

# SENATE BILL No. 737

January 16, 2014, Introduced by Senators CASWELL and BIEDA and referred to the Committee on Regulatory Reform.

A bill to amend 1986 PA 87, entitled

"An act regarding warranties on new motor vehicles; to require certain repairs to new motor vehicles; to provide remedies for the failure to repair such vehicles; and to prescribe duties for certain state agencies,"

by amending section 1 (MCL 257.1401), as amended by 1998 PA 486.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 1. As used in this act:

2       (a) "Consumer" means 1 or more of the following:

3       (i) A person ~~who~~**THAT** purchases or leases a new motor vehicle  
4 for personal, family, or household use and not for the purpose of  
5 selling or leasing the new motor vehicle to another person.

6       (ii) A person ~~who~~**THAT** purchases or leases less than 10 new  
7 motor vehicles a year.

8       (iii) A person ~~who~~**THAT** purchases or leases 10 or more new motor

1 vehicles a year only if the vehicles are purchased or leased for  
2 personal, family, or household use.

3 (iv) Any other person **THAT IS** entitled to enforce the  
4 provisions of an express warranty ~~pursuant to~~ **UNDER** the terms of  
5 that warranty.

6 (b) "Lessee" means a person ~~who,~~ **THAT**, under a lease, acquires  
7 the right to possession and use of a new motor vehicle.

8 (c) "Lessor" means a person ~~who,~~ **THAT**, under a lease,  
9 transfers the right to possession and use of a new motor vehicle.

10 (d) "Manufacturer" means a person ~~who~~ **THAT** manufactures,  
11 assembles, or is a distributor of new motor vehicles. ~~and~~ **THE TERM**  
12 includes an agent of a manufacturer but does not include a new  
13 motor vehicle dealer.

14 (e) "Manufacturer's express warranty" means an express  
15 warranty as determined under the uniform commercial code, 1962 PA  
16 174, MCL 440.1101 to ~~440.11102,~~ **440.9994**, offered by the  
17 manufacturer on a new motor vehicle.

18 (f) "Motor vehicle" means a motor vehicle as defined in  
19 section 33 of the Michigan vehicle code, 1949 PA 300, MCL 257.33,  
20 that is designed as a passenger vehicle ~~,~~ or sport utility vehicle.  
21 ~~, but~~ **THE TERM** does not include a ~~motor home,~~ bus, truck other than  
22 a pickup truck or van, or a vehicle designed to travel on less than  
23 4 wheels. **THE TERM DOES NOT INCLUDE A MOTOR HOME, BUT THE TERM DOES**  
24 **INCLUDE A TRUCK OR BUS CHASSIS, OR OTHER SELF-PROPELLED MOTOR**  
25 **VEHICLE CHASSIS, ON WHICH A MOTOR HOME IS BUILT.**

26 (g) "New motor vehicle" means a motor vehicle that is  
27 purchased or leased in this state or purchased or leased by a

1 resident of this state and is covered by a manufacturer's express  
2 warranty at the time of purchase or lease.

3 (h) "New motor vehicle dealer" means a person or that person's  
4 agent ~~who~~**THAT** holds a dealer agreement for the sale of new motor  
5 vehicles, ~~who~~**THAT** is engaged in the business of purchasing,  
6 leasing, selling, exchanging, or dealing in new motor vehicles, and  
7 ~~who~~**THAT** has an established place of business in this state.

8 (i) "Person" means ~~a natural person,~~**AN INDIVIDUAL**, a sole  
9 proprietorship, partnership, corporation, association, unit or  
10 agency of government, trust, estate, or other legal entity.

11 (j) "Resident of this state" means as follows:

12 (i) For an individual, an individual who is a legal resident of  
13 this state.

14 (ii) For a sole proprietorship or partnership, a sole  
15 proprietorship or partnership created ~~pursuant to~~**UNDER** the laws of  
16 this state and its main office is located in this state.

17 (iii) For a corporation, a corporation that is a domestic  
18 corporation and was created under the laws of this state.

19 (iv) For an association, an association created ~~pursuant to~~  
20 **UNDER** the laws of this state and its main office is located in this  
21 state.

22 (v) For a unit or agency of government, a unit or agency of  
23 government located in this state.

24 (vi) For a trust, estate, or other legal entity, a trust,  
25 estate, or other legal entity created ~~pursuant to~~**UNDER** the laws of  
26 this state and that is located in this state.

27 (k) "Lease price" means the actual vehicle sales price paid by

1 the lessor. ~~including~~ **THE TERM INCLUDES** any cash payment by the  
2 consumer and the sum equal to any allowance for any trade-in but  
3 excludes debt from any other transaction as well as any  
4 manufacturer to consumer discount, rebate, or incentive appearing  
5 in the agreement or contract that the consumer received or that was  
6 applied to reduce the purchase or lease cost. Additionally, any  
7 sales tax, license and registration fees, and similar government  
8 charges **THAT ARE** not included elsewhere **AND ARE** paid by the lessor  
9 on behalf of the lessee are included as a part of lease price.

10 (l) "Purchase price" means the actual vehicle sales price  
11 listed on the buyer's order. ~~including~~ **THE TERM INCLUDES** any cash  
12 payment by the consumer and the sum equal to any allowance for any  
13 trade-in but excludes debt from any other transaction as well as  
14 any manufacturer to consumer discount, rebate, or incentive  
15 appearing in the agreement or contract that the consumer received  
16 or that was applied to reduce the purchase cost. Additionally, any  
17 sales tax, license and registration fees, and similar government  
18 charges **THAT ARE** not included elsewhere **AND ARE** paid by the  
19 consumer are included as a part of purchase price.