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BILL



ANALYSIS

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House Bill 5741 (Substitute H-1 as passed by the House)
Sponsor: Representative Jim Tedder
House Committee: Transportation and Infrastructure
Senate Committee: Transportation

Date Completed: 12-7-16

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 from the postmarked date of the notice and 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 postmarked 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.

(Under the Code, if the owner or lienholder of record does not pick up the vehicle within the 30-day period, the salvage pool may sell the vehicle for parts only to a licensed salvage agent of either an automotive recycler or a foreign vehicle dealer if the vehicle is a distressed late-model vehicle; or to a licensed salvage agent of an automotive recycler, to a licensed salvage agent of a foreign salvage vehicle dealer, or to a vehicle scrap metal processor if the vehicle is not a distressed late-model vehicle.)

The bill would take effect 90 days after it was enacted.

MCL 257.248c

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

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

Fiscal Analyst: Joe Carrasco

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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.