



Senate Fiscal Agency  
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## BILL ANALYSIS



Telephone: (517) 373-5383  
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Senate Bills 391 and 392 (as introduced 5-23-13)  
Sponsor: Senator Mike Green (S.B. 391)  
Senator Joe Hune (S.B. 392)  
Committee: Transportation

Date Completed: 9-24-13

**CONTENT**

**Senate Bill 391 would amend the Michigan Vehicle Code to do the following: 1) require a registration certificate to be carried by or electronically accessible to the person driving or in control of a vehicle; and 2) include a certificate of insurance in electronic form as evidence that the vehicle described in the certificate was insured.**

**Senate Bill 392 would amend the Insurance Code to allow an insurer to provide a certificate of insurance in electronic form at the insured's request.**

The bills are tie-barred to each other.

**Senate Bill 391**

The Michigan Vehicle Code requires a vehicle's registration certificate to be carried in the insured vehicle or by a person driving or in control of the vehicle. Under the bill, an electronically accessible registration would satisfy this requirement.

The Code requires the person driving or in control of a vehicle to provide evidence of insurance upon the request of a police officer. A certificate of insurance issued by an insurance company is prima facie evidence that the vehicle described in the certificate is insured. The bill would refer to a certificate of insurance in paper or electronic form.

(Prima facie evidence is evidence sufficient to establish a given fact or raise a presumption unless disproved or rebutted.)

**Senate Bill 392**

The Insurance Code requires an insurer, when issuing an automobile insurance policy, to provide the insured with a certificate of insurance for each insured vehicle. The bill would allow an insurer to provide the certificate in electronic form at the request of the insured.

Under the Code, the failure to produce evidence of an effective insurance policy creates a rebuttable presumption that the vehicle does not have sufficient insurance. The bill would refer to evidence in paper or electronic form.

MCL 257.223 & 257.328 (S.B. 391)  
500.3101a & 500.3102 (S.B. 392)

Legislative Analyst: Glenn Steffens

## **FISCAL IMPACT**

The bills would have an indeterminate negative fiscal impact on State and local government. By allowing electronic formats of registration certificates and proofs of insurance, the bills could result in fewer drivers being issued civil infraction tickets. A driver ticketed for not providing proof of registration is assessed a fine of \$18, and pays court costs and a \$40 Justice System Assessment. A driver ticketed for not providing proof of insurance is assessed a \$30 fine, and pays court costs and a \$40 Justice System Assessment; however, if proof of insurance is later provided to the court, then the overall cost is reduced to a \$25 administrative fee. The fine revenue supports public libraries and the Justice System Assessment flows to a variety of State entities such as the Highway Safety Fund of the Michigan State Police.

Fiscal Analyst: Dan O'Connor

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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.