

HOUSE BILL No. 5855

May 20, 1992, Introduced by Reps. DeBeaussaert, Dobronski, Byrum, Pitoniak, Mathieu, Jonker, Emerson, Scott, Porreca, Bennane, Profit, Brown, Sikkema, Palamara, Weeks and Bartnik and referred to the Committee on Insurance,

A bill to amend Act No. 218 of the Public Acts of 1956, entitled as amended
"The insurance code of 1956,"
as amended, being sections 500.100 to 500.8302 of the Michigan Compiled Laws, by adding chapter 61.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 218 of the Public Acts of 1956, as
2 amended, being sections 500.100 to 500.8302 of the Michigan
3 Compiled Laws, is amended by adding chapter 61 to read as
4 follows:

CHAPTER 61

AUTOMOBILE THEFT PREVENTION AUTHORITY

SEC. 6101. AS USED IN THIS CHAPTER:

8 (A) "AUTHORITY" MEANS THE AUTOMOBILE THEFT PREVENTION
9 AUTHORITY.

1 (B) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE AUTOMOBILE
2 THEFT PREVENTION AUTHORITY.

3 (C) "ECONOMIC AUTOMOBILE THEFT" MEANS AUTOMOBILE THEFT PER-
4 PETRATED FOR FINANCIAL GAIN.

5 SEC. 6103. (1) THERE IS HEREBY CREATED A PUBLIC BODY CORPO-
6 RATE AND POLITIC TO BE KNOWN AS THE AUTOMOBILE THEFT PREVENTION
7 AUTHORITY.

8 (2) THE PURPOSES, POWERS, AND DUTIES OF THE AUTHORITY SHALL
9 BE VESTED IN AND EXERCISED BY A BOARD OF DIRECTORS.

10 (3) THE BOARD OF DIRECTORS SHALL CONSIST OF 7 MEMBERS,
11 APPOINTED BY THE GOVERNOR, WITH THE ADVICE AND CONSENT OF THE
12 SENATE, 2 OF WHOM SHALL BE REPRESENTATIVE OF PURCHASERS OF AUTO-
13 MOBILE INSURANCE IN THIS STATE, 2 OF WHOM SHALL BE REPRESENTATIVE
14 OF AUTOMOBILE INSURERS DOING BUSINESS IN THIS STATE, 2 OF WHOM
15 SHALL BE REPRESENTATIVE OF LAW ENFORCEMENT OFFICIALS IN THIS
16 STATE, AND 1 OF WHOM SHALL BE THE DIRECTOR OF THE DEPARTMENT OF
17 STATE POLICE OR HIS OR HER DESIGNEE. THE GOVERNOR SHALL DESIG-
18 NATE 1 MEMBER TO SERVE AS THE CHAIRPERSON OF THE AUTHORITY.

19 (4) MEMBERS OF THE BOARD SHALL SERVE FOR A TERM OF 4 YEARS.

20 (5) MEMBERS OF THE BOARD SHALL SERVE WITHOUT COMPENSATION
21 FOR THEIR MEMBERSHIP ON THE BOARD, EXCEPT THAT MEMBERS OF THE
22 BOARD SHALL RECEIVE REASONABLE REIMBURSEMENT FOR NECESSARY TRAVEL
23 AND EXPENSES.

24 (6) A MAJORITY OF THE MEMBERS OF THE BOARD SHALL CONSTITUTE
25 A QUORUM FOR THE TRANSACTION OF BUSINESS AT A MEETING, OR THE
26 EXERCISE OF A POWER OR FUNCTION OF THE AUTHORITY, NOTWITHSTANDING
27 THE EXISTENCE OF 1 OR MORE VACANCIES. NOTWITHSTANDING ANY OTHER

1 PROVISION OF LAW, ACTION MAY BE TAKEN BY THE AUTHORITY AT A
2 MEETING UPON A VOTE OF THE MAJORITY OF ITS MEMBERS PRESENT IN
3 PERSON OR THROUGH THE USE OF AMPLIFIED TELEPHONIC EQUIPMENT, IF
4 AUTHORIZED BY THE BYLAWS OF THE BOARD. THE AUTHORITY SHALL MEET
5 AT THE CALL OF THE CHAIR OR AS MAY BE PROVIDED IN THE BYLAWS OF
6 THE AUTHORITY. MEETINGS OF THE AUTHORITY MAY BE HELD ANYWHERE
7 WITHIN THE STATE OF MICHIGAN.

