

Legislative Analysis



MOTOR VEHICLE INSTALLMENT CONTRACTS

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House Bill 5353

Sponsor: Rep. David Robertson

Committee: Banking and Financial Services

Complete to 11-29-05

A SUMMARY OF HOUSE BILL 5353 AS INTRODUCED 10-25-05

The bill would add a new section to the Michigan Vehicle Sales Finance Act dealing with installment sale transactions that intends to "declare" the meaning of current law. It would allow a seller to pay on behalf of the buyer, and agree to finance in the installment sale contract, all or part of any loan secured by a motor vehicle that the seller takes in trade or all or any part of the balance owed under a lease of a motor vehicle that is terminated in connection with the installment sale transaction. If a seller entered into such an installment sales transaction, the amount the seller agreed to finance would included among the "other necessary or incidental costs" included in the installment sale contract.

The bill contains an enacting section that states:

It is the intent of the legislature that this section be construed as declaring the law as it exists before this section is enacted and not as modifying it.

MCL 492.101

FISCAL IMPACT:

The bill would have no apparent fiscal impact.

Legislative Analyst: E. Best
Fiscal Analyst: Robin Risko

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