



HOUSE BILL No. 4825

May 16, 1995, Introduced by Reps. Profit, Bullard and Brackenridge and referred to the Committee on Transportation.

A bill to amend the title of Act No. 300 of the Public Acts of 1949, entitled as amended "Michigan vehicle code," as amended, being sections 257.1 to 257.923 of the Michigan Compiled Laws; and to add section 831.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. The title of Act No. 300 of the Public Acts of
2 1949, as amended, being sections 257.1 to 257.923 of the Michigan
3 Compiled Laws, is amended and section 831 is added to read as
4 follows:

TITLE

5
6 An act to provide for the registration, titling, sale,
7 transfer, and regulation of certain vehicles operated upon the
8 public highways of this state or any other place open to the
9 general public or generally accessible to motor vehicles and

1 distressed vehicles; to provide for the licensing of dealers; to
2 provide for the examination, licensing, and control of operators
3 and chauffeurs; to provide for the giving of proof of financial
4 responsibility and security by owners and operators of vehicles;
5 to provide for the imposition, levy, and collection of specific
6 taxes on vehicles, and the levy and collection of sales and use
7 taxes, license fees, ~~and~~ permit fees, AND CERTAIN OTHER FEES ON
8 THE USE OF A MOTOR VEHICLE; to provide for the regulation and use
9 of streets and highways; to create certain funds; to provide pen-
10 alties and sanctions for a violation of this act; to provide for
11 civil liability of owners and operators of vehicles and service
12 of process on residents and nonresidents; to provide for the levy
13 of certain assessments; to provide for the enforcement of this
14 act; to provide for the creation of and to prescribe the powers
15 and duties of certain state and local agencies; to repeal all
16 other acts or parts of acts inconsistent with this act or con-
17 trary to this act; and to repeal certain parts of this act on a
18 specific date.

19 SEC. 831. (1) AS USED IN THIS SECTION:

20 (A) "CASUALTY LOSS" MEANS THE COMPLETE OR PARTIAL DESTRUC-
21 TION OF PROPERTY RESULTING FROM AN IDENTIFIABLE EVENT OF A
22 SUDDEN, UNEXPECTED OR UNUSUAL NATURE, INCLUDING BUT NOT LIMITED
23 TO FLOODS, STORMS, FIRES, OR MOTOR VEHICLE ACCIDENTS, WHICH
24 RESULTS IN MAKING A RENTER'S PERSONAL MOTOR VEHICLE INOPERABLE OR
25 THE THEFT OF A RENTER'S PERSONAL MOTOR VEHICLE.

26 (B) "GROSS RECEIPTS" MEANS THE TOTAL AMOUNT OF CONSIDERATION
27 PAID TO A MOTOR VEHICLE RENTAL COMPANY SOLELY FOR THE USE OF A

1 MOTOR VEHICLE RENTED IN THIS STATE. GROSS RECEIPTS INCLUDE ANY
2 CHARGES RELATED TO THE RENTAL INCLUDING THOSE FOR ANCILLARY
3 OPTIONAL SERVICES SUCH AS FUEL OR DAMAGE WAIVER AND INSURANCE
4 SERVICES, BUT EXCLUDING FEES OR TAXES DUE THE STATE OR A COUNTY
5 OR MUNICIPALITY IN CONJUNCTION WITH SUCH CHARGES. GROSS RECEIPTS
6 DO NOT INCLUDE THE CONSIDERATION RECEIVED FROM A RENTER OF A
7 MOTOR VEHICLE WHO RENTS SUCH A VEHICLE DUE TO CASUALTY LOSS
8 DURING THE TIME THAT THE RENTER'S OWN MOTOR VEHICLE IS UNDERGOING
9 REPAIRS FOR THAT CASUALTY LOSS.

10 (C) "MOTOR VEHICLE" MEANS A PRIVATE PASSENGER MOTOR VEHICLE
11 OWNED OR LEASED BY THE SAME PERSON OR ENTITY AND DESIGNED TO
12 TRANSPORT 15 OR LESS PASSENGERS THAT IS RENTED WITHOUT A DRIVER
13 AND THAT IS PART OF A FLEET OF 5 OR MORE PASSENGER VEHICLES USED
14 PRIMARILY FOR RENTAL PURPOSES.

15 (D) "RENTAL COMPANY" MEANS A BUSINESS ENTITY ENGAGED IN THE
16 BUSINESS OF RENTING MOTOR VEHICLES IN THIS STATE.

