

MOTOR VEHICLE ACCIDENT CLAIMS ACT Act 198 of 1965

AN ACT providing for the establishment, maintenance and administration of a motor vehicle accident claims fund for the payment of damages for injury to or death of certain persons or property damage arising out of the ownership, maintenance or use of motor vehicles in the state in certain cases; and to provide penalties for violation of this act.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1967, Act 274, Imd. Eff. July 20, 1967.

The People of the State of Michigan enact:

257.1101 Motor vehicle accident claims act; short title.

Sec. 1. This act shall be known and may be cited as the "motor vehicle accident claims act".

History: 1965, Act 198, Eff. Nov. 1, 1965.

257.1102 Definitions.

Sec. 2. As used in this act:

(a) "Secretary" means the secretary of state acting as director of the fund.

(b) "Treasurer" means the state treasurer acting as the custodian of the fund.

(c) "Fund" means the motor vehicle accident claims fund.

(d) "Uninsured motor vehicle" means a motor vehicle as to which there is not in force a liability policy that meets the requirements of section 3009 of the insurance code of 1956, 1956 PA 218, MCL 500.3009, and that is not owned by a holder of self-insurance as provided in section 3101d of the insurance code of 1956, 1956 PA 218, MCL 500.3101d.

(e) "Person" includes natural persons, firms, copartnerships, associations, and corporations, except this state or an agency or political subdivision of this state. Person does not include a municipal corporation or a corporation owned or operated by this state or a political subdivision of this state.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1967, Act 274, Imd. Eff. July 20, 1967;—Am. 1971, Act 211, Imd. Eff. Dec. 29, 1971;—Am. 2012, Act 572, Imd. Eff. Jan. 2, 2013.

257.1103 Motor vehicle accident claims fund; financial statement; audit; deposits or investments; reversion of unexpended moneys; powers of commissioner of insurance; report; annual statement; examination of records; false evidence of insurance as misdemeanor; use of records or information; prohibition; penalty.

Sec. 3. (1) There shall be a fund to be known as the motor vehicle accident claims fund. A detailed financial statement of the condition of the fund shall be published by the secretary of state annually. This fund shall be subject to a financial audit by the auditor general. The treasurer shall deposit or invest an unappropriated portion of the fund, in the same manner and subject to all provisions of law with respect to the deposit or investment of state funds by the state treasurer, and interest earned by portions of the fund deposited or invested by the treasurer shall be collected by him and placed to the credit of the fund. Unexpended moneys appropriated from the fund shall revert to the fund at the end of each fiscal year.

(2) The commissioner of insurance shall have the power of visitation and examination of the affairs of the fund as though the fund were an insurer and shall report to the governor and the legislature on its financial position, actuarial soundness, and general condition. A copy of the report shall be filed with the auditor general for his use in auditing the fund. The fund shall file an annual statement relating to business and affairs on a form the commissioner shall prescribe.

(3) As of the close of the fiscal year ending June 30, 1970, and at the end of each fiscal year thereafter, the insurance bureau of the department of commerce shall examine the records of the fund in accordance with insurance accounting principles and file its report with the secretary before the succeeding April 1.

(4) A person who furnishes false evidence of insurance upon the issuance or transfer of registration under this section is guilty of a misdemeanor. In addition his operator's or chauffeur's license or motor vehicle registration, or both, may be suspended by the secretary for not more than 1 year.

(5) A person shall not use records or information produced as a result of the administration of this act for the purpose of soliciting the sale or purchase of motor vehicle liability insurance. A person who violates this subsection is guilty of a misdemeanor and shall be imprisoned for not more than 1 year, or fined not more than \$1,000.00, or both.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1965, Act 389, Imd. Eff. Oct. 25, 1965;—Am. 1967, Act 274, Imd. Eff. July 20, 1967;—Am. 1968, Act 223, Eff. July 1, 1968;—Am. 1971, Act 19, Imd. Eff. May 5, 1971;—Am. 1971, Act 63, Imd. Eff. July 28, 1971; Rendered Sunday, July 23, 2023

257.1103a Transfer of cash to general fund; reimbursement.

