

# HOUSE BILL No. 4926

August 2, 2013, Introduced by Rep. Callton and referred to the Committee on Insurance.

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," by amending sections 217c, 217f, 248c, and 252a (MCL 257.217c, 257.217f, 257.248c, and 257.252a), section 217c as amended by 2002 PA 642, sections 217f and 248c as amended by 1993 PA 300, and section 252a as amended by 2008 PA 539.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 217c. (1) The secretary of state may conduct periodic  
2 reviews of the records of a dealer to determine whether adequate  
3 notice is given to a transferee or lessee of a rebuilt salvage  
4 vehicle of that vehicle's prior designation as a salvage vehicle.

1 The secretary of state may request an insurance company to  
2 provide copies of salvage title documents and claims reports  
3 involving major component parts to assist the secretary of state  
4 in monitoring compliance with this act.

5 (2) Except for a late model vehicle that has been stolen and  
6 recovered and that has no major component part removed, missing,  
7 or destroyed, or damaged and not salvageable, an insurance  
8 company licensed to conduct business in this state that acquires  
9 ownership of a late model vehicle through the payment of a claim  
10 shall proceed under either of the following:

11 (a) If the insurance company acquires ownership of the  
12 vehicle through payment of a claim, the owner of the vehicle  
13 shall assign the certificate of title to the insurance company  
14 which shall do all of the following:

15 (i) Surrender a properly assigned certificate of title to the  
16 secretary of state.

17 (ii) If the estimated cost of repair, including parts and  
18 labor, is equal to or more than 75% but less than 91% of the  
19 predamaged actual cash value of the vehicle, apply for a salvage  
20 certificate of title, and if the estimated cost of repair,  
21 including parts and labor, is equal to or greater than 91% of the  
22 predamaged actual cash value of the vehicle, apply for a scrap  
23 certificate of title. The insurance company shall not sell the  
24 vehicle without first receiving a salvage or scrap certificate of  
25 title, which shall be assigned to the buyer. An insurance company  
26 may assign a salvage or scrap certificate of the title only to an  
27 automotive recycler, used or secondhand vehicle parts dealer,

1 foreign salvage vehicle dealer, or vehicle scrap metal processor.

2 (b) If after payment of a total loss claim the insurance  
3 company permits the owner of the vehicle to retain ownership, the  
4 insurance company shall do all of the following:

5 (i) If the estimated cost of repair, including parts and  
6 labor, is equal to or greater than 75% but less than 91% of the  
7 predamaged actual cash value of the vehicle, require each owner  
8 of the vehicle to sign an application for a salvage certificate  
9 of title, or if the estimated cost of repair, including parts and  
10 labor, is equal to or greater than 91% of the predamaged actual  
11 cash value of the vehicle, require each owner of the vehicle to  
12 sign an application for a scrap vehicle certificate of title.

13 (ii) Attach the owner's certificate of title to the  
14 application for a salvage or scrap certificate of title or have  
15 the owner certify that the certificate of title is lost.

16 (iii) On behalf of the owner, apply to the secretary of state  
17 for a salvage or scrap certificate of title in the name of the  
18 owner. The owner shall not sell or otherwise dispose of the  
19 vehicle without first receiving a salvage or scrap certificate of  
20 title, which shall be assigned to the buyer. An insurance company  
21 may assign a salvage or scrap certificate of title only to an  
22 automotive recycler, used or secondhand vehicle parts dealer,  
23 foreign salvage vehicle dealer, or vehicle scrap metal processor.

24 **(3) IF AN INSURANCE COMPANY PAYS A CLAIM FOR TOTAL LOSS TO**  
25 **THE OWNER OF A VEHICLE BUT THE OWNER OR LIENHOLDER FAILS TO**  
26 **SURRENDER THE CERTIFICATE OF TITLE OR OTHER DOCUMENT NECESSARY**  
27 **FOR THE TRANSFER OF OWNERSHIP OF THE VEHICLE TO THE INSURANCE**

1 COMPANY WITHIN THE EXPIRATION OF 30 DAYS AFTER THE CLAIM PAYMENT,  
2 THE INSURANCE COMPANY, AT ANY TIME THEREAFTER AND WITHOUT HAVING  
3 OBTAINED THE SURRENDER OF THE TITLE OR OTHER DOCUMENT OTHERWISE  
4 NECESSARY FOR THE TRANSFER OF OWNERSHIP FOR THE VEHICLE FROM THE  
5 OWNER OR LIENHOLDER, MAY APPLY TO THE SECRETARY OF STATE FOR A  
6 SALVAGE OR SCRAP CERTIFICATE OF TITLE FOR A LATE-MODEL VEHICLE OR  
7 A CERTIFICATE OF TITLE, SALVAGE CERTIFICATE OF TITLE, OR SCRAP  
8 CERTIFICATE OF TITLE FOR A VEHICLE OTHER THAN A LATE-MODEL  
9 VEHICLE. THE INSURANCE COMPANY SHALL, AT THE TIME OF APPLICATION,  
10 PROVIDE PROOF OF THE PAYMENT AND THAT THE INSURANCE COMPANY HAS  
11 REQUESTED IN WRITING, BY CERTIFIED MAIL OR BY ANOTHER  
12 COMMERCIALY AVAILABLE DELIVERY SERVICE PROVIDING PROOF OF  
13 DELIVERY, ON AT LEAST 2 SEPARATE OCCASIONS THAT THE OWNER OR  
14 LIENHOLDER SURRENDER TO THE INSURANCE COMPANY THE CERTIFICATE OF  
15 TITLE OR OTHER DOCUMENT NECESSARY FOR THE TRANSFER OF OWNERSHIP  
16 TO THE INSURANCE COMPANY. THE APPLICATION SHALL BE SIGNED UNDER  
17 THE PENALTY OF PERJURY. UPON MEETING THE REQUIREMENTS OF THIS  
18 SUBSECTION, THE SECRETARY OF STATE SHALL ISSUE TO THE INSURANCE  
19 COMPANY A SALVAGE OR SCRAP CERTIFICATE OF TITLE FREE OF ALL LIENS  
20 AND SHALL NOTIFY THE PRIOR VEHICLE OWNER AND LIENHOLDER, IF ANY,  
21 OF THAT ACTION IN WRITING.

