to the extent of refusing to return a vehicle where the facility has violated the act or these rules with respect to the transaction upon which the refusal is based.

(d) Fail to return the customer's vehicle if there is a dispute and the customer has paid the amount of the written estimate and any amount in excess thereof agreed to either orally or in writing by the customer.

History: 1979 AC.

R 257.136 Estimates and charges.

Rule 36. It is an unfair and deceptive practice to:

(a) Fail, except where legally waived by the customer, to give the customer a written estimate prior to the commencement of work.

(b) Charge for work done or parts supplied in excess of the estimated price without the knowing written or oral consent of the customer.

(c) Fail to give the customer an estimate for the cost, if any, of reassembly, disassembly, or diagnosis.

(d) Fail to inform a customer, at a time prior to the customer executing a document or engaging the facility for the work, by the use of a notice as required by section 33 of the act, of his right to receive or inspect replaced parts for which he will be charged in the repair of his motor vehicle.

- (e) Fail to retain a customer waiver with records which are retained concerning the transaction.
- (f) Charge the customer storage charges where there is a dispute as to repair charges. Where delays in repairs are caused by lack of parts, a repair facility may make a charge for storage after informing the customer of the approximate length of the anticipated delay and of the daily storage charge rate and obtaining the customer's consent to the delay and the storage charges.
- (g) Fail to be in compliance with the federal truth in lending act, 15 U.S.C. S1601 et seq. (1970), as amended, and the retail installment sales act, Act No. 224 of the Public Acts of 1966, being S445.851 et seq. of the Michigan Compiled Laws, where the customer finances repairs through the facility.
- (h) Fail in practice to comply with advertised or stated payment policies.
- (i) Conspire, combine, or confederate to fix prices.
- (j) Conspire, combine, or confederate to allocate the market.
- (k) Fail to notify the customer of an exchange agreement and charges for exchange parts if a customer wishes to have those parts returned.
- (l) Fail to disclose, upon the customer's request, the method used by a facility to compute labor charges.

History: 1979 AC.

R 257.137 Coercive practices.

Rule 37. It is an unfair and deceptive practice to:

- (a) Improperly utilize waivers in such a way as to suggest or imply, directly or indirectly, orally or by action, that service or repairs will be improved or expedited if a waiver is signed, or that price will be improved.
- (b) Exaggerate the seriousness of the malfunction to induce the customer to agree to the repair.
- (c) Suggest or imply, directly or indirectly, orally or by action, that service will be improved or expedited or that price will be improved if the customer will agree that the facility need not be required to return for inspection parts that have been replaced.
- (d) Misrepresent that because of some defect in the customer's motor vehicle, the health, safety and lives of the customer or his family are in danger if the goods or repair services are not purchased when in fact the defect does not exist or the goods or services would not remove the danger.

History: 1979 AC.

PART 5. RETURN OF REPLACED PARTS

R 257.141 Requirement of notice.

Rule 41. A motor vehicle repair facility shall inform a customer, at a time prior to the customer executing a document or engaging the facility for the work, of his right to receive or inspect replaced parts for which the customer will be charged in the repair of his motor vehicle. The information shall be given to the customer in the form of a written notice pursuant to section 33 of the act.

History: 1979 AC.

R 257.142 Form of notice.

Rule 42. The notice shall be presented either:

- (a) On the face of a contract, work order form, or other document evidencing the engagement of the facility in a type size not less than 12-point boldface and not less than 4 points larger than the principal type size of the master document.
- (b) By a separate written document in boldface capital letters of not less than 12-point type size.
- (c) By a clearly legible sign with lettering not less than 1-inch high, conspicuously displayed in the part of the facility where customer repairs are routinely contracted for.

History: 1979 AC.

R 257.143 Explanation of part replacement.

Rule 43. Upon request of the customer, the facility shall explain exactly why a replaced part is defective or nonfunctional, or otherwise why it was replaced.

History: 1979 AC.

R 257.144 Disposition of replaced parts.

Rule 44. (1) Upon completion of repairs, the facility shall, at the customer's request, reasonably clean the replaced parts that are to be returned or inspected by the customer. Portable parts shall be placed in a suitable container. Parts that are not portable shall be identified and stored in a suitable place in the facility for the customer's inspection. The facility shall not bar the customer from removing any heavy or large part by the customer's own means and expense. If the facility makes a charge in connection with the return of replaced parts, the charge shall be disclosed to the customer in writing prior to engagement of the facility.

(2) For reasons of safety, the facility shall not be required to return gasoline tanks or any other container-type parts that have been filled with or otherwise been in appreciable contact with flammable fuels unless those parts are rendered nonflammable. If any returned part presents an actual danger of flammability or explosiveness, the facility shall clearly inform the customer of that danger.