8 (7) THE AUTHORITY SHALL BE WITHIN THE DEPARTMENT OF STATE
9 POLICE AND SHALL EXERCISE ITS PRESCRIBED STATUTORY POWERS,
10 DUTIES, AND FUNCTIONS INDEPENDENTLY OF THE HEAD OF THAT
11 DEPARTMENT. THE BUDGETING, PROCUREMENT, AND RELATED FUNCTIONS OF
12 THE AUTHORITY, AND ADMINISTRATIVE RESPONSIBILITIES FOR EMPLOYEES
13 OF THE AUTHORITY, SHALL BE PERFORMED UNDER THE DIRECTION AND
14 SUPERVISION OF THE DIRECTOR OF THE DEPARTMENT OF STATE POLICE.

15 SEC. 6105. THE AUTHORITY SHALL HAVE THE POWERS NECESSARY OR
16 CONVENIENT TO CARRY OUT AND EFFECTUATE THE PURPOSES AND PROVI-
17 SIONS OF THIS CHAPTER AND THE PURPOSES OF THE AUTHORITY AND THE
18 POWERS DELEGATED BY OTHER LAWS, INCLUDING, BUT NOT LIMITED TO,
19 THE POWER TO:

20 (A) SUE AND BE SUED; TO HAVE A SEAL AND ALTER THE SAME AT
21 PLEASURE; TO HAVE PERPETUAL SUCCESSION; TO MAKE, EXECUTE, AND
22 DELIVER CONTRACTS, CONVEYANCES, AND OTHER INSTRUMENTS NECESSARY
23 OR CONVENIENT TO THE EXERCISE OF ITS POWERS; AND TO MAKE AND
24 AMEND BYLAWS.

25 (B) SOLICIT AND ACCEPT GIFTS, GRANTS, LOANS, FUNDS COLLECTED
26 AND PLACED IN THE AUTOMOBILE THEFT PREVENTION FUND, AND OTHER

1 AIDS FROM ANY PERSON OR THE FEDERAL, STATE, OR A LOCAL GOVERNMENT
2 OR ANY AGENCY THEREOF.

3 (C) MAKE GRANTS AND INVESTMENTS.

4 (D) PROCURE INSURANCE AGAINST ANY LOSS IN CONNECTION WITH
5 ITS PROPERTY, ASSETS, OR ACTIVITIES.

6 (E) INVEST ANY MONEY HELD IN RESERVE OR SINKING FUNDS, OR
7 ANY MONEY NOT REQUIRED FOR IMMEDIATE USE OR DISBURSEMENT, AT ITS
8 DISCRETION AND TO NAME AND USE DEPOSITORIES FOR ITS MONEY.

9 (F) CONTRACT FOR GOODS AND SERVICES AND ENGAGE PERSONNEL AS
10 IS NECESSARY, INCLUDING THE SERVICES OF PRIVATE CONSULTANTS, MAN-
11 AGERS, COUNSEL, AUDITORS, AND OTHERS FOR RENDERING PROFESSIONAL,
12 MANAGEMENT, AND TECHNICAL ASSISTANCE AND ADVICE, PAYABLE OUT OF
13 ANY MONEY OF THE FUND LEGALLY AVAILABLE FOR THIS PURPOSE.

14 (G) INDEMNIFY AND PROCURE INSURANCE INDEMNIFYING ANY MEMBER
15 OF THE BOARD FROM PERSONAL LOSS OR ACCOUNTABILITY FROM LIABILITY
16 RESULTING FROM A MEMBER'S ACTION OR INACTION AS A MEMBER OF THE
17 BOARD.

