

# SENATE BILL NO. 137

March 12, 2025, Introduced by Senators GEISS, MOSS, WOJNO, BAYER, KLINEFELT, CHANG, CAVANAGH, MCCANN, MCMORROW and SHINK 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.

1           (6) ~~A person~~**An individual** whose operator's or chauffeur's  
2 license is suspended, revoked, or denied for, or who has never been  
3 licensed 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~~**An individual** who violates this subsection is guilty of a  
11 misdemeanor punishable by imprisonment for not more than 93 days or  
12 a fine of 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~~**that** 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~~**Except for a title issued electronically under section**  
23 **222, the** owner shall ~~indorse~~**endorse** on the certificate of title as  
24 required by the secretary of state an assignment of the title with  
25 warranty of title in the form printed on the certificate with a  
26 statement of all security interests in the vehicle or in  
27 accessories on the vehicle and deliver or cause the certificate to  
28 be mailed or delivered to the purchaser or transferee at the time  
29 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.