

H.B. 4741

(As amended June 24, 1997)

A bill to amend 1949 PA 300, entitled  
"Michigan vehicle code,"  
(MCL 257.1 to 257.923) by amending the title, as amended by 1991  
PA 98, and by adding section 831.

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

1

TITLE

2 An act to provide for the registration, titling, sale,  
3 transfer, and regulation of certain vehicles operated upon the  
4 public highways of this state or any other place open to the gen-  
5 eral public or generally accessible to motor vehicles and dis-  
6 tressed vehicles; to provide for the licensing of dealers; to  
7 provide for the examination, licensing, and control of operators  
8 and chauffeurs; to provide for the giving of proof of financial  
9 responsibility and security by owners and operators of vehicles;  
10 to provide for the imposition, levy, and collection of specific

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1 taxes on vehicles, and the levy and collection of sales and use  
2 taxes, license fees, ~~and~~ permit fees, AND CERTAIN OTHER FEES ON  
3 THE USE OF A MOTOR VEHICLE; to provide for the regulation and use  
4 of streets and highways; to create certain funds; to provide pen-  
5 alties and sanctions for a violation of this act; to provide for  
6 civil liability of owners and operators of vehicles and service  
7 of process on residents and nonresidents; to provide for the levy  
8 of certain assessments; to provide for the enforcement of this  
9 act; to provide for the creation of and to prescribe the powers  
10 and duties of certain state and local agencies; to repeal all  
11 other acts or parts of acts inconsistent with this act or con-  
12 trary to this act; and to repeal ~~certain parts of this act on a~~  
13 ~~specific date~~ ACTS AND PARTS OF ACTS.

14 SEC. 831. (1) AS USED IN THIS SECTION:

15 (A) "GROSS RECEIPTS" MEANS THE TOTAL AMOUNT OF CONSIDERATION  
16 PAID TO A MOTOR VEHICLE RENTAL COMPANY SOLELY FOR THE USE OF A  
17 MOTOR VEHICLE RENTED IN THIS STATE. GROSS RECEIPTS INCLUDE ANY  
18 CHARGES RELATED TO THE RENTAL INCLUDING THOSE FOR ANCILLARY  
19 OPTIONAL SERVICES SUCH AS FUEL OR DAMAGE WAIVER AND INSURANCE  
20 SERVICES, BUT EXCLUDING FEES OR TAXES DUE THE STATE OR A COUNTY  
21 OR MUNICIPALITY IN CONJUNCTION WITH SUCH CHARGES.

22 (B) "MOTOR VEHICLE" MEANS A PRIVATE PASSENGER MOTOR VEHICLE  
23 DESIGNED TO TRANSPORT 15 OR LESS PASSENGERS, TRUCK, OR SEMI-  
24 TRAILER THAT IS RENTED OR OFFERED FOR RENTAL WITHOUT A DRIVER AND  
25 THAT IS PART OF A FLEET OF 5 OR MORE MOTOR VEHICLES USED PRIMAR-  
26 ILY FOR RENTAL PURPOSES, BUT EXCLUDING TRUCKS [AND SEMITRAILERS]  
USED TO TRANSPORT  
27 COMMERCIAL FREIGHT.

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1 (C) "RENTAL COMPANY" MEANS A BUSINESS ENTITY ENGAGED IN THE  
2 BUSINESS OF RENTING MOTOR VEHICLES IN THIS STATE.

3 (D) "TITLE FEES AND REGISTRATION OR AD VALOREM TAXES" MEANS  
4 THE FEES AND TAXES IMPOSED ON A MOTOR VEHICLE AND THE PRIVILEGE  
5 OF OPERATING A MOTOR VEHICLE UNDER THIS ACT.

