



House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

REFER TO VEHICLE LEASING IN VEHICLE CODE

House Bill 5363
Sponsor: Rep. Chris Kolb
Committee: Commerce

Complete to 3-18-02

A SUMMARY OF HOUSE BILL 5363 AS INTRODUCED 10-29-01

The bill would amend numerous sections of the Michigan Vehicle Code, generally speaking, to treat the leasing of vehicles in the same manner as the sale of vehicles are currently treated.

The code currently, for example, requires the licensing of persons engaged in buying, selling, brokering, or dealing in vehicles of a type required to be titled under the code. The bill would also apply the requirement to "leasing" and "negotiating a lease". However, the term "dealer" would not apply to a person who negotiated the lease of a vehicle for a lease term of less than 120 days.

The bill would also specify that the term "dealer" in the definitions section of the code would not include a bank, credit union, or savings and loan association; a person whose primary business was the financing of the purchase, sale, or lease of titled vehicles; or an employee or agent of a dealer acting in the scope of his or her employment or agency.

Currently, the code includes as a "dealer" a person engaged in the business of buying vehicles to sell vehicle parts or in the business of buying vehicles to process into scrap metal. The bill would include such a business only if it was engaged in buying five or more vehicles in a 12-month period and would also include as a "dealer" a person engaged in the business of purchasing, selling, exchanging, brokering, or dealing in salvageable parts of five or more vehicles.

Under the bill, there would be a rebuttable presumption that a person who in a 12-month period buys, sells, exchanges, brokers, leases, or deals in five or more vehicles, or buys, sells, exchanges, brokers, or deals in salvageable parts for five or more vehicles, or who buys five or more vehicles to sell vehicle parts to process into scrap metal, is engaged in business as a dealer.

The bill also would eliminate obsolete language from the vehicle code.

MCL 257.11 et al.

Analyst: C. Couch

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