

**SENATE BILL NO. 669**

June 17, 1999, Introduced by Senator MC MANUS and referred to the Committee on Transportation and Tourism.

A bill to amend 1949 PA 300, entitled "Michigan vehicle code," (MCL 257.1 to 257.923) by amending the title, as amended by 1991 PA 98, and by adding section 831.

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

**1** TITLE

**2** An act to provide for the registration, titling, sale,  
**3** transfer, and regulation of certain vehicles operated upon the  
**4** public highways of this state or any other place open to the gen-  
**5** eral public or generally accessible to motor vehicles and dis-  
**6** tressed vehicles; to provide for the licensing of dealers; to  
**7** provide for the examination, licensing, and control of operators  
**8** and chauffeurs; to provide for the giving of proof of financial  
**9** responsibility and security by owners and operators of vehicles;  
**10** to provide for the imposition, levy, and collection of specific

1 taxes on vehicles, and the levy and collection of sales and use  
2 taxes, license fees, ~~and~~ permit fees, AND CERTAIN OTHER FEES ON  
3 THE USE OF CERTAIN VEHICLES; to provide for the regulation and  
4 use of streets and highways; to create certain funds; to provide  
5 penalties and sanctions for a violation of this act; to provide  
6 for civil liability of owners and operators of vehicles and serv-  
7 ice of process on residents and nonresidents; to provide for the  
8 levy of certain assessments; to provide for the enforcement of  
9 this act; to provide for the creation of and to prescribe the  
10 powers and duties of certain state and local agencies; to repeal  
11 all other acts or parts of acts inconsistent with this act or  
12 contrary to this act; and to repeal certain parts of this act on  
13 a specific date.

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

15 (A) "GROSS RECEIPTS" MEANS THE TOTAL AMOUNT OF CONSIDERATION  
16 PAID TO A MOTOR VEHICLE RENTAL COMPANY SOLELY FOR THE RENTAL OF A  
17 MOTOR VEHICLE IN THIS STATE. GROSS RECEIPTS INCLUDE ANY CHARGES  
18 RELATED TO THE RENTAL, INCLUDING THOSE FOR ANCILLARY OPTIONAL  
19 SERVICES SUCH AS FUEL OR DAMAGE WAIVER AND INSURANCE SERVICES,  
20 BUT EXCLUDING FEES OR TAXES DUE THE STATE OR A COUNTY OR MUNICI-  
21 PALITY IN CONJUNCTION WITH SUCH CHARGES.

22 (B) "MOTOR VEHICLE" MEANS A PRIVATE PASSENGER MOTOR VEHICLE  
23 DESIGNED TO TRANSPORT 15 OR FEWER PASSENGERS, TRUCK, OR SEMI-  
24 TRAILER THAT IS RENTED OR OFFERED FOR RENTAL WITHOUT A DRIVER AND  
25 THAT IS PART OF A FLEET OF 5 OR MORE MOTOR VEHICLES USED PRIMAR-  
26 ILY FOR RENTAL PURPOSES, BUT EXCLUDING TRUCKS USED TO TRANSPORT  
27 COMMERCIAL FREIGHT OR AGRICULTURAL PRODUCTS.

1 (C) "TITLE FEES AND THE REGISTRATION OR AD VALOREM TAXES"  
2 MEANS THE FEES AND TAXES IMPOSED ON A MOTOR VEHICLE FOR THE PRIV-  
3 ILEGE OF OPERATING A MOTOR VEHICLE UNDER THIS ACT.

4 (2) AT THE TIME A MOTOR VEHICLE IS RENTED IN THIS STATE, A  
5 MOTOR VEHICLE RENTAL COMPANY, AS A PART OF THE RENTAL CONTRACT,  
6 SHALL COLLECT A TRANSACTION FEE IF THE RENTAL IS FOR 31 DAYS OR  
7 LESS. THE TRANSACTION FEE SHALL BE COMPUTED BEFORE THE ASSESS-  
8 MENT OF ANY APPLICABLE SALES OR USE TAXES AND SHALL NOT BE CON-  
9 SIDERED PART OF THE GROSS RECEIPTS FOR PURPOSES OF THE GENERAL  
10 SALES TAX ACT, 1933 PA 167, MCL 205.51 TO 205.78, OR THE USE TAX  
11 ACT, 1937 PA 94, MCL 205.91 TO 205.111.

12 (3) THE AMOUNT OF THE TRANSACTION FEE SHALL BE COMPUTED BY  
13 THE MOTOR VEHICLE RENTAL COMPANY BY DIVIDING THE TITLE FEES AND  
14 THE REGISTRATION OR AD VALOREM TAXES ACTUALLY PAID BY THE MOTOR  
15 VEHICLE RENTAL COMPANY TO THE STATE FOR THE PRECEDING CALENDAR  
16 YEAR BY THE ESTIMATED NUMBER OF RENTAL DAYS IN THE CURRENT CALEN-  
17 DAR YEAR TO CALCULATE THE DAILY TRANSACTION FEE TO BE IMPOSED.  
18 THE MOTOR VEHICLE RENTAL COMPANY MAY ADJUST THE AMOUNT OF THE  
19 TRANSACTION FEE TO ENSURE THAT ONLY AN AMOUNT EQUAL TO THE TITLE  
20 FEES AND THE REGISTRATION OR AD VALOREM TAXES ACTUALLY PAID FOR  
21 THE PRECEDING CALENDAR YEAR IS COLLECTED.

22 (4) FOR PURPOSES OF THIS SECTION, A MOTOR VEHICLE IS RENTED  
23 IN THIS STATE ONLY IF PHYSICAL POSSESSION OF THE MOTOR VEHICLE IS  
24 DELIVERED TO THE RENTER IN THIS STATE.