

SENATE SUBSTITUTE FOR  
HOUSE BILL NO. 5636

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 3101 (MCL 500.3101), as amended by 2008 PA 241.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 3101. (1) The owner or registrant of a motor vehicle  
2       required to be registered in this state shall maintain security for  
3       payment of benefits under personal protection insurance, property  
4       protection insurance, and residual liability insurance. Security  
5       ~~shall~~ **IS** only ~~be~~ required to be in effect during the period the  
6       motor vehicle is driven or moved ~~upon~~ **ON** a highway. Notwithstanding  
7       any other provision in this act, an insurer that has issued an  
8       automobile insurance policy on a motor vehicle that is not driven

1 or moved ~~upon~~ ON a highway may allow the insured owner or  
2 registrant of the motor vehicle to delete a portion of the  
3 coverages under the policy and maintain the comprehensive coverage  
4 portion of the policy in effect.

5 (2) As used in this chapter:

6 (a) "Automobile insurance" means that term as defined in  
7 section 2102.

8 (B) "COMMERCIAL QUADRICYCLE" MEANS A VEHICLE TO WHICH ALL OF  
9 THE FOLLOWING APPLY:

10 (i) THE VEHICLE HAS FULLY OPERATIVE PEDALS FOR PROPULSION  
11 ENTIRELY BY HUMAN POWER.

12 (ii) THE VEHICLE HAS AT LEAST 4 WHEELS AND IS OPERATED IN A  
13 MANNER SIMILAR TO A BICYCLE.

14 (iii) THE VEHICLE HAS AT LEAST 6 SEATS FOR PASSENGERS.

15 (iv) THE VEHICLE IS DESIGNED TO BE OCCUPIED BY A DRIVER AND  
16 POWERED EITHER BY PASSENGERS PROVIDING PEDAL POWER TO THE DRIVE  
17 TRAIN OF THE VEHICLE OR BY A MOTOR CAPABLE OF PROPELLING THE  
18 VEHICLE IN THE ABSENCE OF HUMAN POWER.

19 (v) THE VEHICLE IS USED FOR COMMERCIAL PURPOSES.

20 (vi) THE VEHICLE IS OPERATED BY THE OWNER OF THE VEHICLE OR AN  
21 EMPLOYEE OF THE OWNER OF THE VEHICLE.

22 (C) "GOLF CART" MEANS A VEHICLE DESIGNED FOR TRANSPORTATION  
23 WHILE PLAYING THE GAME OF GOLF.

24 (D) ~~(b)~~-"Highway" means HIGHWAY OR STREET AS that term ~~as~~ IS  
25 defined in section 20 of the Michigan vehicle code, 1949 PA 300,  
26 MCL 257.20.

27 (E) "MOPED" MEANS THAT TERM AS DEFINED IN SECTION 32B OF THE

1 MICHIGAN VEHICLE CODE, 1949 PA 300, MCL 257.32B.

2 (F) ~~(e)~~ "Motorcycle" means a vehicle ~~having~~ **THAT HAS** a saddle  
3 or seat for the use of the rider, **IS** designed to travel on not more  
4 than 3 wheels in contact with the ground, ~~which~~ **AND** is equipped  
5 with a motor that exceeds 50 cubic centimeters piston displacement.  
6 ~~The~~ **FOR PURPOSES OF THIS SUBDIVISION, THE** wheels on any attachment  
7 to the vehicle ~~shall~~ **ARE** not be considered as wheels in contact  
8 with the ground. Motorcycle does not include a moped, ~~as defined~~  
9 ~~in section 32b of the Michigan vehicle code, 1949 PA 300, MCL~~  
10 ~~257.32b. Motorcycle does not include~~ **OR** an ORV.

11 (G) ~~(d)~~ "Motorcycle accident" means a loss ~~involving~~ **THAT**  
12 **INVOLVES** the ownership, operation, maintenance, or use of a  
13 motorcycle as a motorcycle, but **DOES** not ~~involving~~ **INVOLVE** the  
14 ownership, operation, maintenance, or use of a motor vehicle as a  
15 motor vehicle.

16 (H) ~~(e)~~ "Motor vehicle" means a vehicle, including a trailer,  
17 **THAT IS** operated or designed for operation ~~upon~~ **ON** a public highway  
18 by power other than muscular power ~~which~~ **AND** has more than 2  
19 wheels. Motor vehicle does not include a **ANY OF THE FOLLOWING:**

20 (i) A motorcycle. ~~or a~~

21 (ii) A moped. ~~as defined in section 32b of the Michigan~~  
22 ~~vehicle code, 1949 PA 300, MCL 257.32b. Motor vehicle does not~~  
23 ~~include a~~

24 (iii) A farm tractor or other implement of husbandry ~~which~~ **THAT**  
25 is not subject to the registration requirements of the Michigan  
26 vehicle code ~~pursuant to~~ **UNDER** section 216 of the Michigan vehicle  
27 code, 1949 PA 300, MCL 257.216. ~~Motor vehicle does not include an~~

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1 (iv) AN ORV.

2 (v) A GOLF CART.

3 (vi) A POWER-DRIVEN MOBILITY DEVICE.

4 (vii) A COMMERCIAL QUADRICYCLE.

