

# HOUSE BILL No. 4427

March 8, 2007, Introduced by Reps. Accavitti, Hansen and Stahl and referred to the Committee on Insurance.

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 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 prima facie evidence that insurance is in force for the  
10 motor vehicle described in the certificate of insurance until the  
11 expiration date shown on the certificate. The certificate ~~, in~~  
12 ~~addition to describing the motor vehicles for which insurance is in~~  
13 ~~effect, shall state the~~ **SHALL CONTAIN ALL OF THE FOLLOWING**

14 **INFORMATION:**

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

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

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 3101 and 3102 of the insurance  
27 code of 1956, 1956 PA 218, MCL 500.3101 and 500.3102, at the time

1 the violation of subsection (1) occurred, all of the following  
2 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 3101 and 3102 of the insurance code of  
14 1956, 1956 PA 218, MCL 500.3101 and 500.3102, is submitted to the  
15 court. If the court requires the license to be surrendered, the  
16 court shall order the secretary of state to suspend the person's  
17 license. The court shall immediately destroy the license and shall  
18 forward to the secretary of state an abstract of the court record  
19 as required by section 732. Upon receipt of the abstract, the  
20 secretary of state shall suspend the person's license beginning  
21 with the date on which a person is determined to be responsible for  
22 the civil infraction for a period of 30 days or until proof of  
23 insurance meeting the requirements of sections 3101 and 3102 of the  
24 insurance code of 1956, 1956 PA 218, MCL 500.3101 and 500.3102, is  
25 submitted to the secretary of state, whichever occurs later. A  
26 person who submits proof of insurance to the secretary of state  
27 under this subsection shall pay a service fee of \$25.00 to the

1 secretary of state. The person shall not be required to be examined  
2 as set forth in section 320c and shall not be required to pay a  
3 replacement license fee.

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

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

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

26 (8) This section does not apply to the owner or operator of a  
27 motor vehicle that is registered in a state other than this state

1 or a foreign country or province.

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

8 (A) THE VEHICLE IDENTIFICATION NUMBER.

9 (B) THE NAME AND ADDRESS OF THE INSURER.

10 (C) THE INSURANCE POLICY NUMBER.

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

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

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

24 (A) A STATEMENT THAT THE INSURER HAS INFORMED THE SECRETARY OF  
25 STATE THAT THE POLICY OF INSURANCE FOR THE MOTOR VEHICLE HAS  
26 EXPIRED WITHOUT BEING RENEWED OR HAS BEEN TERMINATED OR CANCELED  
27 AND THE SECRETARY OF STATE HAS NOT BEEN INFORMED BY THE REGISTERED

1 OWNER OF THE MOTOR VEHICLE THAT THE MOTOR VEHICLE IS INSURED UNDER  
2 ANOTHER POLICY OF INSURANCE.

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

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

17 Enacting section 1. This amendatory act does not take effect  
18 unless Senate Bill No. \_\_\_\_\_ or House Bill No. 4428(request no.  
19 00945'07 a) of the 94th Legislature is enacted into law.