

SENATE BILL No. 196

March 11, 2015, Introduced by Senators CASPERSON, ROBERTSON, HORN, KNOLLENBERG, ZORN, EMMONS and JONES and referred to the Committee on Transportation.

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending sections 217c, 217f, 248c, and 252a (MCL 257.217c,
257.217f, 257.248c, and 257.252a), section 217c as amended by
2002 PA 642, sections 217f and 248c as amended by 1993 PA 300,
and section 252a as amended by 2008 PA 539.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 217c. (1) The secretary of state may conduct periodic
2 reviews of the records of a dealer to determine whether adequate
3 notice is given to a transferee or lessee of a rebuilt salvage
4 vehicle of that vehicle's prior designation as a salvage vehicle.
5 The secretary of state may request an insurance company to
6 provide copies of salvage title documents and claims reports
7 involving major component parts to assist the secretary of state
8 in monitoring compliance with this act.

(2) Except for a late model vehicle that has been stolen and recovered and that has no major component part removed, missing, or destroyed, or damaged and not salvageable, an insurance company licensed to conduct business in this state that acquires ownership of a late model vehicle through the payment of a claim shall proceed under either of the following:

(a) If the insurance company acquires ownership of the vehicle through payment of a claim, the owner of the vehicle shall assign the certificate of title to the insurance company which shall do all of the following:

(i) Surrender a properly assigned certificate of title to the secretary of state.

(ii) If the estimated cost of repair, including parts and labor, is equal to or more than 75% but less than 91% of the predamaged actual cash value of the vehicle, apply for a salvage certificate of title, and if the estimated cost of repair, including parts and labor, is equal to or greater than 91% of the predamaged actual cash value of the vehicle, apply for a scrap certificate of title. The insurance company shall not sell the vehicle without first receiving a salvage or scrap certificate of title, which shall be assigned to the buyer. An insurance company may assign a salvage or scrap certificate of the title only to an automotive recycler, used or secondhand vehicle parts dealer, foreign salvage vehicle dealer, or vehicle scrap metal processor.

(b) If after payment of a total loss claim the insurance company permits the owner of the vehicle to retain ownership, the insurance company shall do all of the following:

1 (i) If the estimated cost of repair, including parts and
2 labor, is equal to or greater than 75% but less than 91% of the
3 predamaged actual cash value of the vehicle, require each owner
4 of the vehicle to sign an application for a salvage certificate
5 of title, or if the estimated cost of repair, including parts and
6 labor, is equal to or greater than 91% of the predamaged actual
7 cash value of the vehicle, require each owner of the vehicle to
8 sign an application for a scrap vehicle certificate of title.

9 (ii) Attach the owner's certificate of title to the
10 application for a salvage or scrap certificate of title or have
11 the owner certify that the certificate of title is lost.

12 (iii) On behalf of the owner, apply to the secretary of state
13 for a salvage or scrap certificate of title in the name of the
14 owner. The owner shall not sell or otherwise dispose of the
15 vehicle without first receiving a salvage or scrap certificate of
16 title, which shall be assigned to the buyer. An insurance company
17 may assign a salvage or scrap certificate of title only to an
18 automotive recycler, used or secondhand vehicle parts dealer,
19 foreign salvage vehicle dealer, or vehicle scrap metal processor.

20 **(3) IF AN INSURANCE COMPANY PAYS A CLAIM FOR TOTAL LOSS TO**
21 **THE OWNER OR LIENHOLDER OF RECORD AS KEPT BY THE SECRETARY OF**
22 **STATE, OR BOTH, IF APPLICABLE, OF A VEHICLE BUT THE OWNER OR**
23 **LIENHOLDER OF RECORD AS KEPT BY THE SECRETARY OF STATE FAILS TO**
24 **SURRENDER THE CERTIFICATE OF TITLE OR OTHER DOCUMENT NECESSARY**
25 **FOR THE TRANSFER OF OWNERSHIP OF THE VEHICLE TO THE INSURANCE**
26 **COMPANY WITHIN THE EXPIRATION OF 30 DAYS AFTER THE CLAIM PAYMENT,**
27 **THE INSURANCE COMPANY, WITHOUT HAVING OBTAINED THE SURRENDER OF**

1 THE TITLE OR OTHER DOCUMENT OTHERWISE NECESSARY FOR THE TRANSFER
2 OF OWNERSHIP FOR THE VEHICLE FROM THE OWNER OR LIENHOLDER OF
3 RECORD AS KEPT BY THE SECRETARY OF STATE, OR BOTH, IF APPLICABLE,
4 MAY APPLY TO THE SECRETARY OF STATE FOR A TITLE AS PROVIDED UNDER
5 THIS SECTION. THE INSURANCE COMPANY SHALL, AT THE TIME OF
6 APPLICATION, PROVIDE PROOF OF THE PAYMENT AND THAT THE INSURANCE
7 COMPANY HAS REQUESTED IN WRITING, BY CERTIFIED MAIL OR BY ANOTHER
8 COMMERCIALY AVAILABLE DELIVERY SERVICE PROVIDING PROOF OF
9 DELIVERY, ON AT LEAST 2 SEPARATE OCCASIONS THAT THE OWNER OR
10 LIENHOLDER OF RECORD AS KEPT BY THE SECRETARY OF STATE SURRENDER
11 TO THE INSURANCE COMPANY THE CERTIFICATE OF TITLE OR OTHER
12 DOCUMENT NECESSARY FOR THE TRANSFER OF OWNERSHIP TO THE INSURANCE
13 COMPANY. THE APPLICATION SHALL BE SIGNED UNDER THE PENALTY OF
14 PERJURY. SUBJECT TO SUBSECTION (2) (A) (ii) , UPON MEETING THE
15 REQUIREMENTS OF THIS SUBSECTION, THE SECRETARY OF STATE SHALL
16 ISSUE TO THE INSURANCE COMPANY THE APPROPRIATE CERTIFICATE OF
17 TITLE FREE OF ALL LIENS AND SHALL NOTIFY THE PRIOR VEHICLE OWNER
18 AND LIENHOLDER OF RECORD AS KEPT BY THE SECRETARY OF STATE, IF
19 ANY, OF THAT ACTION IN WRITING. PROOF OF PAYMENT OF THE CLAIM IS
20 SATISFIED ONLY BY 1 OF THE FOLLOWING:

