

## THE INSURANCE CODE OF 1956 (EXCERPT)

### Act 218 of 1956

#### CHAPTER 61

#### AUTOMOBILE THEFT PREVENTION AUTHORITY

##### 500.6101 Definitions.

Sec. 6101. As used in this chapter:

- (a) "Authority" means the automobile theft prevention authority.
- (b) "Board" means the board of directors of the automobile theft prevention authority.
- (c) "Economic automobile theft" means automobile theft perpetrated for financial gain.

**History:** Add. 1992, Act 174, Imd. Eff. July 23, 1992.

**Compiler's note:** Enacting section 2 of Act 174 of 1992 provides:

"Section 2. Chapter 61 of Act No. 218 of the Public Acts of 1956, as added by this amendatory act, is retroactive and applies effective April 1, 1992."

Former MCL 500.6101, which pertained to definitions, was repealed by Act 191 of 1991, Eff. Apr. 1, 1992.

**Popular name:** Act 218

##### 500.6103 Automobile theft prevention authority; creation; board of directors; appointment, qualifications, and terms of members; compensation and expenses; quorum; meetings; exercising powers, duties, and functions.

Sec. 6103. (1) There is hereby created a public body corporate and politic to be known as the automobile theft prevention authority.

(2) The purposes, powers, and duties of the authority shall be vested in and exercised by a board of directors.

(3) The board of directors shall consist of 7 members, appointed by the governor, with the advice and consent of the senate, 2 of whom shall be representative of purchasers of automobile insurance in this state, 2 of whom shall be representative of automobile insurers doing business in this state, 2 of whom shall be representative of law enforcement officials in this state, and 1 of whom shall be the director of the department of state police or his or her designee. The governor shall designate 1 member to serve as the chairperson of the authority.

(4) Members of the board shall serve for a term of 4 years.

(5) Members of the board shall serve without compensation for their membership on the board, except that members of the board shall receive reasonable reimbursement for necessary travel and expenses.

(6) A majority of the members of the board shall constitute a quorum for the transaction of business at a meeting, or the exercise of a power or function of the authority, notwithstanding the existence of 1 or more vacancies. Notwithstanding any other provision of law, action may be taken by the authority at a meeting upon a vote of the majority of its members present in person or through the use of amplified telephonic equipment, if authorized by the bylaws of the board. The authority shall meet at the call of the chair or as may be provided in the bylaws of the authority. Meetings of the authority may be held anywhere within the state of Michigan.

(7) The authority shall be within the department of state police and shall exercise its prescribed statutory powers, duties, and functions independently of the head of that department. The budgeting, procurement, and related functions of the authority, and administrative responsibilities for employees of the authority, shall be performed under the direction and supervision of the director of the department of state police.

**History:** Add. 1992, Act 174, Imd. Eff. July 23, 1992.

**Compiler's note:** Enacting section 2 of Act 174 of 1992 provides:

"Section 2. Chapter 61 of Act No. 218 of the Public Acts of 1956, as added by this amendatory act, is retroactive and applies effective April 1, 1992."

Former MCL 500.6103, which pertained to creation of the automobile theft prevention authority, was repealed by Act 191 of 1991, Eff. Apr. 1, 1992.

**Popular name:** Act 218

##### 500.6105 Authority; powers.

Sec. 6105. The authority shall have the powers necessary or convenient to carry out and effectuate the purposes and provisions of this chapter and the purposes of the authority and the powers delegated by other laws, including, but not limited to, the power to:

(a) Sue and be sued; to have a seal and alter the same at pleasure; to have perpetual succession; to make, execute, and deliver contracts, conveyances, and other instruments necessary or convenient to the exercise of

its powers; and to make and amend bylaws.

(b) Solicit and accept gifts, grants, loans, funds collected and placed in the automobile theft prevention fund, and other aids from any person or the federal, state, or a local government or any agency thereof.

(c) Make grants and investments.

(d) Procure insurance against any loss in connection with its property, assets, or activities.

(e) Invest any money held in reserve or sinking funds, or any money not required for immediate use or disbursement, at its discretion and to name and use depositories for its money.

(f) Contract for goods and services and engage personnel as is necessary, including the services of private consultants, managers, counsel, auditors, and others for rendering professional, management, and technical assistance and advice, payable out of any money of the fund legally available for this purpose.

(g) Indemnify and procure insurance indemnifying any member of the board from personal loss or accountability from liability resulting from a member's action or inaction as a member of the board.

(h) Do all other things necessary or convenient to achieve the objectives and purposes of the authority, this chapter, or other laws.

**History:** Add. 1992, Act 174, Imd. Eff. July 23, 1992.

**Compiler's note:** Enacting section 2 of Act 174 of 1992 provides:

"Section 2. Chapter 61 of Act No. 218 of the Public Acts of 1956, as added by this amendatory act, is retroactive and applies effective April 1, 1992."

Former MCL 500.6105, which pertained to powers of authority, was repealed by Act 191 of 1991, Eff. Apr. 1, 1992.

