

GOLF CARTS: NOT "MOTOR VEHICLES" UNDER INSURANCE CODE; ALLOW ON LOCAL STREETS DURING DAYLIGHT HOURS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

Analysis available at
<http://www.legislature.mi.gov>

House Bill 5045 as enacted
Public Act 491 of 2014
Sponsor: Rep. Kevin Cotter
House Committee: Local Government
Senate Committee: Local Government and Elections

House Bill 5636 as enacted
Public Act 492 of 2014
Sponsor: Rep. Kevin Cotter
House Committee: Insurance
Senate Committee: Insurance

Complete to 2-3-15

BRIEF SUMMARY: The bills specify that golf carts are not motor vehicles under the Insurance Code, but allow licensed drivers to drive golf carts on the local streets of cities, villages, and townships below 30,000 in population, at no more than 15 miles per hour during daylight hours, if approved by local elected officials.

FISCAL IMPACT: There appears to be no significant direct fiscal impact on state or local government. House Bill 5045 is permissive for local units of government.

THE APPARENT PROBLEM:

Lake Isabella—a village of 1,700 people located in central Michigan's Isabella County—boasts a championship golf course. According to committee testimony, many residents customarily travel throughout their community, weather-permitting, via golf cart, rather than automobile.

Michigan statutes do not allow drivers to operate golf carts on local streets, where their presence together with fast-moving automobiles would cause traffic accidents. Further, golf carts are not licensed or registered as motor vehicles. Nonetheless, a spokesman for the Insurance Institute of Michigan reports that Michigan courts have awarded auto insurance no-fault benefits when golf carts and their passengers are involved in accidents on roadways—even if the carts are being illegally driven.

Legislation has been introduced to allow drivers to operate golf carts on some local streets during daylight hours, under certain conditions. However, the legislation would not recognize golf carts as "motor vehicles" for insurance purposes under the Michigan Insurance Code.

THE CONTENT OF THE BILLS:

The bills amended the Michigan Vehicle Code and the Michigan Insurance Code to allow drivers to operate golf carts during daylight on certain Michigan roadways, but to specify that under insurance law, golf carts are not motor vehicles. A more detailed description of each bill follows.

House Bill 5045

House Bill 5045 amended the Michigan Vehicle Code (MCL 257.1 et al) to allow licensed drivers to drive golf carts on the local streets of cities, villages, and townships below 30,000 in population, at no more than 15 miles per hour during daylight hours, if approved by local elected officials.

The elected officials of a village, city, or township could allow this by resolution; however, county commissioners could prevent a township resolution from taking effect.

The bill allows local officials to maintain a list of golf cart drivers and their golf carts, but would prohibit any charge for the listing.

Objection by county commissions

Under the bill, a county board of commissioners, by resolution, could disapprove the operation of golf carts on the streets of a township, if the commissioners conducted a hearing, and determined the operation of golf carts on township streets would cause *environmental damage and/or a significant concern of public safety*.

The bill requires the county board of commissioners to provide public notice of its hearing at least 45 days before it is conducted, and also to provide written notice of the hearing to the township.

Golf cart operators' responsibilities

To operate a golf cart on the street an individual must be at least 16 years old and a licensed driver.

All golf cart operators are required to comply with the signal requirements (described in Section 648) that apply to the operation of a vehicle. Further, a person operating a golf cart on a roadway must ride as near to the right side of the roadway as practicable, and to exercise due care when passing a standing or moving vehicle.

The bill prohibits golf cart drivers from operating on state trunk line highways, although a person could cross a state trunk line when operating a golf cart on a street of a village, city, or township by using the most direct line of crossing.

The bill also specifies that where a usable and designated path for golf carts is provided adjacent to a highway or street, a golf cart operator may, by local ordinance, be required to use that path.

The bill also prohibits a golf cart operator from passing between lines of traffic (although an operator could pass, in an unoccupied lane, on the left of traffic moving in his or her direction on a two-way street, or on the left or right in the case of a one-way street). A golf cart could not be operated on a sidewalk constructed for the use of pedestrians.

A golf cart could not be operated at a speed exceeding 15 miles per hour, and could operate only on a street or highway with a 30-mile per hour speed limit (except to cross that highway or street). The bill allows village, city, and township officials to designate roads (or classifications of roads) for golf cart use.