21 (A) IN THE CASE OF PAYMENT BY CHECK, EITHER OF THE
22 FOLLOWING:

23 (i) A COPY OF THE FRONT AND BACK OF THE ENDORSED CHECK.

24 (ii) EVIDENCE THAT THE CHECK HAS CLEARED THE ACCOUNT OF THE
25 PAYER.

26 (B) IN THE CASE OF PAYMENT BY ELECTRONIC TRANSFER, EVIDENCE
27 THAT THE PAYMENT WAS CHARGED TO THE ACCOUNT OF THE PAYER.

1 (4) ~~(3) If~~ **EXCEPT AS PROVIDED IN SUBSECTION (3), IF** an
2 insurance company acquires ownership of a vehicle other than a
3 late model vehicle through payment of damages due to an accident,
4 the company shall surrender a properly assigned title to the
5 buyer upon delivery.

6 (5) ~~(4) If~~ a dealer acquires ownership of a late model
7 vehicle that is a distressed vehicle from an owner, the dealer
8 shall receive an assigned certificate of title. If the assigned
9 certificate of title is not a salvage or scrap certificate of
10 title, the dealer, other than a vehicle scrap metal processor,
11 shall surrender the assigned certificate of title to the
12 secretary of state, and if the estimated cost of repair,
13 including parts and labor, is equal to or greater than 75% but
14 less than 91% of the predamaged actual cash value of the vehicle,
15 apply for a salvage certificate of title, or if the estimated
16 cost of repair, including parts and labor, is equal to or greater
17 than 91% of the predamaged actual cash value of the vehicle,
18 apply for a scrap certificate of title within 5 days after the
19 dealer receives the assigned certificate of title. The dealer may
20 sell a salvage vehicle to another automotive recycler, used or
21 secondhand vehicle parts dealer, foreign salvage vehicle dealer,
22 or vehicle scrap metal processor by assigning the salvage
23 certificate of title to the buyer. Unless the vehicle is rebuilt,
24 inspected, and recertified ~~pursuant to~~ **UNDER** this section, if the
25 vehicle is sold to a buyer other than a dealer, application shall
26 be made for a salvage certificate in the name of the buyer in the
27 manner provided in this act. The dealer may sell a scrap vehicle

1 only to a vehicle scrap metal processor. A vehicle scrap metal
2 processor shall surrender an assigned certificate of title to the
3 secretary of state within 30 days after acquiring a vehicle for
4 which a certificate of title was received. A vehicle scrap metal
5 processor shall surrender an assigned salvage or scrap
6 certificate of title to the secretary of state within 30 days
7 after acquiring a vehicle for which a salvage or scrap
8 certificate of title was received and report that the vehicle was
9 destroyed or scrapped.

10 (6) ~~(5)~~—An application for a scrap certificate of title
11 shall be made on a form prescribed by the secretary of state
12 accompanied by a fee of \$15.00. The application shall contain all
13 of the following:

14 (a) The complete name and current address of the owner.

15 (b) A description of the vehicle, including its make, style
16 of body, model year, fee category or weight, color, and vehicle
17 identification number.

18 (c) If the vehicle is a late model vehicle, a listing of
19 each major component part that was not salvageable.

20 (d) Further information as may reasonably be required by the
21 secretary of state.

22 (7) ~~(6)~~—The scrap certificate of title shall authorize the
23 holder of the document to transport but not drive upon a highway
24 the vehicle or parts of a vehicle, and assign ownership to a
25 vehicle scrap metal processor, automotive recycler, used or
26 secondhand vehicle parts dealer, or foreign salvage vehicle
27 dealer. A certificate of title shall not again be issued for this

1 vehicle. A person shall not rebuild or repair a scrap vehicle and
2 allow it to retain the original vehicle identification number.

3 (8) ~~(7)~~—If a person, other than a dealer or insurance
4 company that is subject to subsection (2) or ~~(4)~~, ~~(5)~~, acquires
5 ownership of a distressed, late model vehicle, the person shall
6 surrender the title or assigned certificate of title to the
7 secretary of state, and if the estimated cost of repair,
8 including parts and labor, is equal to or greater than 75% but
9 less than 91% of the predamaged actual cash value of the vehicle,
10 apply for a salvage certificate of title, or if the estimated
11 cost of repair, including parts and labor, is equal to or greater
12 than 91% of the predamaged actual cash value of the vehicle,
13 apply for a scrap certificate of title before the vehicle may be
14 transported.

