

HOUSE BILL NO. 5109

October 22, 2025, Introduced by Rep. Outman and referred to Committee on Transportation and Infrastructure.

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending sections 233, 234, 239, and 240 (MCL 257.233, 257.234,
257.239, and 257.240), section 233 as amended by 2014 PA 290,
section 234 as amended by 2002 PA 552, section 239 as amended by
2020 PA 382, and section 240 as amended by 2004 PA 493.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 233. (1) If the owner of a registered vehicle transfers
2 or assigns the title or interest in the vehicle, the registration
3 plates issued for the vehicle ~~shall~~**must** be removed and transferred

1 to the owner's spouse, mother, father, sister, brother, or child to
2 whom title or interest in the vehicle is transferred, or retained
3 and preserved by the owner for transfer to another vehicle ~~upon-on~~
4 application and payment of the required fees. A person shall not
5 transfer the plates to a vehicle without applying for a proper
6 certificate of registration describing the vehicle to which the
7 plates are being transferred, except as provided in section 217(4).
8 If the owner of a registered vehicle acquires another vehicle
9 without transferring or assigning the title or interest in the
10 vehicle for which the plates were issued, the owner may have the
11 plates transferred to the subsequently acquired vehicle ~~upon-on~~
12 application and payment of the required fees.

13 (2) A person shall not purchase or lease another vehicle or an
14 interest in another vehicle with the intent to circumvent the
15 restrictions created by immobilization of a vehicle under this act.

16 (3) A person shall not transfer or attempt to transfer
17 ownership or right of possession of a vehicle subject to forfeiture
18 or ordered forfeited under this act with the intent to avoid the
19 forfeiture of that vehicle.

20 (4) During the time a vehicle is subject to a temporary
21 registration plate, vehicle forfeiture, immobilization,
22 registration denial, or the period from adjudication to
23 immobilization or forfeiture under this act, a person shall not
24 without a court order transfer or assign the title or an interest
25 in the vehicle to a person ~~who-that~~ is not subject to payment of a
26 use tax under section 3 of the use tax act, 1937 PA 94, MCL 205.93.

27 (5) A person ~~who-that~~ violates subsection (2), (3), or (4) is
28 guilty of a misdemeanor punishable by imprisonment for not more
29 than 1 year or a fine of not more than \$1,000.00, or both.

(6) ~~A person~~ **An individual** whose operator's or chauffeur's license is suspended, revoked, or denied for, or who has never been licensed by this state and was convicted for, a third or subsequent violation of section 625 or 625m, of a local ordinance substantially corresponding to section 625 or 625m, or of a law of another state substantially corresponding to section 625 or 625m, or for a fourth or subsequent suspension or revocation under section 904 shall not purchase, lease, or otherwise acquire a motor vehicle during the suspension, revocation, or denial period. ~~A person~~ **An individual** who violates this subsection is guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a fine of not more than \$100.00, or both.

(7) If the assigned holder of registration plates applies for a new registration certificate, the application ~~shall~~ **must** be accompanied either by the old registration certificate or by a certificate of title showing the person to be the assigned holder of the registration plates for which the old registration certificate had been issued. A person ~~who~~ **that** fails or neglects to fulfill the requirements of this subsection is guilty of a misdemeanor punishable by imprisonment for not more than 93 days or a fine of not more than \$100.00, or both.

(8) ~~The~~ **Except for a title issued electronically under section 222, the** owner shall ~~indorse~~ **endorse** on the certificate of title as required by the secretary of state an assignment of the title with warranty of title in the form printed on the certificate with a statement of all security interests in the vehicle or in accessories on the vehicle and deliver or cause the certificate to be mailed or delivered to the purchaser or transferee at the time of the delivery to the purchaser or transferee of the vehicle. The

1 certificate ~~shall~~**must** show the payment or satisfaction of any
 2 security interest as shown on the original title. However, as
 3 provided under section 238, the secretary of state is not required
 4 to issue a title to the owner of a vehicle if the title is subject
 5 to a security interest.