In addition, a golf cart could not be operated on the streets at night; more specifically, "during the time period from one-half hour before sunset to one-half hour after sunrise."

The bill specifies that neither golf cart drivers nor their passengers need to wear crash helmets.

Police exempt

The bill does not apply to a police officer in the performance of official duties.

Insurance

A golf cart operated on a street of a village, city, or township is not be required to be registered under the Vehicle Code for purposes of Section 3103 of the Insurance Code of 1956 (which requires motorists to carry no-fault automobile insurance).

Definition

The bill defines "golf cart" to mean a vehicle designed for transportation while playing the game of golf. A golf cart is not required to meet the vehicle safety requirements of a low-speed vehicle for approval under this section.

House Bill 5636

As introduced, the bill amended the Insurance Code (MCL 500.3101) to:

- Specify that a golf cart is not a motor vehicle under the code; and
- Specify that the term "motor vehicle" also does not apply to a motorized wheelchair, scooter, or other similar device designed to assist in the personal mobility of an individual and not for operation on a highway, and make this provision retroactive.

Golf Carts

The bill is a companion to House Bill 5045 which would amend the Vehicle Code to allow licensed drivers 16 years of age or older to operate golf carts on the local streets of cities, villages, and townships below 30,000 in population, at no more than 15 miles per hour during daylight hours, if approved by local elected officials by resolution. A county could override such a resolution by a township

Commercial Quadricycles & Power-driven Mobility Devices

After introduction, the bill was amended to also exclude a commercial quadricycle and a power-driven mobility device from the definition of "motor vehicle" for purposes of the Code's requirement to maintain auto insurance. The exclusion of a power-driven mobility device was applied retroactively.

Definitions

Under the bill, "power-driven mobility device" refers to "a wheelchair or other mobility device powered by a battery, fuel, or other engine and designed to be used by an individual with a mobility disability for the purposes of locomotion".

"Golf cart" means "a vehicle designed for transportation while playing the game of golf".

"Commercial quadricycle" means a vehicle to which all of the following apply: (1) the vehicle has fully operative pedals for propulsion entirely by human power; (2) the vehicle has at least four wheels and is operated in a manner similar to a bicycle; (3) the vehicle has at least six seats for passengers; (4) the vehicle is designed to be occupied by a driver and powered either by passengers providing pedal power to the drive train of the vehicle or by a motor capable of propelling the vehicle in the absence of human power; (5) the vehicle is used for commercial purposes; and (6) the vehicle is operated by the owner of the vehicle or an employee of the owner.

The bill also would amend the definition of "owner" to include "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". The term would not include a person who borrowed a motorcycle for less than 30 consecutive days with the consent of the owner. Where the current definition of "owner" refers to motor vehicles, the bill also would refer to motorcycles.

ARGUMENTS:

For:

The proponents of this bill said it gives local communities the option—but does not require them—to allow drivers to operate golf carts on a limited number of streets during daylight hours, if local officials so choose. Previously, no provisions existed under state law to allow adult drivers to operate a golf cart on a public roadway. This legislation gives the residents of resort communities, in particular, the ability to use their golf carts as a low-cost transportation option while traveling slowly on pathways or local roads.

Against:

A spokesperson for The Michigan Insurance Institute of Michigan—the trade association representing the state's property and casualty insurance industry—expressed concern about consumer safety, and also about benefits awarded under Michigan's no-fault automobile insurance laws. The Insurance Institute pointed-out that golf carts are not designed to navigate roadways. Further, they argued that allowing drivers to drive golf carts on roadways would increase the incidence of golf cart accidents and personal injury claims.

Response:

To address the concerns raised by the Michigan Insurance Institute, the bill sponsor introduced House Bill 5636 and tie barred it to House Bill 5045. The bills, together, allow the operation of golf carts on some local roads, but exclude golf carts from definition of "motor vehicle" under the Michigan Insurance Code. The expectation (and aim) is that this change in the Code allows operators to avoid paying insurance premiums for their golf carts (since no auto-like insurance would be required), and also allows insurers to avoid paying claims filed under Michigan's no-fault automobile laws, in the event a golf cart is in an accident.

Legislative Analysts: J. Hunault
Chris Couch
Fiscal Analyst: William Hamilton
Paul Holland

■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.