

SENATE BILL NO. 701

September 21, 1999, Introduced by Senator DINGELL 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,
and by adding section 520a.

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~~
3 ~~Public Acts of 1956~~ THE INSURANCE CODE OF 1956, 1956 PA 218, MCL
4 500.3101 TO 500.3179, is responsible for a civil infraction.

5 (2) A certificate of insurance ~~, if~~ issued by an insurance
6 company ~~, which certificate~~ THAT states that security ~~which~~
7 ~~meets~~ MEETING the requirements of sections 3101 and 3102 of ~~Act~~
8 ~~No. 218 of the Public Acts of 1956, being sections 500.3101 and~~
9 ~~500.3102 of the Michigan Compiled Laws~~ THE INSURANCE CODE OF
10 1956, 1956 PA 218, MCL 500.3101 AND 500.3102, is in force shall
11 be accepted as prima facie evidence that insurance is in force
12 for the motor vehicle described in the certificate of insurance
13 until the expiration date shown on the certificate. The certifi-
14 cate ~~, in addition to describing the motor vehicles for which~~
15 ~~insurance is in effect, shall state the~~ SHALL CONTAIN ALL OF THE
16 FOLLOWING INFORMATION:

17 (A) THE VEHICLE IDENTIFICATION NUMBER.

18 (B) THE NAME AND ADDRESS OF THE INSURER.

19 (C) THE INSURANCE POLICY NUMBER.

20 (D) THE EFFECTIVE DATE AND THE EXPIRATION DATE OF THE INSUR-
21 ANCE POLICY.

22 (E) THE name of each person ~~named on the policy, policy~~
23 ~~declaration, or a declaration certificate~~ whose operation of the
24 vehicle would cause the liability coverage of that insurance to
25 become void.

26 (3) If an owner or operator of a motor vehicle is determined
27 to be responsible for a violation of subsection (1), the court in

1 which the civil infraction determination is entered may require
2 the person to surrender his or her operator's or chauffeur's
3 license unless proof that the vehicle has insurance meeting the
4 requirements of sections 3101 and 3102 of ~~Act No. 218 of the~~
5 ~~Public Acts of 1956~~ THE INSURANCE CODE OF 1956, 1956 PA 218, MCL
6 500.3101 AND 500.3102, is submitted to the court. If the person
7 submits proof to the court that the vehicle has insurance meeting
8 the requirements of sections 3101 and 3102 of ~~Act No. 218 of the~~
9 ~~Public Acts of 1956~~ THE INSURANCE CODE OF 1956, 1956 PA 218, MCL
10 500.3101 AND 500.3102, in addition to the civil fine and costs
11 provided by section 907, the court shall assess a fee of \$25.00.
12 If the court requires the license to be surrendered, the court
13 shall order the secretary of state to suspend the person's
14 license. The court shall immediately destroy the license and
15 shall forward to the secretary of state an abstract of the court
16 record as required by section 732. Upon receipt of the abstract,
17 the secretary of state shall suspend the person's license begin-
18 ning with the date on which a person is determined to be respon-
19 sible for the civil infraction for a period of 30 days or until
20 proof of insurance ~~which~~ THAT meets the requirements of
21 sections 3101 and 3102 of ~~Act No. 218 of the Public Acts of~~
22 ~~1956~~ THE INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.3101 AND
23 500.3102, is submitted to the secretary of state, whichever
24 occurs later. A person who submits proof of insurance to the
25 secretary of state under this subsection shall pay a service fee
26 of \$25.00 to the secretary of state. The person shall not be

1 required to be examined as set forth in section 320c and shall
2 not be required to pay a replacement license fee.

