

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 5363 (Substitute S-2 as reported)
Sponsor: Representative Chris Kolb
House Committee: Commerce
Senate Committee: Transportation and Tourism

CONTENT

The bill would amend the Michigan Vehicle Code to include vehicle lease transactions, or leased vehicles, in provisions governing vehicle dealers, registration, certificates of title, and delivery. The bill also would make changes concerning inspections by the Secretary of State, the requirement for a dealer license, and salvage vehicles. The bill would take effect on January 1, 2003.

Specifically, the bill would:

- Permit the Secretary of State to inspect the salvageable parts of vehicles, perform investigations in a place where vehicles were held for lease or dismantling, and investigate for the purpose of locating stolen vehicle parts.
- Allow the Secretary of State to investigate licensees' books and records pertaining to vehicle leasing, dismantling, or brokering.
- Require each local authority with a police agency to set the amount of the fee, not to exceed \$100, collected when a police agency inspects a salvage vehicle before it may be issued a certificate of title or plates. Currently, all police agencies must charge \$50 for inspections.
- Require a person to obtain a dealer license in order to carry on or conduct the business of buying, selling, brokering, leasing, negotiating a lease, or dealing in five or more vehicles of a type required to be titled in a 12-month period. (Currently, the Code does not require a license for leasing or negotiating leases, nor does it specify a minimum number of vehicles that must be bought, sold, or brokered in a specific time frame before a license is required.)

MCL 257.213 et al.

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill would have a minimal fiscal impact on State government. The bill could increase revenue to local police agencies. Local police agencies inspect vehicles for which a salvage certificate of title was previously issued to determine whether a certificate of title and registration plate may be issued. Currently, the police agencies charge a fee of \$50 for this service. The bill would require the police agencies to determine the fee charged for the inspection, up to \$100. Revenue received from this fee is credited to the budget of the local police agency performing the inspection.

Date Completed: 9-19-02

Fiscal Analyst: Jessica Runnels