



**House
Legislative
Analysis
Section**

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TITLE FOR INHERITED VEHICLES

**House Bill 4143 as introduced
First Analysis (4-19-89)**

RECEIVED

**Sponsor: Rep. Thomas L. Hickner
Committee: Judiciary**

MAY 23 1989

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THE APPARENT PROBLEM:

Under the Michigan Vehicle Code, when a vehicle owner dies, ownership of the vehicle may be transferred to a surviving spouse or heir without having to go through probate, providing the vehicle is not worth more than \$10,000. This \$10,000 limit was set in 1976, when it was increased from \$1,500. In the years since then, vehicle prices have risen dramatically, with the result that many family cars exceed \$10,000 in value. For the law to retain the effect it once had, the limit needs to be raised again.

THE CONTENT OF THE BILL:

The Michigan Vehicle Code generally allows a surviving spouse or heir to obtain a title for a vehicle in the event of the death of the owner, providing the collective value of the vehicles involved does not exceed \$10,000. The bill would increase this sum to \$25,000.

MCL 257.236

FISCAL IMPLICATIONS:

According to the Department of State, the bill would have minimal fiscal implications. (4-19-89)

ARGUMENTS:

For:

The law at present establishes a simple process for change of ownership of a vehicle when its owner dies. A surviving spouse or heir can obtain title to the vehicle or vehicles, but the cumulative value of the vehicles cannot be more than \$10,000. At today's prices, this means that many family cars exceed the statutory limit. By raising the limit to \$25,000, the bill would ensure that most family cars continue to fall under this special provision, and that surviving spouses can continue to expeditiously obtain title to the cars they possess and rely upon.

POSITIONS:

The Department of State supports the bill. (4-18-89)

H.B. 4143 (4-19-89)