

HOUSE BILL NO. 6412

November 12, 2020, Introduced by Reps. Bolden, Meerman, Coleman and Steven Johnson and referred to the Committee on Government Operations.

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending section 252g (MCL 257.252g), as amended by 2018 PA 347.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 252g. (1) Subject to section 252a(18), a public sale for
2 a vehicle and its contents that has been determined to be abandoned
3 under section 252a or removed under section 252d ~~shall~~**must** be
4 conducted in the following manner:

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

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

10 (c) Except as otherwise provided in ~~sections~~**section** 252a(18)
 11 and ~~(19) and 252b(7), (20)~~, it ~~shall~~**must** be held not less than 5
 12 days after public notice of the sale has been published.

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

29 **(e) Beginning January 1, 2022, a police agency or other**

1 governmental agency required to provide public notice under this
2 section shall post the public notice in the county in which the
3 vehicle was abandoned as provided in the local government public
4 notice act. The public notice must give a description of the
5 vehicle for sale and must state the time, date, and location of the
6 sale. The requirements of this subdivision may be satisfied by
7 posting a notice of the public auction in the county in which the
8 auction is to occur as provided in the local government public
9 notice act, if the notice states that the auction is an abandoned
10 vehicle auction, lists the date, time, and location of the auction,
11 and provides a website address where a complete description of each
12 vehicle to be auctioned appears for not less than 5 consecutive
13 days before the date of the auction.

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

16 (a) Accrued towing and storage charges. However, if the money
17 received from the public sale does not satisfy the accrued towing
18 and storage charges, the towing company may collect the balance of
19 those unpaid fees from the last titled owner, subject to section
20 252i.

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

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

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

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

29 (ii) Remainder to the owner. A reasonable attempt shall be made

1 to mail the remainder to the last titled owner. If delivery of the
2 remainder cannot be accomplished, the remainder shall become the
3 property of the unit of government governing the location from
4 which the vehicle was towed.

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

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

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

16 (i) Paying the towing and storage charges.

17 (ii) Applying for title to the vehicle.

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

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

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

29 (6) Not less than 25 days after the date of notice required

1 under section 252a, if the police agency does not provide a copy of
2 the bill of sale by the police agency for the abandoned vehicle to
3 the towing agency or custodian or police agency's designee, the
4 towing agency or custodian or police agency designee may obtain an
5 original of the bill of sale by submitting an application to the
6 secretary of state in a form as determined by the secretary of
7 state.

8 **(7) As used in this section, "complete description" means a**
9 **description of the vehicle's model year, manufacturer make, model**
10 **name, and vehicle identification number.**

11 Enacting section 1. This amendatory act does not take effect
12 unless Senate Bill No.____ or House Bill No. 6440 (request no.
13 02449'19) of the 100th Legislature is enacted into law.