



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 6486 (Substitute H-1 as reported without amendment)
Sponsor: Representative Curtis Vanderwall
House Committee: Natural Resources
Senate Committee: Outdoor Recreation and Tourism

CONTENT

The bill would amend the Natural Resources and Environmental Protections Act to do the following:

- Allow the Secretary of State (SOS) to enter into one or more contracts to establish an electronic lien title system to process the notification and release of security interests in watercraft through electronic file transfers.
- Allow the SOS to require all transactions concerning watercraft title liens and security interests to be conducted by electronic means.
- By February 16, 2021, require the electronic lien title system to be established, implemented, and operational.
- By February 16, 2021, require a person to enter evidence of security interests and any related information into the system instead of paper documents.
- Specify that a certified copy of the SOS's electronic record of a security interest would be admissible in any civil, criminal, or administrative proceeding in the State as evidence of the existence of the security interest.
- Allow the SOS to determine any requirements necessary to carry out the bill's provisions.
- Prohibit certain actions related to the forging or counterfeiting of documents, and prescribe penalties for a violation.

MCL 324.80304 et al.

Legislative Analyst: Tyler VanHuyse

FISCAL IMPACT

The bills would create an indeterminate impact on the Department of State because of programming costs in addition to the costs to contract with a vendor to provide the required electronic lien title system. Due to passage of previous similar legislation for motor vehicles (Public Act 292 of 2014), the Department is currently in negotiations for a vendor for that system. Thus, costs for the contract are indeterminate and would depend on the final cost of the contract. In addition, the Department is in the process of completing an upgrade for a new computer software system, the Customer and Automotive Records System (CARS), which should allow for a cost savings to the programming costs that would be necessary to include watercraft into the electronic lien title system.

Date Completed: 12-17-18

Fiscal Analyst: Joe Carrasco