

## EXTEND TIME TO PAY VEHICLE TRANSFER FEES

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**Senate Bill 87 as passed by the Senate**  
**Sponsor: Sen. Jeremy Moss**  
**House Committee: Transportation, Mobility and Infrastructure**  
**Senate Committee: Regulatory Affairs**  
**Complete to 10-2-23**

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

### SUMMARY:

Senate 87 would amend the Michigan Vehicle Code to extend, from 15 days to 21 days, the time within which a person that is not a dealer must pay vehicle transfer fees. The bill would also increase, from \$15 to \$50, the transfer fee imposed after that deadline in addition to the regular fees that apply under section 806.<sup>1</sup>

Currently under the code, when a purchaser or a transferee of a vehicle, except for is a licensed dealer, presents to the secretary of state (SOS) a certificate of title and registration certificate if plates are being transferred to another vehicle, assigned as provided in the code, with the proper fees, a new title and registration certificate must be issued to the assignee. Unless the transfer is made and the required fees are paid within 15 days (which the bill would change to 21 days), the SOS may repossess the license plates, and the transfer then may be effected, and a valid registration acquired, only after payment of a \$15 transfer fee (which the bill would change to \$50) in addition to the fees provided for in section 806.

MCL 257.234

### BACKGROUND:

According to Senate committee testimony, Senate Bill 1064 of the 2021-22 legislative session, enacted as 2022 PA 224, increased the time period and late title transfer penalty fee for dealers that met certain conditions and entities engaged in the sale of vessels. Senate Bill 87 would make corresponding changes to the time period and penalty fee for nondealers.

### FISCAL IMPACT:

The bill would nominally increase revenues to the Michigan Transportation Fund (MTF) from fee revenue increases. Some revenue from the MTF is distributed to local units of government. The bill would increase the penalty fee for late title transfers from \$15 to \$50 while also increasing the number of days permitted to transfer a title or registration plate from 15 days to 21 days. While the extension to the title and registration transfer period would result in fewer late fees assessed, revenue from the 233% fee increase would likely surpass the anticipated loss from fewer late fees assessed. (The extension would need to decrease late title transfer fee transactions by approximately 70% for revenue to decrease.) In FY 2021-22, there were an estimated 71,500 late title transfer fees collected for a total collection of approximately \$1.1

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<sup>1</sup> <http://legislature.mi.gov/doc.aspx?mcl-257-806>

million in revenue to the MTF. The fees authorized in the bill under section 234 constitute a small portion of these amounts.

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