17 (E) "TITLE FEES AND REGISTRATION OR AD VALOREM TAXES" MEANS
18 THE FEES AND TAXES IMPOSED ON A MOTOR VEHICLE AND THE PRIVILEGE
19 OF OPERATING A MOTOR VEHICLE UNDER THIS ACT.

20 (2) AT THE TIME A MOTOR VEHICLE IS RENTED IN THIS STATE A
21 MOTOR VEHICLE RENTAL COMPANY, AS A PART OF THE RENTAL CONTRACT,
22 SHALL COLLECT A TRANSACTION FEE EQUAL TO 2% OF THE GROSS RECEIPTS
23 PER MOTOR VEHICLE IF THE RENTAL IS FOR 31 DAYS OR LESS. THE
24 TRANSACTION FEE SHALL BE COMPUTED BEFORE THE ASSESSMENT OF ANY
25 APPLICABLE SALES OR USE TAXES AND SHALL NOT BE CONSIDERED PART OF
26 THE RENTAL RECEIPTS FOR PURPOSES OF THE GENERAL SALES TAX ACT,
27 ACT NO. 167 OF THE PUBLIC ACTS OF 1933, BEING SECTIONS 205.51 TO

1 205.78 OF THE MICHIGAN COMPILED LAWS, OR THE USE TAX ACT, ACT
2 NO. 94 OF THE PUBLIC ACTS OF 1937, BEING SECTIONS 205.91 TO
3 205.111 OF THE MICHIGAN COMPILED LAWS. FOR PURPOSES OF THIS SEC-
4 TION, A MOTOR VEHICLE IS RENTED IN THIS STATE ONLY IF PHYSICAL
5 POSSESSION OF THE MOTOR VEHICLE IS DELIVERED TO THE RENTER IN THE
6 STATE.

7 (3) THE TRANSACTION FEE SHALL BE INCLUDED ON THE RENTAL CON-
8 TRACT AND COLLECTED IN ACCORDANCE WITH THE TERMS OF THE RENTAL
9 CONTRACT. THE TRANSACTION FEE SHALL BE RETAINED BY THE RENTAL
10 COMPANY IN ACCORDANCE WITH THIS SECTION. EACH RENTAL COMPANY
11 COLLECTING AND RETAINING TRANSACTION FEES MAY FIRST REIMBURSE
12 ITSELF FROM THE FUNDS RETAINED FOR THE TOTAL AMOUNT OF TITLE FEES
13 AND REGISTRATION OR AD VALOREM TAXES PAID TO THE STATE. A RENTAL
14 COMPANY SHALL NOT REIMBURSE ITSELF FOR TITLE FEES AND REGISTRA-
15 TION OR AD VALOREM TAXES UNLESS THE RESPECTIVE AMOUNTS HAVE BEEN
16 PAID IN FULL TO THE STATE BEFORE ANY REIMBURSEMENT.

17 (4) ON OR BEFORE FEBRUARY FIFTEENTH EACH YEAR, A RENTAL COM-
18 PANY SHALL FILE A REPORT WITH THE SECRETARY OF STATE ON A FORM
19 PRESCRIBED BY HIM OR HER STATING THE TOTAL AMOUNT OF TITLE FEES
20 AND REGISTRATION OR AD VALOREM TAXES PAID BY THE RENTAL COMPANY
21 IN THE PREVIOUS YEAR. THE AMOUNT, IF ANY, BY WHICH THE TRANSAC-
22 TION FEE COLLECTIONS PROVIDED FOR UNDER THIS SECTION EXCEED THE
23 AMOUNT OF TITLE FEES AND REGISTRATION OR AD VALOREM TAXES PAID TO
24 THE STATE SHALL BE REMITTED BY THE RENTAL COMPANY TO THE STATE
25 FOR DEPOSIT IN THE GENERAL FUND.

26 (5) A PERSON WHO KNOWINGLY AND WILLFULLY MAKES A FALSE
27 STATEMENT OR MATERIAL MISREPRESENTATION TO THE SECRETARY OF STATE

1 IS GUILTY OF A MISDEMEANOR PUNISHABLE BY IMPRISONMENT FOR NOT
2 MORE THAN 90 DAYS OR A FINE OF NOT MORE THAN \$500.00 PER OCCUR-
3 RENCE, OR BOTH.