



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5353 (Substitute H-1 as reported with amendment)
Sponsor: Representative David Robertson
House Committee: Banking and Financial Services
Senate Committee: Banking and Financial Institutions

CONTENT

The bill would amend the Motor Vehicle Sales Finance Act to specify that a seller in an installment sale transaction could pay on behalf of the buyer, and agree to finance in the installment sale contract, all or part of the balance of any indebtedness secured by a motor vehicle that the seller took in trade in the installment sale transaction, or all or any part of the balance owed under a lease of a motor vehicle that was terminated in connection with the installment sale transaction.

If an agreement described in the bill applied, then the amount the seller agreed to finance would have to be included in the "other necessary or incidental costs" that must be contained in an installment sale contract under Section 13 of the Act. (Section 13 describes the separate items that must be set forth in an installment sale contract, including other necessary or incidental costs that the seller contracts to pay on behalf of the buyer and for the amount of which the seller agrees to extend credit to the buyer as authorized by the Act. The contract must contain an itemization of the nature and amount of the costs.)

The bill also 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."

Proposed MCL 492.113a

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

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

Date Completed: 12-9-05

Fiscal Analyst: Elizabeth Pratt
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