22 (4) ~~(3)~~—IF EXCEPT AS PROVIDED IN SUBSECTION (3), IF an  
23 insurance company acquires ownership of a vehicle other than a  
24 late model vehicle through payment of damages due to an accident,  
25 the company shall surrender a properly assigned title to the  
26 buyer upon delivery.

27 (5) ~~(4)~~—If a dealer acquires ownership of a late model

1 vehicle that is a distressed vehicle from an owner, the dealer  
2 shall receive an assigned certificate of title. If the assigned  
3 certificate of title is not a salvage or scrap certificate of  
4 title, the dealer, other than a vehicle scrap metal processor,  
5 shall surrender the assigned certificate of title to the  
6 secretary of state, and if the estimated cost of repair,  
7 including parts and labor, is equal to or greater than 75% but  
8 less than 91% of the predamaged actual cash value of the vehicle,  
9 apply for a salvage certificate of title, or if the estimated  
10 cost of repair, including parts and labor, is equal to or greater  
11 than 91% of the predamaged actual cash value of the vehicle,  
12 apply for a scrap certificate of title within 5 days after the  
13 dealer receives the assigned certificate of title. The dealer may  
14 sell a salvage vehicle to another automotive recycler, used or  
15 secondhand vehicle parts dealer, foreign salvage vehicle dealer,  
16 or vehicle scrap metal processor by assigning the salvage  
17 certificate of title to the buyer. Unless the vehicle is rebuilt,  
18 inspected, and recertified ~~pursuant to~~ **UNDER** this section, if the  
19 vehicle is sold to a buyer other than a dealer, application shall  
20 be made for a salvage certificate in the name of the buyer in the  
21 manner provided in this act. The dealer may sell a scrap vehicle  
22 only to a vehicle scrap metal processor. A vehicle scrap metal  
23 processor shall surrender an assigned certificate of title to the  
24 secretary of state within 30 days after acquiring a vehicle for  
25 which a certificate of title was received. A vehicle scrap metal  
26 processor shall surrender an assigned salvage or scrap  
27 certificate of title to the secretary of state within 30 days

1 after acquiring a vehicle for which a salvage or scrap  
2 certificate of title was received and report that the vehicle was  
3 destroyed or scrapped.

4 (6) ~~(5)~~—An application for a scrap certificate of title  
5 shall be made on a form prescribed by the secretary of state  
6 accompanied by a fee of \$15.00. The application shall contain all  
7 of the following:

8 (a) The complete name and current address of the owner.

9 (b) A description of the vehicle, including its make, style  
10 of body, model year, fee category or weight, color, and vehicle  
11 identification number.

12 (c) If the vehicle is a late model vehicle, a listing of  
13 each major component part that was not salvageable.

14 (d) Further information as may reasonably be required by the  
15 secretary of state.

16 (7) ~~(6)~~—The scrap certificate of title shall authorize the  
17 holder of the document to transport but not drive upon a highway  
18 the vehicle or parts of a vehicle, and assign ownership to a  
19 vehicle scrap metal processor, automotive recycler, used or  
20 secondhand vehicle parts dealer, or foreign salvage vehicle  
21 dealer. A certificate of title shall not again be issued for this  
22 vehicle. A person shall not rebuild or repair a scrap vehicle and  
23 allow it to retain the original vehicle identification number.

24 (8) ~~(7)~~—If a person, other than a dealer or insurance  
25 company that is subject to subsection (2) or ~~(4)~~, ~~(5)~~, acquires  
26 ownership of a distressed, late model vehicle, the person shall  
27 surrender the title or assigned certificate of title to the

1 secretary of state, and if the estimated cost of repair,  
2 including parts and labor, is equal to or greater than 75% but  
3 less than 91% of the predamaged actual cash value of the vehicle,  
4 apply for a salvage certificate of title, or if the estimated  
5 cost of repair, including parts and labor, is equal to or greater  
6 than 91% of the predamaged actual cash value of the vehicle,  
7 apply for a scrap certificate of title before the vehicle may be  
8 transported.

9       (9) ~~(8)~~—An owner of a vehicle may determine that a vehicle  
10 is a scrap vehicle or a salvage vehicle without making any  
11 determination as to the actual cash value of the vehicle.

