

HOUSE BILL No. 5741

June 8, 2016, Introduced by Reps. Tedder, Rutledge, Dianda, Glenn, Lucido, Jacobsen, McCready, Cole, Yonker and Maturen and referred to the Committee on Transportation and Infrastructure.

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending section 248c (MCL 257.248c), as amended by 2015 PA 48.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

4 (a) The vehicle's former owner or lienholder of record as kept
5 by the secretary of state, as applicable.

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

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

9 (2) An insurance company may direct a salvage pool that
10 obtains possession of a vehicle to release the vehicle to the owner

1 or lienholder of record as kept by the secretary of state, as
2 applicable. The insurance company shall provide the salvage pool
3 with a release statement under subsection (3) authorizing the
4 salvage pool to release the vehicle to the vehicle's owner or
5 lienholder of record as kept by the secretary of state, as
6 applicable.

7 (3) A release statement authorizing a salvage pool to release
8 a vehicle to a vehicle's owner or lienholder of record as kept by
9 the secretary of state shall contain the following information:

10 (a) The claim number relating to the vehicle.

11 (b) The name and address of the owner of the vehicle.

12 (c) The vehicle identification number and description of the
13 vehicle.

14 (d) The signature of an authorized representative of the
15 insurance company.

16 (4) Upon receiving a release statement concerning a vehicle
17 from an insurance company under subsection (2), a salvage pool
18 shall send a notice to the owner and any lienholder of record as
19 kept by the secretary of state of the vehicle that the vehicle is
20 available for pickup by the owner or lienholder of record as kept
21 by the secretary of state. The notice shall be accompanied by an
22 invoice for any outstanding charges owed to the salvage pool. The
23 notice shall inform the owner and any lienholder of record as kept
24 by the secretary of state that the owner and lienholder of record
25 as kept by the secretary of state have 30 days from the date of the
26 notice and upon payment of applicable charges to pick up the
27 vehicle from the salvage pool, **AND SHALL WARN THE OWNER AND**

1 LIENHOLDER OF RECORD THAT FAILURE TO REDEEM THE VEHICLE WITHIN 30
2 DAYS AFTER THE DATE OF THE NOTICE WILL RESULT IN THE SALE OF THE
3 VEHICLE AND THE TERMINATION OF ALL RIGHTS OF THE OWNER AND THE
4 LIENHOLDER OF RECORD TO THE VEHICLE AND THE PROCEEDS OF A SALE
5 UNDER SUBSECTION (5). A notice under this subsection shall be sent
6 by the salvage pool to the applicable address on record with the
7 secretary of state by certified mail or by another commercially
8 available delivery service providing proof of delivery.

9 (5) If the owner or lienholder of record as kept by the
10 secretary of state does not pick up the vehicle within the 30-day
11 period described in subsection (4), the salvage pool may sell the
12 vehicle for parts only to a licensed salvage agent of an automotive
13 recycler or to a licensed salvage agent of a foreign salvage
14 vehicle dealer if the vehicle is a distressed late-model vehicle,
15 or to a licensed salvage agent of an automotive recycler, to a
16 licensed salvage agent of a foreign salvage vehicle dealer, or to a
17 vehicle scrap metal processor if the vehicle is not a distressed
18 late-model vehicle. The salvage pool shall provide the buyer and
19 the secretary of state with a copy of the release statement under
20 subsection (2), proof of notice under subsection (4) to the owner
21 and lienholder of record as kept by the secretary of state, and a
22 bill of sale. The secretary of state shall use the documentation
23 provided to issue the appropriate salvage or scrap certificate of
24 title.

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