



# HOUSE BILL No. 5695

April 27, 2000, Introduced by Rep. Faunce and referred to the Committee on Family and Civil Law.

A bill to amend 1949 PA 300, entitled  
"Michigan vehicle code,"  
by amending section 401 (MCL 257.401), as amended by 1995 PA 98.

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

1       Sec. 401. (1) This section shall not be construed to limit  
2 the right of a person to bring a civil action for damages for  
3 injuries to either person or property resulting from a violation  
4 of this act by the owner or operator of a motor vehicle or his or  
5 her agent or servant. The owner of a motor vehicle is liable for  
6 an injury caused by the negligent operation of the motor vehicle  
7 whether the negligence consists of a violation of a statute of  
8 this state or the ordinary care standard required by common law.  
9 The owner is not liable unless the motor vehicle is being driven  
10 with his or her express or implied consent or knowledge. It is  
11 presumed that the motor vehicle is being driven with the

1 knowledge and consent of the owner if it is driven at the time of  
2 the injury by his or her spouse, father, mother, brother, sister,  
3 son, daughter, or other immediate member of the family.

4 (2) A person engaged in the business of leasing motor vehi-  
5 cles who is the lessor of a motor vehicle under a lease providing  
6 for the use of the motor vehicle by the lessee for a period that  
7 is greater than 30 days is not liable at common law for damages  
8 for injuries to either person or property resulting from the  
9 operation of the leased motor vehicle.

10 (3) Notwithstanding subsection (1), a person engaged in the  
11 business of leasing motor vehicles who is the lessor of a motor  
12 vehicle under a lease providing for the use of the motor vehicle  
13 by the lessee for a period of 30 days or less is liable for an  
14 injury caused by the negligent operation of the leased motor  
15 vehicle only if the injury occurred while the leased motor vehi-  
16 cle was being operated by an authorized driver under the lease  
17 agreement or by ANOTHER LICENSED DRIVER REGARDLESS OF AGE WHO IS  
18 the lessee's spouse, father, mother, brother, sister, son, daugh-  
19 ter, or other immediate family member. Unless the lessor, or his  
20 or her agent, was negligent in the leasing of the motor vehicle,  
21 the lessor's liability under this subsection is limited to  
22 \$20,000.00 because of bodily injury to or death of 1 person in  
23 any 1 accident and \$40,000.00 because of bodily injury to or  
24 death of 2 or more persons in any 1 accident.

25 (4) A person engaged in the business of leasing motor vehi-  
26 cles as provided under subsection (3) shall notify a lessee that  
27 the lessor is liable only up to the maximum amounts provided for

1 in subsection (3), and only if the leased motor vehicle was being  
2 operated by the lessee or other authorized driver or by ANOTHER  
3 LICENSED DRIVER REGARDLESS OF AGE WHO IS the lessee's spouse,  
4 father, mother, brother, sister, son, daughter, or other immedi-  
5 ate family member, and that the lessee may be liable to the  
6 lessor up to amounts provided for in subsection (3), and to an  
7 injured person for amounts awarded in excess of the maximum  
8 amounts provided for in subsection (3).

9       (5) Subsections (3) and (4) shall not be construed to expand  
10 or reduce, except as otherwise provided by this act, the liabil-  
11 ity of a person engaged in the business of leasing motor vehicles  
12 or to impair that person's right to indemnity or contribution, or  
13 both.

14       (6) As used in subsections (3), (4), and (5), "motor  
15 vehicle" means a self-propelled device by which a person or prop-  
16 erty may be transported upon a public highway. Motor vehicle  
17 does not include a bus, power shovel, road machinery, agricul-  
18 tural machinery, or other machinery or vehicle not designed pri-  
19 marily for highway transportation. Motor vehicle also does not  
20 include a device that moves upon or is guided by a track.