18 (H) DO ALL OTHER THINGS NECESSARY OR CONVENIENT TO ACHIEVE
19 THE OBJECTIVES AND PURPOSES OF THE AUTHORITY, THIS CHAPTER, OR
20 OTHER LAWS.

21 SEC. 6107. (1) PRIOR TO APRIL 1 OF EACH YEAR, EACH INSURER
22 ENGAGED IN WRITING INSURANCE COVERAGES WHICH PROVIDE THE SECURITY
23 REQUIRED BY SECTION 3101(1) WITHIN THIS STATE, AS A CONDITION OF
24 ITS AUTHORITY TO TRANSACT INSURANCE IN THIS STATE, SHALL PAY TO
25 THE AUTHORITY AN ASSESSMENT EQUAL TO \$1.00 MULTIPLIED BY THE
26 INSURER'S TOTAL EARNED CAR YEARS OF INSURANCE PROVIDING THE

1 SECURITY REQUIRED BY SECTION 3101(1) WRITTEN IN THIS STATE DURING
2 THE IMMEDIATELY PRECEDING CALENDAR YEAR.

3 (2) MONEY RECEIVED PURSUANT TO SUBSECTION (1), AND ALL OTHER
4 MONEY RECEIVED BY THE AUTHORITY, SHALL BE SEGREGATED AND PLACED
5 IN A FUND TO BE KNOWN AS THE AUTOMOBILE THEFT PREVENTION FUND.
6 THE AUTOMOBILE THEFT PREVENTION FUND SHALL BE ADMINISTERED BY THE
7 AUTHORITY.

8 (3) MONEY IN THE AUTOMOBILE THEFT PREVENTION FUND SHALL BE
9 EXPENDED IN THE FOLLOWING ORDER OF PRIORITY:

10 (A) TO PAY THE COSTS OF ADMINISTRATION OF THE AUTHORITY.

11 (B) TO ACHIEVE THE PURPOSES AND OBJECTIVES OF THIS CHAPTER,
12 WHICH MAY INCLUDE, BUT NOT BE LIMITED TO, THE FOLLOWING:

13 (i) PROVIDE FINANCIAL SUPPORT TO THE DEPARTMENT OF STATE
14 POLICE AND LOCAL LAW ENFORCEMENT AGENCIES FOR ECONOMIC AUTOMOBILE
15 THEFT ENFORCEMENT TEAMS.

16 (ii) PROVIDE FINANCIAL SUPPORT TO STATE OR LOCAL LAW
17 ENFORCEMENT AGENCIES FOR PROGRAMS DESIGNED TO REDUCE THE INCI-
18 DENCE OF ECONOMIC AUTOMOBILE THEFT.

19 (iii) PROVIDE FINANCIAL SUPPORT TO LOCAL PROSECUTORS FOR
20 PROGRAMS DESIGNED TO REDUCE THE INCIDENCE OF ECONOMIC AUTOMOBILE
21 THEFT.

22 (iv) PROVIDE FINANCIAL SUPPORT TO JUDICIAL AGENCIES FOR PRO-
23 GRAMS DESIGNED TO REDUCE THE INCIDENCE OF ECONOMIC AUTOMOBILE
24 THEFT.

25 (v) PROVIDE FINANCIAL SUPPORT FOR NEIGHBORHOOD OR COMMUNITY
26 ORGANIZATIONS OR BUSINESS ORGANIZATIONS FOR PROGRAMS DESIGNED TO
27 REDUCE THE INCIDENCE OF AUTOMOBILE THEFT.

1 (vi) CONDUCT EDUCATIONAL PROGRAMS DESIGNED TO INFORM
2 AUTOMOBILE OWNERS OF METHODS OF PREVENTING AUTOMOBILE THEFT AND
3 TO PROVIDE EQUIPMENT, FOR EXPERIMENTAL PURPOSES, TO ENABLE AUTO-
4 MOBILE OWNERS TO PREVENT AUTOMOBILE THEFT.

