



HOUSE BILL No. 4679

March 30, 1995, Introduced by Reps. Profit, Llewellyn, Weeks, Varga, Law, Alley, Palamara and Bullard and referred to the Committee on Insurance.

A bill to amend section 401 of Act No. 300 of the Public Acts of 1949, entitled as amended
"Michigan vehicle code,"
as amended by Act No. 125 of the Public Acts of 1988, being
section 257.401 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 401 of Act No. 300 of the Public Acts of
2 1949, as amended by Act No. 125 of the Public Acts of 1988, being
3 section 257.401 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 401. (1) ~~Nothing herein contained~~ THIS SECTION shall
6 NOT be construed to ~~abridge~~ LIMIT the right of ~~any~~ A person
7 to ~~prosecute~~ BRING a civil action for damages for injuries to
8 either person or property resulting from a violation of ~~any of~~
9 ~~the provisions of~~ this act by the owner or operator of a motor

1 vehicle ~~—~~ OR his or her agent or servant. The owner of a motor
2 vehicle ~~shall be~~ IS liable for ~~any~~ AN injury ~~occasioned~~
3 CAUSED by the negligent operation of the motor vehicle whether
4 the negligence consists of a violation of ~~the provisions of the~~
5 ~~statutes of the~~ A STATUTE OF THIS state or ~~in the failure to~~
6 ~~observe such~~ THE ordinary care ~~in the operation of the motor~~
7 ~~vehicle as the rules of the~~ STANDARD REQUIRED BY common law.
8 ~~requires.~~ The owner ~~shall~~ IS not ~~be~~ liable ~~, however,~~
9 unless the motor vehicle is being driven with his or her express
10 or implied consent or knowledge. It ~~shall be~~ IS presumed that
11 the motor vehicle is being driven with the knowledge and consent
12 of the owner if it is driven at the time of the injury by his or
13 her SPOUSE, father, mother, brother, sister, son, daughter, or
14 other immediate member of the family.

15 (2) A person engaged in the business of leasing motor vehi-
16 cles who is the lessor of a motor vehicle ~~pursuant to~~ UNDER a
17 lease providing for the use of the motor vehicle by the lessee
18 for a period that is greater than 30 days ~~shall~~ IS not ~~be~~
19 liable at common law for damages for injuries to either person or
20 property resulting from the operation of the leased motor
21 vehicle.

22 (3) NOTWITHSTANDING SUBSECTION (1), A PERSON ENGAGED IN THE
23 BUSINESS OF LEASING MOTOR VEHICLES WHO IS THE LESSOR OF A MOTOR
24 VEHICLE UNDER A LEASE PROVIDING FOR THE USE OF THE MOTOR VEHICLE
25 BY THE LESSEE FOR A PERIOD OF 30 DAYS OR LESS IS LIABLE FOR AN
26 INJURY CAUSED BY THE NEGLIGENT OPERATION OF THE LEASED MOTOR
27 VEHICLE ONLY IF THE INJURY OCCURRED WHILE THE LEASED MOTOR

1 VEHICLE WAS BEING OPERATED BY AN AUTHORIZED DRIVER UNDER THE
2 LEASE AGREEMENT OR BY THE LESSEE'S SPOUSE, FATHER, MOTHER, BROTH-
3 ER, SISTER, SON, DAUGHTER, OR OTHER IMMEDIATE FAMILY MEMBER. THE
4 LESSOR'S LIABILITY UNDER THIS SUBSECTION IS LIMITED TO \$20,000.00
5 BECAUSE OF BODILY INJURY TO OR DEATH OF 1 PERSON IN ANY 1 ACCI-
6 DENT AND \$40,000.00 BECAUSE OF BODILY INJURY TO OR DEATH OF 2 OR
7 MORE PERSONS IN ANY 1 ACCIDENT.

8 (4) A PERSON ENGAGED IN THE BUSINESS OF LEASING MOTOR VEHI-
9 CLES AS PROVIDED UNDER SUBSECTION (3) SHALL NOTIFY A LESSEE THAT
10 THE LESSOR IS LIABLE ONLY UP TO THE MAXIMUM AMOUNTS PROVIDED FOR
11 IN SUBSECTION (3), AND ONLY IF THE LEASED MOTOR VEHICLE WAS BEING
12 OPERATED BY THE LESSEE OR OTHER AUTHORIZED DRIVER OR BY THE
13 LESSEE'S SPOUSE, FATHER, MOTHER, BROTHER, SISTER, SON, DAUGHTER,
14 OR OTHER IMMEDIATE FAMILY MEMBER, AND THAT THE LESSEE MAY BE
15 LIABLE TO THE LESSOR UP TO AMOUNTS PROVIDED FOR IN SUBSECTION
16 (3), AND TO AN INJURED PERSON FOR AMOUNTS AWARDED IN EXCESS OF
17 THE MAXIMUM AMOUNTS PROVIDED FOR IN SUBSECTION (3).

18 (5) THIS AMENDATORY ACT SHALL NOT BE CONSTRUED TO EXPAND THE
19 LIABILITY OF A PERSON ENGAGED IN THE BUSINESS OF LEASING MOTOR
20 VEHICLES OR TO IMPAIR THAT PERSON'S RIGHT TO INDEMNITY OR CONTRI-
21 BUTION, OR BOTH.