Sec. 3a. (1) Upon the effective date of this amendatory act, the state treasurer is authorized to transfer the sum of \$20,000,000.00 from the motor vehicle accident fund to the state general fund. The state accounting division shall treat the transfer as revenue from other funds.

(2) To reimburse the motor vehicle accident claims fund for the cash transferred pursuant to subsection (1), there is appropriated from the general fund for the fiscal year beginning July 1, 1976, the sum of \$15,000,000.00 and for the fiscal year beginning July 1, 1977, the sum of \$5,000,000.00. There is appropriated from the general fund each fiscal year from the effective date of this act through the fiscal year beginning July 1, 1976, an amount sufficient to pay any due and payable claims which exceed available revenue of the motor vehicle accident claims fund, which amount shall be deducted from the subsequent \$5,000,000.00 appropriation contained in this section to the motor vehicle accident claims fund.

History: Add. 1971, Act 19, Imd. Eff. May 5, 1971;—Am. 1976, Act 89, Imd. Eff. Apr. 17, 1976.

257.1104 Repealed. 1980, Act 459, Imd. Eff. Jan. 15, 1981.

Compiler's note: The repealed section pertained to evidence of insurance.

257.1105 Service of process; secretary of state as agent; procedure; failure to serve as bar to recovery; intervention; exception; limitation on payment.

Sec. 5. The secretary is deemed to be an agent of the owner or operator of every uninsured motor vehicle for service of process in an action in this state arising out of the use or operation in this state of the uninsured motor vehicle. Where an action is commenced, summons and complaint shall be served on the secretary by certified or registered mail or by leaving a copy thereof with or at the office of the secretary who shall forward a copy of the summons and complaint forthwith by certified mail to the defendant at his last address as recorded with the secretary. In an action to recover damages arising out of the use or operation of an uninsured motor vehicle, failure to serve summons and complaint upon the secretary shall constitute a bar to recovery from the fund. In actions where summons and complaint have been served upon the secretary, the secretary shall have the right to intervene in the action as a party defendant. This act does not apply to an accident occurring after the effective date of this amendatory act for which benefits are payable in whole or in part under sections 3101 to 3179 of Act No. 218 of the Public Acts of 1956, as amended. A payment shall not be made under this act for an accident occurring after the effective date of this amendatory act to an owner or registrant of a motor vehicle for which security under sections 3101 to 3179 of Act No. 218 of the Public Acts of 1956, as amended, is required.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1967, Act 274, Imd. Eff. July 20, 1967;—Am. 1974, Act 223, Imd. Eff. July 26, 1974.

257.1106 Death or injury by uninsured motorist; application for payment from fund; disputing liability; payment; subrogation; suspension; default in payments.

Sec. 6. (1) Where the death of or personal injury or property damage to any person or property is occasioned in this state by an uninsured motor vehicle, any person who would have a cause of action against the owner or driver of the uninsured motor vehicle in respect to the death or personal injury, or property damage except a person entitled to make an application under section 7, may make application, in a form prescribed by the secretary, for payment out of the fund subject to the limitations provided in this act for all damages in respect to the death or personal injury and for damages in excess of \$200.00 in respect to property damage.

(2) Upon receipt of application under this section, the secretary shall forward, by certified mail, notice of the application to the owner and driver of the uninsured motor vehicle against whom liability for damages is alleged, to their last addresses as recorded with the secretary. If any person to whom a notice is sent replies in writing within 20 days of the date upon which the notice was sent, disputing his liability, the provisions of subsection (5) shall be suspended as to such person, until such person executes a written consent to such payment or the secretary obtains a judgment for such payment against such person in a court of law.

(3) In respect to the application, the secretary may make payment out of the fund, subject to section 23, of an amount that he deems proper if the applicant executes a written release of all claims arising out of the accident to be paid from the fund.

(4) Where an amount is paid out of the fund under this section, the secretary is subrogated to the rights of the person to whom the amount is paid and may maintain an action in his own name or in the name of the person against the person responsible for the use or operation of the uninsured motor vehicle.