15 (9) ~~(8)~~—An owner of a vehicle may determine that a vehicle
16 is a scrap vehicle or a salvage vehicle without making any
17 determination as to the actual cash value of the vehicle.

18 (10) ~~(9)~~—If a leasing company, vehicle manufacturer,
19 insurance company not licensed to do business in this state,
20 association, repossession company, self-insured owner, financial
21 institution, governmental entity, or other company, institution,
22 or entity, owns a distressed, late model vehicle, the titleholder
23 shall surrender the title or assigned certificate of title to the
24 secretary of state and apply for a salvage certificate of title
25 if the retail cost of repair, including parts and labor, is equal
26 to or greater than 75% but less than 91% of the predamaged actual
27 cash value of the vehicle, or if the retail cost of repair,

1 including parts and labor, is equal to or greater than 91% of the
2 predamaged actual cash value of the vehicle, apply for a scrap
3 certificate of title, before the vehicle may be transported or
4 sold. If ownership is transferred, the owner shall sell the
5 vehicle only to a dealer who is eligible to buy a salvage or
6 scrap vehicle in this state unless the owner complies with
7 subsection ~~(12)~~—(13). When a leasing company, vehicle
8 manufacturer, insurance company not licensed to do business in
9 this state, association, repossession company, self-insured
10 owner, financial institution, governmental entity, or other
11 company, institution, or entity, estimates the repair of a
12 distressed, late model vehicle for the purpose of determining
13 whether to apply for a salvage or scrap certificate of title, a
14 complete record of the estimate and, if the vehicle is repaired
15 before a transfer of ownership, a complete record of the actual
16 cost of the repairs performed and by whom shall be maintained for
17 a minimum of 5 years by the leasing company, vehicle
18 manufacturer, insurance company not licensed to do business in
19 this state, association, repossession company, self-insured
20 owner, financial institution, governmental entity, or other
21 company, institution, or entity. The estimates and repair records
22 required by this subsection shall be available for unannounced
23 inspections by a law enforcement agency or a representative of
24 the secretary of state. The secretary of state may request a
25 leasing company, vehicle manufacturer, insurance company not
26 licensed to do business in this state, association, repossession
27 company, self-insured owner, financial institution, governmental

1 entity, or other company, institution, or entity to provide
2 copies of title documents, repair estimates, claims reports
3 involving major component parts, and actual cash value
4 determination documents to assist the secretary of state in
5 monitoring compliance with this act.

6 (11) ~~(10)~~—An application for a salvage certificate of title
7 shall be made on a form prescribed by the secretary of state
8 accompanied by a fee of \$10.00. The application shall contain all
9 of the following:

10 (a) The complete name and current address of the owner.

11 (b) A description of the vehicle, including its make, style
12 of body, model year, fee category or weight, color, and vehicle
13 identification number.

14 (c) An estimate of the cost repair, including parts and
15 labor, and an estimate of the predamaged actual cash value of the
16 vehicle.

17 (d) If the vehicle is a late model vehicle, a listing of
18 each major component part that was not salvageable.

19 (e) Further information as may reasonably be required by the
20 secretary of state.

21 (12) ~~(11)~~—The secretary of state shall issue and mail the
22 salvage certificate within 5 business days after the time the
23 application is received at the secretary of state's office in
24 Lansing. Each salvage certificate of title shall include a
25 listing of each major component part that was not salvageable.

26 (13) ~~(12)~~—A salvage certificate of title authorizes the
27 holder of the title to possess, transport, but not drive upon a

1 highway, and transfer ownership in, a vehicle. The secretary of
2 state shall not issue a certificate of title or registration
3 plates for a vehicle for which a salvage certificate of title was
4 issued unless a specially trained officer described in subsection
5 ~~(14)~~-(15) certifies all of the following:

6 (a) That the vehicle identification numbers and parts
7 identification numbers are correct.

8 (b) That the applicant has proof of ownership of repair
9 parts used.

10 (c) That the vehicle complies with the equipment standards
11 of this act.

12 (14) ~~(13)~~—The certification required by subsection ~~(12)~~-(13)
13 shall be made on a form prescribed and furnished by the secretary
14 of state in conjunction with the department of state police and
15 shall accompany the application that is submitted to the
16 secretary of state for a certificate of title. An application for
17 a certificate of title shall contain a description of each
18 salvageable part used to repair the vehicle and any
19 identification number affixed to or inscribed upon the part as
20 required by state or federal law. Upon satisfactory completion of
21 the inspection as required by the secretary of state and other
22 requirements for application, the secretary of state shall issue
23 a certificate of title for the vehicle bearing the legend
24 "rebuilt salvage".

25 (15) ~~(14)~~—An officer specially trained as provided by the
26 secretary of state and authorized by the secretary of state to
27 conduct a salvage vehicle inspection is either of the following:

1 (a) An on-duty or off-duty police officer.

2 (b) A previously certified police officer who is appointed
3 by the local police agency as a limited enforcement officer to
4 conduct salvage vehicle inspections. The local police agency
5 shall give this officer access to the agency's law enforcement
6 information network system and the authority to confiscate any
7 stolen vehicle or vehicle parts discovered during an inspection.
8 The local police agency may give the officer the authority to
9 arrest a person suspected of having unlawful possession of a
10 stolen vehicle or vehicle parts.