12       (10) ~~(9)~~—If a leasing company, vehicle manufacturer,  
13 insurance company not licensed to do business in this state,  
14 association, repossession company, self-insured owner, financial  
15 institution, governmental entity, or other company, institution,  
16 or entity, owns a distressed, late model vehicle, the titleholder  
17 shall surrender the title or assigned certificate of title to the  
18 secretary of state and apply for a salvage certificate of title  
19 if the retail cost of repair, including parts and labor, is equal  
20 to or greater than 75% but less than 91% of the predamaged actual  
21 cash value of the vehicle, or if the retail cost of repair,  
22 including parts and labor, is equal to or greater than 91% of the  
23 predamaged actual cash value of the vehicle, apply for a scrap  
24 certificate of title, before the vehicle may be transported or  
25 sold. If ownership is transferred, the owner shall sell the  
26 vehicle only to a dealer who is eligible to buy a salvage or  
27 scrap vehicle in this state unless the owner complies with

1 subsection ~~(12)~~—(13). When a leasing company, vehicle  
2 manufacturer, insurance company not licensed to do business in  
3 this state, association, repossession company, self-insured  
4 owner, financial institution, governmental entity, or other  
5 company, institution, or entity, estimates the repair of a  
6 distressed, late model vehicle for the purpose of determining  
7 whether to apply for a salvage or scrap certificate of title, a  
8 complete record of the estimate and, if the vehicle is repaired  
9 before a transfer of ownership, a complete record of the actual  
10 cost of the repairs performed and by whom shall be maintained for  
11 a minimum of 5 years by the leasing company, vehicle  
12 manufacturer, insurance company not licensed to do business in  
13 this state, association, repossession company, self-insured  
14 owner, financial institution, governmental entity, or other  
15 company, institution, or entity. The estimates and repair records  
16 required by this subsection shall be available for unannounced  
17 inspections by a law enforcement agency or a representative of  
18 the secretary of state. The secretary of state may request a  
19 leasing company, vehicle manufacturer, insurance company not  
20 licensed to do business in this state, association, repossession  
21 company, self-insured owner, financial institution, governmental  
22 entity, or other company, institution, or entity to provide  
23 copies of title documents, repair estimates, claims reports  
24 involving major component parts, and actual cash value  
25 determination documents to assist the secretary of state in  
26 monitoring compliance with this act.

27 (11) ~~(10)~~—An application for a salvage certificate of title



1 shall be made on a form prescribed by the secretary of state  
2 accompanied by a fee of \$10.00. The application shall contain all  
3 of the following:

4 (a) The complete name and current address of the owner.

5 (b) A description of the vehicle, including its make, style  
6 of body, model year, fee category or weight, color, and vehicle  
7 identification number.

8 (c) An estimate of the cost repair, including parts and  
9 labor, and an estimate of the predamaged actual cash value of the  
10 vehicle.

11 (d) If the vehicle is a late model vehicle, a listing of  
12 each major component part that was not salvageable.

13 (e) Further information as may reasonably be required by the  
14 secretary of state.

15 (12) ~~(11)~~—The secretary of state shall issue and mail the  
16 salvage certificate within 5 business days after the time the  
17 application is received at the secretary of state's office in  
18 Lansing. Each salvage certificate of title shall include a  
19 listing of each major component part that was not salvageable.

20 (13) ~~(12)~~—A salvage certificate of title authorizes the  
21 holder of the title to possess, transport, but not drive upon a  
22 highway, and transfer ownership in, a vehicle. The secretary of  
23 state shall not issue a certificate of title or registration  
24 plates for a vehicle for which a salvage certificate of title was  
25 issued unless a specially trained officer described in subsection  
26 ~~(14)~~—(15) certifies all of the following:

27 (a) That the vehicle identification numbers and parts

1 identification numbers are correct.

2 (b) That the applicant has proof of ownership of repair  
3 parts used.

4 (c) That the vehicle complies with the equipment standards  
5 of this act.

6 (14) ~~(13)~~—The certification required by subsection ~~(12)~~—(13)  
7 shall be made on a form prescribed and furnished by the secretary  
8 of state in conjunction with the department of state police and  
9 shall accompany the application that is submitted to the  
10 secretary of state for a certificate of title. An application for  
11 a certificate of title shall contain a description of each  
12 salvageable part used to repair the vehicle and any  
13 identification number affixed to or inscribed upon the part as  
14 required by state or federal law. Upon satisfactory completion of  
15 the inspection as required by the secretary of state and other  
16 requirements for application, the secretary of state shall issue  
17 a certificate of title for the vehicle bearing the legend  
18 "rebuilt salvage".

19 (15) ~~(14)~~—An officer specially trained as provided by the  
20 secretary of state and authorized by the secretary of state to  
21 conduct a salvage vehicle inspection is either of the following:

22 (a) An on-duty or off-duty police officer.

23 (b) A previously certified police officer who is appointed  
24 by the local police agency as a limited enforcement officer to  
25 conduct salvage vehicle inspections. The local police agency  
26 shall give this officer access to the agency's law enforcement  
27 information network system and the authority to confiscate any

1 stolen vehicle or vehicle parts discovered during an inspection.  
2 The local police agency may give the officer the authority to  
3 arrest a person suspected of having unlawful possession of a  
4 stolen vehicle or vehicle parts.

