



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 1188 (as introduced 6-14-12)
Sponsor: Senator Joe Hune
Committee: Transportation

Date Completed: 9-24-12

CONTENT**The bill would amend the Michigan Vehicle Code to do the following:**

- **Allow a towing company to collect unpaid fees for towing and storing an abandoned or removed vehicle from the last titled owner, if money from the public sale of the vehicle did not satisfy the towing and storage fees.**
- **Revise a provision allowing an owner to pay to disconnect his or her vehicle from a tow truck before the vehicle is towed or removed.**

The Code prescribes procedures for the public sale of a vehicle that has been determined to be abandoned or removed by a police or governmental agency. Money received from the sale, which must be under the control of a police agency, must be applied in the following order of priority:

- Accrued towing and storage charges.
- Expenses incurred by the police agency or the custodian of the vehicle.
- Payment of a \$40 abandoned vehicle fee, of which \$25 goes to the Secretary of State and \$15 goes to the towing agency.

Under the bill, if the money received from the sale did not satisfy the accrued towing and storage charges, the towing company could collect the balance of the unpaid fees from the last titled owner, subject to Section 252i.

(That section provides that a towing service and/or custodian of a vehicle is not precluded from the recovery of towing or storage fees from the last titled owner of a vehicle deemed abandoned or removed. If a vehicle is released for disposition, the amount of storage fees that may be collected is the least of the following:

- The daily storage rate established by contract or agreement with the law enforcement agency or unit of government that authorized the towing and storage of the vehicle.
- The daily storage rate charged by the storage facility.
- \$1,000.)

The Code allows a police agency or governmental agency designated by the police agency to provide for the immediate removal of a vehicle from public or private property to a place of safekeeping at the expense of the vehicle's last titled owner under specific circumstances. The Code also requires an owner or lessor of private real property to post a notice that meets certain requirements before authorizing the towing or removal of a vehicle from the property without the consent of the vehicle's owner or other person who is legally entitled to possess it.

If the owner or other person who is legally entitled to possess the vehicle arrives at its location before the actual towing or removal, the vehicle must be disconnected from the tow truck, and the owner or other person may take the vehicle and remove it upon paying the reasonable service fee. Under the bill, this provision would apply in the case of a vehicle to be towed or removed from private property, unless the vehicle were ordered to be towed by a police agency or designated governmental agency.

MCL 327.252d et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Bruce Baker

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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.