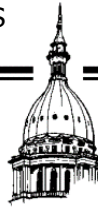




Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4052 (Substitute H-1 as passed by the House)
House Bill 4053 (as passed by the House)
Sponsor: Representative Kenneth Kurtz
House Committee: Commerce
Senate Committee: Economic Development

Date Completed: 3-20-13

CONTENT

House Bill 4052 (H-1) would amend the definition of "motor vehicle" in the Motor Vehicle Sales Finance Act to exclude nonmotorized recreational vehicles (RVs) that are sold under a retail installment contract or retail charge agreement that meets the requirements of the Retail Installment Sales Act.

House Bill 4053 would amend the Retail Installment Sales Act to define "motor vehicle" as that term is defined in the Motor Vehicle Sales Finance Act.

The bills are tie-barred.

House Bill 4052 (H-1)

The Motor Vehicle Sales Finance Act regulates the retail sale of motor vehicles under installment sales contracts, and requires the licensure of installment sellers and sales finance companies that engage in these transactions.

The Act defines "motor vehicle" as a self-propelled device by which a person or property may be transported upon a public highway. The term does not include tractors, motorcycles, trailers, semitrailers, power shovels, road machinery, agricultural machinery, or other machinery that is not designed primarily for highway transportation but incidentally transports people or property on a public highway. The term also does not include devices that move upon or are guided by a track or travel through the air.

Under the bill, "motor vehicle" would include a recreational vehicle but would not include an RV that meets all of the following:

- It does not have its own motive power.
- It is sold by a person engaged solely in the business of selling, offering for sale, hiring, or leasing RVs that do not have their own motive power.
- It is sold pursuant to a retail installment contract or retail charge agreement that meets the requirements of the Retail Installment Sales Act.

"Recreational vehicle" would mean that term as defined in Section 49a of the Michigan Vehicle Code, but would not include a park model trailer as defined in Section 38a of the Code.

(The Vehicle Code defines "recreational vehicle" as 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 to be operated or towed on a street or highway. The term includes a motor home, travel trailer, park model trailer that does not require a highway movement permit, and pickup camper.

"Park model trailer" means a vehicle that 1) is built on a single chassis, mounted on wheels, and designed to be towed by a motor vehicle from time to time; 2) may require a special highway movement permit to be towed on a street or highway, depending on its size; 3) is designed to provide recreational, seasonal, or temporary living quarters; 4) may be connected to utilities necessary for the operation of installed fixtures and appliances, when used as recreational, seasonal, or temporary living quarters; and 5) is not a mobile home as defined in the Mobile Home Commission Act.)

House Bill 4053

The Retail Installment Sales Act regulates retail installment sales contracts and transactions involving goods and services. The Act specifies that "goods" do not include a motor vehicle.

The Act defines "motor vehicle" as a self-propelled device by which a person or property may be transported upon a public highway. The term does not include a mobile home as defined in the Michigan Vehicle Code. It also does not include the same vehicles, machinery, and devices that are excluded from the definition under the Motor Vehicle Sales Finance Act.

Under the bill, instead, "motor vehicle" would mean that term as defined in Motor Vehicle Sales Finance Act. The term would continue to exclude a mobile home.

MCL 492.102 (H.B. 4052)
445.852 (H.B. 4053)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bills could introduce some costs to the Department of Insurance and Financial Services as expanding the definition of "motor vehicle" to include nonmotorized recreational vehicles sold with financing or installment payment agreements that are regulated under the Motor Vehicle Sales Finance Act would allow for consumer complaints under that Act.

Fiscal Analyst: Josh Sefton

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.