

MICHIGAN VEHICLE CODE (EXCERPT)
Act 300 of 1949

257.252g Manner of conducting public sale; application of money received; priority; absence of bidders; acquisition of distressed vehicle; application for salvage certificate of title; canceling entry in law enforcement information network; obtaining original bill of sale.

Sec. 252g.

(1) Subject to section 252a(18), a public sale for a vehicle and its contents that has been determined to be abandoned under section 252a or removed under section 252d shall be conducted in the following manner:

(a) It shall be under the control of the police agency. However, a police agency may designate the custodian of the vehicle or a third party to conduct the auction.

(b) It shall be open to the public and consist of open auction bidding or bidding by sealed bids. If sealed bids are received, the person submitting the bid shall receive a receipt for the bid from the police agency or the agency's designee or, if the vehicle is being sold under section 252a(18), the custodian of the vehicle.

(c) Except as otherwise provided in sections 252a(18) and (19) and 252b(7), it shall be held not less than 5 days after public notice of the sale has been published.

(d) Except as otherwise provided in this subdivision, the public notice shall be published at least once in a newspaper having a general circulation within the county in which the vehicle was abandoned. The public notice shall give a description of the vehicle for sale and shall state the time, date, and location of the sale. The requirements of this subdivision may be satisfied by publishing a notice of the public auction once in a newspaper having a general circulation within the county in which the auction is to occur, if the notice states that the auction is an abandoned vehicle auction, lists the date, time, and location of the auction, and provides a website address where a complete description of each vehicle to be auctioned appears for not less than 5 consecutive days before the date of the auction. As used in this subdivision, "complete description" means a description of the vehicle's model year, manufacturer make, model name, and vehicle identification number.

(2) The money received from the public sale of the vehicle shall be applied in the following order of priority:

(a) Accrued towing and storage charges. However, if the money received from the public sale does not satisfy the accrued towing and storage charges, the towing company may collect the balance of those unpaid fees from the last titled owner, subject to section 252i.

(b) Expenses incurred by the police agency or the custodian of the vehicle.

(c) Payment of the \$40.00 abandoned vehicle fee described in section 252f(3)(a).

(d) Any extra money shall be sent to the department of treasury's unclaimed property division to be disbursed as follows:

(i) To the secured party, if any, in the amount of the debt outstanding on the vehicle.

(ii) Remainder to the owner. A reasonable attempt shall be made to mail the remainder to the last titled owner. If delivery of the remainder cannot be accomplished, the remainder shall become the property of the unit of government governing the location from which the vehicle was towed.

(3) If there are no bidders on the vehicle, the police agency or the custodian of the vehicle may do 1 of the following:

(a) Turn the vehicle over to the towing firm or the custodian of the vehicle to satisfy charges against the vehicle. However, if the value of the vehicle does not satisfy the towing fees and accrued daily storage fees, the custodian of the vehicle may collect the balance of those unpaid fees from the last titled owner, subject to section 252i.

(b) Obtain title to the vehicle for the police agency or the unit of government the police agency represents, by doing the following:

(i) Paying the towing and storage charges.

(ii) Applying for title to the vehicle.

(c) Hold another public sale under subsection (1).

(4) A person who acquires ownership of a vehicle under subsection (1) or (3) that has been designated as a distressed vehicle shall apply for a salvage certificate of title within 15 days after obtaining the vehicle.

(5) Upon disposition of the vehicle, the police agency or towing agency or custodian shall provide the secretary of state and the police agency, if that police agency did not conduct the sale, with the vehicle's disposition and the name of the agency that disposed of it and the police agency shall cancel the entry in the law enforcement information network.

(6) Not less than 25 days after the date of notice required under section 252a, if the police agency does not provide a copy of the bill of sale by the police agency for the abandoned vehicle to the towing agency or custodian or police agency's designee, the towing agency or custodian or police agency designee may obtain an original of the bill of sale by submitting an application to the secretary of state in a form as determined by the secretary of state.

History: Add. 1981, Act 104, Eff. Oct. 1, 1981 ;-- Am. 2004, Act 493, Eff. Oct. 1, 2005 ;-- Am. 2008, Act 539, Imd. Eff. Jan. 13, 2009 ;-- Am. 2012, Act 498, Eff. Mar. 28, 2013 ;-- Am. 2018, Act 347, Eff. Jan. 14, 2019