



Senate Fiscal Agency
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Senate Bill 533 (as reported without amendment)
Sponsor: Senator Erika Geiss
Committee: Transportation and Infrastructure

CONTENT

The bill would amend the Michigan Vehicle Code to allow the Secretary of State (SOS) to issue a vehicle title electronically and establish and operate an electronic system to facilitate electronic transfers of vehicle ownership between private parties.

MCL 257.217 et al.

BRIEF RATIONALE

One of the SOS's most popular services is facilitating title transfers. According to testimony before the Senate Committee on Transportation and Infrastructure, the SOS handled over one million transfers during Fiscal Year 2023. Unlike many of its other services, a transfer of title requires an office visit and the mailing of a paper certificate, which may be inconvenient and time-consuming. Accordingly, it has been suggested that the SOS offer an option to transfer titles online.

Legislative Analyst: Abby Schneider

FISCAL IMPACT

The bill would have a fiscal impact for the Department of State (DOS) of an estimated \$550,000 and no fiscal impact for local governments. According to the DOS, it has instituted most of the requirements in the bill regarding electronic transfer of titles. The Michigan Electronic Filing System currently allows vehicle dealerships to process transactions such as title transfers and registrations. The Department's Electronic Lien and Title System mandates, as of October 1, 2023, that for most vehicles involving a lien, dealerships must provide individuals with an electronic title.

While most of the requirements under the bill could already be completed by the DOS, there would be additional programming of the systems to comply with all the bill's requirements. As mentioned, those costs are estimated as a one-time cost of \$550,000. Should the DOS choose not to contract for some of the required services, the hiring of additional staff could become necessary. The average cost for a State classified employee for salary and benefits is an estimated \$147,000 annually.

Date Completed: 10-11-23

Fiscal Analyst: Joe Carrasco, Jr.