11 (16) ~~(15)~~—The secretary of state shall issue a certificate
12 to an officer who is specially trained as provided by the
13 secretary of state to conduct salvage vehicle inspections. Only a
14 person who has a valid certification from the secretary of state
15 may perform salvage inspections. The secretary of state on his or
16 her own initiative or in response to complaints shall make
17 reasonable and necessary public or private investigations within
18 or outside of this state and gather evidence against an officer
19 who was issued a certificate and who violated or is about to
20 violate this act or a rule promulgated under this act. The
21 secretary of state may suspend, revoke, or deny a certificate
22 after an investigation if the secretary of state determines that
23 the officer committed 1 or more of the following:

24 (a) Violated this act or a rule promulgated under this act.

25 (b) Was found guilty of a fraudulent act in connection with
26 the inspection, purchase, sale, lease, or transfer of a salvage
27 vehicle.

1 (c) Was found guilty of the theft, embezzlement, or
2 misappropriation of salvage vehicle inspection fees.

3 (d) Performed improper, careless, or negligent salvage
4 vehicle inspections.

5 (e) Ceased to function as a police officer because of
6 suspension, retirement, dismissal, disability, or termination of
7 employment.

8 (f) Was convicted of a violation or attempted violation of
9 1986 PA 119, MCL 257.1351 to 257.1355.

10 (g) Made a false statement of a material fact in his or her
11 certification of a salvage vehicle inspection or any record
12 concerning a salvage vehicle inspection.

13 (17) ~~(16)~~ Upon receipt of the appropriate abstract of
14 conviction from a court and without any investigation, the
15 secretary of state shall immediately revoke the certificate of an
16 officer who has been convicted of a violation or attempted
17 violation of section 413, 414, 415, 535, 535a, or 536a of the
18 Michigan penal code, 1931 PA 328, MCL 750.413, 750.414, 750.415,
19 750.535, 750.535a, and 750.536a, or has been convicted in federal
20 court or in another state of a violation or attempted violation
21 of a law substantially corresponding to 1 of those sections.

22 (18) ~~(17)~~ If a dealer acquires ownership of an older model
23 vehicle from an owner, the dealer shall receive an assigned
24 certificate of title and shall retain it as long as he or she
25 retains the vehicle. A vehicle scrap metal processor shall
26 surrender an assigned certificate of title to the secretary of
27 state within 30 days after the vehicle is destroyed or scrapped.

1 (19) ~~(18)~~—A dealer selling or assigning a vehicle to a
 2 vehicle scrap metal processor shall make a record in triplicate
 3 on a form to be provided by the secretary of state in
 4 substantially the following form:

5 Scrap Vehicle Inventory:

6 SELLER: Dealer name _____
 7 Dealer address _____
 8 Dealer license number _____
 9 PURCHASER: Conveyed to: _____ Date _____
 10 (Vehicle scrap metal processor)
 11 Dealer address _____
 12 Dealer license number _____

13

14 Vehicles

15					Dealer's	
16					Stock	
17	Model Year	Vehicle Make	VIN	Title Number	Number	Color
18	1. _____	_____	_____	_____	_____	_____
19	2. _____	_____	_____	_____	_____	_____
20	3. _____	_____	_____	_____	_____	_____
21	etc.					

22 One copy shall be retained as a permanent record by the dealer,
 23 1 copy shall be forwarded with the vehicle to be retained by the
 24 vehicle scrap metal processor, and 1 copy shall be forwarded to
 25 the secretary of state.

1 (20) ~~(19)~~—A person, other than an automotive recycler, used
2 or secondhand vehicle parts dealer, or a foreign salvage dealer,
3 receiving a salvage certificate of title shall not sell the
4 vehicle to anyone other than 1 of the following:

5 (a) The vehicle's former owner.

6 (b) A used or secondhand vehicle parts dealer.

7 (c) A vehicle scrap metal processor.

8 (d) A foreign salvage vehicle dealer licensed under this
9 act.

10 (e) An automotive recycler.

11 (21) ~~(20)~~—A person receiving a scrap certificate of title
12 shall not sell the vehicle to anyone other than 1 of the
13 following:

14 (a) An automotive recycler.

15 (b) A vehicle scrap metal processor.

16 (c) A foreign salvage vehicle dealer licensed under this
17 act.

18 (d) A used or secondhand vehicle parts dealer.

19 (22) ~~(21)~~—The secretary of state may conduct periodic
20 reviews of the records of a dealer to determine whether adequate
21 notice is given to a transferee or lessee of a rebuilt salvage
22 vehicle of that vehicle's prior designation as a salvage vehicle.
23 The secretary of state may request an insurance company to
24 provide copies of salvage title documents and claims reports
25 involving major component parts to assist the secretary of state
26 in monitoring compliance with this act.

1 (23) ~~(22)~~—A licensed automotive recycler, used or secondhand
2 vehicle parts dealer, vehicle scrap metal processor, vehicle
3 salvage pool operator, distressed vehicle transporter, foreign
4 salvage vehicle dealer, or broker who has removed a scrap vehicle
5 from this state for the purpose of rebuilding the vehicle or
6 selling or leasing the vehicle to a person other than a vehicle
7 scrap metal processor, shall receive an automatic suspension of
8 its dealer license and of any salvage vehicle agent's license
9 assigned to that dealer for a period of 30 days. Upon receipt by
10 the secretary of state of a written request from the dealer, the
11 dealer shall have the right to an immediate hearing on the matter
12 within that 30-day period.

