

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 5804 (Substitute S-1 as reported)
Sponsor: Representative Clarence E. Phillips
House Committee: Commerce
Senate Committee: Transportation and Tourism

CONTENT

The bill would amend the Michigan Vehicle Code to require a vehicle to be designated as a flood vehicle on a certificate of title, if it had such a title from another state or jurisdiction. The bill would take effect October 1, 2002.

"Flood vehicle" would be defined as a vehicle that was submerged in water to the point that water entered the passenger compartment or trunk over the sill of the trunk floor pan or doorsill, or a vehicle acquired by an insurance company as part of the settlement of a water damage claim.

Currently, the Secretary of State must issue a rebuilt, salvage, or scrap certificate of title to a vehicle brought into the State from another state or jurisdiction that has a rebuilt, salvage, or scrap certificate of title issued by that state or jurisdiction. The bill would require the Secretary of State also to issue a flood certificate of title to a flood vehicle from another state or jurisdiction. Additionally, a certificate of title must contain on its face certain information, including whether the vehicle is a salvage, rebuilt, or scrap vehicle from another state or jurisdiction. The bill would include flood vehicles in this provision.

The Code requires that certificates of title for police vehicles, vehicles owned by a political subdivision of the State, and salvage, rebuilt, and scrap vehicles be different in color from the certificates of title for all other vehicles. The bill also would require that the titles for flood vehicles be different in color from the titles for all other vehicles.

MCL 257.222 et al.

Legislative Analyst: Claire Layman

FISCAL IMPACT

Currently, special title certificates are available for rebuilt, salvage, and scrap vehicles. The bill would expand the possible designations to include "flood vehicles". This change would necessitate one-time computer programming costs for the generation of such certificates of title.

The bill would have no fiscal impact on local government.

Date Completed: 5-23-02

Fiscal Analyst: Jessica Runnels