(3) In the case of an undisputed transaction, replaced parts shall be held by the facility for not less than 2 business days after the delivery of the vehicle to the customer unless the customer has in fact authorized immediate disposition of the parts. Where there is a question or dispute raised by the customer within 2 business days with respect either to repairs or charges for repairs, the facility shall hold the replaced parts not returned to the customer until such time as the disputed matter is resolved. If the dispute involves a replaced part which the consumer has chosen not to remove from the facility, the facility shall, in the presence of the customer, immediately affix to the part in question a permanent mark sufficient to identify the part.

History: 1979 AC.

R 257.145 Exchange agreements.

Rule 45. If replacement of a part is contingent upon the facility keeping the part under an exchange agreement, the facility shall explain in a manner understandable to the customer, the precise terms of the exchange agreement, including a disclosure of the price to the customer if he wishes to reclaim the part. If a customer raises a question or dispute with the facility within 2 business days of the delivery of the vehicle to the customer and the dispute involves an exchange part for which the facility may require of the customer a deposit in the amount of the facility's obligation, the deposit shall be refundable to the customer upon his return of the part to the facility.

History: 1979 AC.

PART 6. BOND REQUIREMENT

R 257.151 Rescinded.

History: 1979 AC.

R 257.152 Rescinded.

History: 1979 AC.

R 257.153 Rescinded.

History: 1979 AC.

R 257.154 Rescinded.

History: 1979 AC.

R 257.155 Rescinded.

History: 1979 AC.

R 257.156 Rescinded.

History: 1979 AC.

R 257.157 Rescinded.

History: 1979 AC.

PART 7. CERTIFICATION OF MECHANICS

R 257.161 Application for certification.

Rule 61. (1) Before a person is certified as a master or specialty mechanic, the person shall have taken 1 or more examinations developed or approved by the administrator and received scores, as determined by the administrator, that indicate competency to perform motor vehicle repairs in the category or categories examined.

(2) An applicant shall submit to the administrator, in addition to such other information as may be required, all of the following information:

(a) The name and home address of the applicant.

(b) The repair category or categories for which the applicant is applying.

(c) The number of years the applicant has worked as a motor vehicle mechanic for compensation, and the education or training the applicant has had to prepare the applicant for work as a motor vehicle mechanic, specialty mechanic, or master mechanic.

(d) The states or jurisdiction in which the applicant is licensed or certified to work as a motor vehicle mechanic, specialty mechanic, or master mechanic.

(e) A copy of an irrevocable appointment of the secretary of state as the applicant's agent for service of process.

(3) In the year commencing January 1, 1998, and every fifth year thereafter, an applicant for renewal of certification as a mechanic in the area of automobile and light truck engine tune-up/performance shall, before his or her certification is renewed, meet 1 or more of the following requirements:

(a) Take and pass a test given by the administrator.

(b) Present proof that he or she has successfully completed an acceptable course of training in automobile and light truck engine tune-up/performance repairs provided by an approved educational institution, motor vehicle manufacturer, or distributor.

(c) Present a valid, current certification in automobile and light truck

engine tune-up/performance repairs, or a comparable category, from the national institute for automotive service excellence (ASE).

(4) In the year commencing January 1, 1999, and every fifth year thereafter, an applicant for renewal of certification as a mechanic in the area of automobile and light truck electrical systems shall, before his or her certification is renewed, present proof that he or she meets 1 or more of the requirements prescribed in subrule (3) of this rule.

(5) In the year commencing January 1, 2000, and every fifth year thereafter, an applicant for renewal of certification as a mechanic in the area of automobile and light truck brakes and braking systems shall, before his or her certification is renewed, present proof that he or she meets 1 or more of the requirements prescribed in subrule (3) of this rule.

History: 1979 AC; 1996 AACS.

R 257.162 Applications; forms.

Rule 62. Applications, including those for certification, renewals, trainee permits, and replacement certificates or permits, shall be submitted on forms prescribed by the administrator.

History: 1979 AC.

R 257.163 Examinations; times, scores, type; denial of renewal certification; mechanic trainee permits, eligibility.

Rule 63. (1) Examinations shall be given at places and times determined by the administrator.

(2) Results of the examinations shall not be final until approved by the administrator. The administrator shall forward the results of the examinations to the applicant or to the applicant's authorized representative.

(3) Examinations shall be written, except that the administrator may allow a person to take an oral or practical examination if the person has special language problems that preclude the possibility of passing a standard English language examination or if the applicant has been unsuccessful on the written examination. This exception shall be decided on an individual basis.

(4) After the dates set forth in R 257.161, an applicant for renewal of his or her certification as a mechanic in the area of automobile and light truck engine tune-up/performance, automobile and light truck electrical systems, or automobile and light truck brakes and braking systems who is unable to take and pass a test given by the administrator, fails to present a valid and current certification from ASE, or fails to present proof that he or she has successfully completed a course of training given by an approved educational institution, motor vehicle manufacturer, or distributor may not be certified as a mechanic in the category or categories indicated in R 257.161.

