

# HOUSE BILL NO. 4916

May 25, 2021, Introduced by Reps. O'Neal, Garza, Hertel, Eisen, Outman and Jones and referred to the Committee on Regulatory Reform.

A bill to amend 1949 PA 300, entitled  
"Michigan vehicle code,"  
by amending section 401 (MCL 257.401), as amended by 2002 PA 652.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 401. (1) This section shall not be construed to limit the  
2 right of a person to bring a civil action for damages for injuries  
3 to either person or property resulting from a violation of this act  
4 by the owner or operator of a motor vehicle or his or her agent or  
5 servant. ~~The~~ **Except as otherwise provided in this section, the**

1 owner of a motor vehicle is liable for an injury caused by the  
2 negligent operation of the motor vehicle whether the negligence  
3 consists of a violation of a statute of this state or the ordinary  
4 care standard required by common law. The owner is not liable  
5 unless the motor vehicle is being driven with his or her express or  
6 implied consent or knowledge. It is presumed that the motor vehicle  
7 is being driven with the knowledge and consent of the owner if it  
8 is driven at the time of the injury by his or her spouse, father,  
9 mother, brother, sister, son, daughter, or other immediate member  
10 of the family.

11 (2) A person engaged in the business of leasing motor vehicles  
12 ~~who~~**that** is the lessor of a motor vehicle under a lease providing  
13 for the use of the motor vehicle by the lessee for a period that is  
14 greater than 30 days, or a dealer acting as agent for that lessor,  
15 is not liable at common law for damages for injuries to either  
16 person or property resulting from the operation of the leased motor  
17 vehicle, including damages occurring after the expiration of the  
18 lease if the vehicle is in the possession of the lessee.

19 (3) Notwithstanding subsection (1), a person engaged in the  
20 business of leasing motor vehicles who is the lessor of a motor  
21 vehicle under a lease providing for the use of the motor vehicle by  
22 the lessee for a period of 30 days or less is liable for an injury  
23 caused by the negligent operation of the leased motor vehicle only  
24 if the injury occurred while the leased motor vehicle was being  
25 operated by an authorized driver under the lease agreement or by  
26 the lessee's spouse, father, mother, brother, sister, son,  
27 daughter, or other immediate family member. Unless the lessor, or  
28 his or her agent, was negligent in the leasing of the motor  
29 vehicle, the lessor's liability under this subsection is limited to

1 \$20,000.00 because of bodily injury to or death of 1 person in any  
2 1 accident and \$40,000.00 because of bodily injury to or death of 2  
3 or more persons in any 1 accident.

4 (4) A person engaged in the business of leasing motor vehicles  
5 as provided under subsection (3) shall notify a lessee that the  
6 lessor is liable only up to the maximum amounts provided for in  
7 subsection (3), and only if the leased motor vehicle was being  
8 operated by the lessee or other authorized driver or by the  
9 lessee's spouse, father, mother, brother, sister, son, daughter, or  
10 other immediate family member, and that the lessee may be liable to  
11 the lessor up to amounts provided for in subsection (3), and to an  
12 injured person for amounts awarded in excess of the maximum amounts  
13 provided for in subsection (3).

14 (5) Subsections (3) and (4) shall not be construed to expand  
15 or reduce, except as otherwise provided by this act, the liability  
16 of a person engaged in the business of leasing motor vehicles or to  
17 impair that person's right to indemnity or contribution, or both.

18 (6) As used in subsections (3), (4), and (5), "motor vehicle"  
19 means a self-propelled device by which a person or property may be  
20 transported ~~upon~~**on** a public highway. Motor vehicle does not  
21 include a bus, power shovel, road machinery, agricultural  
22 machinery, or other machinery or vehicle not designed primarily for  
23 highway transportation. Motor vehicle also does not include a  
24 device that moves ~~upon~~**on** or is guided by a track.

25 (7) A lessee in possession of an off lease vehicle, and not  
26 the dealer of the vehicle, is liable as the owner of the vehicle  
27 for any damages awarded for an injury to a person or property  
28 resulting from the operation of the vehicle. The dealer of an off  
29 lease vehicle may be liable at common law for damages awarded for

1 an injury to a person or property resulting from the operation of  
2 the vehicle only if the dealer is in possession of the vehicle and  
3 the certificate of title and has acknowledged possession of the  
4 certificate of title to the lessor.

5 **(8) The liability imposed on an owner under subsection (1)**  
6 **does not apply to a shared vehicle owner during a car sharing**  
7 **period. As used in this subsection, "car sharing period" and**  
8 **"shared vehicle owner" mean those terms as defined in section 3 of**  
9 **the peer-to-peer car sharing program act.**

10 Enacting section 1. This amendatory act does not take effect  
11 unless Senate Bill No. \_\_\_\_\_ or House Bill No. 4917 (request no.  
12 01248'21) of the 101st Legislature is enacted into law.