5       (16) ~~(15)~~—The secretary of state shall issue a certificate  
6 to an officer who is specially trained as provided by the  
7 secretary of state to conduct salvage vehicle inspections. Only a  
8 person who has a valid certification from the secretary of state  
9 may perform salvage inspections. The secretary of state on his or  
10 her own initiative or in response to complaints shall make  
11 reasonable and necessary public or private investigations within  
12 or outside of this state and gather evidence against an officer  
13 who was issued a certificate and who violated or is about to  
14 violate this act or a rule promulgated under this act. The  
15 secretary of state may suspend, revoke, or deny a certificate  
16 after an investigation if the secretary of state determines that  
17 the officer committed 1 or more of the following:

18       (a) Violated this act or a rule promulgated under this act.

19       (b) Was found guilty of a fraudulent act in connection with  
20 the inspection, purchase, sale, lease, or transfer of a salvage  
21 vehicle.

22       (c) Was found guilty of the theft, embezzlement, or  
23 misappropriation of salvage vehicle inspection fees.

24       (d) Performed improper, careless, or negligent salvage  
25 vehicle inspections.

26       (e) Ceased to function as a police officer because of  
27 suspension, retirement, dismissal, disability, or termination of

1 employment.

2 (f) Was convicted of a violation or attempted violation of  
3 1986 PA 119, MCL 257.1351 to 257.1355.

4 (g) Made a false statement of a material fact in his or her  
5 certification of a salvage vehicle inspection or any record  
6 concerning a salvage vehicle inspection.

7 (17) ~~(16)~~ Upon receipt of the appropriate abstract of  
8 conviction from a court and without any investigation, the  
9 secretary of state shall immediately revoke the certificate of an  
10 officer who has been convicted of a violation or attempted  
11 violation of section 413, 414, 415, 535, 535a, or 536a of the  
12 Michigan penal code, 1931 PA 328, MCL 750.413, 750.414, 750.415,  
13 750.535, 750.535a, and 750.536a, or has been convicted in federal  
14 court or in another state of a violation or attempted violation  
15 of a law substantially corresponding to 1 of those sections.

16 (18) ~~(17)~~ If a dealer acquires ownership of an older model  
17 vehicle from an owner, the dealer shall receive an assigned  
18 certificate of title and shall retain it as long as he or she  
19 retains the vehicle. A vehicle scrap metal processor shall  
20 surrender an assigned certificate of title to the secretary of  
21 state within 30 days after the vehicle is destroyed or scrapped.

22 (19) ~~(18)~~ A dealer selling or assigning a vehicle to a  
23 vehicle scrap metal processor shall make a record in triplicate  
24 on a form to be provided by the secretary of state in  
25 substantially the following form:

26 Scrap Vehicle Inventory:

1 SELLER: Dealer name \_\_\_\_\_

2 Dealer address \_\_\_\_\_

3 Dealer license number \_\_\_\_\_

4 PURCHASER: Conveyed to: \_\_\_\_\_ Date \_\_\_\_\_  
5 (Vehicle scrap metal processor)

6 Dealer address \_\_\_\_\_

7 Dealer license number \_\_\_\_\_

8

9 Vehicles

10						Dealer's
11						Stock
12	Model Year	Vehicle Make	VIN	Title Number	Number	Color
13	1. _____	_____	_____	_____	_____	_____
14	2. _____	_____	_____	_____	_____	_____
15	3. _____	_____	_____	_____	_____	_____
16	etc.					

17 One copy shall be retained as a permanent record by the dealer,  
18 1 copy shall be forwarded with the vehicle to be retained by the  
19 vehicle scrap metal processor, and 1 copy shall be forwarded to  
20 the secretary of state.

21 (20) ~~(19)~~ A person, other than an automotive recycler, used  
22 or secondhand vehicle parts dealer, or a foreign salvage dealer,  
23 receiving a salvage certificate of title shall not sell the  
24 vehicle to anyone other than 1 of the following:

25 (a) The vehicle's former owner.

1 (b) A used or secondhand vehicle parts dealer.

2 (c) A vehicle scrap metal processor.

3 (d) A foreign salvage vehicle dealer licensed under this  
4 act.

5 (e) An automotive recycler.

6 **(21)** ~~(20)~~—A person receiving a scrap certificate of title  
7 shall not sell the vehicle to anyone other than 1 of the  
8 following:

9 (a) An automotive recycler.

10 (b) A vehicle scrap metal processor.

11 (c) A foreign salvage vehicle dealer licensed under this  
12 act.

13 (d) A used or secondhand vehicle parts dealer.

14 **(22)** ~~(21)~~—The secretary of state may conduct periodic  
15 reviews of the records of a dealer to determine whether adequate  
16 notice is given to a transferee or lessee of a rebuilt salvage  
17 vehicle of that vehicle's prior designation as a salvage vehicle.  
18 The secretary of state may request an insurance company to  
19 provide copies of salvage title documents and claims reports  
20 involving major component parts to assist the secretary of state  
21 in monitoring compliance with this act.