(5) An applicant who is not certified under subrule (4) of this rule may receive a mechanic trainee permit in the category for which certification was not granted upon payment of the appropriate fee and submission of the required application. A person may hold a mechanic trainee permit issued under this subrule for 2 years.

(6) A person who fails to comply with the certification requirements described in R 257.161(3), (4), and (5) may apply for and receive a mechanic trainee permit if the person meets all legal requirements and, in addition, has not been issued a mechanic trainee permit during the 3 years immediately before receipt, by the administrator, of the application for a mechanic trainee permit.

History: 1979 AC; 1996 AACS.

R 257.164 Repair categories for certification of specialty and master mechanics for automobiles and light trucks; examinations; "automobile and light truck" defined.

Rule 64. (1) Repair categories for the certification of specialty and master mechanics for automobiles and light trucks are as follows:

- (a) Engine repair.
- (b) Automatic transmission.

- (c) Manual transmission, front and rear drive axle.
- (d) Front end, suspension, and steering systems.
- (e) Brakes and braking systems.
- (f) Electrical systems.
- (g) Heating and air-conditioning.
- (h) Engine tune-up/performance.
- (i) Collision-related mechanical repair.
- (j) Unitized body structural repair.

(2) A person applying for certification as a specialty automobile and light duty truck mechanic shall have passed an examination in the repair category that relates to the person's specialty. A person applying for certification as a master automobile and light truck mechanic shall have passed examinations in all repair categories listed in subrule (1)(a) to (h) of this rule.

(3) For the purposes of these rules, "automobile and light truck" means a motor vehicle that has a gross vehicle weight of less than 10,000 pounds.

History: 1979 AC; 1989 AACS; 1991 AACS; 1996 AACS.

R 257.165 Repair categories for specialty and master mechanic certification for heavy-duty trucks; examination; "heavy-duty truck" defined.

Rule 65. (1) Repair categories for the certification of specialty or master mechanics for heavy-duty trucks are as follows:

- (a) Engine repair, gasoline.
- (b) Engine repair, diesel.
- (c) Drivetrains.
- (d) Brakes and braking systems.
- (e) Suspension and steering systems.
- (f) Electrical systems.
- (g) Collision-related mechanical repair.

(2) A person applying for certification as a specialty heavy-duty truck mechanic shall have passed an examination in the repair category which relates to the person's specialty. A person applying for certification as master heavy-duty truck mechanic shall have passed examinations in all repair categories listed in subrule (1)(a) to (f) of this rule.

(3) For purposes of these rules, "heavy-duty truck" means a motor vehicle which has a gross vehicle weight of 10,000 pounds or more and includes both single-unit and combination tractor trailer or tractor semitrailer vehicles.

History: 1979 AC; 1989 AACS; 1991 AACS.

R 257.166 Master motorcycle mechanic.

Rule 66. A person applying for certification as a master motorcycle mechanic shall pass a motorcycle examination pertaining to all mechanical aspects of motorcycle repair. There shall not be a specialty motorcycle mechanic certificate.

History: 1979 AC.

R 257.166a Recreational trailer mechanic certification; examination;"recreational trailer" defined.

Rule 66a. (1) A person applying for certification as a recreational trailer mechanic shall pass an examination pertaining to all mechanical aspects of the installation, service, and repair of such items of recreational trailer equipment as brakes, suspension, wheels, axles, including adaptations and alterations to towing vehicles, and other items of equipment on a recreational trailer required by sections 683 to 714a of Act

No. 300 of the Public Acts of 1949, as amended, being SS257.683 to 257.714a of the Michigan Compiled Laws.

(2) For purposes of this rule, "recreational trailer" means a travel trailer, camper trailer, or other special purpose or utility trailer or semitrailer designed or intended to be drawn on the highway by an automobile or light truck having a gross towing vehicle weight of less than 10,000 pounds.

History: 1979 AC.

R 257.167 Mechanic certification; effective date; renewal; functioning as mechanic after expiration date.

Rule 67. (1) A mechanic's certification shall take effect on the date it is approved by the administrator and shall expire 1 year from the date of issue, except that a mechanic's certificate approved prior to January 1, 1978, shall expire on December 31, 1978. A mechanic's certification may be renewed annually upon payment of the required renewal fee.

(2) A certified motor vehicle mechanic may continue to function as a certified mechanic after the expiration date without a certificate, pending approval of the renewal application, if the renewal application has been received by the administrator on or before the expiration date. If a renewal application is filed after the expiration date, the motor vehicle mechanic may temporarily engage in repairs without a certificate from the day on which the application is received by the administrator, pending approval of the renewal application. A renewal fee of 1-1/2 times the standard renewal fee shall be imposed if the application is filed after the expiration date.