**Popular name:** Act 218

**500.6107 Automobile theft prevention fund; payment of assessment by certain insurers; administration of fund; priority of expenditures; use and distribution of fund; fund not considered state money; "written car year" defined.**

Sec. 6107. (1) Before April 1 of each year, each insurer engaged in writing insurance coverages that provide the security required by section 3101(1) in this state, as a condition of its authority to transact insurance in this state, shall pay to the authority an assessment equal to \$1.00 multiplied by the insurer's total written car years of insurance providing the security required by section 3101(1) written in this state during the preceding year.

(2) The authority shall segregate and deposit money received under subsection (1), and all other money received by the authority, in a fund to be known as the automobile theft prevention fund. The authority shall administer the automobile theft prevention fund.

(3) The authority shall expend money in the automobile theft prevention fund in the following order of priority:

(a) To pay the costs of administration of the authority.

(b) To achieve the purposes and objectives of this chapter, which may include, but not be limited to, the following:

(i) Providing financial support to the department of state police and local law enforcement agencies for economic automobile theft enforcement teams.

(ii) Providing financial support to state or local law enforcement agencies for programs designed to reduce the incidence of economic automobile theft.

(iii) Providing financial support to local prosecutors for programs designed to reduce the incidence of economic automobile theft.

(iv) Providing financial support to judicial agencies for programs designed to reduce the incidence of economic automobile theft.

(v) Providing financial support for neighborhood or community organizations or business organizations for programs designed to reduce the incidence of automobile theft.

(vi) Conducting educational programs designed to inform automobile owners of methods of preventing automobile theft and to provide equipment, for experimental purposes, to enable automobile owners to prevent automobile theft.

(4) Money in the automobile theft prevention fund must only be used for automobile theft prevention efforts and must be distributed based on need and efficacy as determined by the authority.

(5) Money in the automobile theft prevention fund is not state money.

(6) As used in this section, "written car year" means the portion of a year during which a vehicle is insured as determined by the catastrophic claims association and used to calculate premium charges under section 3104.

**History:** Add. 1992, Act 174, Imd. Eff. July 23, 1992;—Am. 2017, Act 58, Imd. Eff. June 15, 2017.

**Compiler's note:** Enacting section 2 of Act 174 of 1992 provides:

“Section 2, Chapter 61 of Act No. 218 of the Public Acts of 1956, as added by this amendatory act, is retroactive and applies effective April 1, 1992.”

Former MCL 500.6107, which pertained to automobile prevention fund, was repealed by Act 191 of 1991, Eff. Apr. 1, 1992.

**Popular name:** Act 218

#### **500.6110 Authority; plan of operation; report.**

Sec. 6110. (1) The authority shall develop and implement a plan of operation.

(2) The plan of operation shall include an assessment of the scope of the problem of automobile theft, including particular areas of the state where the problem is greatest; an analysis of various methods of combating the problem of automobile theft and economic automobile theft; a plan for providing financial support to combat automobile theft and economic automobile theft; and an estimate of the funds required to implement the plan.

(3) The authority shall report annually on or before February 1 to the governor and the legislature on its activities in the preceding year.

**History:** Add. 1992, Act 174, Imd. Eff. July 23, 1992.

**Compiler's note:** Enacting section 2 of Act 174 of 1992 provides:

“Section 2, Chapter 61 of Act No. 218 of the Public Acts of 1956, as added by this amendatory act, is retroactive and applies effective April 1, 1992.”

Former MCL 500.6110, which pertained to plan of operation and annual report, was repealed by Act 191 of 1991, Eff. Apr. 1, 1992.

**Popular name:** Act 218

#### **500.6111 Automobile theft prevention authority; report.**

Sec. 6111. By July 1 of every odd numbered year, the automobile theft prevention authority shall prepare a report that details the theft of automobiles occurring in this state for the previous 2 years, assesses the impact of the thefts on rates charged for automobile insurance, summarizes prevention programs, and outlines allocations made by the authority. The director of the department of state police, insurers, and the commissioner shall cooperate in the development of the report as requested by the automobile theft prevention authority and shall make available records and statistics concerning automobile thefts, including the number of automobile thefts, number of prosecutions and convictions involving automobile thefts, and automobile theft recidivism. The automobile theft prevention authority shall evaluate the impact automobile theft has on the citizens of this state and the costs incurred by the citizens through insurance, police enforcement, prosecution, and incarceration due to automobile thefts. The report required by this section shall be submitted to the senate and house of representatives standing committees on insurance issues and the commissioner.

**History:** Add. 1992, Act 174, Imd. Eff. July 23, 1992;—Am. 2004, Act 316, Imd. Eff. Aug. 27, 2004.

**Compiler's note:** Section 2 of Act 174 of 1992 provides:

“Section 2, Chapter 61 of Act No. 218 of the Public Acts of 1956, as added by this amendatory act, is retroactive and applies effective April 1, 1992.”

**Popular name:** Act 218

#### **500.6115, 500.6125 Repealed. 1991, Act 191, Eff. Apr. 1, 1992.**

**Compiler's note:** The repealed sections pertained to dissolution of authority, liquidation of assets, and repeal of chapter.

**Popular name:** Act 218