

# HOUSE BILL No. 4995

September 18, 2013, Introduced by Reps. Nesbitt, Poleski, Pscholka, Lori and Lyons and referred to the Committee on Insurance.

A bill to amend 1949 PA 300, entitled  
"Michigan vehicle code,"  
by amending sections 227 and 328 (MCL 257.227 and 257.328), section 227 as amended by 2011 PA 92 and section 328 as amended by 2004 PA 52.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 227. (1) Application for renewal of a vehicle  
2       registration shall be made by the owner upon proper application and  
3       by payment of the registration fee for the vehicle, as provided by  
4       law.

5       (2) Every application shall be accompanied by the certificate  
6       of title pertaining to the vehicle, showing ownership in the person  
7       applying for registration at the time of the application. The  
8       secretary of state may waive the presentation of the certificate of

1 title.

2 (3) Every application for renewal of a motor vehicle  
3 registration shall be accompanied by proof of vehicle insurance in  
4 a form determined by the secretary of state.

5 (4) Notwithstanding subsection (3), the secretary of state  
6 shall accept as proof of vehicle insurance a transmission of the  
7 applicant's vehicle policy information for an insured vehicle for  
8 which vehicle registration is sought. The secretary of state may  
9 determine in what format and on what timeline the secretary of  
10 state will receive vehicle policy information, which shall not be  
11 required more frequently than every 14 days. In determining the  
12 format under this subsection, the secretary of state shall consult  
13 with insurers. The transmission to the secretary of state of the  
14 vehicle policy information is proof of insurance to the secretary  
15 of state for motor vehicle registration purposes only and is not  
16 evidence that a policy of insurance actually exists between an  
17 insurer and an individual. Vehicle policy information submitted by  
18 an insurer and received by the secretary of state under this  
19 subsection is confidential, is not subject to the freedom of  
20 information act, 1976 PA 442, MCL 15.231 to 15.246, and shall not  
21 be disclosed to any person except the department of community  
22 health for purposes of 2006 PA 593, MCL 550.281 to 550.289, **THE**  
23 **DEPARTMENT OF STATE POLICE AS PROVIDED IN SUBSECTION (6)**, or under  
24 an order by a court of competent jurisdiction in connection with a  
25 claim or fraud investigation or prosecution.

26 (5) **IF A TRANSMISSION TO THE SECRETARY OF STATE OF VEHICLE**  
27 **POLICY INFORMATION DOES NOT SHOW THAT A VEHICLE REGISTERED PURSUANT**

TO THIS SECTION IS COVERED BY A POLICY OF INSURANCE, AND THE VEHICLE IDENTIFICATION NUMBER OF THAT VEHICLE IS NOT TRANSMITTED TO THE SECRETARY OF STATE BY AN INSURER WITHIN 30 DAYS AFTER THE FIRST TRANSMISSION SHOWING THAT THE VEHICLE IS NOT COVERED BY A POLICY OF INSURANCE, THE SECRETARY OF STATE SHALL SEND A NOTICE TO THE REGISTRANT OF THE VEHICLE THAT THE REGISTRATION FOR THAT VEHICLE WILL BE CANCELED UNLESS THE REGISTRANT PRESENTS A VALID PROOF OF VEHICLE INSURANCE AT A BRANCH OFFICE NO LATER THAN 10 DAYS AFTER THE DATE OF THE NOTICE.

(6) THE SECRETARY OF STATE SHALL MAKE THE VEHICLE POLICY INFORMATION RECEIVED UNDER SUBSECTION (4) AVAILABLE TO THE DEPARTMENT OF STATE POLICE FOR THE PURPOSE OF DETERMINING WHETHER EVIDENCE THAT A MOTOR VEHICLE IS INSURED EXISTS UNDER SECTION 328.

(7) ~~(6)~~—As used in this section, "policy information" means the information an automobile insurer is required to supply to the secretary of state under section 3101a of the insurance code of 1956, 1956 PA 218, MCL 500.3101a.