22 **(23)** ~~(22)~~—A licensed automotive recycler, used or secondhand  
23 vehicle parts dealer, vehicle scrap metal processor, vehicle  
24 salvage pool operator, distressed vehicle transporter, foreign  
25 salvage vehicle dealer, or broker who has removed a scrap vehicle  
26 from this state for the purpose of rebuilding the vehicle or  
27 selling or leasing the vehicle to a person other than a vehicle

1 scrap metal processor, shall receive an automatic suspension of  
2 its dealer license and of any salvage vehicle agent's license  
3 assigned to that dealer for a period of 30 days. Upon receipt by  
4 the secretary of state of a written request from the dealer, the  
5 dealer shall have the right to an immediate hearing on the matter  
6 within that 30-day period.

7       (24) ~~(23)~~ For the purpose of this section, the estimated  
8 costs of the repair parts shall be determined by using the  
9 current published retail cost of original manufacturer equipment  
10 parts or an estimate of the actual cost of the repair parts. The  
11 estimated labor costs shall be computed by using the hourly rate  
12 and time allocations which are reasonable and commonly assessed  
13 in the repair industry in the community where the repairs are  
14 performed.

15       (25) ~~(24)~~ A police agency shall charge a fee for an  
16 inspection of a vehicle pursuant to ~~UNDER~~ subsection ~~(12)~~. ~~(13)~~.  
17 Each local authority with a police agency shall determine the  
18 amount of the fee for inspections by that police agency, which  
19 shall not exceed \$100.00. The police agency shall credit the fee  
20 to the budget of that police agency and use the fee for law  
21 enforcement purposes that affect stolen vehicles, stolen vehicle  
22 parts, and salvage vehicle inspections. A local police agency  
23 shall compensate an off-duty and limited enforcement police  
24 officer for a salvage vehicle inspection.

25       (26) ~~(25)~~ For the purpose of this section, "actual cash  
26 value" means the retail dollar value of a vehicle as determined  
27 by an objective vehicle evaluation using local market resources

1 such as dealers or want ads or by an independent vehicle  
 2 evaluation or vehicle appraisal service or by a current issue of  
 3 a nationally recognized used vehicle guide for financial  
 4 institution appraisal purposes in this state.

5       Sec. 217f. ~~A~~ **EXCEPT AS PROVIDED IN SECTION 248C, A** vehicle  
 6 salvage pool operator or broker shall not sell, assign, or  
 7 otherwise dispose of a vehicle for which a salvage certificate of  
 8 title is required, unless a salvage or scrap certificate of title  
 9 has been issued for the vehicle by the department.

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

13 ~~—— (a) The vehicle's former owner.~~

14 ~~—— (b) A used or secondhand vehicle parts dealer.~~

15 ~~—— (c) A vehicle scrap metal processor.~~

16 ~~—— (d) A foreign salvage vehicle dealer licensed under this~~  
 17 ~~act.~~

18 ~~—— (e) A registered motor vehicle repair facility engaging in~~  
 19 ~~body work.~~

20 ~~—— (2) Subsection (1) applies until July 1, 1994.~~

21       **(1)** ~~(3)~~ A vehicle salvage pool, auction, or broker shall not  
 22 sell, transfer, or release a distressed, late model vehicle to  
 23 anyone other than 1 or more of the following:

24       (a) The vehicle's former owner **OR LIENHOLDER, AS APPLICABLE.**

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

26       (c) A licensed salvage agent of a foreign salvage vehicle  
 27 dealer.



1 ~~(4) Subsection (3) applies beginning July 1, 1994.~~

2 (2) AN INSURANCE COMPANY MAY DIRECT A SALVAGE POOL THAT  
3 OBTAINS POSSESSION OF A VEHICLE TO RELEASE THE VEHICLE TO THE  
4 OWNER OR LIENHOLDER, AS APPLICABLE. THE INSURANCE COMPANY SHALL  
5 PROVIDE THE SALVAGE POOL WITH A RELEASE STATEMENT UNDER  
6 SUBSECTION (3) AUTHORIZING THE SALVAGE POOL TO RELEASE THE  
7 VEHICLE TO THE VEHICLE'S OWNER OR LIENHOLDER, AS APPLICABLE.

8 (3) A RELEASE STATEMENT AUTHORIZING A SALVAGE POOL TO  
9 RELEASE A VEHICLE TO A VEHICLE'S OWNER OR LIENHOLDER SHALL  
10 CONTAIN THE FOLLOWING INFORMATION:

11 (A) THE CLAIM NUMBER RELATING TO THE VEHICLE.

12 (B) THE NAME AND ADDRESS OF THE OWNER OF THE VEHICLE.

13 (C) THE VEHICLE IDENTIFICATION NUMBER AND DESCRIPTION OF THE  
14 VEHICLE.

15 (D) THE SIGNATURE OF AN AUTHORIZED REPRESENTATIVE OF THE  
16 INSURANCE COMPANY.

