

SENATE BILL NO. 561

June 23, 2021, Introduced by Senator IRWIN and referred to the Committee on Transportation and Infrastructure.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 3101 (MCL 500.3101), as amended by 2019 PA 21.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3101. (1) Except as provided in sections 3107d and 3109a,
2 the owner or registrant of a motor vehicle required to be
3 registered in this state shall maintain security for payment of
4 benefits under personal protection insurance and property
5 protection insurance as required under this chapter, and residual
6 liability insurance. Security is only required to be in effect

1 during the period the motor vehicle is driven or moved on a
2 highway.

3 (2) Except as provided in section 3107d, all automobile
4 insurance policies offered in this state must include benefits
5 under personal protection insurance, and property protection
6 insurance as provided in this chapter, and residual liability
7 insurance. Notwithstanding any other provision in this act, an
8 insurer that has issued an automobile insurance policy may only
9 delete portions of the coverages under the policy and maintain the
10 comprehensive coverage portion on a motor vehicle that is not
11 driven or moved on a highway in accordance with section 3009(4).

12 (3) As used in this chapter:

13 (a) "Automobile insurance" means that term as defined in
14 section 2102.

15 (b) "Commercial quadricycle" means a vehicle to which all of
16 the following apply:

17 (i) The vehicle has fully operative pedals for propulsion
18 entirely by human power.

19 (ii) The vehicle has at least 4 wheels and is operated in a
20 manner similar to a bicycle.

21 (iii) The vehicle has at least 6 seats for passengers.

22 (iv) The vehicle is designed to be occupied by a driver and
23 powered either by passengers providing pedal power to the drive
24 train of the vehicle or by a motor capable of propelling the
25 vehicle in the absence of human power.

26 (v) The vehicle is used for commercial purposes.

27 (vi) The vehicle is operated by the owner of the vehicle or an
28 employee of the owner of the vehicle.

29 (c) "Electric bicycle" means that term as defined in section

1 13e of the Michigan vehicle code, 1949 PA 300, MCL 257.13e.

2 (d) "Golf cart" means a vehicle designed for transportation
3 while playing the game of golf.

4 (e) "Highway" means highway or street as that term is defined
5 in section 20 of the Michigan vehicle code, 1949 PA 300, MCL
6 257.20.

7 (f) "Moped" means that term as defined in section 32b of the
8 Michigan vehicle code, 1949 PA 300, MCL 257.32b.

9 (g) "Motorcycle" means a vehicle that has a saddle or seat for
10 the use of the rider, is designed to travel on not more than 3
11 wheels in contact with the ground, and is equipped with a motor
12 that exceeds 50 cubic centimeters piston displacement. For purposes
13 of this subdivision, the wheels on any attachment to the vehicle
14 are not considered as wheels in contact with the ground. Motorcycle
15 does not include a moped or an ORV.

16 (h) "Motorcycle accident" means a loss that involves the
17 ownership, operation, maintenance, or use of a motorcycle as a
18 motorcycle, but does not involve the ownership, operation,
19 maintenance, or use of a motor vehicle as a motor vehicle.

20 (i) "Motor vehicle" means a vehicle, including a trailer, that
21 is operated or designed for operation on a public highway by power
22 other than muscular power and has more than 2 wheels. Motor vehicle
23 does not include any of the following:

24 (i) A motorcycle.

25 (ii) A moped.

26 (iii) A farm tractor or other implement of husbandry that is not
27 subject to the registration requirements of the Michigan vehicle
28 code under section 216 of the Michigan vehicle code, 1949 PA 300,
29 MCL 257.216.

1 (iv) An ORV.

2 (v) A golf cart.

3 (vi) A power-driven mobility device.

4 (vii) A commercial quadricycle.

5 (viii) An electric bicycle.

6 **(ix) An automated delivery device, as that term is defined in**
7 **section 2b of the Michigan vehicle code, 1949 PA 300, MCL 257.2b.**

8 (j) "Motor vehicle accident" means a loss that involves the
9 ownership, operation, maintenance, or use of a motor vehicle as a
10 motor vehicle regardless of whether the accident also involves the
11 ownership, operation, maintenance, or use of a motorcycle as a
12 motorcycle.

13 (k) "ORV" means a motor-driven recreation vehicle designed for
14 off-road use and capable of cross-country travel without benefit of
15 road or trail, on or immediately over land, snow, ice, marsh,
16 swampland, or other natural terrain. ORV includes, but is not
17 limited to, a multitrack or multiwheel drive vehicle, a motorcycle
18 or related 2-wheel, 3-wheel, or 4-wheel vehicle, an amphibious
19 machine, a ground effect air cushion vehicle, an ATV as defined in
20 section 81101 of the natural resources and environmental protection
21 act, 1994 PA 451, MCL 324.81101, or other means of transportation
22 deriving motive power from a source other than muscle or wind. ORV
23 does not include a vehicle described in this subdivision that is
24 registered for use on a public highway and has the security
25 required under subsection (1) or section 3103 in effect.

26 (l) "Owner" means any of the following:

27 (i) A person renting a motor vehicle or having the use of a
28 motor vehicle, under a lease or otherwise, for a period that is
29 greater than 30 days.

1 (ii) A person renting a motorcycle or having the use of a
2 motorcycle under a lease for a period that is greater than 30 days,
3 or otherwise for a period that is greater than 30 consecutive days.
4 A person who borrows a motorcycle for a period that is less than 30
5 consecutive days with the consent of the owner is not an owner
6 under this subparagraph.

7 (iii) A person that holds the legal title to a motor vehicle or
8 motorcycle, other than a person engaged in the business of leasing
9 motor vehicles or motorcycles that is the lessor of a motor vehicle
10 or motorcycle under a lease that provides for the use of the motor
11 vehicle or motorcycle by the lessee for a period that is greater
12 than 30 days.

13 (iv) A person that has the immediate right of possession of a
14 motor vehicle or motorcycle under an installment sale contract.

15 (m) "Power-driven mobility device" means a wheelchair or other
16 mobility device powered by a battery, fuel, or other engine and
17 designed to be used by an individual with a mobility disability for
18 the purpose of locomotion.

19 (n) "Registrant" does not include a person engaged in the
20 business of leasing motor vehicles or motorcycles that is the
21 lessor of a motor vehicle or motorcycle under a lease that provides
22 for the use of the motor vehicle or motorcycle by the lessee for a
23 period that is longer than 30 days.

24 (4) Security required by subsection (1) may be provided under
25 a policy issued by an authorized insurer that affords insurance for
26 the payment of benefits described in subsection (1). A policy of
27 insurance represented or sold as providing security is considered
28 to provide insurance for the payment of the benefits.

29 (5) Security required by subsection (1) may be provided by any

1 other method approved by the secretary of state as affording
2 security equivalent to that afforded by a policy of insurance, if
3 proof of the security is filed and continuously maintained with the
4 secretary of state throughout the period the motor vehicle is
5 driven or moved on a highway. The person filing the security has
6 all the obligations and rights of an insurer under this chapter.
7 When the context permits, "insurer" as used in this chapter,
8 includes a person that files the security as provided in this
9 section.

10 (6) An insurer that issues a policy that provides the security
11 required under subsection (1) may exclude coverage under the policy
12 as provided in section 3017.

13 Enacting section 1. This amendatory act does not take effect
14 unless Senate Bill No. 560 of the 101st Legislature is enacted into
15 law.