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House Bill 5174 (Substitute H-1 as reported without amendment)

Sponsor: Representative Gino Polidori

House Committee: Military and Veterans Affairs and Homeland Security

Senate Committee: Senior Citizens and Veterans Affairs

### **CONTENT**

The bill would create the "Military Personnel Motor Vehicle Leasing Act" to do all of the following:

- Allow a service member who was deployed on active duty for at least 180 days, or the service member's spouse, to terminate any motor vehicle lease that was entered into on or after the bill's effective date and was executed by or on behalf of the service member as a lessee before the service member was deployed on active duty.
- Provide for termination to be effective when the lessor was notified of the intention to terminate and given a copy of the orders calling the service member to active duty, and the vehicle was returned within 15 days after the delivery of the written notice.
- Require a lessee who terminated a lease under the bill to pay any past due lease payments owed on the effective date of termination as well as taxes, court costs, title or registration fees, and any other obligations or liabilities under the terms of the lease, but prohibit the lessor from imposing an early termination charge.
- Authorize a lessor to bring a civil action, before the effective date of a lease termination, to obtain equitable relief from the lessor's obligations.
- Authorize the Attorney General to file a civil action for a violation of the bill, and allow the court to order a maximum civil fine of \$1,000 per violation.
- Require money recovered under the bill to be deposited in the Military Family Relief Fund.

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill would have no fiscal impact on the judiciary. Any civil fines collected under the bill would be deposited into the Military Family Relief Fund created to provide grants to military families in need of financial assistance. The amount of revenue to the Fund would depend on the number of enforcement actions. Currently, the Military Family Relief Fund is funded primarily by donations via a check-off on the Michigan income tax return. Since its beginning in tax year 2004, the Fund has received donations totaling \$2,577,000.

Date Completed: 5-1-08

Fiscal Analyst: Stephanie Yu