

**SUBSTITUTE FOR  
SENATE BILL NO. 837**

A bill to amend 1949 PA 300, entitled  
"Michigan vehicle code,"  
by amending section 320d (MCL 257.320d), as amended by 2012 PA 498.

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

1       Sec. 320d. (1) Notwithstanding section 320a, the secretary of  
2 state shall not enter the points corresponding to a moving  
3 violation committed in this state by an individual the secretary of  
4 state determines to be eligible under this section on the  
5 individual's driving record or make information concerning that  
6 violation available to any insurance company if the individual  
7 attends and successfully completes a basic driver improvement  
8 course under this section and an approved sponsor provides a  
9 certificate of successful completion of that course to the

1 secretary of state not more than 60 days after the date on which  
2 the secretary of state notified the individual that he or she was  
3 eligible to take a basic driver improvement course.

4 (2) The secretary of state shall determine if an individual is  
5 eligible under subsection (3) to attend a basic driver improvement  
6 course upon receipt of an abstract of a moving violation. If the  
7 secretary of state determines that an individual is eligible to  
8 attend a basic driver improvement course, the secretary of state  
9 shall do all of the following:

10 (a) Notify the individual of his or her eligibility by first-  
11 class mail at the individual's last known address as indicated on  
12 the individual's operator's or chauffeur's license and inform the  
13 individual of the manner and time within which the individual is  
14 required to attend and complete a basic driver improvement course.

15 (b) Provide all eligible participants with information on how  
16 to access a list of approved sponsors and basic driver improvement  
17 course locations, including the secretary of state's website  
18 address and telephone number to call for more information.

19 (c) If an approved sponsor does not provide notice of  
20 successful completion of the course by the individual within the  
21 time prescribed in subsection (1), the secretary of state shall  
22 enter the points required under section 320a.

23 (3) An individual is ineligible to take a basic driver  
24 improvement course if any of the following apply:

25 (a) The violation occurred while the individual was operating  
26 a commercial motor vehicle or was licensed as a commercial driver  
27 while operating a noncommercial motor vehicle.

1 (b) The violation is a criminal offense.

2 (c) The violation is a violation for which 4 or more points  
3 may be assessed under section 320a.

4 (d) The violation is a violation of section 626b, 627(9),  
5 627a, or 682.

6 (e) The individual was cited for more than 1 moving violation  
7 arising from the same incident.

8 (f) The individual's license was suspended under section  
9 321a(2) in connection with the violation.

10 (g) The individual ~~previously~~ successfully completed a basic  
11 driver improvement course, **AND THE DATE OF SUCCESSFUL COMPLETION**  
12 **OCCURRED WITHIN THE IMMEDIATELY PRECEDING 3 YEARS.**

13 (h) The individual has 3 or more points on his or her driving  
14 record.

15 (i) The individual's operator's or chauffeur's license is  
16 restricted, suspended, or revoked, or the individual was not issued  
17 an operator's or chauffeur's license.

18 (4) The individual is not eligible to take a driver  
19 improvement course for a second or subsequent violation an  
20 individual receives within the time allowed under subsection (1).

21 (5) The secretary of state shall maintain a computerized  
22 database of the following:

23 (a) Individuals who have attended a basic driver improvement  
24 course.

25 (b) Individuals who have successfully completed a basic driver  
26 improvement course.

27 (6) The database maintained under subsection (5) shall only be

1 used for determining eligibility under subsections (3) and (4). The  
2 secretary of state shall only make the information contained in the  
3 database available to approved sponsors under subsection (10).  
4 Information in this database concerning an individual shall be  
5 maintained for the life of that individual.

6 (7) An individual shall be charged a fee of not more than  
7 \$100.00 by an approved sponsor to participate in a basic driver  
8 improvement course and, if applicable, to obtain a certificate in a  
9 form as approved by the secretary of state demonstrating that he or  
10 she successfully completed the course. An approved sponsor shall  
11 remit a portion of the fee, as determined annually by the secretary  
12 of state, to cover the costs of implementing and administering this  
13 course program.

14 (8) Fees remitted to the department under subsection (7) by an  
15 approved sponsor shall be credited to the basic driver improvement  
16 course fund created under subsection (9).