(5) Where payment is made under this section, the operator's or chauffeur's license and owner's registration or registrations of the persons to whom the notice was forwarded under this section shall be forthwith suspended by the secretary and shall not be reinstated until such person or persons have:

(a) Repaid in full to the fund the amount paid out; or

(b) Commenced installment repayments in accordance with an agreement made with the secretary, and filed proof of financial responsibility until the amount paid out in settlement of the claim by the motor vehicle accident claims fund has been repaid in full.

(6) Where a person who has commenced repayment of an amount paid out of the fund is in default in any payment for a period of 10 days, or fails to maintain proof of financial responsibility as required by this act, the secretary shall forthwith suspend the operator's or chauffeur's license and vehicle registration or registrations of the person.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1965, Act 389, Imd. Eff. Oct. 25, 1965;—Am. 1967, Act 274, Imd. Eff. July 20, 1967;—Am. 1968, Act 223, Eff. July 1, 1968.

257.1107 Judgment for damages caused by uninsured motorist; application for payment; notice to applicant of objection to payment; action against all defendants.

Sec. 7. (1) Subject to section 8, where a person recovers in any court in this state a judgment for damages on account of injury to or the death of any person or property damage occasioned in this state by an uninsured motor vehicle owned or operated by the judgment debtor within this state, upon the determination of all proceedings, including appeals, he may make application, in the form prescribed by the secretary and the secretary shall pay the amount of the judgment or of the unsatisfied portion thereof, subject to the limitations provided in this act with respect to death or personal injury and the amount of the judgment or of the unsatisfied portion thereof, in excess of \$200.00, with respect to property damage out of the fund.

(2) Where an application is made under this section, the secretary, at any time within 30 days of the receipt of the application, may give written notice to the applicant of any objection to payment of such judgment or any part of it. Where the secretary gives the notice the applicant may apply to the court entering judgment for a finding or determination in respect of any matter in connection with the application for payment out of the fund.

(3) The secretary shall not pay out of the fund any amount in respect of a judgment unless the judgment was given in an action brought against all persons against whom the applicant might reasonably be considered as having a cause of action in respect of the damages in question and prosecuted against every such person to judgment or dismissal.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1965, Act 389, Imd. Eff. Oct. 25, 1965.

257.1108 Default judgment; notice to secretary of state; reopening; settlements.

Sec. 8. (1) Section 7 does not apply in the case of a judgment entered in an action in which the defendant did not enter an appearance, did not file an answer, or did not appear in person or by counsel at the trial, or judgment was entered upon the consent or with the agreement of the defendant, unless the secretary has been given notice in writing of the failure, consent or agreement and has been afforded an opportunity to take such action as he may deem advisable under subsection (2).

(2) Where the secretary is served with notice in writing under this section, he may enter an appearance within 30 days, file an answer, make payment into court, appear by counsel at the trial or take such other action as he may deem appropriate on behalf and in the name of the defendant, and thereupon, on behalf and in the name of the defendant, may conduct his defense, and may consent to judgment in such amount as he may deem proper in all the circumstances, and all acts done in accordance therewith shall be deemed to be the acts of the defendants.

(3) Where pleadings have been closed, the secretary, upon giving notice to the court and to all proper parties to the action that he intends to defend the action on behalf and in the name of the defendant, may reopen the pleadings upon praecipe.

(4) In any action to recover damages arising out of the use or operation of an uninsured motor vehicle any settlement made between the plaintiff and defendant shall not be binding upon the secretary or the fund unless the secretary consents thereto.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1968, Act 223, Eff. July 1, 1968.

257.1109 Prerequisite to payments from fund; settlement of claim.

Sec. 9. The secretary shall not pay out of the fund any sum under section 7 until the judgment creditor assigns the judgment to him. The secretary may make settlement of a claim which is brought pursuant to section 13 and pay out of the fund any sum necessary to satisfy the settlement.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1971, Act 19, Imd. Eff. May 5, 1971.

