

PROHIBIT NEW MOTOR VEHICLE STORAGE FACILITIES

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4360 as introduced
Sponsor: Rep. Peter J. Lucido
Committee: Local Government
Complete to 2-16-18

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4360 proposes a new act to prohibit a local government, law enforcement agency, or university from operating a “motor vehicle storage facility,” or accepting financial consideration from a vendor that does so, and to provide for the continued operation of existing storage facilities and vendor contracts.

Beginning on the effective date of the bill, a local government, law enforcement agency, or university would not be allowed to do any of the following:

- Operate a *motor vehicle storage facility*.
- Accept any consideration, financial or other, from an *authorized vendor* that operates a motor vehicle storage facility.
- Require an authorized vendor to deliver a motor vehicle to a motor vehicle storage facility operated by a different authorized vendor.

Under the bill, *motor vehicle storage facility* would mean a facility operated to hold motor vehicles that have been taken into custody for safekeeping.

Authorized vendor would mean an individual or entity that a local government, law enforcement agency, or university designates through contract, permit, practice, or license to have authority to remove or store motor vehicles at the request of the local government, law enforcement agency, or university.

If a local government, law enforcement agency, or university violated the above prohibitions, an authorized vendor could bring a cause of action against the entity and could recover the amount of damages sustained, plus costs and reasonable attorney fees.

The owner or lessee of a vehicle held at a storage facility operated in violation of the above prohibitions could bring a cause of action against the local government, law enforcement agency, or university and could recover all towing and storage fees paid by the owner or lessee or \$150, whichever is greater, plus costs and reasonable attorney fees.

If a local government, law enforcement agency, or university operated a motor vehicle storage facility before the effective date of the bill, it could continue to operate that facility; similarly, if before the effective date of the bill a local government, law enforcement agency, or university accepted consideration from an authorized vendor that operated a storage facility, it could continue to accept that consideration.

Finally, if before the effective date of the bill a local government, law enforcement agency, or university required an authorized vendor to deliver a vehicle to a storage facility operated by a different authorized vendor, it could continue to do so.

The bill would take effect 90 days after being enacted into law.

FISCAL IMPACT:

House Bill 4360 will have a minimal fiscal impact on community colleges and public universities. While there should be no immediate fiscal impact to colleges and universities, the bill would restrict future revenues and could lead to higher costs around parking services. Colleges and universities would not be able to create or enter into new vehicle storage agreements, and the bill does not specify if future contract renewals or renegotiations would be allowed. This could have a small impact on future revenues and costs for institutions.

The bill would have little to no fiscal impact on local law enforcement agencies. The Michigan Sheriffs' Association has indicated that only a few county sheriff offices operate motor vehicle storage facilities, generally the larger counties, in order to maintain evidentiary custody of vehicles involved in fatal vehicle accidents or criminal activity. Similarly, the Michigan Association of Chiefs of Police noted that very few local law enforcement agencies operate their own motor vehicle storage facility. Those law enforcement agencies that already have a motor vehicle storage facility in operation would not be affected by House Bill 4360, due to the provision included in Section 3, which would allow those agencies to continue operation of a motor vehicle storage facility.

Legislative Analyst: Patrick Morris
Fiscal Analysts: Kent Dell
Ben Gielczyk
Perry Zielak

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