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BILL ANALYSIS

Senate Fiscal Agency

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Senate Bill 503 (as reported without amendment)

Sponsor: Senator Harmon Cropsey

Committee: Commerce and Technology

Date Completed: 11-4-87

RATIONALE

The Insurance Code's no-fault provisions allow a tort liability action for damages of up to \$400 to motor vehicles if the damages are not covered by insurance. Most farm vehicles are not considered motor vehicles under that provision and are not required to be covered by no-fault auto insurance. Reportedly, there have been incidents in which farm vehicles have been damaged in accidents with motor vehicles. The owners of the damaged farm vehicles have been left with no recourse for recovery of the expenses incurred in repairing the vehicles. Some feel that it would be appropriate to include farm implements within the provision allowing for tort liability.

CONTENT

Senate Bill 503 would amend the no-fault provisions of the Insurance Code to include "implements of husbandry" within a provision that allows a tort liability action for damages of up to \$400 to motor vehicles to the extent that the damages are not covered by insurance. "Implements of husbandry" would mean implements of husbandry under the Michigan Vehicle Code (e.g., farm tractors), that are not intended for highway travel "other than for purposes incidental to farming".

MCL 500.3135

FISCAL IMPACT

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

ARGUMENTS***Supporting Argument***

Farmers currently are left with no recourse for recovery of damages to farm vehicles involved in accidents with motor vehicles. The bill would correct this inequity in the law by allowing for a limited tort action, and would apply only to implements of husbandry as defined in the Michigan Vehicle Code that are not intended for highway use except for purposes incidental to farming.

Legislative Analyst: P. Affholter

Fiscal Analyst: L. Burghardt

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.

S.B. 503 (11-4-87)