257.1110 Suspension of licenses; reinstatement, conditions.

Sec. 10. Where the secretary pays out of the fund any amount in satisfaction of a judgment, the operator's or chauffeur's license and vehicle registration or registrations of the judgment debtor on whose behalf the payment is made shall be forthwith suspended by the secretary and shall remain suspended until he has:

(a) Repaid in full to the fund the amount paid out; or

(b) Commenced installment repayments in accordance with an agreement entered into with the secretary, and filed proof of his financial responsibility until the amount paid out to satisfy the judgment by the motor vehicle accident claims fund has been repaid in full.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1967, Act 274, Imd. Eff. July 20, 1967.

257.1111 Default in installment payment; suspension of licenses.

Sec. 11. When a person is in default of any installment payment for a period of 10 days, or fails to maintain proof of financial responsibility as required by this act, the secretary shall forthwith suspend the operator's or chauffeur's license and vehicle registration of the person.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1967, Act 274, Imd. Eff. July 20, 1967.

257.1112 Death or injury by unidentified vehicle or driver; action against fund; condition precedent.

Sec. 12. Where the death of or personal injury to any person is occasioned in this state by a motor vehicle but the identity of the motor vehicle and of the driver and owner thereof cannot be established, any person who would have a cause of action against the owner or driver in respect to the death or personal injury may bring an action against the secretary, either alone or as a codefendant with others alleged to be responsible for the death or personal injury. In any action commenced under this section, physical contact by the unidentified vehicle with the plaintiff or with a vehicle occupied by the plaintiff, is a condition precedent to such action.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1965, Act 389, Imd. Eff. Oct. 25, 1965;—Am. 1968, Act 223, Eff. July 1, 1968.

257.1113 Death or injury by unidentified vehicle or driver; adding secretary as defendant; condition.

Sec. 13. Where an action has been commenced in respect of the death of or injury to any person occasioned in this state by a motor vehicle and it is alleged that the death or injury was caused or contributed to by another motor vehicle, the identity of which and the owner and the driver thereof cannot be established, the secretary may be added as a defendant on the application of any party and shall be added as a defendant on his own application. The secretary may not be added as a defendant under this section unless physical contact by the unidentified motor vehicle with the plaintiff or with the vehicle occupied by the plaintiff or with such other vehicle which was involved in the accident has been established.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1965, Act 389, Imd. Eff. Oct. 25, 1965;—Am. 1968, Act 223, Eff. July 1, 1968.

257.1114 Repealed. 1967, Act 274, Imd. Eff. July 20, 1967.

Compiler's note: The repealed section pertained to motor vehicle accident claims act trial when secretary of state is defendant.

257.1115 Death or injury by stolen vehicle; action against secretary of state.

Sec. 15. When the death of or personal injury or property damage to any person or property is occasioned in this state by a motor vehicle at a time when the motor vehicle was without the owner's consent in the possession of some person other than the owner and the identity of the person in possession of the motor vehicle cannot be established, any person who would have a cause of action against the person in possession of the motor vehicle in respect of the death or injury or property damage may bring an action against the secretary.

History: 1965, Act 198, Eff. Nov. 1, 1965.

257.1116 Death or injury by stolen vehicle; general denial by secretary of state.

Sec. 16. In an action against the secretary, he may deny generally the allegations in respect to the unidentified motor vehicle and unidentified owner and driver thereof and shall not be required to set forth the facts upon which he relies.

History: 1965, Act 198, Eff. Nov. 1, 1965.

257.1117 Death or injury by stolen vehicle; judgment against secretary of state, prerequisites.

Sec. 17. In an action against the secretary, a judgment against him shall not be granted unless the court in which the action is brought is satisfied that all reasonable efforts have been made by the parties, other than the secretary, to ascertain the identity of the motor vehicle and of the owner and driver thereof, and that:

(a) In the case of actions under section 12, the identity of the motor vehicle and of the owner and driver thereof cannot be established; or

(b) In the case of actions under section 15, the identity of the driver of the motor vehicle that caused the death or injury or property damage cannot be established.

History: 1965, Act 198, Eff. Nov. 1, 1965.