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

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

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

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

1 SEC. 520A. (1) THE SECRETARY OF STATE SHALL CREATE AND
2 MAINTAIN A CENTRAL FILE OF REGISTERED MOTOR VEHICLES INSURED
3 UNDER AN AUTOMOBILE INSURANCE POLICY MEETING THE REQUIREMENTS OF
4 SECTION 3101 OR 3102 OF THE INSURANCE CODE OF 1956, 1956 PA 218,
5 MCL 500.3101 AND 500.3102. THE FILE SHALL CONTAIN ALL OF THE
6 FOLLOWING INFORMATION FOR EACH INSURED VEHICLE:

7 (A) THE VEHICLE IDENTIFICATION NUMBER.

8 (B) THE NAME AND ADDRESS OF THE INSURER.

9 (C) THE INSURANCE POLICY NUMBER.

10 (D) THE EFFECTIVE DATE AND THE EXPIRATION DATE OF THE INSUR-
11 ANCE POLICY.

12 (2) THE SECRETARY OF STATE SHALL SEND A NOTICE TO EACH REG-
13 ISTERED OWNER OF A MOTOR VEHICLE REGISTERED UNDER THIS ACT IF THE
14 SECRETARY OF STATE HAS BEEN INFORMED BY THE INSURER THAT THE
15 POLICY OF INSURANCE FOR THE MOTOR VEHICLE HAS EXPIRED WITHOUT
16 BEING RENEWED OR HAS BEEN TERMINATED OR CANCELED AND THE SECRE-
17 TARY OF STATE HAS NOT BEEN INFORMED BY THE REGISTERED OWNER OF
18 THE MOTOR VEHICLE THAT THE MOTOR VEHICLE IS INSURED UNDER ANOTHER
19 POLICY OF INSURANCE.

20 (3) A NOTICE ISSUED UNDER THIS SECTION SHALL BE ON A FORM
21 PRESCRIBED BY THE SECRETARY OF STATE AND SHALL CONTAIN BOTH OF
22 THE FOLLOWING:

23 (A) A STATEMENT THAT THE INSURER HAS INFORMED THE SECRETARY
24 OF STATE THAT THE POLICY OF INSURANCE FOR THE MOTOR VEHICLE HAS
25 EXPIRED WITHOUT BEING RENEWED OR HAS BEEN TERMINATED OR CANCELED
26 AND THE SECRETARY OF STATE HAS NOT BEEN INFORMED BY THE

1 REGISTERED OWNER OF THE MOTOR VEHICLE THAT THE MOTOR VEHICLE IS
2 INSURED UNDER ANOTHER POLICY OF INSURANCE.

3 (B) A STATEMENT THAT IF A REGISTERED OWNER OF THE MOTOR
4 VEHICLE FAILS TO RESPOND TO THE NOTICE BEFORE THE EXPIRATION OF
5 14 DAYS AFTER THE NOTICE WAS ISSUED AND FAILS TO PRESENT PROOF TO
6 THE SECRETARY OF STATE THAT IS SATISFACTORY TO THE SECRETARY OF
7 STATE THAT THE MOTOR VEHICLE IS INSURED PURSUANT TO SECTION 520,
8 THE SECRETARY OF STATE WILL CANCEL THE REGISTRATION OF THE MOTOR
9 VEHICLE AND WILL NOT ISSUE A NEW REGISTRATION FOR THE MOTOR VEHI-
10 CLE UNTIL AN OWNER OF THE MOTOR VEHICLE PROVIDES PROOF TO THE
11 SECRETARY OF STATE THAT IS SATISFACTORY TO THE SECRETARY OF STATE
12 THAT THE MOTOR VEHICLE IS INSURED PURSUANT TO SECTION 520.

13 (4) THE SECRETARY OF STATE SHALL CANCEL THE REGISTRATION OF
14 A MOTOR VEHICLE UNLESS A REGISTERED OWNER OF THE MOTOR VEHICLE
15 PROVIDES PROOF OF INSURANCE TO THE SECRETARY OF STATE AS REQUIRED
16 UNDER THIS SECTION.

17 Enacting section 1. This amendatory act does not take
18 effect unless Senate Bill No. 700

19 of the 90th Legislature is enacted into
20 law.