

SFA

BILL ANALYSIS

Senate Fiscal Agency

• Lansing, Michigan 48909 •

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House Bills 4685 (Substitute H-3) and 4721
Sponsor: Representative Lloyd F. Weeks
House Committee: Insurance
Senate Committee: Commerce and Technology

Date Completed: 4-12-88

SUMMARY OF HOUSE BILLS 4685 (H-1) and 4721 as passed by the House:

House Bill 4685 (H-1) would amend the Insurance Code to provide a definition of "owner" that included a person renting or having the use of a motor vehicle for more than 30 days, and to specify that "registrant" would not include a lessor (which would have the effect of making the lessee responsible for providing no-fault coverage, which the Code requires a vehicle owner or registrant to maintain). House Bill 4721 proposes corresponding changes in the Michigan Vehicle Code, and specifies that a lessor would not be liable for damages resulting from the operation of a leased vehicle. The bills are tie-barred.

House Bill 4685 (H-1)

The bill would define "owner" as any of the following:

- A person renting a motor vehicle or having the use of a motor vehicle, under a lease or otherwise, for more than 30 days.
- A person who holds the legal title to a vehicle, other than a person engaged in the business of leasing motor vehicles who is the lessor of a motor vehicle under a lease providing for its use by the lessee for more than 30 days.
- A person who has the immediate right of possession of a motor vehicle under an installment sale contract.

The bill also specifies that "registrant" would not include a person engaged in the business of leasing motor vehicles who is the lessor of a motor vehicle under a lease providing for its use by the lessee for more than 30 days.

MCL 500.3101

House Bill 4721

The bill specifies that a person engaged in the business of leasing motor vehicles who is the lessor of a vehicle pursuant to a lease providing for the use of the vehicle by the lessee for more than 30 days would not be liable at common law for damages for personal injury or property damage

resulting from the operation of the leased vehicle. This would create an exception to the Code's definition of "owner" that includes a person who holds the legal title of a vehicle, and such a lessor would be excluded from the definition of "owner".

MCL 257.37 et al.

Legislative Analyst: S. Margules

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

Fiscal Analyst: J. Schultz

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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.