History: 1979 AC.

R 257.168 Loss, destruction, or mutilation of certificate or trainee permit; replacement.

Rule 68. In the event of loss, destruction, or mutilation of a certificate or permit, the person to whom the certificate or permit was issued may obtain a replacement upon furnishing satisfactory proof of loss, destruction, or mutilation. Application for a replacement certificate or permit shall disclose the following information:

- (a) Name and address of applicant.
- (b) An explanation of the loss, destruction, or mutilation of the original certificate or trainee permit.

History: 1979 AC.

R 257.169 Examination and certificate fees; mechanic and trainee.

Rule 69. (1) Except as provided in R 257.173, fees shall accompany forms that are required to be submitted. The examination fees and the certificate fees for the certification of mechanics shall be as follows:

- (a) Each certification examination administered by the administrator, \$6.00.
- (b) Application for original certificate, \$25.00.
- (c) Renewal certificate, \$20.00.
- (d) Replacement certificate, \$5.00.

(2) The permit fees for a mechanic trainee shall be as follows:

- (a) Application for trainee permit, \$20.00.
- (b) Replacement of trainee permit, \$5.00.

(3) A person currently certified by the administrator in at least 1 repair category may apply for certification or a mechanic trainee permit, or both, in an additional category or categories without payment of the fees required by subrules (1)(b) and (2)(a) of this rule. A student currently enrolled in a vocational education or special education program which includes employment by a repair facility, which is approved by the department of education, and for which the student receives credit toward the award of a high school or special education diploma may apply for a mechanic trainee permit without payment of the fee required by subrule (2)(a) of this rule.

History: 1979 AC; 1981 AACS; 1982 AACS; 1996 AACS.

R 257.170 Display of certificate; certification number.

Rule 70. A certified mechanic shall display, in a conspicuous location in the place of business, a current and valid certificate issued by the administrator. A certified mechanic who works on, inspects and approves, or supervises a repair, shall affix his name and certification number, as assigned by the administrator, to the written statement of repairs given the customer.

History: 1979 AC.

R 257.171 Compliance with industry repair standards; alternative to denial, suspension, or revocation of certification.

Rule 71. (1) A certified specialty or master mechanic or mechanic trainee shall not depart from, or disregard in any material respect, accepted motor vehicle repair industry standards. Compliance with published vehicle manufacturer, parts manufacturer, equipment manufacturer, or recognized aftermarket repair manual specifications shall create a presumption that the mechanic or mechanic trainee has followed accepted motor vehicle repair industry standards.

(2) When the administrator, after notice and hearing as required by law, determines that a specialty or master mechanic or mechanic trainee has violated subrule (1) of this rule, the administrator may, pursuant to section 21 of the act, require the specialty or master mechanic or mechanic trainee to do both of the following:

(a) Successfully complete a designated training course or program as a prerequisite to continued certification.

(b) Only perform specific motor vehicle repairs or repair procedures as identified by the administrator until the training course or program described in subdivision (a) of this subrule is completed.

History: 1988 AACS.

R 257.172 Approval of educational institutions.

Rule 72. (1) The administrator shall evaluate and may approve an educational institution that intends to provide training to mechanics or mechanic trainees pursuant to the act and these rules.

(2) Before receiving approval under subrule (1) of this rule, an institution shall submit an application for approval to the administrator, the form and content of which shall be determined by the administrator. The application shall include supporting materials required by the administrator.

(3) The administrator shall review each application and supporting materials and shall approve, deny approval of, or withdraw approval from, the training program offered to mechanics and mechanic trainees by the institution.

(4) In evaluating an institution pursuant to these rules, the administrator shall consider all of the following factors:

(a) Accreditation or lack of accreditation by a recognized accreditation agency.

(b) Quantity and quality of classroom training provided.

(c) Course objectives.

(d) Number, quality, and age of tools, equipment, and materials made available to students.

(e) Percentage of class time spent in hands-on training.

(f) Qualifications of instructors and other staff.

(g) Quality, quantity, and accessibility of records maintained by the institution.

(h) Class size and location.

(i) Quality of testing administered.

(j) Other related factors.

(5) The administrator may contract with approved institutions or other centers of instruction to provide training or testing required by the act or these rules.

History: 1996 AACS.

R 257.173 Continuing mechanic education.

Rule 73. The administrator shall waive the initial certification fee to be charged to a mechanic trainee if the trainee presents proof that he or she has successfully completed 30 or more hours of continuing mechanic education courses given by an approved institution or approved contract center of instruction during the 5-year period immediately preceding the trainee's submission of an application for certification.

History: 1996 AACS.