17 (9) The basic driver improvement course fund is created within  
18 the state treasury. The state treasurer may receive money or other  
19 assets from any source for deposit into the fund. The state  
20 treasurer shall direct the investment of the fund. Money in the  
21 fund at the close of the fiscal year shall remain in the fund and  
22 shall not lapse to the general fund. The secretary of state shall  
23 be the administrator of the fund for auditing purposes. The  
24 secretary of state shall expend money from the fund, upon  
25 appropriation, only to pay the costs of administering this section.

26 (10) An approved sponsor shall ~~conduct a study of the effect,~~  
27 ~~if any, that the successful completion of its basic driver~~

~~improvement course has on reducing collisions, moving violations, or both for students completing its course in this state. An approved sponsor shall conduct this study every 5 years on each of the course delivery modalities employed by the approved sponsor. The secretary of state shall make all of the following information available to the approved sponsor for that purpose, subject to applicable state and federal laws governing the release of information.~~

~~—— (a) The number of individuals who successfully complete a basic driver improvement course under this section.~~

~~—— (b) The number of individuals who are eligible to take a basic driver improvement course under this section but who do not successfully complete that course.~~

~~—— (c) The number and type of moving violations committed by individuals after successfully completing a basic driver improvement course under this section in comparison to the number and type of moving violations committed by individuals who have not taken a basic driver improvement course.~~

**MAINTAIN ALL OF THE  
FOLLOWING RECORDS FOR EACH CUSTOMER:**

**(A) THE STUDENT'S NAME.**

**(B) THE STUDENT'S OPERATOR'S LICENSE NUMBER.**

**(C) THE AMOUNT PAID TO THE SPONSOR BY THE STUDENT.**

**(D) THE FIRST AND LAST DATES OF THE STUDENT'S COURSE**

**PARTICIPATION.**

**(E) WHETHER THE STUDENT PASSED OR FAILED THE COURSE.**

**(11) AN APPROVED SPONSOR SHALL RETAIN THE RECORDS DESCRIBED IN SUBSECTION (10) FOR 2 YEARS. AN APPROVED SPONSOR SHALL MAINTAIN THE**

1 RECORDS DESCRIBED IN SUBSECTION (10) AND MAKE THEM AVAILABLE FOR  
2 INSPECTION AT ITS PLACE OF BUSINESS IN THIS STATE OR, IF THE  
3 APPROVED SPONSOR DOES NOT HAVE A PLACE OF BUSINESS IN THIS STATE,  
4 AT THE SECRETARY OF STATE'S OFFICE IN LANSING. THE SECRETARY OF  
5 STATE MAY IMPOSE 1 OR MORE OF THE SANCTIONS DESCRIBED IN SUBSECTION  
6 (17) UPON AN APPROVED SPONSOR THAT DOES NOT COMPLY WITH THIS  
7 SUBSECTION.

8 (12) ~~(11) The secretary of state shall report on the findings~~  
9 ~~of all studies conducted under subsection (10) to the standing~~  
10 ~~committees of the house of representatives and senate on~~  
11 ~~transportation issues.~~ A SPONSOR SHALL REGISTER WITH THE  
12 CORPORATIONS DIVISION OF THE DEPARTMENT OF LICENSING AND REGULATORY  
13 AFFAIRS.

14 (13) ~~(12)~~ The secretary of state shall approve basic driver  
15 improvement course sponsors, and enter into an agreement with  
16 approved sponsors, if the basic driver improvement course offered  
17 by that sponsor satisfies the requirements listed in section 3a AND  
18 SUBSECTION (12).

19 (14) ~~(13)~~ A sponsor seeking to be an approved sponsor shall  
20 submit to the secretary of state an application on a form  
21 prescribed by the secretary of state along with a properly executed  
22 security bond in the principal sum of \$20,000.00 with good and  
23 sufficient surety. Every sponsor that is an approved sponsor on the  
24 effective date of the amendatory act that added this subsection  
25 also shall submit to the secretary of state a security bond  
26 described in this subsection. The bond shall indemnify or reimburse  
27 the secretary of state or an individual taking the sponsor's basic

1 driver improvement course for monetary loss caused through fraud,  
2 cheating, or misrepresentation in the conduct of the sponsor's  
3 business where the fraud, cheating, or misrepresentation was made  
4 by the sponsor or by an employee, agent, instructor, or salesperson  
5 of the sponsor. The surety shall make indemnification or  
6 reimbursement for a monetary loss only after judgment based on  
7 fraud, cheating, or misrepresentation has been entered in a court  
8 of record against the sponsor. The aggregate liability of the  
9 surety shall not exceed the sum of the bond. The surety on the bond  
10 may cancel the bond by giving 30 days' written or electronic notice  
11 to the secretary of state and after giving notice is not liable for  
12 a breach of condition occurring after the effective date of the  
13 cancellation.