5 (I) ~~(f)~~—"Motor vehicle accident" means a loss involving ~~THAT~~  
6 INVOLVES the ownership, operation, maintenance, or use of a motor  
7 vehicle as a motor vehicle regardless of whether the accident also  
8 involves the ownership, operation, maintenance, or use of a  
9 motorcycle as a motorcycle.

10 (J) ~~(g)~~—"ORV" means a motor-driven recreation vehicle designed  
11 for off-road use and capable of cross-country travel without  
12 benefit of road or trail, on or immediately over land, snow, ice,  
13 marsh, swampland, or other natural terrain. ORV includes, but is  
14 not limited to, a multitrack or multiwheel drive vehicle, a  
15 motorcycle or related 2-wheel, 3-wheel, or 4-wheel vehicle, an  
16 amphibious machine, a ground effect air cushion vehicle, an ATV as  
17 defined in section 81101 of the natural resources and environmental  
18 protection act, 1994 PA 451, MCL 324.81101, or other means of  
19 transportation deriving motive power from a source other than  
20 muscle or wind. ORV does not include a vehicle described in this  
21 subdivision that is registered for use upon a public highway and  
22 has the security described in section 3101 or 3103 in effect.

23 (K) ~~(h)~~—"Owner" means any of the following:

24 (i) A person renting a motor vehicle or having the use thereof,  
25 OF A MOTOR VEHICLE, under a lease or otherwise, for a period that  
26 is greater than 30 days.

<< (ii) A PERSON RENTING A MOTORCYCLE OR HAVING THE USE OF A  
MOTORCYCLE UNDER A LEASE FOR A PERIOD THAT IS GREATER THAN 30 DAYS,  
OR OTHERWISE FOR A PERIOD THAT IS GREATER THAN 30 CONSECUTIVE DAYS.  
A PERSON WHO BORROWS A MOTORCYCLE FOR A PERIOD THAT IS LESS THAN 30  
CONSECUTIVE DAYS WITH THE CONSENT OF THE OWNER IS NOT AN OWNER  
UNDER THIS SUBPARAGRAPH.

27 (iii) ~~(ii)~~>> A person ~~who~~ THAT holds the legal title to a MOTOR

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1 vehicle ~~<<OR MOTORCYCLE>>~~, other than a person engaged in the  
 business of leasing

2 motor vehicles ~~<<OR MOTORCYCLES>>~~ ~~who~~ ~~THAT~~ is the lessor of a motor  
 vehicle ~~<<OR MOTORCYCLE>>~~ pursuant

3 ~~to~~ ~~UNDER~~ a lease ~~providing~~ ~~THAT PROVIDES~~ for the use of the motor  
 4 vehicle ~~<<OR MOTORCYCLE>>~~ by the lessee for a period that is greater  
 than 30 days.

5 ~~<<(iv) (iii)>>~~ A person ~~who~~ ~~THAT~~ has the immediate right of possession  
 of  
 6 a motor vehicle ~~<<OR MOTORCYCLE>>~~ under an installment sale contract.

7 (l) "POWER-DRIVEN MOBILITY DEVICE" MEANS A WHEELCHAIR OR OTHER  
 8 MOBILITY DEVICE POWERED BY A BATTERY, FUEL, OR OTHER ENGINE AND  
 9 DESIGNED TO BE USED BY AN INDIVIDUAL WITH A MOBILITY DISABILITY FOR  
 10 THE PURPOSE OF LOCOMOTION.

11 (M) ~~(i)~~ "Registrant" does not include a person engaged in the  
 12 business of leasing motor vehicles ~~who~~ ~~OR MOTORCYCLES~~ ~~THAT~~ is the  
 13 lessor of a motor vehicle ~~pursuant to~~ ~~OR MOTORCYCLE~~ ~~UNDER~~ a lease  
 14 ~~providing~~ ~~THAT PROVIDES~~ for the use of the motor vehicle ~~OR~~  
 15 ~~MOTORCYCLE~~ by the lessee for a period that is ~~greater~~ ~~LONGER~~ than  
 16 30 days.

17 (3) Security **REQUIRED BY SUBSECTION (1)** may be provided under  
 18 a policy issued by an **AUTHORIZED** insurer ~~duly authorized to~~  
 19 ~~transact business in this state which~~ ~~THAT~~ affords insurance for  
 20 the payment of benefits described in subsection (1). A policy of  
 21 insurance represented or sold as providing security is considered  
 22 to provide insurance for the payment of the benefits.

23 (4) Security required by subsection (1) may be provided by any  
 24 other method approved by the secretary of state as affording  
 25 security equivalent to that afforded by a policy of insurance, if  
 26 proof of the security is filed and continuously maintained with the  
 27 secretary of state throughout the period the motor vehicle is

1 driven or moved ~~upon~~**ON** a highway. The person filing the security  
2 has all the obligations and rights of an insurer under this  
3 chapter. When the context permits, "insurer" as used in this  
4 chapter, includes ~~any~~**A** person ~~filing~~**THAT FILES** the security as  
5 provided in this section.

6 Enacting section 1. Section 3101(2)(h)(vi) of the insurance  
7 code of 1956, 1956 PA 218, MCL 500.3101, as added by this  
8 amendatory act, shall be applied retroactively.

9 Enacting section 2. This amendatory act does not take effect  
10 unless House Bill No. 5045 of the 97th Legislature is enacted into  
11 law.