

**SENATE BILL NO. 500**

May 13, 1997, Introduced by Senator BOUCHARD and  
referred to the Committee on Financial Services.

A bill to amend 1949 PA 300, entitled  
"Michigan vehicle code,"  
by amending section 328 (MCL 257.328), as amended by 1995 PA  
287.

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

1       Sec. 328. (1) The owner of a motor vehicle who operates or  
2 permits the operation of the motor vehicle upon the highways of  
3 this state or the operator of the motor vehicle shall produce,  
4 pursuant to subsection (2), upon the request of a police officer,  
5 evidence that the motor vehicle is insured under chapter 31 of  
6 the insurance code of 1956, ~~Act No. 218 of the Public Acts of~~  
7 ~~1956, being sections 500.3101 to 500.3179 of the Michigan~~  
8 ~~Compiled Laws~~ 1956 PA 218, MCL 500.3101 TO 500.3179. An owner  
9 or operator of a motor vehicle who fails to produce evidence of  
10 insurance under this subsection when requested to produce that

1 ~~evidence or who fails to have motor vehicle insurance for the~~  
2 ~~vehicle as required under chapter 31 of Act No. 218 of the Public~~  
3 ~~Acts of 1956~~ is responsible for a civil infraction. A PERSON  
4 WHO FAILS TO HAVE MOTOR VEHICLE INSURANCE FOR THE VEHICLE AS  
5 REQUIRED UNDER CHAPTER 31 OF THE INSURANCE CODE OF 1956, 1956 PA  
6 218, MCL 500.3101 TO 500.3179, IS GUILTY OF A MISDEMEANOR PUNISH-  
7 ABLE BY A FINE OF NOT LESS THAN \$200.00 OR MORE THAN \$500.00 OR  
8 IMPRISONMENT FOR NOT MORE THAN 1 YEAR, OR BOTH.

9 (2) A certificate of insurance, if issued by an insurance  
10 company, which certificate states that security which meets the  
11 requirements of sections 3101 and 3102 of ~~Act No. 218 of the~~  
12 ~~Public Acts of 1956, being sections 500.3101 and 500.3102 of the~~  
13 ~~Michigan Compiled Laws~~ THE INSURANCE CODE OF 1956, 1956 PA 218,  
14 MCL 500.3101 AND 500.3102, is in force shall be accepted as prima  
15 facie evidence that insurance is in force for the motor vehicle  
16 described in the certificate of insurance until the expiration  
17 date shown on the certificate. The certificate, in addition to  
18 describing the motor vehicles for which insurance is in effect,  
19 shall state the name of each person named on the policy, policy  
20 declaration, or a declaration certificate whose operation of the  
21 vehicle would cause the liability coverage of that insurance to  
22 become void.

23 (3) If an owner or operator of a motor vehicle is determined  
24 to be responsible for OR CONVICTED OF a violation of subsection  
25 (1), the court in which the civil infraction determination OR  
26 CONVICTION is entered may require the person to surrender his or  
27 her operator's or chauffeur's license unless proof that the

1 vehicle has insurance meeting the requirements of sections 3101  
2 and 3102 of ~~Act No. 218 of the Public Acts of 1956~~ THE INSUR-  
3 ANCE CODE OF 1956, 1956 PA 218, MCL 500.3101 AND 500.3102, is  
4 submitted to the court. If the person submits proof to the court  
5 that the vehicle has insurance meeting the requirements of  
6 sections 3101 and 3102 of ~~Act No. 218 of the Public Acts of~~  
7 ~~1956~~ THE INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.3101 AND  
8 500.3102, in addition to the civil fine and costs provided by  
9 section 907 OR THE PENALTY IMPOSED UNDER SUBSECTION (1), the  
10 court shall assess a fee of \$25.00. If the court requires the  
11 license to be surrendered, the court shall order the secretary of  
12 state to suspend the person's license. The court shall immedi-  
13 ately destroy the license and shall forward to the secretary of  
14 state an abstract of the court record as required by section  
15 732. Upon receipt of the abstract, the secretary of state shall  
16 suspend the person's license beginning with the date on which a  
17 person is determined to be responsible for the civil infraction  
18 OR CONVICTED OF A VIOLATION OF SUBSECTION (1) for a period of 30  
19 days or until proof of insurance ~~which~~ THAT meets the require-  
20 ments of sections 3101 and 3102 of ~~Act No. 218 of the Public~~  
21 ~~Acts of 1956~~ THE INSURANCE CODE OF 1956, 1956 PA 218, MCL  
22 500.3101 AND 500.3102, is submitted to the secretary of state,  
23 whichever occurs later. A person who submits proof of insurance  
24 to the secretary of state under this subsection shall pay a serv-  
25 ice fee of \$25.00 to the secretary of state. The person shall  
26 not be required to be examined as set forth in section 320c and  
27 shall not be required to pay a replacement license fee.

1 (4) If an owner or operator of a motor vehicle is determined  
2 to be responsible for OR CONVICTED OF a violation of subsection  
3 (1), the court in which the civil infraction determination OR  
4 CONVICTION is entered shall notify the secretary of state of the  
5 vehicle registration number and the year and make of the motor  
6 vehicle being operated at the time of the violation. This noti-  
7 fication shall be made on the abstract or on a form approved by  
8 the supreme court administrator. Upon receipt, the secretary of  
9 state shall immediately enter this information in the records of  
10 the department. The secretary of state shall not renew, trans-  
11 fer, or replace the registration plate of the vehicle involved in  
12 the violation or allow the purchase of a new registration plate  
13 for the vehicle involved in the violation until the owner meets  
14 the requirements of section 227a or unless the vehicle involved  
15 in the violation is transferred or sold to a person other than  
16 the owner's spouse, mother, father, sister, brother, or child.

17 (5) An owner or operator of a motor vehicle who knowingly  
18 produces false evidence under this section is guilty of a misde-  
19 meanor, punishable by imprisonment for not more than 1 year, or a  
20 fine of not more than \$1,000.00, or both.

21 (6) Points shall not be entered on a driver's record pursu-  
22 ant to section 320a for a violation of this section.

23 (7) This section does not apply to the owner or operator of  
24 a motor vehicle that is registered in a state other than this  
25 state or a foreign country or province.