

Legislative Analysis



ABANDONED VEHICLE OWNER RIGHTS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 5741 as introduced

Sponsor: Rep. Jim Tedder

Committee: Transportation and Infrastructure

Complete to 9-12-16

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Under the Michigan Vehicle Code a vehicle salvage pool, auction, or broker shall not sell, transfer, or release a distressed, late model vehicle to anyone other than vehicle's former owner or lienholder of record, a licensed salvage agent of an auto recycler, or a licensed agent of a foreign salvage vehicle dealer.

The code was amended in 2015 to allow an insurance company to direct a salvage pool that obtains possession of a vehicle to release the vehicle to the owner or lienholder, as applicable. Upon receiving a release statement, a salvage pool must send a notice to the owner and any lienholder of record that the vehicle is available for pickup by the owner or lienholder. The notice must be accompanied by an invoice for any outstanding charges owed to the salvage pool. The notice also must inform the owner and any lienholder of record that they have 30 days from the date of the notice, and upon payment of applicable charges, to pick up the vehicle from the salvage pool. The salvage pool must send the notice to the applicable address on record with the Secretary of State by certified mail or by another commercially available delivery service providing proof of delivery.

House Bill 5741 would amend the Michigan Vehicle Code to require that the notice also include a warning to the owner and lienholder of record that failure to redeem the vehicle within 30 days after the date of the notice would result in the sale of the vehicle and the termination of all rights to the vehicle and to the proceeds of the sale.

MCL 257.248c

FISCAL IMPACT:

The bill would have no fiscal impact to state or local governments.

Legislative Analyst: E. Best
Fiscal Analyst: Perry Zielak

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.