



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 988 (as enrolled)
Sponsor: Senator Michael J. Bouchard
Committee: Financial Services

Date Completed: 5-13-96

RATIONALE

Public Acts 287 and 288 of 1995 established an alternative to the requirement that a vehicle owner present to the Secretary of State a copy of his or her proof of automobile insurance upon renewing the vehicle's registration. Public Act 287 created a private insurance verification board to provide vehicle insurance verification to the Secretary of State for renewal of motor vehicle registrations. Public Act 288 requires the Secretary of State to accept, as proof of vehicle insurance, transmission of an insured vehicle's vehicle identification number (VIN) by the insurance verification board or an organization selected by the board. A reference in the Insurance Code to the subsection requiring the Secretary of State's acceptance of the transmission of VINs was inaccurate. So that the Secretary of State can be properly authorized to perform this function, it has been suggested that the Code should refer to the appropriate subsection.

CONTENT

The bill would amend the Insurance Code to change a reference to a subsection relating to an exception to the requirement that a vehicle owner provide the Secretary of State with a copy of a certificate of automobile insurance when registering or renewing registration on the vehicle. That exception to the requirement involves the Secretary of State's acceptance, as proof of vehicle insurance, transmission of the VIN by a private insurance verification board.

MCL 500.3101a

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The bill simply would correct the inaccurate reference to the new provision requiring the Secretary of State to accept transmitted VINs, so the alternative method for proof of insurance for vehicle registration would be properly authorized.

Legislative Analyst: P. Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: B. Bowerman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.