

Legislative Analysis



NON-MOTORIZED RECREATIONAL VEHICLES: INCLUDE IN MOTOR VEHICLE SALES FINANCE ACT

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House Bills 4052 & 4053
Sponsor: Rep. Kenneth Kurtz
Committee: Commerce

Complete to 2-8-13

A SUMMARY OF HOUSE BILLS 4052 & 4053 AS INTRODUCED 1-22-13

House Bill 4052 would amend the Motor Vehicle Sales Finance Act. The bill would amend the definition of "motor vehicle" to include recreational vehicles, whether or not they are self-propelled. Currently, the act applies only to self-propelled motor vehicles.

That act provides regulation of the business of selling, offering for sale, hiring, or leasing motor vehicles under installment sale contracts for personal, family, or household use.

House Bill 4053 would make a complementary amendment to the Retail Installment Sales Act, which regulates the retail sale of goods and services under an installment contract or charge agreement. That act does not apply to motor vehicles. The bill would specify that the definition of the term "motor vehicle" as used in the act is the same as that found in the Motor Vehicle Sales Finance Act. The two bills are tie-barred to each other, meaning both must be enacted for either to take effect.

Each bill amends only the section of the relevant act that contains definitions of terms. In each case, it rearranges the definitions without making substantive changes, other than the change to the definition of "motor vehicle."

House Bill 4052 would use the definition of "recreational vehicle" found in Section 49a of the Michigan Vehicle Code: a new or used vehicle that has its own motive power or is towed by a motor vehicle; is primarily designed to provide temporary living quarters for recreational, camping, travel, or seasonal use; complies with all applicable federal vehicle regulations; and does not require a special highway movement permit under Section 719a to be operated or towed on a street or highway. The term includes, but is not limited to, a motor home, travel trailer, or pickup camper. [The term in the bill would not include park model trailers, even though they are included in the Vehicle Code definition.]

Currently, the term "motor vehicle" refers to "a self-propelled device by which a person or property may be transported upon a public highway." The bills would also include recreational vehicles within that definition even if not self-propelled.

The term "motor vehicle," for the purpose of these acts does not include a tractor, motorcycle, trailer, semitrailer, or power shovel, and does not include road machinery, agricultural machinery, and other machinery not designed primarily for highway

transportation. It also doesn't apply to devices that are guided by tracks or that travel through the air.

FISCAL IMPACT:

House Bill 4052 would have a potential fiscal impact on the Office of Financial and Insurance Regulation (OFIR) insofar as the expansion of the definition of "motor vehicle" to include non-self-propelled recreation vehicles leads to increased complaints made to OFIR under the Motor Vehicle Sales Finance Act.

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