

MICHIGAN VEHICLE CODE (EXCERPT)
Act 300 of 1949

257.248c Sale, transfer, or release of distressed late model vehicle by vehicle salvage pool, auction, or broker; release of vehicle; release statement; notice to owner and lienholder; sale of vehicle for parts.

Sec. 248c.

(1) A vehicle salvage pool, auction, or broker shall not sell, transfer, or release a distressed, late model vehicle to anyone other than 1 or more of the following:

- (a) The vehicle's former owner or lienholder of record as kept by the secretary of state, as applicable.
- (b) A licensed salvage agent of an automotive recycler.
- (c) A licensed salvage agent of a foreign salvage vehicle dealer.

(2) An insurance company may direct a salvage pool that obtains possession of a vehicle to release the vehicle to the owner or lienholder of record as kept by the secretary of state, as applicable. The insurance company shall provide the salvage pool with a release statement under subsection (3) authorizing the salvage pool to release the vehicle to the vehicle's owner or lienholder of record as kept by the secretary of state, as applicable.

(3) A release statement authorizing a salvage pool to release a vehicle to a vehicle's owner or lienholder of record as kept by the secretary of state shall contain the following information:

- (a) The claim number relating to the vehicle.
- (b) The name and address of the owner of the vehicle.
- (c) The vehicle identification number and description of the vehicle.
- (d) The signature of an authorized representative of the insurance company.

(4) Upon receiving a release statement concerning a vehicle from an insurance company under subsection (2), a salvage pool shall send a notice to the owner and any lienholder of record as kept by the secretary of state of the vehicle that the vehicle is available for pickup by the owner or lienholder of record as kept by the secretary of state. The notice shall be accompanied by an invoice for any outstanding charges owed to the salvage pool. The notice shall inform the owner and any lienholder of record as kept by the secretary of state that the owner and lienholder of record as kept by the secretary of state have 30 days from the postmarked date of the notice and upon payment of applicable charges to pick up the vehicle from the salvage pool, and shall warn the owner and lienholder of record that failure to redeem the vehicle within 30 days after the postmarked date of the notice will result in the sale of the vehicle and the termination of all rights of the owner and the lienholder of record to the vehicle and the proceeds of a sale under subsection (5). A notice under this subsection shall be sent by the salvage pool to the applicable address on record with the secretary of state by certified mail or by another commercially available delivery service providing proof of delivery.

(5) If the owner or lienholder of record as kept by the secretary of state does not pick up the vehicle within the 30-day period described in subsection (4), the salvage pool may sell the vehicle for parts only to a licensed salvage agent of an automotive recycler or to a licensed salvage agent of a foreign salvage vehicle dealer if the vehicle is a distressed late-model vehicle, or to a licensed salvage agent of an automotive recycler, to a licensed salvage agent of a foreign salvage vehicle dealer, or to a vehicle scrap metal processor if the vehicle is not a distressed late-model vehicle. The salvage pool shall provide the buyer and the secretary of state with a copy of the release statement under subsection (2), proof of notice under subsection (4) to the owner and lienholder of record as kept by the secretary of state, and a bill of sale. The secretary of state shall use the documentation provided to issue the appropriate salvage or scrap certificate of title.

History: Add. 1988, Act 255, Eff. Oct. 1, 1989 ;-- Am. 1992, Act 304, Imd. Eff. Dec. 21, 1992 ;-- Am. 1993, Act 300, Eff. Jan. 1, 1994 ;-- Am. 2015, Act 48, Eff. Sept. 7, 2015 ;-- Am. 2016, Act 448, Eff. Apr. 5, 2017