17 (4) UPON RECEIVING A RELEASE STATEMENT CONCERNING A VEHICLE  
18 FROM AN INSURANCE COMPANY UNDER SUBSECTION (2), A SALVAGE POOL  
19 SHALL SEND A NOTICE TO THE OWNER OF THE VEHICLE AND ANY  
20 LIENHOLDER OF THE VEHICLE THAT THE VEHICLE IS AVAILABLE FOR  
21 PICKUP BY THE OWNER OR LIENHOLDER. THE NOTICE SHALL BE  
22 ACCOMPANIED BY AN INVOICE FOR ANY OUTSTANDING CHARGES OWED TO THE  
23 SALVAGE POOL. THE NOTICE SHALL INFORM THE OWNER AND ANY  
24 LIENHOLDER THAT THE OWNER AND LIENHOLDER HAVE 30 DAYS FROM THE  
25 DATE OF THE NOTICE AND UPON PAYMENT OF APPLICABLE CHARGES TO PICK  
26 UP THE VEHICLE FROM THE SALVAGE POOL. A NOTICE UNDER THIS  
27 SUBSECTION SHALL BE SENT TO THE APPLICABLE ADDRESS ON RECORD WITH

1 THE SECRETARY OF STATE BY CERTIFIED MAIL OR BY ANOTHER  
2 COMMERCIALY AVAILABLE DELIVERY SERVICE PROVIDING PROOF OF  
3 DELIVERY.

4 (5) IF THE OWNER OF A VEHICLE OR THE LIENHOLDER DOES NOT  
5 PICK UP THE VEHICLE WITHIN THE 30-DAY PERIOD DESCRIBED IN  
6 SUBSECTION (4), THE VEHICLE IS CONSIDERED ABANDONED AND THE  
7 SALVAGE POOL MAY SELL THE VEHICLE FOR PARTS ONLY TO A LICENSED  
8 SALVAGE AGENT OF AN AUTOMOTIVE RECYCLER OR TO A LICENSED SALVAGE  
9 AGENT OF A FOREIGN SALVAGE VEHICLE DEALER IF THE VEHICLE IS A  
10 DISTRESSED LATE-MODEL VEHICLE, OR TO A LICENSED SALVAGE AGENT OF  
11 AN AUTOMOTIVE RECYCLER, TO A LICENSED SALVAGE AGENT OF A FOREIGN  
12 SALVAGE VEHICLE DEALER, OR TO A VEHICLE SCRAP METAL PROCESSOR IF  
13 THE VEHICLE IS NOT A DISTRESSED LATE-MODEL VEHICLE. THE SALVAGE  
14 POOL SHALL PROVIDE THE BUYER WITH A COPY OF THE RELEASE STATEMENT  
15 UNDER SUBSECTION (2), PROOF OF NOTICE TO THE OWNER AND LIENHOLDER  
16 UNDER SUBSECTION (4), AND A BILL OF SALE. THE SALVAGE POOL IS NOT  
17 REQUIRED TO OBTAIN ANY OTHER LICENSURE TO MAKE SALES PERMITTED  
18 UNDER THIS SUBSECTION.

19 Sec. 252a. (1) A person shall not abandon a vehicle in this  
20 state. It is presumed that the last titled owner of the vehicle  
21 is responsible for abandoning the vehicle unless the person  
22 provides a record of sale as that term is defined in section 240.  
23 A person who violates this subsection and who fails to redeem the  
24 vehicle before disposition of the vehicle under section 252g is  
25 responsible for a civil infraction and shall be ordered to pay a  
26 civil fine of \$50.00.

27 (2) As used in this section and sections ~~252a~~**252B** through

1 2521, "abandoned vehicle" means ~~either~~ **ANY** of the following:

2 (a) A vehicle that has remained on private property without  
3 the consent of the owner.

4 (b) A vehicle that has remained on public property for a  
5 period of not less than 48 hours, or on a state trunk line  
6 highway as described in section 1 of 1951 PA 51, MCL 247.651, as  
7 follows:

8 (i) If a valid registration plate is affixed to the vehicle,  
9 for a period of not less than 18 hours.

10 (ii) If a valid registration plate is not affixed to the  
11 vehicle.

12 **(C) AN OLDER-MODEL VEHICLE TO WHICH ALL OF THE FOLLOWING**  
13 **APPLY:**

14 (i) **AN INSURANCE COMPANY HAS NOT ACQUIRED OWNERSHIP OF THE**  
15 **VEHICLE UNDER SECTION 217C.**

16 (ii) **THE VEHICLE CANNOT BE DISPOSED OF UNDER SECTION 248C.**

17 (iii) **THE VEHICLE HAS REMAINED IN THE CUSTODY OF A VEHICLE**  
18 **SALVAGE POOL OR BROKER SITE WITHOUT THE CONSENT OF THE VEHICLE**  
19 **SALVAGE POOL OPERATOR OR THE BROKER FOR A PERIOD OF NOT LESS THAN**  
20 **30 DAYS.**

21 (3) If a vehicle has remained on public property for the  
22 period of time described in subsection (2)(b) so that it  
23 qualifies as abandoned, a police agency having jurisdiction over  
24 the vehicle or the agency's designee shall determine whether the  
25 vehicle has been reported stolen and may affix a written notice  
26 to the vehicle. The written notice shall contain the following  
27 information:

1 (a) The date and time the notice was affixed.

2 (b) The name and address of the police agency taking the  
3 action.

4 (c) The name and badge number of the police officer affixing  
5 the notice.

6 (d) The date and time the vehicle may be taken into custody  
7 and stored at the owner's expense or scrapped if the vehicle is  
8 not removed.

9 (e) The year, make, and vehicle identification number of the  
10 vehicle, if available.

11 (4) If the vehicle is an abandoned vehicle, the police  
12 agency or the agency's designee may have the towing agency take  
13 the vehicle into custody.