5 (4) MONEY IN THE AUTOMOBILE THEFT PREVENTION FUND SHALL ONLY
6 BE USED FOR AUTOMOBILE THEFT PREVENTION EFFORTS AND SHALL BE DIS-
7 TRIBUTED BASED ON NEED AS DETERMINED BY THE AUTHORITY.

8 (5) MONEY IN THE AUTOMOBILE THEFT PREVENTION FUND SHALL NOT
9 BE CONSIDERED STATE MONEY.

10 SEC. 6110. (1) THE AUTHORITY SHALL DEVELOP AND IMPLEMENT A
11 PLAN OF OPERATION.

12 (2) THE PLAN OF OPERATION SHALL INCLUDE AN ASSESSMENT OF THE
13 SCOPE OF THE PROBLEM OF AUTOMOBILE THEFT, INCLUDING PARTICULAR,
14 AREAS OF THE STATE WHERE THE PROBLEM IS GREATEST; AN ANALYSIS OF
15 VARIOUS METHODS OF COMBATING THE PROBLEM OF AUTOMOBILE THEFT AND
16 ECONOMIC AUTOMOBILE THEFT; A PLAN FOR PROVIDING FINANCIAL SUPPORT
17 TO COMBAT AUTOMOBILE THEFT AND ECONOMIC AUTOMOBILE THEFT; AND AN
18 ESTIMATE OF THE FUNDS REQUIRED TO IMPLEMENT THE PLAN.

19 (3) THE AUTHORITY SHALL REPORT ANNUALLY ON OR BEFORE
20 FEBRUARY 1 TO THE GOVERNOR AND THE LEGISLATURE ON ITS ACTIVITIES
21 IN THE PRECEDING YEAR.

22 SEC. 6111. BY JULY 1 OF EVERY ODD NUMBERED YEAR, THE AUTO-
23 MOBILE THEFT PREVENTION AUTHORITY SHALL PREPARE A REPORT THAT
24 DETAILS THE THEFT OF AUTOMOBILES OCCURRING IN THIS STATE FOR THE
25 PREVIOUS 2 YEARS, ASSESSES THE IMPACT OF THE THEFTS ON RATES
26 CHARGED FOR AUTOMOBILE INSURANCE, SUMMARIZES PREVENTION PROGRAMS,
27 AND OUTLINES ALLOCATIONS MADE BY THE AUTHORITY. THE DIRECTOR OF

1 THE DEPARTMENT OF STATE POLICE, INSURERS, THE STATE COURT
2 ADMINISTRATIVE OFFICE, AND THE COMMISSIONER SHALL COOPERATE IN
3 THE DEVELOPMENT OF THE REPORT AS REQUESTED BY THE AUTOMOBILE
4 THEFT PREVENTION AUTHORITY AND SHALL MAKE AVAILABLE RECORDS AND
5 STATISTICS CONCERNING AUTOMOBILE THEFTS, INCLUDING THE NUMBER OF
6 AUTOMOBILE THEFTS, NUMBER OF PROSECUTIONS AND CONVICTIONS INVOLV-
7 ING AUTOMOBILE THEFTS, AND AUTOMOBILE THEFT RECIDIVISM. THE
8 AUTOMOBILE THEFT PREVENTION AUTHORITY SHALL EVALUATE THE IMPACT
9 AUTOMOBILE THEFT HAS ON THE CITIZENS OF THIS STATE AND THE COSTS
10 INCURRED BY THE CITIZENS THROUGH INSURANCE, POLICE ENFORCEMENT,
11 PROSECUTION, AND INCARCERATION DUE TO AUTOMOBILE THEFTS. THE
12 REPORT REQUIRED BY THIS SECTION SHALL BE SUBMITTED TO THE SENATE
13 AND HOUSE OF REPRESENTATIVES STANDING COMMITTEES ON INSURANCE
14 ISSUES AND THE COMMISSIONER.

15 Section 2. Chapter 61 of Act No. 218 of the Public Acts of
16 1956, as added by this amendatory act, is retroactive and applies
17 effective April 1, 1992.