13 (24) ~~(23)~~—For the purpose of this section, the estimated
14 costs of the repair parts shall be determined by using the
15 current published retail cost of original manufacturer equipment
16 parts or an estimate of the actual cost of the repair parts. The
17 estimated labor costs shall be computed by using the hourly rate
18 and time allocations which are reasonable and commonly assessed
19 in the repair industry in the community where the repairs are
20 performed.

21 (25) ~~(24)~~—A police agency shall charge a fee for an
22 inspection of a vehicle ~~pursuant to~~ **UNDER** subsection ~~(12)~~. **(13)**.
23 Each local authority with a police agency shall determine the
24 amount of the fee for inspections by that police agency, which
25 shall not exceed \$100.00. The police agency shall credit the fee
26 to the budget of that police agency and use the fee for law
27 enforcement purposes that affect stolen vehicles, stolen vehicle

1 parts, and salvage vehicle inspections. A local police agency
 2 shall compensate an off-duty and limited enforcement police
 3 officer for a salvage vehicle inspection.

4 (26) ~~(25)~~ For the purpose of this section, "actual cash
 5 value" means the retail dollar value of a vehicle as determined
 6 by an objective vehicle evaluation using local market resources
 7 such as dealers or want ads or by an independent vehicle
 8 evaluation or vehicle appraisal service or by a current issue of
 9 a nationally recognized used vehicle guide for financial
 10 institution appraisal purposes in this state.

11 Sec. 217f. ~~A~~ **EXCEPT AS PROVIDED IN SECTION 248C,** A vehicle
 12 salvage pool operator or broker shall not sell, assign, or
 13 otherwise dispose of a vehicle for which a salvage certificate of
 14 title is required, unless a salvage or scrap certificate of title
 15 has been issued for the vehicle by the department.

16 Sec. 248c. ~~(1) A vehicle salvage pool or broker shall not~~
 17 ~~sell, transfer, or release a distressed, late model vehicle to~~
 18 ~~anyone other than 1 or more of the following:~~

19 ~~—— (a) The vehicle's former owner.~~

20 ~~—— (b) A used or secondhand vehicle parts dealer.~~

21 ~~—— (c) A vehicle scrap metal processor.~~

22 ~~—— (d) A foreign salvage vehicle dealer licensed under this~~
 23 ~~act.~~

24 ~~—— (e) A registered motor vehicle repair facility engaging in~~
 25 ~~body work.~~

26 ~~—— (2) Subsection (1) applies until July 1, 1994.~~

27 (1) ~~(3)~~ A vehicle salvage pool, auction, or broker shall not

1 sell, transfer, or release a distressed, late model vehicle to
2 anyone other than 1 or more of the following:

3 (a) The vehicle's former owner **OR LIENHOLDER OF RECORD AS**
4 **KEPT BY THE SECRETARY OF STATE, AS APPLICABLE.**

5 (b) A licensed salvage agent of an automotive recycler.

6 (c) A licensed salvage agent of a foreign salvage vehicle
7 dealer.

8 ~~—— (4) Subsection (3) applies beginning July 1, 1994.~~

9 (2) **AN INSURANCE COMPANY MAY DIRECT A SALVAGE POOL THAT**
10 **OBTAINS POSSESSION OF A VEHICLE TO RELEASE THE VEHICLE TO THE**
11 **OWNER OR LIENHOLDER OF RECORD AS KEPT BY THE SECRETARY OF STATE,**
12 **AS APPLICABLE. THE INSURANCE COMPANY SHALL PROVIDE THE SALVAGE**
13 **POOL WITH A RELEASE STATEMENT UNDER SUBSECTION (3) AUTHORIZING**
14 **THE SALVAGE POOL TO RELEASE THE VEHICLE TO THE VEHICLE'S OWNER OR**
15 **LIENHOLDER OF RECORD AS KEPT BY THE SECRETARY OF STATE, AS**
16 **APPLICABLE.**

17 (3) **A RELEASE STATEMENT AUTHORIZING A SALVAGE POOL TO**
18 **RELEASE A VEHICLE TO A VEHICLE'S OWNER OR LIENHOLDER OF RECORD AS**
19 **KEPT BY THE SECRETARY OF STATE SHALL CONTAIN THE FOLLOWING**
20 **INFORMATION:**