6 (2) AT THE TIME A MOTOR VEHICLE IS RENTED IN THIS STATE A  
7 MOTOR VEHICLE RENTAL COMPANY, AS A PART OF THE RENTAL CONTRACT,  
8 SHALL COLLECT A TRANSACTION FEE EQUAL TO 2% OF THE GROSS RECEIPTS  
9 PER MOTOR VEHICLE IF THE RENTAL IS FOR 31 DAYS OR LESS. [HOWEVER, IF  
THE MOTOR VEHICLE IS RENTED FOR MORE THAN 1 CONSECUTIVE PERIOD  
WITHIN A 31-DAY PERIOD, THE 2% TRANSACTION FEE SHALL BE COLLECTED  
ONLY ONCE DURING THAT PERIOD.] THE

10 TRANSACTION FEE SHALL BE COMPUTED BEFORE THE ASSESSMENT OF ANY  
11 APPLICABLE SALES OR USE TAXES AND SHALL NOT BE CONSIDERED PART OF  
12 THE RENTAL RECEIPTS FOR PURPOSES OF THE GENERAL SALES TAX ACT,  
13 1933 PA 167, MCL 205.51 TO 205.78, OR THE USE TAX ACT, 1937 PA  
14 94, MCL 205.91 TO 205.111. FOR PURPOSES OF THIS SECTION, A MOTOR  
15 VEHICLE IS RENTED IN THIS STATE ONLY IF PHYSICAL POSSESSION OF  
16 THE MOTOR VEHICLE IS DELIVERED TO THE RENTER IN THIS STATE.

17 (3) THE TRANSACTION FEE SHALL BE INCLUDED ON THE RENTAL CON-  
18 TRACT AND COLLECTED IN ACCORDANCE WITH THE TERMS OF THE RENTAL  
19 CONTRACT. THE TRANSACTION FEE SHALL BE RETAINED BY THE RENTAL  
20 COMPANY IN ACCORDANCE WITH THIS SECTION. EACH RENTAL COMPANY  
21 COLLECTING AND RETAINING TRANSACTION FEES MAY FIRST REIMBURSE  
22 ITSELF FROM THE FUNDS RETAINED FOR THE TOTAL AMOUNT OF TITLE FEES  
23 AND REGISTRATION OR AD VALOREM TAXES PAID TO THE STATE. A RENTAL  
24 COMPANY SHALL NOT REIMBURSE ITSELF FOR TITLE FEES AND REGISTRA-  
25 TION OR AD VALOREM TAXES UNLESS THE RESPECTIVE AMOUNTS HAVE BEEN  
26 PAID IN FULL TO THE STATE BEFORE ANY REIMBURSEMENT.

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1 (4) ON OR BEFORE FEBRUARY FIFTEENTH EACH YEAR, A RENTAL  
2 COMPANY SHALL FILE A REPORT WITH THE SECRETARY OF STATE ON A FORM  
3 PRESCRIBED BY HIM OR HER STATING THE TOTAL AMOUNT OF TITLE FEES  
4 AND REGISTRATION OR AD VALOREM TAXES PAID BY THE RENTAL COMPANY  
5 IN THE PREVIOUS YEAR. THE AMOUNT, IF ANY, BY WHICH THE TRANSAC-  
6 TION FEE COLLECTIONS PROVIDED FOR UNDER THIS SECTION EXCEED THE  
7 AMOUNT OF TITLE FEES AND REGISTRATION OR AD VALOREM TAXES PAID TO  
8 THE STATE SHALL BE REMITTED BY THE RENTAL COMPANY TO THE STATE  
9 FOR DEPOSIT IN THE [MICHIGAN TRANSPORTATION] FUND.

10 (5) A PERSON WHO VIOLATES THIS SECTION BY KNOWINGLY AND  
11 WILLFULLY MAKING A FALSE STATEMENT OR MATERIAL MISREPRESENTATION  
12 TO THE SECRETARY OF STATE IS GUILTY OF A MISDEMEANOR PUNISHABLE  
13 BY IMPRISONMENT FOR NOT MORE THAN 90 DAYS OR A FINE OF NOT MORE  
14 THAN \$500.00 PER OCCURRENCE, OR BOTH.

[(6) IF A PERSON RESERVES THE RENTAL OF A MOTOR VEHICLE WITH A  
RENTAL COMPANY FOR A SPECIFIC TIME AND DATE AND OBTAINS A  
CONFIRMATION NUMBER FOR A QUALIFIED GUARANTEED RENTAL RESERVATION,  
THE RENTAL COMPANY SHALL RENT THAT VEHICLE OR A VEHICLE OF UPGRADED  
VALUE TO THE PERSON AT THAT TIME AND DATE.]