



Senate Fiscal Agency
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Senate Bill 87 (as reported without amendment)
Sponsor: Senator Jeremy Moss
Committee: Regulatory Affairs

CONTENT

The bill would amend the Michigan Vehicle Code to extend a time period for the payment of required nondealer vehicle transfer titling fees from 15 days to 21 days and to increase a late title transfer fee from \$15 to \$50. Currently, the Code specifies when a purchaser or transferee of a vehicle, unless the person is a dealer, presents to the Secretary of State (SOS) a certificate of title and registration certificate if plates are being transferred to another vehicle, a new title and registration certificate must be issued. If the transfer is made and the required fees are not paid within 15 days, the SOS may repossess the license plates, and the transfer may be effected and a valid registration may be acquired only after payment of a \$15 transfer fee.

MCL 257.234

BRIEF RATIONALE

Under the Code, dealers generally are subject to a 21-day time limit to transfer a title and must pay a \$50 late fee if they fail to do so by the deadline. It has been suggested, to keep the Code consistent, that provisions pertaining to a nondealer transfer or purchase be amended to apply the 21-day time limit and \$50 transfer fee.

PREVIOUS LEGISLATION

(Please note: The information in this summary provides a cursory overview of previous legislation and its progress. It does not provide a comprehensive account of all previous legislative efforts on the relevant subject matter.)

This bill is similar to provisions of Senate Bill 1064 of the 2021-2022 Legislative Session, which, among other things, increased the time period and title transfer fee for dealers that met certain conditions and entities engaged in the sale of vessels. Senate Bill 1064 became Public Act 224 of 2022 and took effect January 23, 2023.

Legislative Analyst: Eleni Lionas

FISCAL IMPACT

The bill would increase the late title transfer fee from \$15 to \$50 for nondealer transactions. In fiscal year (FY) 2021-22, there were a total of 212,475 title transfers that were filed late and assessed the \$15 fee for an estimated total revenue collected of \$3.2 million. The data available do not distinguish between dealer and nondealer transactions but it is safe to assume that collections from nondealer late fees were less than the estimated collections of \$3.2 million. The bill would increase the timeline to transfer a title from 15 to 21 days, which could result in fewer late fee assessments; however, the actual decrease in late fee assessments is indeterminate. Given the increase in the late fee from \$15 to \$50, the number of late fees would need to decline to below 63,742 transactions before the revenue received would fall below the \$3.2 million collected in FY 2020-21.

Date Completed: 3-20-23

Fiscal Analyst: Joe Carrasco, Jr.

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Bill Analysis @ www.senate.michigan.gov/sfa

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