



Senate Fiscal Agency  
P.O. Box 30036  
Lansing, Michigan 48909-7536



Telephone: (517) 373-5383  
Fax: (517) 373-1986

House Bills 4899 through 4901 (as passed by the House)  
Sponsor: Representative Graham Filler (H.B. 4899)  
Representative Kyra Harris Bolden (H.B. 4900 & 4991)  
House Committee: Judiciary  
Senate Committee: Judiciary and Public Safety

Date Completed: 11-28-22

### **CONTENT**

**House Bill 4899 would amend the Michigan Vehicle Code to increase the total value of one or more vehicles that a surviving spouse or heir may apply for a title, and to require the total value to be adjusted annually for cost-of-living.**

**House Bill 4900 would amend the Michigan Uniform Transfers to Minors Act to increase the total value of property that may be transferred to a minor, or to a person nominated as a custodian for the minor, that would not have to be authorized by a court.**

**House Bill 4901 would amend the Natural Resources and Environmental Protection Act (NREPA) to increase the total value of watercraft that a person may petition the Secretary of State (SOS) for a certificate or certificates of title, and to require the total value to be adjusted annually for cost-of-living.**

House Bills 4899 and 4901 would take effect 90 days after their enactment.

### **House Bill 4899**

Under the Michigan Vehicle Code, if ownership of a vehicle passes by operation of law, upon furnishing satisfactory proof of that ownership to the Secretary of State, the person acquiring the vehicle may procure a title to the vehicle regardless of whether a certificate of title has ever been issued. Upon death of an owner of a registered vehicle, the license plate assigned to the vehicle, unless the vehicle is destroyed, is a valid registration until the end of the registration year or until the personal representative of the owner's estate transfers ownership of the vehicle.

If the owner of one or more vehicles that have a total value of more than \$60,000 and does not leave other property that requires the issue of letters under Section 3103 of the Estates and Protected Individuals Code (EPIC), the owner's surviving spouse, or an heir of the owner, may apply for a title, after providing the SOS with proper proof of the death of the registered owner, attaching to the proof a certification setting for the fact that the applicant is the surviving spouse or heir.

The bill would modify the total value described above to not more than \$100,000. Also, under the bill, beginning January 1, 2023, and each January 1 after that, the \$100,000 total value amount would have to be multiplied by the cost-of-living adjustment factor. Beginning

December 1, 2022, and each December 1 after that, the SOS would have to determine the adjusted total value amount for the following year.

"Cost-of-living adjustment factor" would mean a fraction in which the numerator is the United States Consumer Price Index (CPI) for the prior calendar year and the denominator is the US CPI for the 2021 calendar year. "United States Consumer Price Index" would mean the annual average of the United States Consumer Price Index for all urban consumers as defined and reported by the US Department of Labor, Bureau of Labor Statistics, and as certified by the State Treasurer.

### **House Bill 4900**

#### **Authorization to Make an Irrevocable Transfer**

Under Section 10 of the Uniform Transfers to Minors Act, a personal representative or trustee may make an irrevocable transfer to another adult or trust company as custodian for the benefit of a minor in the absence of a will or under a will or trust that does not contain an authorization to make the irrevocable transfer. A conservator may make an irrevocable transfer to another adult or trust company as custodian for the benefit of the minor.

A transfer described above may be made only if all of the following apply:

- The personal representative, trustee, or conservator considers the transfer in the best interest of the minor.
- The transfer is not prohibited by or inconsistent with provisions of the applicable will, trust agreement, or other governing instrument.
- If the transfer exceeds \$10,000 in value, it is authorized by a court.

The bill would increase, from \$10,000 to \$50,000, the transfer threshold described above.

#### **Transfer of Property or Liquidated Debt to a Minor**

Section 11 of the Uniform Transfers to Minors Act specifies that a person not subject to Section 9 or 10 who holds property of, or owes a liquidated debt to, a minor who does not have a conservator may make an irrevocable transfer to a custodian for the benefit of the minor. (Section 9 governs irrevocable transfers by a personal representative or trustee as governed by a will or trust.)

If a person having the right to do so has nominated a custodian to receive the custodial property, the transfer must be made to the person.

If no custodian has been nominated, or all people nominated as custodian die before the transfer or are unable, decline, or are ineligible to serve, a transfer may be made to an adult member of the minor's family or to a trust company. However, if the value of the property exceeds \$10,000, a transfer may be made only if authorized by the court.

The bill would increase, from \$10,000 to \$50,000, the value threshold described above.

### **House Bill 4901**

Section 80312 of NREPA allows a person to petition the SOS for a certificate or certificates of title for one or more registered watercraft that the person does not own if all of the following circumstances exist:

- The record owner of the registered watercraft dies without leaving other property that requires the procurement of letters under EPIC.
- The petitioner is one of the following, in the following order or priority: the survivor spouse of the watercraft owner or a person entitled to the certificate or certificates of title in the order specified in Section 2103 of EPIC.
- The total value of the deceased owner's interest in all watercraft subject to the petition for a certificate or certificates of title is \$100,000 or less.

The bill would modify the total value described above to \$300,000 or less, as adjusted for the calendar year of the deceased owner's death. Also, under the bill, the adjustment would have to be made each year, beginning January 1, 2024, by multiplying \$300,000 by the cost-of-living adjustment factor and rounding to the nearest \$1,000. The Department of Treasury would have to certify and publish the adjusted dollar amount for each calendar year.

"Cost-of-living adjustment factor" would mean a fraction, the numerator of which is the US CPI for the year before the prior calendar year and the denominator of which is the US CPI for 2021. "United States Consumer Price Index" would mean the annual average of the US CPI for all urban consumers as defined and reported by the US Department of Labor, Bureau of Labor Statistics, or its successor agency.

MCL 257.236 (H.B. 4899)  
554.530 & 554.531 (H.B. 4900)  
324.80312 (H.B. 4901)

Legislative Analyst: Stephen P. Jackson

## **FISCAL IMPACT**

### **House Bill 4899 & House Bill 4901**

The bills would have no fiscal impact on State government. The bills could reduce some administrative costs for local court systems, as increases in the values of vehicles or watercraft to be transferred to a surviving spouse or heir under the Vehicle Code or NREPA would result in less involvement from the probate court concerning the disposition of those particular items of personal property in a decedent's estate. Any reduction in costs is indeterminate.

### **House Bill 4900**

The bill would have no fiscal impact on State government. The bill could reduce some administrative costs for local court systems, as an increase in allowable gifts that could be made without a probate court's permission would mean less involvement from probate courts in the disposition of assets from a decedent's estate. Any reduction in those costs is indeterminate.

Fiscal Analyst: Michael Siracuse

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.