21 (A) **THE CLAIM NUMBER RELATING TO THE VEHICLE.**

22 (B) **THE NAME AND ADDRESS OF THE OWNER OF THE VEHICLE.**

23 (C) **THE VEHICLE IDENTIFICATION NUMBER AND DESCRIPTION OF THE**
24 **VEHICLE.**

25 (D) **THE SIGNATURE OF AN AUTHORIZED REPRESENTATIVE OF THE**
26 **INSURANCE COMPANY.**

27 (4) **UPON RECEIVING A RELEASE STATEMENT CONCERNING A VEHICLE**

1 FROM AN INSURANCE COMPANY UNDER SUBSECTION (2), A SALVAGE POOL
2 SHALL SEND A NOTICE TO THE OWNER AND ANY LIENHOLDER OF RECORD AS
3 KEPT BY THE SECRETARY OF STATE OF THE VEHICLE THAT THE VEHICLE IS
4 AVAILABLE FOR PICKUP BY THE OWNER OR LIENHOLDER OF RECORD AS KEPT
5 BY THE SECRETARY OF STATE. THE NOTICE SHALL BE ACCOMPANIED BY AN
6 INVOICE FOR ANY OUTSTANDING CHARGES OWED TO THE SALVAGE POOL. THE
7 NOTICE SHALL INFORM THE OWNER AND ANY LIENHOLDER OF RECORD AS
8 KEPT BY THE SECRETARY OF STATE THAT THE OWNER AND LIENHOLDER OF
9 RECORD AS KEPT BY THE SECRETARY OF STATE HAVE 30 DAYS FROM THE
10 DATE OF THE NOTICE AND UPON PAYMENT OF APPLICABLE CHARGES TO PICK
11 UP THE VEHICLE FROM THE SALVAGE POOL. A NOTICE UNDER THIS
12 SUBSECTION SHALL BE SENT BY THE SALVAGE POOL TO THE APPLICABLE
13 ADDRESS ON RECORD WITH THE SECRETARY OF STATE BY CERTIFIED MAIL
14 OR BY ANOTHER COMMERCIALY AVAILABLE DELIVERY SERVICE PROVIDING
15 PROOF OF DELIVERY.

16 (5) IF THE OWNER OR LIENHOLDER OF RECORD AS KEPT BY THE
17 SECRETARY OF STATE DOES NOT PICK UP THE VEHICLE WITHIN THE 30-DAY
18 PERIOD DESCRIBED IN SUBSECTION (4), THE SALVAGE POOL MAY SELL THE
19 VEHICLE FOR PARTS ONLY TO A LICENSED SALVAGE AGENT OF AN
20 AUTOMOTIVE RECYCLER OR TO A LICENSED SALVAGE AGENT OF A FOREIGN
21 SALVAGE VEHICLE DEALER IF THE VEHICLE IS A DISTRESSED LATE-MODEL
22 VEHICLE, OR TO A LICENSED SALVAGE AGENT OF AN AUTOMOTIVE
23 RECYCLER, TO A LICENSED SALVAGE AGENT OF A FOREIGN SALVAGE
24 VEHICLE DEALER, OR TO A VEHICLE SCRAP METAL PROCESSOR IF THE
25 VEHICLE IS NOT A DISTRESSED LATE-MODEL VEHICLE. THE SALVAGE POOL
26 SHALL PROVIDE THE BUYER AND THE SECRETARY OF STATE WITH A COPY OF
27 THE RELEASE STATEMENT UNDER SUBSECTION (2), PROOF OF NOTICE UNDER

1 SUBSECTION (4) TO THE OWNER AND LIENHOLDER OF RECORD AS KEPT BY
2 THE SECRETARY OF STATE, AND A BILL OF SALE. THE SECRETARY OF
3 STATE SHALL USE THE DOCUMENTATION PROVIDED TO ISSUE THE
4 APPROPRIATE SALVAGE OR SCRAP CERTIFICATE OF TITLE.

5 Sec. 252a. (1) A person shall not abandon a vehicle in this
6 state. It is presumed that the last titled owner of the vehicle
7 is responsible for abandoning the vehicle unless the person
8 provides a record of **THE** sale as that term is defined in section
9 240. A person who violates this subsection and who fails to
10 redeem the vehicle before disposition of the vehicle under
11 section 252g is responsible for a civil infraction and shall be
12 ordered to pay a civil fine of \$50.00.

13 (2) As used in this section and sections ~~252a-252B~~ through
14 252l, "abandoned vehicle" means ~~either~~ **ANY** of the following:

15 (a) A vehicle that has remained on private property without
16 the consent of the owner.

17 (b) A vehicle that has remained on public property for a
18 period of not less than 48 hours, or on a state trunk line
19 highway as described in section 1 of 1951 PA 51, MCL 247.651, as
20 follows:

21 (i) If a valid registration plate is affixed to the vehicle,
22 for a period of not less than 18 hours.

23 (ii) If a valid registration plate is not affixed to the
24 vehicle.

25 (C) A VEHICLE, OTHER THAN A LATE-MODEL VEHICLE, TO WHICH ALL
26 OF THE FOLLOWING APPLY:

27 (i) AN INSURANCE COMPANY HAS NOT ACQUIRED OWNERSHIP OF THE

1 VEHICLE UNDER SECTION 217C.

2 (ii) THE VEHICLE CANNOT BE DISPOSED OF UNDER SECTION 248C.

3 (iii) THE VEHICLE HAS REMAINED IN THE CUSTODY OF A VEHICLE
4 SALVAGE POOL OR BROKER SITE WITHOUT THE CONSENT OF THE VEHICLE
5 SALVAGE POOL OPERATOR OR THE BROKER FOR A PERIOD OF NOT LESS THAN
6 60 DAYS.

7 (3) If a vehicle has remained on public property for the
8 period of time described in subsection (2)(b) so that it
9 qualifies as abandoned, a police agency having jurisdiction over
10 the vehicle or the agency's designee shall determine whether the
11 vehicle has been reported stolen and may affix a written notice
12 to the vehicle. The written notice shall contain the following
13 information:

14 (a) The date and time the notice was affixed.