14 (5) A police agency that has received a vehicle taken into  
15 custody as abandoned shall do all of the following:

16 (a) Recheck to determine if the vehicle has been reported  
17 stolen.

18 (b) Within 24 hours after the vehicle is taken into custody,  
19 enter the vehicle as abandoned into the law enforcement  
20 information network, and notify the secretary of state through  
21 the law enforcement information network that the vehicle has been  
22 taken into custody as abandoned. Each notification shall contain  
23 the following information:

24 (i) The year, make, and vehicle identification number of the  
25 vehicle, if available.

26 (ii) The address or approximate location from which the  
27 vehicle was taken into custody.

- 1           (iii) The date on which the vehicle was taken into custody.
- 2           (iv) The name and address of the police agency that had the  
3 vehicle taken into custody.
- 4           (v) The name and business address of the custodian of the  
5 vehicle.
- 6           (vi) The name of the court that has jurisdiction over the  
7 case.
- 8           (c) Within 7 days after receiving notice under subdivision  
9 (b) that the vehicle has been taken into custody, the secretary  
10 of state shall do both of the following:
- 11           (i) Send to the last titled owner and secured party, as shown  
12 by the records of the secretary of state as described in section  
13 221 or 237, by first-class mail or personal service, notice that  
14 the vehicle is considered abandoned. The form for the notice  
15 shall be furnished by the secretary of state. Each notice form  
16 shall contain the following information:
- 17           (A) The year, make, and vehicle identification number of the  
18 vehicle if available.
- 19           (B) The address or approximate location from which the  
20 vehicle was taken into custody.
- 21           (C) The date on which the vehicle was taken into custody.
- 22           (D) The name and address of the police agency that had the  
23 vehicle taken into custody.
- 24           (E) The name and business address of the custodian of the  
25 vehicle.
- 26           (F) The procedure to redeem the vehicle.
- 27           (G) The procedure to contest the fact that the vehicle is

1 considered abandoned or the reasonableness of the towing fees and  
2 daily storage fees.

3 (H) A form petition that the owner may file in person or by  
4 mail with the specified court that requests a hearing on the  
5 police agency's action.

6 (I) A warning that the failure to redeem the vehicle or to  
7 request a hearing within 20 days after the date of the notice may  
8 result in the sale of the vehicle and the termination of all  
9 rights of the owner and the secured party to the vehicle or the  
10 proceeds of the sale.

11 (ii) Enter the information described in subparagraph (i) on a  
12 website maintained by the department for public use in locating  
13 vehicles that are removed under this section as abandoned. The  
14 department shall maintain the data on the website for 1 year or  
15 until the vehicle is disposed of under this act, whichever occurs  
16 first.

17 (6) The owner may contest the fact that the vehicle is  
18 considered abandoned or the reasonableness of the towing fees and  
19 daily storage fees by requesting a hearing and posting a bond  
20 equal to \$40.00 plus the amount of the accrued towing and storage  
21 fees. A request for a hearing shall be made by filing a petition  
22 with the court specified in the notice described in subsection  
23 (5)(c) within 20 days after the date of the notice. If the owner  
24 requests a hearing, the matter shall be resolved after a hearing  
25 conducted under sections 252e and 252f. An owner who requests a  
26 hearing may obtain release of the vehicle by posting a towing and  
27 storage bond in an amount equal to the \$40.00 plus the accrued

1 towing and storage fees with the court. The owner of a vehicle  
2 who requests a hearing may obtain release of the vehicle by  
3 paying a fee of \$40.00 to the court and the accrued towing and  
4 storage fees instead of posting the towing and storage bond.

5 (7) If the owner does not request a hearing under subsection  
6 (6), he or she may obtain the release of the vehicle by paying a  
7 fee of \$40.00 and the accrued towing and storage fees to the  
8 custodian of the vehicle. The custodian of the vehicle shall  
9 forward \$25.00 of the fee to the secretary of state within 30  
10 days after receipt in a manner prescribed by the secretary of  
11 state, who shall deposit the fee into the abandoned vehicle fund  
12 created in section 252h.

13 (8) If the owner does not redeem the vehicle or request a  
14 hearing within 20 days after the date of the notice described in  
15 subsection (5)(c), the secured party may obtain the release of  
16 the vehicle by paying a \$40.00 fee plus the accrued charges to  
17 the custodian of the vehicle. The custodian of the vehicle shall  
18 forward \$25.00 of the fee to the secretary of state, who shall  
19 deposit the fee into the abandoned vehicle fund created in  
20 section 252h.

21 (9) If a vehicle has remained on private property without  
22 the consent of the property owner, the owner of the private  
23 property may have the vehicle taken into custody as an abandoned  
24 vehicle by contacting a local towing agency. A local towing  
25 agency is considered a towing agency whose storage lot is located  
26 within 15 miles from the border of the local unit of government  
27 having jurisdiction over the abandoned vehicle.

1           (10) Before removing the vehicle from private property, the  
2 towing agency shall provide reasonable notice by telephone, or  
3 otherwise, to a police agency having jurisdiction over the  
4 vehicle that the vehicle is being removed. The police agency  
5 shall determine if the vehicle has been reported stolen and enter  
6 the vehicle into the law enforcement information network as an  
7 abandoned vehicle. Verification by the police agency of  
8 compliance with this section is not necessary and is not a  
9 predicate to the entrance of the vehicle into the law enforcement  
10 information network.

