

**SUBSTITUTE FOR  
SENATE BILL NO. 426**

A bill to amend 1949 PA 300, entitled  
"Michigan vehicle code,"  
by amending section 233 (MCL 257.233), as amended by 2014 PA 290.

**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  
4 to the owner's spouse, mother, father, sister, brother, or child to  
5 whom title or interest in the vehicle is transferred, or retained  
6 and preserved by the owner for transfer to another vehicle upon  
7 application and payment of the required fees. A person shall not  
8 transfer the plates to a vehicle without applying for a proper  
9 certificate of registration describing the vehicle to which the



1 plates are being transferred, except as provided in section 217(4).  
2 If the owner of a registered vehicle acquires another vehicle  
3 without transferring or assigning the title or interest in the  
4 vehicle for which the plates were issued, the owner may have the  
5 plates transferred to the subsequently acquired vehicle upon  
6 application and payment of the required fees.

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

10 (3) A person shall not transfer or attempt to transfer  
11 ownership or right of possession of a vehicle subject to  
12 forfeiture, ~~or~~ ordered forfeited, **or subject to levy of execution**  
13 **or other court process resulting in attachment** under this act with  
14 the intent to avoid the forfeiture, **levy, or attachment** of that  
15 vehicle. **The transferee of a vehicle described in this subsection**  
16 **is not in violation of this subsection.**

17 (4) During the time a vehicle is subject to a temporary  
18 registration plate, vehicle forfeiture, **levy of execution or other**  
19 **court process resulting in attachment**, immobilization, registration  
20 denial, or the period from adjudication to immobilization or  
21 forfeiture under this act, a person shall not without a court order  
22 transfer or assign the title or an interest in the vehicle to a  
23 person who is not subject to payment of a use tax under section 3  
24 of the use tax act, 1937 PA 94, MCL 205.93. **The purchaser or**  
25 **assignee of a vehicle described in this subsection is not in**  
26 **violation of this subsection.**

27 (5) A person who 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.



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

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

22 (8) The owner shall ~~indorse~~**endorse** on the certificate of  
23 title as required by the secretary of state an assignment of the  
24 title with warranty of title in the form printed on the certificate  
25 with a statement of all security interests in the vehicle or in  
26 accessories on the vehicle and deliver or cause the certificate to  
27 be mailed or delivered to the purchaser or transferee at the time  
28 of the delivery to the purchaser or transferee of the vehicle. The  
29 certificate ~~shall~~**must** show the payment or satisfaction of any



1 security interest as shown on the original title. However, as  
2 provided under section 238, the secretary of state is not required  
3 to issue a title to the owner of a vehicle if the title is subject  
4 to a security interest.

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

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

