



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 776 (as reported with amendments)  
Sponsor: Senator Michael J. Bouchard  
Committee: Financial Services

**CONTENT**

The bill would amend the Michigan Vehicle Code to require a court in which a civil infraction determination was entered against a person for failure to provide proof of insurance or failure to have insurance to notify the Secretary of State; require a person to pay a \$50 fee for renewal of a vehicle registration upon providing proof of insurance, if a court entered a civil infraction for failure to have insurance or to provide proof of insurance and notified the Secretary of State of that infraction; increase from \$10 to \$25 the fee for reinstatement of a driver's license, if a person's license is suspended for failure to have insurance or to provide proof of insurance; and increase from \$500 to \$1,000 the maximum fine for knowingly producing false evidence regarding automobile insurance coverage.

The bill would delete a requirement that application for a vehicle registration be accompanied by proof of insurance. The bill specifies, instead, that a person who applied for a vehicle registration would be making a declaration that the vehicle was insured.

If a court notified the Secretary of State under the bill, the Secretary of State could not renew, transfer, or replace the registration plate of the vehicle or allow the purchase of a new registration plate for the vehicle until the owner appeared at a branch office and showed proof of insurance for at least a three month period and paid a \$50 fine, in addition to any other fee required by law, unless the vehicle were transferred or sold to a person other than the owner's spouse, mother, father, sister, brother, or child. This provision would not apply if the fine were waived because the driver provided proof of insurance prior to the court appearance date for the violation. Of the \$50 fee collected for registration after court notification, \$25 would have to be allocated to the Secretary of State to defray the costs of administering the bill, and \$25 would have to be deposited by the Department of Treasury in the account of the Assigned Claims Fund established in Chapter 31 of the Insurance Code.

MCL 257.227 et al.

Legislative Analyst: P. Affholter

**FISCAL IMPACT**

Please see FISCAL IMPACT for Senate Bill 777.

Date Completed: 12-6-95

Fiscal Analyst: B. Bowerman

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