

Dealer Advisory

July 6, 2020



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Expiration of BFS-4s, Driver's Licenses, Vehicle Registrations Extended Through Sept. 30

Last Wednesday, Governor Whitmer signed Senate Bills 876-878, which codify her previous Executive Orders, further extending the renewal dates for driver's licenses, CDLs, state ID cards and vehicle registrations. Among the extensions outlined in the legislation, **those with driver's licenses or vehicle registrations expiring on or after March 1 have until September 30, 2020 to have them renewed.** These acts take immediate effect.

We have confirmed with the secretary of state's office that the expiration of BFS-4 temporary tags will also be extended through September 30, 2020.

All of the bills were sponsored by Senator Wayne Schmidt, R- Traverse City.

Sections of the bills pertinent to dealerships and your customers...

Enrolled Senate Bill 876: Section 216 (2) Except as otherwise provided in this subsection, a registration issued to a motor vehicle, recreational vehicle, trailer, semitrailer, or pole trailer, when driven or moved on a street or highway, that expires on or after March 1, 2020 is valid until September 30, 2020. If the registration issued to a motor vehicle, recreational vehicle, trailer, semitrailer, or pole trailer, when driven or moved on a street or highway, that is used for commercial purposes expires on or after March 1, 2020, the registration is valid until September 30, 2020.

Enrolled Senate Bill 877: Section 2 (26) Notwithstanding subsection (13), an official state personal identification card expiring on or after March 1, 2020 is considered valid until September 30, 2020. If the secretary of state receives an application to renew an official state personal identification card that expires on or after March 1, 2020 before September 30, 2020, the secretary of state shall process the application as a renewal of an existing official state personal identification card.

Enrolled Senate Bill 878: Section 4 (4) An enhanced driver license or enhanced official state personal identification card that expires on or after March 1, 2020 is considered valid until September 30, 2020.

FAQs About Customer Documents

Question: A customer submitted his license plate renewal to SOS during the shutdown...has not yet received the new registration and tab...and now wants to transfer that plate to a new vehicle. What do we do?

Answer: The dealership will need to process the transaction as a transfer and renewal, as if the customer had never sent the registration renewal to the state.

The process will be the same whether the transaction is being processed through CVR or the branch office. Unfortunately, the customer is going to be paying twice, but the state will later refund the customer. (Refund timeline is unknown at this time.)

SOS branch offices are understandably still catching up on work from the three-month shutdown. Registration renewals that have been submitted may still be waiting to be processed. In this instance where the customer has not yet received the new registration, the Michigan Department of State is requiring that the customer renew and pay for the plate transfer and registration renewal at the time of vehicle purchase.

Question: A customer's Michigan driver's license is expired. Can we still process her vehicle transaction?

Answer: If the customer's Michigan license is in good standing and expired on or after March 1, 2020, dealership staff should treat it as an active license.

Due to the three-month COVID-19 shutdown that closed branch offices, renewals of driver's licenses were temporarily halted. Now that branches are reopen there is a delay in getting the backlog processed and renewed. As noted above, those with a driver's license expiring on or after March 1 have until September 30, 2020 to have them renewed. Of course, **these protections do not apply to motorists with suspended or revoked driver's licenses.**

If the Michigan driver's license expired prior to March 1, 2020, the license is expired and the customer is not permitted to enter a purchase agreement for a vehicle.

If the customer provides an expired out-of-state driver's license, it would be necessary for the dealership to check for any license extensions allowed by that state.

Upcoming: Registration Transfer Fee Changes

On July 1, Governor Whitmer signed into law House Bills 5195 and 5313, which will modify available funding for infrastructure improvements (HB 5195), and update a definition to ensure accurate collection of registration fees for hybrids (HB 5313). The bills were sponsored by Representative Jason Sheppard, R-Temperance.

At this time, dealers should continue transferring registrations and collecting fees as usual. The bills will not go into effect for 90 days from signing. Once in effect, there will no longer be a pro-rated charge for a license plate; it will instead go back to a flat fee.

The secretary of state's office is working through the implementation process and will stay in communication with your associations to help with a smooth transition. DADA and MADA are also reviewing these changes and will follow up with dealers prior to implementation.

Please feel free to contact DADA at (248) 643-0250 or MADA at (800) 292-1923 if you have any questions.

*This advisory has been prepared in conjunction with
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