

**SUBSTITUTE FOR
HOUSE BILL NO. 5174**

A bill to allow certain active duty service members to terminate motor vehicle leases; to provide for the rights and responsibilities of the lessees and lessors to those terminated motor vehicle leases; to provide for the powers and duties of certain state officials; to prescribe civil sanctions and provide penalties; and to provide for the disposition of civil fines.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1. This act shall be known and may be cited as the
2 "military personnel motor vehicle leasing act".

3 Sec. 2. As used in this act:

4 (a) "Active duty" means active duty pursuant to an executive
5 order of the president of the United States, an act of congress, or
6 an order of the governor.

7 (b) "Armed forces" means that term as defined in section 2 of
8 the veteran right to employment services act, 1994 PA 39, MCL

1 35.1092.

2 (c) "Lessee" means that term as defined in section 1 of 1990
3 PA 169, MCL 445.991.

4 (d) "Lessor" means that term as defined in section 1 of 1990
5 PA 169, MCL 445.991.

6 (e) "Michigan national guard" means that term as defined in
7 section 105 of the Michigan military act, 1967 PA 150, MCL 32.505.

8 (f) "Motor vehicle" means that term as defined in section 1 of
9 1990 PA 169, MCL 445.991.

10 (g) "Motor vehicle lease" means a lease contract as that term
11 is defined in section 1 of 1990 PA 169, MCL 445.991.

12 (h) "Service member" means a member of the armed forces, a
13 reserve branch of the armed forces, or the Michigan national guard.

14 Sec. 3. A service member who is deployed on active duty for a
15 period of 180 days or more, or the spouse of that service member,
16 may terminate any motor vehicle lease that meets all of the
17 following requirements:

18 (a) The motor vehicle lease is entered into on or after the
19 effective date of this act.

20 (b) The motor vehicle lease is executed by or on behalf of the
21 service member as a lessee.

22 (c) The motor vehicle lease is executed before the service
23 member is deployed on active duty.

24 Sec. 4. A termination of the motor vehicle lease under section
25 3 is effective on the date all of the following are met:

26 (a) The service member who is deployed on active duty, or the
27 service member's spouse, provides the lessor by certified mail,

1 return receipt requested, a written notice of the service member's
2 intention to terminate the lease, a copy of the military or
3 gubernatorial orders calling the service member to active duty, and
4 a copy of any orders further extending the service member's period
5 of active duty.

6 (b) The motor vehicle subject to the motor vehicle lease is
7 returned to the custody or control of the lessor within 15 days
8 after the delivery of the written notice under subdivision (a).

9 Sec. 5. (1) If a motor vehicle lease is terminated under this
10 act, the lessee shall pay any past due lease payments owed to the
11 lessor as of the effective date of the termination and a pro rata
12 share of any current lease payments owed as of that effective date.

13 (2) If a motor vehicle lease is terminated under this act, the
14 lessor may not impose an early termination charge for that
15 termination. However, the lessee shall pay any taxes, court costs,
16 title or registration fees, and any other obligation and liability
17 of the lessee under the terms of the lease, including, but not
18 limited to, reasonable charges to the lessee for excess wear, use,
19 and mileage, that are due and unpaid as of the effective date of
20 the termination.

21 (3) If a motor vehicle lease is terminated under this act, the
22 lessor shall refund to the lessee any lease amounts paid in advance
23 for a period after the effective date of the termination of that
24 motor vehicle lease, within 30 days after the effective date of the
25 lease's termination.

26 Sec. 6. (1) Before the effective date of a motor vehicle lease
27 termination under this act, the lessor may bring a civil action

1 and, if appropriate, obtain equitable relief from all or part of
2 the lessor's obligations to the lessee under this act.

3 (2) In addition to any other penalty that may be provided by
4 law, the attorney general may file a civil action in which the
5 court may impose on a lessor that violates this act a civil fine of
6 not more than \$1,000.00 for each violation. Money recovered under
7 this subsection shall be forwarded to the state treasurer for
8 deposit into the military family relief fund created in section 3
9 of the military family relief fund act, 2004 PA 363, MCL 35.1213.