6 (9) ~~Upon~~**On** the delivery of a motor vehicle and the transfer,
 7 sale, or assignment of the title or interest in a motor vehicle by
 8 a person, including a dealer, the effective date of the transfer of
 9 title or interest in the vehicle is the date of signature on either
 10 the application for title or the assignment of the certificate of
 11 title by the purchaser, transferee, or assignee.

12 (10) A secured receipt that is in a form approved by the
 13 department and produced at the time the secured interest is
 14 presented with payment in satisfaction of the security interest may
 15 be submitted to the department in lieu of the title for purposes of
 16 transferring ownership in the vehicle.

17 Sec. 234. (1) ~~The~~**Except for a title issued electronically**
 18 **under section 222, the** purchaser or transferee, unless the person
 19 is a licensed dealer, shall present or cause to be presented the
 20 certificate of title and registration certificate if plates are
 21 being transferred to another vehicle, assigned as provided in this
 22 act, to the secretary of state accompanied by the fees as provided
 23 by law, whereupon a new certificate of title and registration
 24 certificate ~~shall~~**must** be issued to the assignee. The certificate
 25 of title ~~shall~~**must** be mailed or delivered to the owner or another
 26 person the owner may direct in a separate instrument in a form
 27 **prescribed by** the secretary of state. ~~shall prescribe.~~

28 (2) If the secretary of state mails or delivers a purchaser's
 29 or transferee's certificate of title to a dealer, the dealer shall

1 mail or deliver that certificate of title to the purchaser or
2 transferee not more than 5 days after receiving the certificate of
3 title from the secretary of state.

4 (3) Unless the transfer is made and the fee paid within 15
5 days, the vehicle is considered to be without registration, the
6 secretary of state may repossess the license plates, and transfer
7 of the vehicle ownership may be effected and a valid registration
8 acquired thereafter only ~~upon~~**on** payment of a transfer fee of
9 \$15.00 in addition to the fee provided for in section 806.

10 (4) If a security interest is reserved or created at the time
11 of the transfer, the parties shall comply with the requirements of
12 section 238.

13 Sec. 239. ~~A~~**Except for a title issued electronically under**
14 **section 222, a** person shall not fail or neglect to properly endorse
15 and deliver a certificate of title to a transferee or owner
16 lawfully entitled to the title. A person ~~who~~**that** violates this
17 section is responsible for a civil infraction and ~~shall~~**may** be
18 ordered to pay a civil fine of not more than \$100.00.

19 Sec. 240. (1) The owner of a motor vehicle who has made a bona
20 fide sale by transfer of ~~his or her~~**the owner's** title or interest
21 and, **except for a title issued electronically under section 222,**
22 who has delivered possession of the vehicle and the certificate of
23 title to that vehicle properly endorsed to the purchaser or
24 transferee is not liable for any damages or a violation of law that
25 subsequently results from the use or ownership of the vehicle by
26 another, if the owner, other than a licensed dealer, satisfies the
27 conditions prescribed under subsection (2).

28 (2) The owner of a motor vehicle, other than a licensed
29 dealer, shall satisfy 1 of the following conditions:

1 (a) Accompany the purchaser of the vehicle to a secretary of
2 state branch office to assure that the title of the vehicle being
3 sold is transferred.

4 (b) Maintain a record of the sale for not less than 18 months.
5 As used in this subdivision, "record of the sale" means either a
6 photocopy of the reassigned title or a form or document that
7 includes the name, address, driver license number, and signature of
8 the person to whom the vehicle is sold and the purchase price and
9 date of sale of the vehicle.

10 (3) A person ~~who~~**that** violates subsection (2) is responsible
11 for a civil infraction and ~~shall~~**may** be ordered to pay a civil fine
12 of \$15.00.

13 (4) A person ~~who~~**that** violates subsection (2) is presumed to
14 be the last titled owner and to be liable for towing fees and daily
15 storage fees for an abandoned motor vehicle.