

# SENATE BILL No. 1557

November 3, 2010, Introduced by Senator VAN WOERKOM and referred to the Committee on Transportation.

A bill to amend 1949 PA 300, entitled  
"Michigan vehicle code,"  
by amending section 252g (MCL 257.252g), as amended by 2008 PA 539.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 252g. (1) Subject to section 252a(16), a public sale for  
2 a vehicle and its contents that has been determined to be abandoned  
3 under section 252a or removed under section 252d shall be conducted  
4 in the following manner:

5       (a) It shall be under the control of the police agency.  
6 However, a police agency may designate the custodian of the vehicle  
7 or a third party to conduct the auction.

8       (b) It shall be open to the public and consist of open auction  
9 bidding or bidding by sealed bids. If sealed bids are received, the

1 person submitting the bid shall receive a receipt for the bid from  
2 the police agency or the agency's designee or, if the vehicle is  
3 being sold under section 252a(16), the custodian of the vehicle.

4 (c) Except as otherwise provided in sections 252a(16) and (17)  
5 and 252b(7), it shall be held not less than 5 days after public  
6 notice of the sale has been published.

7 (d) The public notice shall be published at least once in a  
8 newspaper having a general circulation within the county in which  
9 the vehicle was abandoned. The public notice shall give a  
10 description of the vehicle for sale and shall state the time, date,  
11 and location of the sale.

12 (2) The money received from the public sale of the vehicle  
13 shall be applied in the following order of priority:

14 (a) Towing and storage charges.

15 (b) Expenses incurred by the police agency or the custodian of  
16 the vehicle.

17 (c) Payment of the \$40.00 abandoned vehicle fee **IN THE MANNER**  
18 described in section 252f(3)(a).

19 (d) Any extra money shall be sent to the department of  
20 treasury's unclaimed property division to be disbursed as follows:

21 (i) To the secured party, if any, in the amount of the debt  
22 outstanding on the vehicle.

23 (ii) Remainder to the owner. A reasonable attempt shall be made  
24 to mail the remainder to the last titled owner. If delivery of the  
25 remainder cannot be accomplished, the remainder shall become the  
26 property of the unit of government governing the location from  
27 which the vehicle was towed.

1 (3) If there are no bidders on the vehicle, the police agency  
2 or the custodian of the vehicle may do 1 of the following:

3 (a) Turn the vehicle over to the towing firm or the custodian  
4 of the vehicle to satisfy charges against the vehicle. However, if  
5 the value of the vehicle does not satisfy the towing fees and  
6 accrued daily storage fees, the custodian of the vehicle may  
7 collect the balance of those unpaid fees from the last titled  
8 owner, subject to section 252i. **NOTWITHSTANDING ANYTHING ELSE TO**  
9 **THE CONTRARY IN THIS ACT, A TOWING FIRM OR CUSTODIAN OF A TOWING**  
10 **FIRM THAT HAS RECEIVED A VEHICLE UNDER THIS SUBDIVISION MAY**  
11 **TRANSFER THE VEHICLE TO A LICENSED DEALER WITHOUT FIRST TAKING**  
12 **TITLE TO THE VEHICLE. THE DEPARTMENT SHALL PROVIDE OR DESIGNATE A**  
13 **FORM FOR THE DOCUMENTATION OF TRANSFERS UNDER THIS SUBDIVISION**  
14 **BEFORE THE EXPIRATION OF 90 DAYS AFTER THE EFFECTIVE DATE OF THE**  
15 **AMENDATORY ACT THAT ADDED THIS SENTENCE.**

16 (b) Obtain title to the vehicle for the police agency or the  
17 unit of government the police agency represents, by doing the  
18 following:

19 (i) Paying the towing and storage charges.

20 (ii) Applying for title to the vehicle.

21 (c) Hold another public sale under subsection (1).

22 (4) A person who acquires ownership of a vehicle under  
23 subsection (1) or (3) that has been designated as a distressed  
24 vehicle shall apply for a salvage certificate of title within 15  
25 days after obtaining the vehicle.

26 (5) Upon disposition of the vehicle, the police agency or  
27 towing agency or custodian shall provide the secretary of state and

1 the police agency, if that police agency did not conduct the sale,  
2 with the vehicle's disposition and the name of the agency that  
3 disposed of it and the police agency shall cancel the entry in the  
4 law enforcement information network.

5 (6) Not less than 25 days after the date of notice required  
6 under section 252a, if the police agency does not provide a copy of  
7 the bill of sale by the police agency for the abandoned vehicle to  
8 the towing agency or custodian or police agency's designee, the  
9 towing agency or custodian or police agency designee may obtain an  
10 original of the bill of sale by submitting an application to the  
11 secretary of state in a form as determined by the secretary of  
12 state.