

## USE OF SALVAGE VEHICLE FEE REVENUE

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**House Bill 4716 (H-1) as reported from committee**  
**Sponsor: Rep. Brian BeGole**  
**Committee: Transportation, Mobility and Infrastructure**  
**Complete to 10-25-23**

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

### SUMMARY:

House Bill 4716 would amend the Michigan Vehicle Code to allow salvage vehicle inspection fees collected by law enforcement agencies to be used for a broader range of law enforcement purposes than currently<sup>1</sup>.

The code allows the secretary of state to issue a certificate of title or registration plates for a vehicle with a salvage certificate only after the vehicle has been inspected and met certain criteria. An employee of the Department of State, an on- or off-duty police officer, or a previously certified police officer may be authorized to conduct a salvage vehicle inspection. Each police agency must charge a fee of up to \$100 for the inspections, as determined by the local authority for the police agency. The fees are deposited with the local authority or, if the inspection is completed by an employee of the Department of State, with that department.

Currently, fee revenue collected by local law enforcement agencies must be used solely for law enforcement purposes related to stolen vehicles, including equipment and road patrol services that increase the likelihood of recovering stolen vehicles or stolen vehicle parts, and salvage vehicle inspections.

The bill would instead require that a local authority use the fees for law enforcement equipment and training that are necessary to protect public health or safety.

The bill also would remove a provision that now requires a dealer selling or assigning a vehicle to a vehicle scrap metal processor to make a record and distribute it in triplicate paper copies, and instead would allow the dealer to make and distribute the record as prescribed by the Department of State.

Finally, the bill would eliminate a provision that now requires a dealer that acquires ownership of an *older model vehicle* to receive an assigned certificate of title and retain it as long as the dealer retains the vehicle and that requires a vehicle scrap metal processor to surrender an assigned certificate of title to the secretary of state within 30 days after the vehicle is destroyed or scrapped.

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<sup>1</sup> The bill also would delete subsection (1) of section 217c. However, because that provision duplicates subsection (23), this change would have no effect.

Section 35b of the code defines *older model vehicle* as a vehicle weighing 8,000 pounds or less, manufactured in the sixth model year immediately preceding the current model year, or manufactured in any model year before that model year; or, if more than 8,000 pounds, a vehicle manufactured in a model year preceding the fifteenth model year before the current model year. (The eliminated provision is the only place in the code this term is used.)

MCL 257.217c

**FISCAL IMPACT:**

House Bill 4716 would not affect the level of fee revenue collected by local law enforcement agencies, but it would alter how those funds could be expended. Expenditures would be allowed for law enforcement training and equipment necessary to protect public health or safety.

**POSITIONS:**

The Michigan Sheriff's Association indicated support for the bill. (10-25-23)

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■ 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.