



Senate Fiscal Agency  
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## BILL ANALYSIS



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House Bill 5668 (Substitute S-2 as reported)  
Sponsor: Representative Bradford C. Jacobsen  
House Committee: Commerce  
Senate Committee: Transportation

**CONTENT**

The bill would amend the Michigan Vehicle Code to establish a \$100 late transfer fee for a used or secondhand vehicle dealer, rather than the \$15 late transfer fee that presently applies to all vehicle dealers.

In addition, the bill would allow a used or secondhand vehicle dealer to enter into an agreement with an inventory lender allowing the lender to retain the certificate of title for a vehicle subject to an inventory loan, if all of the following conditions were met:

- The dealer posted on the vehicle window a notice disclosing the existence of the inventory loan.
- The dealer maintained a color copy of the certificate of title, in either paper or electronic form, at the dealer's place of business.
- The dealer maintained a paper or electronic copy of the inventory loan agreement between the dealer and the lender, along with the inventory list, which could not be more than five days old.

The bill also would do the following:

- Require an inventory lender to release the certificate of title within two banking business days after receiving full payment, proof of full payment, or a request from the Secretary of State (SOS); and prescribe a \$500 administrative fine for failure to release the title as required.
- Require a lender that held a certificate of title for a used or secondhand vehicle to register with the SOS at no charge.
- Eliminate a requirement that the SOS return a bond required for registration of certain vehicles unless he or she receives notification of the pendency of an action to recover on the bond; and refer to a vehicle that is at least 10 years old, rather than a late model vehicle, in the provision authorizing the SOS to require a bond.

MCL 257.217 et al.

Legislative Analyst: Julie Cassidy

**FISCAL IMPACT**

The bill would result in an indeterminate increase in revenue to the Secretary of State from the proposed new \$100 fee. The amount of additional revenue would depend on the number of late transfer fees assessed. Any revenue resulting from the proposed \$500 administrative fine would be deposited in the State General Fund.

Date Completed: 9-27-12

Fiscal Analyst: Joe Carrasco