



**Senate Fiscal Agency**  
**P. O. Box 30036**  
**Lansing, Michigan 48909-7536**

BILL



ANALYSIS

**Telephone: (517) 373-5383**  
**Fax: (517) 373-1986**

House Bill 4185 (Substitute H-1 as passed by the House)

Sponsor: Representative Julie Plawecki

House Committee: Regulatory Reform

Senate Committee: Regulatory Reform

Date Completed: 11-30-16

## **CONTENT**

**The bill would amend the Michigan Vehicle Code to do the following:**

- **Prohibit a local police agency from appointing a previously certified police officer to conduct salvage vehicle inspections if the officer's certificate for salvage vehicle inspection had been suspended, revoked, or denied.**
- **Require the Secretary of State to notify an officer if his or her certificate for salvage vehicle inspection were revoked, suspended, or denied under certain circumstances, and allow the officer to appeal that decision.**

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

Under the Code, the Secretary of State may not issue a certificate of title or registration plates for a vehicle for which a salvage certificate of title was issued unless a specially trained officer certifies the following:

- That the vehicle identification numbers and parts identification numbers are correct.
- That the applicant has proof of ownership of repair parts used.
- That the vehicle complies with the equipment standards of the Code.

(A salvage certificate of title authorizes the holder of the title to possess, transport, but not drive upon a highway, and transfer ownership in, a vehicle.)

The certification described above must accompany the application that is submitted to the Secretary of State for a certificate of title. Upon satisfactory completion of the inspection and other requirements for application, the Secretary of State must issue a certificate of title for the vehicle bearing the legend "rebuilt salvage".

The Secretary of State may issue a certificate for salvage vehicle inspection to an officer who is specially trained to conduct such inspections. An officer who is specially trained and authorized by the Secretary of State to conduct a salvage vehicle inspection is either of the following:

- An on-duty or off-duty police officer.
- A previously certified police officer who is appointed by the local police agency as a limited enforcement officer to conduct salvage vehicle inspections.

The local police agency must give the previously certified police officer who is appointed by the local police agency access to the agency's law enforcement information network system and the authority to confiscate any stolen vehicle or vehicle parts discovered during an inspection. The local police agency may give the officer the authority to arrest a person

suspected of having unlawful possession of a stolen vehicle or vehicle parts. The bill would prohibit the local police agency from appointing a previously certified police officer whose certificate had been suspended, revoked, or denied.

Under the Code, the Secretary of State on his or her own initiative or in response to complaints must make reasonable and necessary public or private investigations within or outside of the State and gather evidence against an officer who was issued a certificate and who violated or is about to violate the Code or a rule promulgated under it. The Secretary of State may suspend, revoke, or deny a certificate after an investigation if he or she determines that the officer committed one or more of the following:

- Violated the Code or a rule promulgated under it.
- Was found guilty of a fraudulent act in connection with the inspection, purchase, sale, lease, or transfer of a salvage vehicle.
- Was found guilty of the theft, embezzlement, or misappropriation of salvage vehicle inspection fees.
- Performed improper, careless, or negligent salvage vehicle inspections.
- Ceased to function as a police officer because of suspension, retirement, dismissal, disability, or termination of employment.
- Was convicted of a violation or attempted violation of Public Act 119 of 1986 (which regulates the business of buying or receiving used motor vehicle parts).
- Made a false statement of a material fact in his or her certification of a salvage vehicle inspection or any record concerning a salvage vehicle inspection.

The bill would require the Secretary of State, at the time of revocation, suspension, or denial, to notify the officer in writing of his or her right to appeal the revocation, suspension, or denial, if the Secretary of State revoked, suspended, or denied a certificate because the officer violated the Code or rules promulgated under it; performed improper, careless, or negligent salvage vehicle inspections; or made a false statement of a material fact in his or her certification of a salvage vehicle inspection or any record concerning a salvage vehicle operation. The notification would have to include a statement that a request for an appeal would have to be made within 30 days after the revocation, suspension, or denial. An officer making an appeal could request a hearing at the time the appeal was made. The Secretary of State or any person designated by him or her to act in his or her place would have to deny or grant an appeal within a reasonable period, in writing or stated in the record if a hearing were held, and would have to include findings of fact and conclusions of law. If the Secretary of State revoked a certificate under these circumstances, and denied an appeal of the revocation, the officer could apply for a new certificate not earlier than five years after the revocation.

MCL 257.217c

Legislative Analyst: Drew Krogulecki

### **FISCAL IMPACT**

The bill could have an indeterminate fiscal impact on the Department of State. According to the Department, an appeal resulting from the implementation of the bill could cost as much as \$5,000. Currently, there is no mechanism in place to estimate how many appeals would need to be heard by the Department on an annual basis; therefore, the cost is indeterminate and dependent on the number of appeals ultimately heard by the Department. Depending on the number of appeals, the costs could be absorbed within the Department's annual appropriations. Should those funds not be sufficient, additional funding of an estimated \$5,000 per appeal would need to be appropriated.

The bill would have no fiscal impact on 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.