257.1118 Recovery against fund; limitation of action; notice.

Sec. 18. In all actions in which recovery is to be sought against the fund, said action must be commenced within 3 years from the time the cause of action accrues. Recovery from the fund shall not be allowed in any event unless notice of intent to claim against the fund is served upon the secretary, on a form prescribed by him, within 6 months of the date that the cause of action shall accrue.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1968, Act 223, Eff. July 1, 1968.

257.1119 Judgment against secretary of state; payment; property damage payment.

Sec. 19. Where judgment is obtained against the secretary upon the determination of all proceedings, including appeals, the secretary, subject to the limitations provided in this act, shall pay out of the fund to the plaintiff in the action, the entire amount of the judgment with respect to death or personal injury, and that part of the judgment in excess of \$200.00, in respect to property damage.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1965, Act 389, Eff. Oct. 25, 1965.

257.1120 Judgment against secretary of state; application for order identifying owner or driver of motor vehicle; order, effect.

Sec. 20. Where judgment has been obtained against the secretary, he may apply at any time thereafter to the court where judgment has been obtained for an order declaring that any person was, at the time of the accident, the owner or driver of the motor vehicle that occasioned the death or injury or property damage in respect of which the judgment was obtained. Upon the making of an order declaring that any person was the owner or driver of a motor vehicle:

(a) The person, for the purpose of this act, shall be deemed to be the defendant in the action in which judgment was given against the secretary, and the judgment against the secretary shall be deemed to be a judgment against the person; and

(b) The secretary shall be deemed to have a judgment against the person for the amount of all moneys paid out of the fund in respect of the judgment and accordingly has all the rights of a judgment creditor, including the right to recover any moneys that would have been payable in respect of the death or injury or property damage under any policy of insurance that was in force at the time of the accident.

History: 1965, Act 198, Eff. Nov. 1, 1965.

257.1121 Judgment against secretary of state; secretary not personally liable to satisfy judgment.

Sec. 21. In an action brought against the secretary, he is not personally liable to satisfy a judgment obtained in the action.

History: 1965, Act 198, Eff. Nov. 1, 1965.

257.1122 Payment from fund; prohibited when damages paid or payable from insurance.

Sec. 22. (1) No payment shall be made out of the fund for payment of damages arising out of motor vehicle accidents occurring in this state prior to January 1, 1966.

(2) No payment shall be made out of the fund in respect to a claim or judgment for damages or in respect to a judgment against the secretary, of any amount paid or payable by an insurer by reason of the existence of a policy of insurance or of any amount paid or payable by any other person by reason of the existence of any policy, contract, agreement or arrangement, providing for the payment of compensation, indemnity or other benefits.

(3) No amount sought to be paid out of the fund shall be sought in lieu of making a claim or receiving a payment that is payable by reason of the existence of a policy of insurance, or in lieu of making a claim or receiving a payment that is payable by reason of the existence of any policy, contract, agreement or arrangement, providing for the payment of compensation, indemnity or other benefits, to which the claimant would be entitled in the absence of this act.

(4) In determining the amount which is payable from the fund under subsections (2) and (3) of this section and section 23, of this act, no consideration shall be given to any amount received or receivable by or paid or payable to or for the benefit of any person, under a policy of life insurance or under any policy, contract or agreement, providing for the payment of any hospital or medical expenses.

(5) No amount sought to be paid out of the fund shall be sought, directly or indirectly, for payment to or on behalf of any insurer or other person to reimburse or indemnify the insurer or such other person for any amount paid or payable by the insurer or such other person, by reason of the existence of any policy of insurance or any contract, agreement or arrangement, providing for the payment of any compensation, indemnity or other benefits.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1965, Act 389, Imd. Eff. Oct. 25, 1965.

257.1123 Payments for injury, death, or property damage; limitations; recovery of excess payments.

Sec. 23. (1) In respect to applications under this act for payment of damages arising out of motor vehicle accidents occurring in this state on or after January 1, 1966, the secretary shall not pay out of the fund, (a) more than \$20,000.00, exclusive of costs, on account of injury to or the death of 1 person, and, subject to such limit for any one person so injured or killed, not more than \$40,000.00, exclusive of costs, on account of injury to or the death of 2 or more persons in any one accident; and (b) more than \$10,000.00, exclusive of costs, for loss of or damage to property resulting from any one accident.

