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BILL ANALYSIS

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Senate Bill 91 (as introduced 1-29-13)
Sponsor: Senator Mike Green
Committee: Transportation

Date Completed: 4-3-13

CONTENT

The bill would amend the Michigan Vehicle Code to provide that electronic proof of insurance would satisfy a police officer's request for evidence that a vehicle is insured.

The Code requires an owner or operator of a vehicle to provide evidence of insurance at the request of a police officer. A copy of a certificate issued by an insurance company is acceptable evidence if it: 1) certifies compliance with the Insurance Code, 2) describes the vehicle under the policy, 3) states the name of each person named on the policy, and any person not covered under the policy, and 4) is not expired.

Under the bill, in addition to a copy of a certificate, proof of a policy in electronic format would satisfy a police officer's request for evidence of insurance. The electronic proof would have to 1) include a copy of the certificate of insurance, 2) be provided by the insurance company to the insured in an electronic format, and 3) be displayed on an electronic device.

MCL 257.328

Legislative Analyst: Glenn Steffens

FISCAL IMPACT

Under current law, if a driver fails to produce proof of insurance upon request of a police officer, that driver will be responsible for a civil infraction and will be given a ticket assessing fines between \$105 and \$123. This amount includes the fine, court costs, and the justice system assessment. The fine revenue is distributed to public libraries, the court costs revenue goes to the local court administering the case, and the justice system assessment is distributed to a variety of State entities, such as the Highway Safety Fund of the Michigan State Police. If, before the ticket due date expires, the driver produces documentation showing that the motor vehicle was properly insured on the date of the offense, the ticket will be reduced to \$25, which is a processing fee that goes to the local court. Under the bill, in the event that a driver was insured but lacked a certificate of insurance, he or she could avoid a ticket by showing proof on an electronic device. Assuming that the driver otherwise would provide documentation of insurance if he or she were ticketed, the local court would lose the \$25 processing fee revenue, but it also would have reduced workload because there would not be a ticket to process.

Fiscal Analyst: Dan O'Connor

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