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Senate Bill 87 (as introduced 2-21-23)  
Sponsor: Senator Jeremy Moss  
Committee: Regulatory Affairs

*(Senate-passed version)*

Date Completed: 3-8-23

### **CONTENT**

**The bill would amend the Michigan Vehicle Code to extend the time period for the payment of required vehicle transfer titling fees from 15 days to 21 days and to increase the late title transfer fee from \$15 to \$50.**

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 certificate of title and registration certificate must be issued. If the transfer is made and the required fees are not paid within 15 days, the vehicle is considered to be without registration, the SOS may repossess the license plates, and the transfer of the vehicle ownership may be effected and a valid registration may be acquired only after payment of the transfer fee of \$15 in addition to fees in Section 806 (which specifies the application fee for a certificate of title).

Under the bill, the time period would be extended from 15 days to 21 days, and the transfer fee would increase from \$15 to \$50.

MCL 257.234

### **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.

### **BACKGROUND**

Generally, the Code prescribes circumstances under which a dealer selling, leasing, or exchanging certain vehicles required to be titled or a person engaging in the sale of vessels required to be numbered by Part 801 (Marine Safety) of the Natural Resource and Environmental Protection Act must apply to the SOS for a new title within 21 days after delivery of the vehicle or boat trailer, as applicable, to the purchaser or lessee. A dealer's license may be suspended or revoked for failing to transfer or secure registration plates and certificate of registration within 21 days. If the dealer or person fails to apply for a title when required, and to transfer or secure registration plates and secure a certificate of registration and pay the required fees within 21 days of delivery, they may be required to pay a late transfer fee of \$50. The Code specifies certain exemptions for licensed dealers

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.

Fiscal Analyst: Joe Carrasco, Jr.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.