

Legislative Analysis



SALVAGE VEHICLE INSPECTION FEES: RECORDS AND USE

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House Bill 4922 as enacted
Public Act 108 of 2018
Sponsor: Rep. Jeff Yaroach
House Committee: Commerce and Trade
Senate Committee: Transportation
Complete to 4-30-18

BRIEF SUMMARY:

House Bill 4922 amends the Michigan Vehicle Code to allow a local unit of government to review records related to the collection and disposition of fee revenue generated from inspections of salvage vehicles. These records must be made available to the local unit of government for review and audit and made available upon request to the Department of State.

Currently, fee revenue collected by local law enforcement agencies must be used for law enforcement purposes related to stolen vehicles, stolen parts, and salvage vehicle inspections. The bill adds that this could include “equipment and road patrol services that increase the likelihood of recovering stolen vehicles or stolen vehicle parts.”

Finally, the bill stipulates that the mechanic who repairs a salvage vehicle cannot be the same person who inspects and certifies the vehicle (see **BRIEF BACKGROUND**, below).

House Bill 4922 was enacted as Public Act 108 of 2018 and takes effect July 4, 2018.

MCL 257.217c

BRIEF BACKGROUND:

The Secretary of State may issue a certificate of title or registration plates for a vehicle with a salvage certificate only after the vehicle has been inspected and met certain criteria. An employee of the Department of State, an on- or off-duty police officer, or a previously certified police officer may be authorized to conduct a salvage vehicle inspection. Each police agency is required to charge a fee for the inspections, and each local authority with a policy agency determines the amount of the fee, with a maximum of \$100. The fees are deposited with the local authority for the police agency, or with the Department of State if the inspection is completed by a department employee.

BRIEF DISCUSSION:

According to testimony before the House Commerce and Trade Committee (10-17-17), the bill will provide police departments with greater flexibility in how they spend revenue generated from these inspections. Specifically, the language will allow police officer wages to be included as an allowable use of the revenue. In exchange for greater flexibility, the bill requires that the

fee records be subject to audit by the local government and made available upon request to the Department of State.

No individuals or organizations indicated opposition to the bill.

FISCAL IMPACT:

While the bill would have no impact on the level of salvage inspection fee revenue collected by local law enforcement agencies, it would provide them greater flexibility in expending those funds. The bill would have no fiscal impact on the Department of State or any other state agency.

POSITIONS:

Representatives from the following organizations indicated support for the bill:

- Michigan Townships Association (10-17-17)
- Secretary of State (10-17-17)

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