Sec. 328. (1) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (9), THE** owner of a motor vehicle who operates or permits the operation of the motor vehicle upon the highways of this state or the operator of the motor vehicle shall produce, pursuant to subsection (2), upon the request of a police officer, evidence that the motor vehicle is insured under chapter 31 of the insurance code of 1956, 1956 PA 218, MCL 500.3101 to 500.3179. Subject to **SUBSECTION (9) AND** section ~~907(16),~~ **907(15)**, an owner or operator of a motor vehicle who fails to produce evidence of insurance **UPON REQUEST** 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 the insurance code of 1956,  
3 1956 PA 218, MCL 500.3101 to 500.3179, is responsible for a civil  
4 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 3101 and 3102 of the insurance code of  
8 1956, 1956 PA 218, MCL 500.3101 and 500.3102, is in force ~~shall be~~  
9 ~~accepted as~~ **IS** prima facie evidence that insurance is in force for  
10 the motor vehicle described in the certificate of insurance until  
11 the expiration date shown on the certificate. The certificate, in  
12 addition to describing the motor vehicles for which insurance is in  
13 effect, ~~shall~~ **MUST** state the name of each person named on the  
14 policy, policy declaration, or a declaration certificate whose  
15 operation of the vehicle would cause the liability coverage of that  
16 insurance to become void.

17 (3) If, before the appearance date on ~~the~~ **A** citation **ISSUED**  
18 **UNDER SUBSECTION (1)**, the ~~person~~ **DEFENDANT** submits proof to the  
19 court that the motor vehicle had insurance meeting the requirements  
20 of sections 3101 and 3102 of the insurance code of 1956, 1956 PA  
21 218, MCL 500.3101 and 500.3102, at the time the violation of  
22 subsection (1) occurred, all of the following apply:

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

24 (b) The court shall not ~~cause~~ **FORWARD** an abstract of the court  
25 record ~~to be forwarded~~ to the secretary of state.

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

1           (4) If an owner or operator of a motor vehicle is determined  
2 to be responsible for a violation of subsection (1), the court in  
3 which the civil infraction determination is entered may require the  
4 person to surrender his or her operator's or chauffeur's license  
5 unless proof that the vehicle has insurance meeting the  
6 requirements of sections 3101 and 3102 of the insurance code of  
7 1956, 1956 PA 218, MCL 500.3101 and 500.3102, is submitted to the  
8 court. If the court requires the license to be surrendered, the  
9 court shall order the secretary of state to suspend the person's  
10 license. The court shall immediately destroy the license and shall  
11 forward **AN ABSTRACT OF THE COURT RECORD** to the secretary of state  
12 ~~an abstract of the court record~~ as required by section 732. Upon  
13 receipt of the abstract, the secretary of state shall suspend the  
14 person's license beginning with the date on which ~~a~~**THE** person is  
15 determined to be responsible for the civil infraction for a period  
16 of 30 days or until proof of insurance meeting the requirements of  
17 sections 3101 and 3102 of the insurance code of 1956, 1956 PA 218,  
18 MCL 500.3101 and 500.3102, is submitted to the secretary of state,  
19 whichever occurs later. A person who submits proof of insurance to  
20 the secretary of state under this subsection shall pay a service  
21 fee of \$25.00 to the secretary of state. The person shall not be  
22 required to be examined ~~as set forth in~~ **UNDER** section 320c and  
23 shall not be required to pay a replacement license fee.

24           (5) If an owner or operator of a motor vehicle is determined  
25 to be responsible for a violation of subsection (1), the court in  
26 which the civil infraction determination is entered shall notify  
27 the secretary of state of the vehicle registration number and the

1 year and make of the motor vehicle being operated at the time of  
2 the violation. ~~This~~ **A notification UNDER THIS SUBSECTION** shall be  
3 made on the abstract or on a form approved by the supreme court  
4 administrator. Upon receipt, the secretary of state shall  
5 immediately enter this information in the records of the  
6 department. The secretary of state shall not renew, transfer, or  
7 replace the registration plate of the vehicle involved in the  
8 violation or allow the purchase of a new registration plate for the  
9 vehicle involved in the violation until the owner meets the  
10 requirements of section 227a or unless the vehicle involved in the  
11 violation is transferred or sold to a person other than the owner's  
12 spouse, mother, father, sister, brother, or child.

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

17 (7) Points shall not be entered on a driver's record ~~pursuant~~  
18 ~~to~~ **UNDER** section 320a for a violation of this section.

19 (8) This section does not apply to the owner or operator of a  
20 motor vehicle that is registered in a state other than this state  
21 or a foreign country or province.

22 **(9) IF POLICY INFORMATION FOR THE MOTOR VEHICLE IS AVAILABLE**  
23 **IN ELECTRONIC FORMAT TO THE POLICE OFFICER AT THE TIME OF HIS OR**  
24 **HER REQUEST UNDER SUBSECTION (1), THE OWNER OR OPERATOR IS NOT**  
25 **RESPONSIBLE FOR A CIVIL INFRACTION UNDER SUBSECTION (1).**