14 (15) ~~(14)~~—An approved sponsor shall not engage in a deceptive  
15 or unconscionable method, act, or practice, including, but not  
16 limited to, all of the following:

17 (a) Using, adopting, or conducting business under a name that  
18 is the same as, like, or deceptively similar to the name of another  
19 approved sponsor.

20 (b) Except as otherwise provided in this subsection, using the  
21 words "state", "government", "municipal", "city", or "county" as  
22 part of the name of the approved sponsor.

23 (c) Advertising, representing, or implying that an approved  
24 sponsor is supervised, recommended, or endorsed by, or affiliated  
25 or associated with, or employed by, or an agent or representative  
26 of this state, the secretary of state, or a bureau of the secretary  
27 of state.

1 (d) Advertising or publicizing under a name other than the  
2 approved sponsor's full business name as identified on the  
3 sponsor's application to be an approved sponsor.

4 (e) Advertising that the sponsor is open for business before  
5 the sponsor becomes an approved sponsor.

6 (f) Soliciting business on the premises of any facility  
7 rented, leased, owned, or used by the secretary of state.

8 (g) Misrepresenting the quantity or quality of the instruction  
9 provided by, or the requirements for, a basic driver improvement  
10 course.

11 (h) Failing to promptly restore any deposit, down payment, or  
12 other payment that a person is entitled to after an agreement is  
13 rescinded, canceled, or otherwise terminated as required under the  
14 agreement or applicable law.

15 (i) Taking advantage of a student's or potential student's  
16 inability to reasonably protect his or her interest because of a  
17 disability, illiteracy, or inability to understand the language of  
18 an agreement, if the sponsor knows or reasonably should have known  
19 of the student's or potential student's inability.

20 (j) Failing to honor a term of an agreement.

21 (k) Falsifying a document, agreement, record, report, or  
22 certificate associated with a basic driver improvement course.

23 **(16)** ~~(15)~~ Except as otherwise provided in this act, the  
24 secretary of state may impose 1 or more of the sanctions listed  
25 under subsection ~~(16)~~ **(17)** if the secretary of state determines  
26 that an approved sponsor did 1 or more of the following:

27 (a) Failed to meet a requirement under this act or an



1 agreement established under this act.

2 (b) Violated this act or an agreement established under this  
3 act.

4 (c) Made an untrue or misleading statement of a material fact  
5 to the secretary of state or concealed a material fact in  
6 connection with an application or record under this act.

7 (d) Permitted fraud or engaged in a fraudulent method, act, or  
8 practice in connection with a basic driver improvement course, or  
9 induced or countenanced fraud or a fraudulent method, act, or  
10 practice in connection with a basic driver improvement course.

11 (e) Engaged in an unfair or deceptive method, act, or practice  
12 or made an untrue statement of a material fact.

13 (f) Violated a suspension or an order issued under this act.

14 (g) Failed to maintain good moral character as defined and  
15 determined under 1974 PA 381, MCL 338.41 to 338.47, in connection  
16 with its business operations.

17 (17) ~~(16)~~ After the secretary of state determines that an  
18 approved sponsor committed a violation listed in subsection ~~(15)~~,  
19 (11) OR (16), the secretary of state may impose upon the approved  
20 sponsor 1 or more of the following sanctions:

21 (a) Denial of an application for approval as a basic driver  
22 improvement course sponsor.

23 (b) Suspension or revocation of the approval of an approved  
24 sponsor.

25 (c) A requirement to take the affirmative action determined  
26 necessary by the secretary of state, including, but not limited to,  
27 payment of restitution to a student or to an injured person.

1           **(18)** ~~(17)~~—As used in this section, "approved sponsor" means a  
2 sponsor of a basic driver improvement course that is approved by  
3 the secretary of state under subsection ~~(12)~~—**(13)** and whose  
4 approved status is not suspended or revoked under subsection  
5 ~~(16)~~—**(17)**.

6           Enacting section 1. This amendatory act takes effect 1 year  
7 after the date it is enacted into law.