15 (b) The name and address of the police agency taking the
16 action.

17 (c) The name and badge number of the police officer affixing
18 the notice.

19 (d) The date and time the vehicle may be taken into custody
20 and stored at the owner's expense or scrapped if the vehicle is
21 not removed.

22 (e) The year, make, and vehicle identification number of the
23 vehicle, if available.

24 (4) If the vehicle is an abandoned vehicle, the police
25 agency or the agency's designee may have the towing agency take
26 the vehicle into custody.

27 (5) A police agency that has received a vehicle taken into

1 custody as abandoned shall do all of the following:

2 (a) Recheck to determine if the vehicle has been reported
3 stolen.

4 (b) Within 24 hours after the vehicle is taken into custody,
5 enter the vehicle as abandoned into the law enforcement
6 information network, and notify the secretary of state through
7 the law enforcement information network that the vehicle has been
8 taken into custody as abandoned. Each notification shall contain
9 the following information:

10 (i) The year, make, and vehicle identification number of the
11 vehicle, if available.

12 (ii) The address or approximate location from which the
13 vehicle was taken into custody.

14 (iii) The date on which the vehicle was taken into custody.

15 (iv) The name and address of the police agency that had the
16 vehicle taken into custody.

17 (v) The name and business address of the custodian of the
18 vehicle.

19 (vi) The name of the court that has jurisdiction over the
20 case.

21 (c) Within 7 days after receiving notice under subdivision
22 (b) that the vehicle has been taken into custody, the secretary
23 of state shall do both of the following:

24 (i) Send to the last titled owner and secured party, as shown
25 by the records of the secretary of state as described in section
26 221 or 237, by first-class mail or personal service, notice that
27 the vehicle is considered abandoned. The form for the notice

1 shall be furnished by the secretary of state. Each notice form
2 shall contain the following information:

3 (A) The year, make, and vehicle identification number of the
4 vehicle if available.

5 (B) The address or approximate location from which the
6 vehicle was taken into custody.

7 (C) The date on which the vehicle was taken into custody.

8 (D) The name and address of the police agency that had the
9 vehicle taken into custody.

10 (E) The name and business address of the custodian of the
11 vehicle.

12 (F) The procedure to redeem the vehicle.

13 (G) The procedure to contest the fact that the vehicle is
14 considered abandoned or the reasonableness of the towing fees and
15 daily storage fees.

16 (H) A form petition that the owner may file in person or by
17 mail with the specified court that requests a hearing on the
18 police agency's action.

19 (I) A warning that the failure to redeem the vehicle or to
20 request a hearing within 20 days after the date of the notice may
21 result in the sale of the vehicle and the termination of all
22 rights of the owner and the secured party to the vehicle or the
23 proceeds of the sale.

24 (ii) Enter the information described in subparagraph (i) on a
25 website maintained by the department for public use in locating
26 vehicles that are removed under this section as abandoned. The
27 department shall maintain the data on the website for 1 year or

1 until the vehicle is disposed of under this act, whichever occurs
2 first.

3 (6) The owner may contest the fact that the vehicle is
4 considered abandoned or the reasonableness of the towing fees and
5 daily storage fees by requesting a hearing and posting a bond
6 equal to \$40.00 plus the amount of the accrued towing and storage
7 fees. A request for a hearing shall be made by filing a petition
8 with the court specified in the notice described in subsection
9 (5)(c) within 20 days after the date of the notice. If the owner
10 requests a hearing, the matter shall be resolved after a hearing
11 conducted under sections 252e and 252f. An owner who requests a
12 hearing may obtain release of the vehicle by posting a towing and
13 storage bond in an amount equal to the \$40.00 plus the accrued
14 towing and storage fees with the court. The owner of a vehicle
15 who requests a hearing may obtain release of the vehicle by
16 paying a fee of \$40.00 to the court and the accrued towing and
17 storage fees instead of posting the towing and storage bond.

18 (7) If the owner does not request a hearing under subsection
19 (6), he or she may obtain the release of the vehicle by paying a
20 fee of \$40.00 and the accrued towing and storage fees to the
21 custodian of the vehicle. The custodian of the vehicle shall
22 forward \$25.00 of the fee to the secretary of state within 30
23 days after receipt in a manner prescribed by the secretary of
24 state, who shall deposit the fee into the abandoned vehicle fund
25 created in section 252h.

26 (8) If the owner does not redeem the vehicle or request a
27 hearing within 20 days after the date of the notice described in

1 subsection (5)(c), the secured party may obtain the release of
2 the vehicle by paying a \$40.00 fee plus the accrued charges to
3 the custodian of the vehicle. The custodian of the vehicle shall
4 forward \$25.00 of the fee to the secretary of state, who shall
5 deposit the fee into the abandoned vehicle fund created in
6 section 252h.

7 (9) If a vehicle has remained on private property without
8 the consent of the property owner, the owner of the private
9 property may have the vehicle taken into custody as an abandoned
10 vehicle by contacting a local towing agency. A local towing
11 agency is considered a towing agency whose storage lot is located
12 within 15 miles from the border of the local unit of government
13 having jurisdiction over the abandoned vehicle.

