



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 777 (as reported without amendment)
Sponsor: Senator Michael J. Bouchard
Committee: Financial Services

CONTENT

The bill would amend the Insurance Code to require an automobile insurer to provide a certificate of insurance for each vehicle, rather than two certificates to each policyholder, and delete the requirement that the insured file one copy of the certificate with the Secretary of State upon application for a vehicle registration. The bill also delete the misdemeanor violation for supplying false information to the Secretary of State regarding automobile insurance or issuing or using an invalid certificate, and apply the misdemeanor, instead, to a person who issued or used an altered, fraudulent, or counterfeit certificate of insurance. The misdemeanor is punishable by up to one year's imprisonment and/or a maximum fine of \$1,000.

MCL 500.3020 & 500.3101a

Legislative Analyst: P. Affholter

FISCAL IMPACT

Senate Bills 776 and 777 would have the following fiscal impact. Eliminating the requirement that vehicle registration applications be accompanied by proof of vehicle insurance would allow the Department of State to implement renewals with kiosk machines, telephone, and other processes to improve the efficiency of the program. Increasing the service fee (from \$10 to \$25) for restoration of driver's licenses suspended for failure to have motor vehicle insurance would result in additional revenue to cover the Department of State's costs. In 1994, 149 individuals paid that service fee. The new \$50 fee required for registration renewals, replacements, or transfers when a court determined an individual had failed to insure a vehicle also would generate additional revenue depending on the number of violations.

Increasing the maximum penal fine for knowingly producing false evidence of insurance from \$500 to \$1,000 also could generate additional revenue.

Date Completed: 12-6-95

Fiscal Analyst: B. Bowerman

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