11           (11) Within 24 hours after taking the abandoned vehicle into  
12 custody, the police agency shall notify the secretary of state  
13 through the law enforcement information network that the vehicle  
14 has been taken into custody as abandoned. Each notification shall  
15 contain the following information:

16           (a) The year, make, and vehicle identification number of the  
17 vehicle if available.

18           (b) The address or approximate location from which the  
19 vehicle was taken into custody.

20           (c) The date on which the vehicle was taken into custody.

21           (d) The name and address of the police agency that had the  
22 vehicle taken into custody.

23           (e) The name and business address of the custodian of the  
24 vehicle.

25           (f) The name of the court that has jurisdiction over the  
26 case.

27           (12) Within 7 days after being notified under subsection



1 (11), the secretary of state shall do both of the following:

2 (a) Send to the owner and secured party, as shown by the  
3 records of the secretary of state, by first-class mail or  
4 personal service, notice that the vehicle is considered  
5 abandoned. The form for the notice shall be furnished by the  
6 secretary of state. Each notice form shall contain the following  
7 information:

8 (i) The year, make, and vehicle identification number of the  
9 vehicle if available.

10 (ii) The location from which the vehicle was taken into  
11 custody.

12 (iii) The date on which the vehicle was taken into custody.

13 (iv) The name of the towing agency that had the vehicle taken  
14 into custody.

15 (v) The business address of the custodian of the vehicle.

16 (vi) The procedure to redeem the vehicle.

17 (vii) The procedure to contest the fact that the vehicle is  
18 considered abandoned or the reasonableness of the towing fees and  
19 daily storage fees.

20 (viii) A form petition that the owner may file in person or by  
21 mail with the specified court that requests a hearing on the  
22 custodian's action.

23 (ix) A warning that the failure to redeem the vehicle or to  
24 request a hearing within 20 days after the date of the notice may  
25 result in the sale of the vehicle and the termination of all  
26 rights of the owner and the secured party to the vehicle or the  
27 proceeds of the sale.

1 (b) Enter the information described in subdivision (a) on a  
2 website maintained by the department for public use in locating  
3 vehicles that are removed under this section as abandoned.

4 (13) The owner may contest the fact that the vehicle is  
5 abandoned or, unless the towing fees and daily storage fees are  
6 established by contract with the local governmental unit or local  
7 law enforcement agency and comply with section 252i, the  
8 reasonableness of the towing fees and daily storage fees by  
9 requesting a hearing. A request for a hearing shall be made by  
10 filing a petition with the court specified in the notice within  
11 20 days after the date of the notice. If the owner requests a  
12 hearing, the matter shall be resolved after a hearing conducted  
13 under section 252f. An owner who requests a hearing may obtain  
14 release of the vehicle by posting with the court a towing and  
15 storage bond in an amount equal to \$40.00 plus the accrued towing  
16 and storage fees. The owner of a vehicle who requests a hearing  
17 may obtain release of the vehicle by paying a fee of \$40.00 to  
18 the court plus the towing and storage fees instead of posting the  
19 towing and storage bond. An owner requesting a hearing but not  
20 taking possession of the vehicle shall post with the court a  
21 towing and storage bond in an amount equal to \$40.00 plus the  
22 accrued towing and storage fees.

23 (14) If the owner does not request a hearing, he or she may  
24 obtain the release of the vehicle by paying a fee of \$40.00 plus  
25 the accrued charges to the custodian of the vehicle. The  
26 custodian shall forward \$25.00 of the fee collected under this  
27 subsection to the secretary of state within 30 days after receipt

1 in a manner prescribed by the secretary of state, who shall  
2 deposit the fee into the abandoned vehicle fund created in  
3 section 252h.

4 (15) If the owner does not redeem the vehicle or request a  
5 hearing within 20 days after the date of the notice, the secured  
6 party may obtain the release of the vehicle by paying a fee of  
7 \$40.00 and the accrued towing and storage fees to the custodian  
8 of the vehicle. The custodian shall forward \$25.00 of the fee  
9 collected under this subsection to the secretary of state within  
10 30 days after receipt in a manner prescribed by the secretary of  
11 state, who shall deposit the fee into the abandoned vehicle fund  
12 created in section 252h.

13 (16) Not less than 20 days after the disposition of the  
14 hearing described in subsection (6) or, if a hearing is not  
15 requested, not less than 20 days after the date of the notice,  
16 the police agency if the abandoned vehicle is found on public  
17 property, or the custodian of the vehicle if the vehicle is found  
18 on private property, shall offer the vehicle for sale at a public  
19 sale under section 252g.

20 (17) If the ownership of a vehicle that is considered  
21 abandoned under this section cannot be determined either because  
22 of the condition of the vehicle identification numbers or because  
23 a check with the records of the secretary of state as described  
24 in section 221 or 237 does not reveal ownership, the police  
25 agency may sell the vehicle at public sale as provided in section  
26 252g not less than 30 days after public notice of the sale has  
27 been published.

1           (18) The secretary of state shall release a vehicle for  
2 disposition under section 252b or 252g within 45 days after the  
3 vehicle is entered into the law enforcement information network  
4 as an abandoned vehicle.