

SFA

BILL ANALYSIS

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Senate Fiscal Agency

• Lansing, Michigan 48909

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Senate Bill 256 (as reported with amendments)
Sponsor: Senator John Kelly
Committee: State Affairs, Tourism and Transportation

Date Completed: 3-1-88

RATIONALE

The problem of what to do with abandoned motor vehicles has become particularly acute in some areas of the State. Although the Motor Vehicle Code authorizes police agencies to pick up abandoned vehicles and sell them at public auction, the amount of time, effort, and money necessary to store the vehicles and arrange and conduct an auction can discourage local police agencies that are short on personnel and funding from removing and disposing of the vehicles. It has been suggested that if the police agencies could contract with third parties to handle the auctions of abandoned vehicles, the police agencies could be relieved of some of the administrative and financial burdens of disposing of the vehicles, and, therefore, would be more inclined to take the necessary steps to remove the vehicles from the State's roads and highways. A further suggestion has been to allow the local police agencies to release vehicles over seven years old to towing or storage services to satisfy fees against the vehicles if the vehicles are not claimed by the owners within a certain time period. Although the police agencies currently are allowed to release the vehicles to towing services to satisfy towing charges, they may do so only if there are no bidders for the vehicles. Some argue that there rarely are bidders for abandoned vehicles that old and, therefore, there is no reason to wait for the vehicles to be put up for auction before they can be released.

CONTENT

The bill would amend the Michigan Vehicle Code to allow police agencies to contract on a commission basis with third parties to conduct public sales of abandoned vehicles. Persons selected to conduct such sales would have to meet the requirements of Public Act 224 of 1955, which regulates public auctions, and such other requirements as provided by law. Unclaimed abandoned vehicles held by the Department of State Police could be disposed of through State auctions. An abandoned vehicle seven years old or older could be released to a towing or storage service, upon the consent of the service, to satisfy towing and storage fees if the vehicle were not claimed by the owner within 20 days.

Proposed MCL 257.252h

FISCAL IMPACT

The bill would have no fiscal impact on the State, and an indeterminate fiscal impact on local police agencies.

The costs to local police agencies would depend on 1) the level of new costs incurred through contracts to conduct public sales of abandoned vehicles, and 2) the personnel savings from reduced abandoned vehicle sales activities by agency staff.

ARGUMENTS**Supporting Argument**

Allowing the police agencies to contract with third parties to auction abandoned vehicles would relieve the agencies of the burden of conducting public auctions of the cars and encourage the agencies to remove more of these potentially hazardous eyesores from the public roads.

Supporting Argument

Since old abandoned vehicles rarely are bid on at the public auctions, allowing the police agencies to release the vehicles to towing or storage services to satisfy charges against the vehicles would simply save the agencies the effort and expense of putting the vehicles up for auction.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.

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