(2) Where any amount is recovered from any other source in partial discharge of the claim or judgment, or where a claim or judgment for damages is reduced by an amount paid or payable by an insurer or any other person, as provided in subsections (2) or (3) of section 22, then the limitations set forth in subsection 1 of this section shall be applicable to the excess of the claim or judgment over the amount by which the claim or judgment is partially satisfied or is reduced under subsections (2) or (3) of section 22. Any amount paid out of the fund in excess of the amount authorized by this section may be recovered by action brought by the secretary.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1965, Act 389, Imd. Eff. Oct. 25, 1965;—Am. 1971, Act 119, Eff. Oct. 1, 1971.

257.1124 Residence; date of determination.

Sec. 24. In this act, residence shall be determined as of the date of the motor vehicle accident as a result of which the damages are claimed.

History: 1965, Act 198, Eff. Nov. 1, 1965.

257.1125 Nonresident; payment from fund prohibited, exception.

Sec. 25. The secretary shall not pay out of the fund any amount in favor of a person who resides outside of this state unless the person resides in a jurisdiction in which recourse of a substantially similar character to that provided by this act is afforded to residents of this state, but no payment shall include an amount that would not be payable by the law of the jurisdiction in which the person resides.

History: 1965, Act 198, Eff. Nov. 1, 1965.

257.1126 Administration of act by secretary of state; employment of assistants; use of staff of attorney general; wages and professional fees, payment.

Sec. 26. The secretary may employ such office, clerical and professional help and claims investigators as is necessary to carry out the provisions of this act. The attorney general shall assign members of his staff to assist the secretary and may contract with such private attorneys as are necessary to defend actions against the fund. All wages and professional fees for services hereunder shall be charged to and payable from the fund.

History: 1965, Act 198, Eff. Nov. 1, 1965.

257.1127 Administration of act; costs, payment; appropriation.

Sec. 27. All costs incurred by the secretary in the administration of this act shall be charged to and paid from the fund. There is appropriated from the motor vehicle accident claims fund sufficient amounts to make all payments for claims or judgments for damages which are proper and in accordance with the law governing such payments upon approval and audit of the department of state.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1968, Act 223, Eff. July 1, 1968.

257.1128 Claims or actions against fund; limitation.

Sec. 28. All claims or actions under which any person seeks to recover from the fund shall be filed or commenced within 3 years from the date of accident.

History: 1965, Act 198, Eff. Nov. 1, 1965.

257.1129 Coverage by workmen's compensation law; recovery from fund; exception.

Sec. 29. Any person covered with respect to such injury or death by workmen's compensation law or the personal representative of such person shall not be permitted to recover from the fund except for property damage.

History: 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1969, Act 103, Eff. Mar. 20, 1970.

257.1130 Practice and procedure in courts where application made; appeals.

Sec. 30. The practice and procedure of the supreme court or the court in which the application or action is brought, including the right of appeal and the practice and procedure relating to appeals, apply to an application or action brought under this act.

History: 1965, Act 198, Eff. Nov. 1, 1965.

257.1131 Effective date of act.

Sec. 31. This act shall become effective November 1, 1965.

History: 1965, Act 198, Eff. Nov. 1, 1965.

257.1132 Total loss of vehicle; surrender of title, junking.

Sec. 32. When payment is made for property damage to a vehicle which payment represents the total value of the vehicle less the \$200.00 deductible the secretary may require that the certificate of title of the vehicle be surrendered for cancellation as a junk vehicle. When the certificate of title is surrendered under this section the secretary shall issue a memorandum of title which will enable the owner of the vehicle to dispose of it as junk or salvage.

History: Add. 1969, Act 252, Imd. Eff. Aug. 11, 1969.

257.1133 Act inapplicable to accidents occurring after January 2, 1976.

Sec. 33. This act does not apply to accidents occurring after the effective date of this amendatory act.

History: Add. 1975, Act 322, Imd. Eff. Jan. 2, 1976.