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SFA**BILL ANALYSIS**

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Senate Bill 1097 (Substitute S-1 as passed by the Senate)
Sponsor: Senator Jon Cisky
Committee: Economic Development, International Trade and Regulatory Affairs

Date Completed: 7-27-98

RATIONALE

Currently, if someone who rented a motor vehicle does not pay for a citation, complaint, or warrant for a parking violation, the rental car company is responsible for paying the fine and may seek reimbursement from the renter. Many people, however, believe that this is unfair to the rental car companies and suggest that the renter, or the person who received the citation, should be directly responsible for the violation.

CONTENT

The bill would amend the Michigan Vehicle Code to provide that the registered owner of a rental vehicle would not be liable for a parking violation if the registered owner provided the renter's name, address, and driver license number, and a copy of the rental agreement to the clerk of the court or parking violations bureau issuing the violation not later than 60 days after the registered owner had received notice of the violation. The registered owner would be liable, however, if he or she did not provide the required information within the 60-day period and if notice of the violation were sent to the registered owner within one year after the citation was issued. ("Registered owner of a rental vehicle" would mean a person in the business of renting motor vehicles.)

Currently, in a prosecution for the violation of a local ordinance or State statute relating to the standing or parking of a leased motor vehicle, proof that the particular vehicle described in the citation, complaint, or warrant was used in the violation, and proof that the defendant named in the citation, complaint, or warrant was the lessee of the vehicle at the time of the violation, constitutes in evidence a presumption that the lessee of the vehicle, not the registered owner, was the person who parked or placed the vehicle at the time the violation

occurred. The bill also would apply this provision to motor vehicle renters.

MCL 257.675a & 257.675b

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bill would require the actual offender (the renter) to pay the citation he or she received while renting a vehicle. It is unfair to hold a registered owner responsible for paying and requiring reimbursement for a parking violation when the citation was received by the renter. The bill would relieve the registered owner of a rental vehicle from responsibility for a parking violation if the registered owner provided the renter's name, address, driver's license number, and a copy of the rental agreement within a specified period of time. Under a similar law currently in effect for leased vehicles, the lessee of the vehicle at the time a parking ticket was issued is responsible for paying it.

Opposing Argument

The bill would require the clerk of the court or parking violations bureau to attempt to contact a vehicle renter about a parking violation, in order to collect a fine. Under the bill, the registered owner of the vehicle or the rental company would be required only to provide the renter's name, address, and driver's license number and a copy of the rental agreement. According to the Michigan Municipal League, most rental customers, unlike vehicle lessees, are not from Michigan and may not necessarily leave the correct identification information on the rental contract. It could take many months to find the actual customer. Rental car companies, however, have access to the

customer's credit card and could easily charge the citation onto it.

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill would have an indeterminate impact on local units regarding the ability to collect parking violation revenue.

Fiscal Analyst: B. Bowerman

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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.