



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 5741 (Substitute H-1 as reported without amendment)

Sponsor: Representative Jim Tedder

House Committee: Transportation and Infrastructure

Senate Committee: Transportation

CONTENT

The bill would amend the Michigan Vehicle Code to require a notice sent to an owner and any lienholder of record from a salvage pool regarding the pickup of a vehicle, to warn them that failure to redeem the vehicle within 30 days would result in the sale of the vehicle and the termination of all rights of the owner and the lienholder to the vehicle and the proceeds of sale.

The Code allows an insurance company to direct a salvage pool that obtains possession of a vehicle to release the vehicle to the owner or lienholder of record. The company must provide the salvage pool with a release statement authorizing it to release the vehicle to its owner or lienholder of record.

Upon receiving a release statement concerning a vehicle from an insurance company, a salvage pool must send a notice to the owner and any lienholder of record that the vehicle is available for pickup by that owner or lienholder. The notice must be accompanied by an invoice for any outstanding charges owed to the salvage pool.

The notice must inform the owner and any lienholder of record that they have 30 days, upon payment of applicable charges, to pick up the vehicle from the salvage pool. The bill would require the salvage pool to include in the notice a warning 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 of the owner and the lienholder of record to the vehicle and the proceeds of sale.

MCL 257.248c

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

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

Date Completed: 12-13-16

Fiscal Analyst: Joe Carrasco