

Legislative Analysis



SUBSCRIPTION SERVICES

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

House Bill 6191 (H-1) as referred to second committee
Sponsor: Rep. Jason M. Sheppard
1st Committee: Regulatory Reform
2nd Committee: Ways and Means
Complete to 9-22-20

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

SUMMARY:

House Bill 6191 would amend the Motor Vehicle Sales Finance Act to allow a *subscription service* to be included in a vehicle installment sales contract.

Subscription service would mean any service related to a motor vehicle or the motor vehicle financing that a buyer agrees to purchase, including autonomous vehicle software programs, navigation services, and safety services, and any updates.

MCL 492.102, 492.113, and 492.118

BRIEF DISCUSSION:

Technological advances in car safety, such as autonomous vehicles or software to improve navigation or signal a driver if another vehicle is too close, are highly valued by consumers. However, these features can add a significant cost to the base price of a vehicle, and many car buyers may need to pay for them over the life of the vehicle loan. It has been suggested that the law pertaining to installment sale contracts for vehicle loans be amended to allow the cash price of any subscription service to be included as part of the cash price of the vehicle when the latter is listed in an installment sales contract.

FISCAL IMPACT:

The bill would have no fiscal impact on the state or local units of government.

POSITIONS:

Representatives of General Motors/GM Financial testified in support of the bill. (9-10-16)

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