

SENATE BILL No. 1545

September 25, 2008, Introduced by Senators OLSHOVE, THOMAS, ANDERSON, JELINEK, BROWN and JACOBS and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
by amending section 328 (MCL 257.328), as amended by 2004 PA 52,
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 the
6 insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179.
7 Subject to section 907(16), an owner or operator of a motor vehicle
8 who fails to produce evidence of insurance under this subsection

1 when requested to produce that evidence or who fails to have motor
 2 vehicle insurance for the vehicle as required under chapter 31 of
 3 the insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179,
 4 is responsible for a civil infraction.

5 (2) A certificate of insurance, issued by an insurance
 6 company, that certifies that the security that meets the
 7 requirements of ~~sections~~ **SECTION 3101, and 3102, OR 3103** of the
 8 insurance code of 1956, 1956 PA 218, MCL 500.3101, ~~and~~ 500.3102,
 9 **AND 500.3103**, is in force shall be accepted as prima facie evidence
 10 that insurance is in force for the motor vehicle described in the
 11 certificate of insurance until the expiration date shown on the
 12 certificate. The certificate ~~, in addition to describing the motor~~
 13 ~~vehicles for which insurance is in effect, shall state the~~ **SHALL**
 14 **CONTAIN ALL OF THE FOLLOWING INFORMATION:**

15 (A) **THE VEHICLE IDENTIFICATION NUMBER.**

16 (B) **THE NAME AND ADDRESS OF THE POLICYHOLDER.**

17 (C) **THE INSURANCE POLICY NUMBER.**

18 (D) **THE EFFECTIVE DATE AND THE EXPIRATION DATE OF THE**
 19 **INSURANCE POLICY.**

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

24 (3) If, before the appearance date on the citation, the person
 25 submits proof to the court that the motor vehicle had insurance
 26 meeting the requirements of ~~sections~~ **SECTION 3101, and 3102, OR**
 27 **3103** of the insurance code of 1956, 1956 PA 218, MCL 500.3101, ~~and~~

1 500.3102, **AND 500.3103**, at the time the violation of subsection (1)
2 occurred, all of the following apply:

3 (a) The court shall not assess a fine or costs.

4 (b) The court shall not cause an abstract of the court record
5 to be forwarded to the secretary of state.

6 (c) The court may assess a fee of not more than \$25.00, which
7 shall be paid to the court funding unit.

8 (4) If an owner or operator of a motor vehicle is determined
9 to be responsible for a violation of subsection (1), the court in
10 which the civil infraction determination is entered may require the
11 person to surrender his or her operator's or chauffeur's license
12 unless proof that the vehicle has insurance meeting the
13 requirements of ~~sections~~**SECTION 3101, and 3102, OR 3103** of the
14 insurance code of 1956, 1956 PA 218, MCL 500.3101, ~~and~~ 500.3102,
15 **AND 500.3103**, is submitted to the court. If the court requires the
16 license to be surrendered, the court shall order the secretary of
17 state to suspend the person's license. The court shall immediately
18 destroy the license and shall forward to the secretary of state an
19 abstract of the court record as required by section 732. Upon
20 receipt of the abstract, the secretary of state shall suspend the
21 person's license beginning with the date on which a person is
22 determined to be responsible for the civil infraction for a period
23 of 30 days or until proof of insurance meeting the requirements of
24 ~~sections~~**SECTION 3101, and 3102, OR 3103** of the insurance code of
25 1956, 1956 PA 218, MCL 500.3101, ~~and~~ 500.3102, **AND 500.3103**, is
26 submitted to the secretary of state, whichever occurs later. A
27 person who submits proof of insurance to the secretary of state

1 under this subsection shall pay a service fee of \$25.00 to the
2 secretary of state. The person shall not be required to be examined
3 as set forth in section 320c and shall not be required to pay a
4 replacement license fee.

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

21 (6) An owner or operator of a motor vehicle who knowingly
22 produces false evidence under this section is guilty of a
23 misdemeanor, punishable by imprisonment for not more than 1 year,
24 or a fine of not more than \$1,000.00, or both.

25 (7) Points shall not be entered on a driver's record pursuant
26 to section 320a for a violation of this section.

27 (8) This section does not apply to the owner or operator of a

1 motor vehicle that is registered in a state other than this state
2 or a foreign country or province.

3 SEC. 520A. (1) THE SECRETARY OF STATE SHALL CREATE AND
4 MAINTAIN A CENTRAL FILE OF REGISTERED MOTOR VEHICLES INSURED UNDER
5 AN AUTOMOBILE INSURANCE POLICY MEETING THE REQUIREMENTS OF SECTION
6 3101, 3102, OR 3103 OF THE INSURANCE CODE OF 1956, 1956 PA 218, MCL
7 500.3101, 500.3102, AND 500.3103. THE FILE SHALL CONTAIN ALL OF THE
8 FOLLOWING INFORMATION FOR EACH INSURED VEHICLE:

9 (A) THE VEHICLE IDENTIFICATION NUMBER.

10 (B) THE NAME AND ADDRESS OF THE POLICYHOLDER.

11 (C) THE INSURANCE POLICY NUMBER.

12 (D) THE EFFECTIVE DATE AND THE EXPIRATION DATE OF THE
13 INSURANCE POLICY.

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

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

25 (A) A STATEMENT THAT THE INSURER HAS INFORMED THE SECRETARY OF
26 STATE THAT THE POLICY OF INSURANCE FOR THE MOTOR VEHICLE HAS
27 EXPIRED WITHOUT BEING RENEWED OR HAS BEEN TERMINATED OR CANCELED

1 AND THE SECRETARY OF STATE HAS NOT BEEN INFORMED BY THE REGISTERED
2 OWNER OF THE MOTOR VEHICLE THAT THE MOTOR VEHICLE IS INSURED UNDER
3 ANOTHER POLICY OF INSURANCE.

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

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

18 Enacting section 1. This amendatory act does not take effect
19 unless Senate Bill No. 1544

20 of the 94th Legislature is enacted into law.