14 (10) Before removing the vehicle from private property, the
15 towing agency shall provide reasonable notice by telephone, or
16 otherwise, to a police agency having jurisdiction over the
17 vehicle that the vehicle is being removed. The police agency
18 shall determine if the vehicle has been reported stolen and enter
19 the vehicle into the law enforcement information network as an
20 abandoned vehicle. Verification by the police agency of
21 compliance with this section is not necessary and is not a
22 predicate to the entrance of the vehicle into the law enforcement
23 information network.

24 (11) Within 24 hours after taking the abandoned vehicle into
25 custody, the police agency shall notify the secretary of state
26 through the law enforcement information network that the vehicle
27 has been taken into custody as abandoned. Each notification shall

1 contain the following information:

2 (a) The year, make, and vehicle identification number of the
3 vehicle if available.

4 (b) The address or approximate location from which the
5 vehicle was taken into custody.

6 (c) The date on which the vehicle was taken into custody.

7 (d) The name and address of the police agency that had the
8 vehicle taken into custody.

9 (e) The name and business address of the custodian of the
10 vehicle.

11 (f) The name of the court that has jurisdiction over the
12 case.

13 (12) Within 7 days after being notified under subsection
14 (11), the secretary of state shall do both of the following:

15 (a) Send to the owner and secured party, as shown by the
16 records of the secretary of state, by first-class mail or
17 personal service, notice that the vehicle is considered
18 abandoned. The form for the notice shall be furnished by the
19 secretary of state. Each notice form shall contain the following
20 information:

21 (i) The year, make, and vehicle identification number of the
22 vehicle if available.

23 (ii) The location from which the vehicle was taken into
24 custody.

25 (iii) The date on which the vehicle was taken into custody.

26 (iv) The name of the towing agency that had the vehicle taken
27 into custody.

1 (v) The business address of the custodian of the vehicle.

2 (vi) The procedure to redeem the vehicle.

3 (vii) The procedure to contest the fact that the vehicle is
4 considered abandoned or the reasonableness of the towing fees and
5 daily storage fees.

6 (viii) A form petition that the owner may file in person or by
7 mail with the specified court that requests a hearing on the
8 custodian's action.

9 (ix) A warning that the failure to redeem the vehicle or to
10 request a hearing within 20 days after the date of the notice may
11 result in the sale of the vehicle and the termination of all
12 rights of the owner and the secured party to the vehicle or the
13 proceeds of the sale.

14 (b) Enter the information described in subdivision (a) on a
15 website maintained by the department for public use in locating
16 vehicles that are removed under this section as abandoned.

17 (13) The owner may contest the fact that the vehicle is
18 abandoned or, unless the towing fees and daily storage fees are
19 established by contract with the local governmental unit or local
20 law enforcement agency and comply with section 252i, the
21 reasonableness of the towing fees and daily storage fees by
22 requesting a hearing. A request for a hearing shall be made by
23 filing a petition with the court specified in the notice within
24 20 days after the date of the notice. If the owner requests a
25 hearing, the matter shall be resolved after a hearing conducted
26 under section 252f. An owner who requests a hearing may obtain
27 release of the vehicle by posting with the court a towing and

1 storage bond in an amount equal to \$40.00 plus the accrued towing
2 and storage fees. The owner of a vehicle who requests a hearing
3 may obtain release of the vehicle by paying a fee of \$40.00 to
4 the court plus the towing and storage fees instead of posting the
5 towing and storage bond. An owner requesting a hearing but not
6 taking possession of the vehicle shall post with the court a
7 towing and storage bond in an amount equal to \$40.00 plus the
8 accrued towing and storage fees.

9 (14) If the owner does not request a hearing, he or she may
10 obtain the release of the vehicle by paying a fee of \$40.00 plus
11 the accrued charges to the custodian of the vehicle. The
12 custodian shall forward \$25.00 of the fee collected under this
13 subsection to the secretary of state within 30 days after receipt
14 in a manner prescribed by the secretary of state, who shall
15 deposit the fee into the abandoned vehicle fund created in
16 section 252h.

17 (15) If the owner does not redeem the vehicle or request a
18 hearing within 20 days after the date of the notice, the secured
19 party may obtain the release of the vehicle by paying a fee of
20 \$40.00 and the accrued towing and storage fees to the custodian
21 of the vehicle. The custodian shall forward \$25.00 of the fee
22 collected under this subsection to the secretary of state within
23 30 days after receipt in a manner prescribed by the secretary of
24 state, who shall deposit the fee into the abandoned vehicle fund
25 created in section 252h.

26 (16) Not less than 20 days after the disposition of the
27 hearing described in subsection (6) or, if a hearing is not

1 requested, not less than 20 days after the date of the notice,
2 the police agency if the abandoned vehicle is found on public
3 property, or the custodian of the vehicle if the vehicle is found
4 on private property, shall offer the vehicle for sale at a public
5 sale under section 252g.

6 (17) If the ownership of a vehicle that is considered
7 abandoned under this section cannot be determined either because
8 of the condition of the vehicle identification numbers or because
9 a check with the records of the secretary of state as described
10 in section 221 or 237 does not reveal ownership, the police
11 agency may sell the vehicle at public sale as provided in section
12 252g not less than 30 days after public notice of the sale has
13 been published.

14 (18) The secretary of state shall release a vehicle for
15 disposition under section 252b or 252g within 45 days after the
16 vehicle is entered into the law enforcement information network
17 as an abandoned vehicle.

18 Enacting section 1. This amendatory act takes effect 90 days
19 after the date it is enacted into law.