



**House  
Legislative  
Analysis  
Section**

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**INCREASE DAMAGE AMOUNT FOR  
POLICE ACCIDENT REPORTS**

**House Bill 4486 as introduced  
First Analysis (5-3-01)**

**Sponsor: Rep. Joseph Rivet  
Committee: Civil Law and the Judiciary**

***THE APPARENT PROBLEM:***

Currently, the Michigan Vehicle Code requires people who are involved in automobile accidents that kill or injure anyone or that result in property damage of \$400 or more to immediately report the accident to the police. Once the police have been contacted, an officer is required to fill out an accident report (on a form provided by the state police) and the report is then forwarded to the state police. The \$400 reporting threshold has not been increased since 1991, and at the request of a city police department, legislation has been introduced to increase this reporting threshold.

***THE CONTENT OF THE BILL:***

Currently, the Michigan Vehicle Code requires the driver of a motor vehicle that is involved in an accident that injures or kills someone or that damages property to an apparent extent totaling \$400 or more, to immediately report that accident "at the nearest or most convenient police station, or to the nearest or most convenient police officer." The bill would amend the code to raise the property damage reporting amount from the current \$400 to \$1,000.

MCL 257.622

***BACKGROUND INFORMATION:***

When the Michigan Vehicle Code (Public Act 300 of 1949) originally was enacted, there was no property damage reporting threshold. Instead, the code required drivers to report accidents involving injury or death or "resulting in a vehicle or vehicles becoming so disabled as to be incapable of being propelled in the usual manner." Seventeen years later, Public Act 171 of 1966 (which went into effect the following year) established a \$200 property damage reporting threshold for motor vehicle accidents, and that threshold was raised to \$400 by Public Act 168 of 1991. According to information provided by the bill's sponsor, the rate of inflation since the \$200 reporting threshold went into effect in 1967 would have resulted in an \$815 threshold in 1991 and a

threshold of \$1,055 in 2001. Similarly, in 1967 the average new vehicle price in 1967 was \$3,216, in 1991 it was \$15,475, and in 2001 it is \$21,0120.

***FISCAL IMPLICATIONS:***

Fiscal information is not available.

***ARGUMENTS:***

***For:***

The bill would reduce the additional motor vehicle accident reporting burdens on police officers that have resulted from the effects of inflation on the prices of motor vehicles over the years since the property damage reporting threshold was last raised in 1991. As the prices of vehicles have escalated over the years, even relatively minor ("low impact") accidents – especially those involving the more expensive vehicles – easily result in at least \$400 worth of property damage. While the \$200 reporting level in 1967, when the average new car price was \$3,216, may have been appropriate, even the increase to \$400 in 1991, when the average new car price had risen to \$15,475, already had not kept pace with inflation. Had the 1991 reporting increase done so, it would have been increased to \$815 instead of \$400. By now, the average new car price in 2001 is \$21,020, and the \$400 accident reporting threshold means that even very minor "fender benders" require police officers to fill out accident reports that would not have been required had the rate of inflation been factored into the threshold.

Testimony before the House committee, for example, indicated that just over a thousand of the 1,300 motor vehicle accidents last year in Bay City, with a population of 37,000 people, were low impact. This means that the police department is spending an inordinate amount of time and resources on accident reports, time and resources that could be better spent on more important public safety issues. The committee testimony further indicated that the police

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can give people an alternate accident reporting number to submit to their insurance companies for insurance purposes, so raising the property damage threshold would not mean that people involved in low impact auto accidents would have greater difficulty in substantiating their auto insurance claims.

It is long past time that the property damage reporting threshold be raised to take into account the effects of inflation, and thereby freeing up police officers' time for more important public safety work.

***POSITIONS:***

The State Troopers' Association of Michigan supports the bill. (5-2-01)

The Bay City Police Department supports the bill. (5-3-01)

The Fraternal Order of Police supports the bills (5-3-01)

The Department of State Police is neutral on the bill. (5-3-01)

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