

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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Senate Bill 1428 (as enrolled)
Sponsor: Senator Bill Bullard, Jr.
Committee: Financial Services

Date Completed: 10-8-02

RATIONALE

It has been pointed out that recently enacted provisions of the Insurance Code contain a citation to a section of law that has been repealed. The provisions in question were enacted by Public Act 251 of 2002 to allow the Automobile Insurance Placement Facility to impose a premium surcharge on insured drivers who have been convicted of certain crimes. One of the crimes is felonious driving. Public Act 251, however, refers to a violation of a felonious driving law (MCL 752.191) that was repealed by Public Act 134 of 2001. The 2001 Act also re-enacted revised felonious driving provisions in the Michigan Vehicle Code (MCL 257.626c). It has been suggested that the Insurance Code's reference to the repealed felonious driving law should be replaced with a citation to the new Vehicle Code section.

CONTENT

The bill would amend the Insurance Code to allow the Automobile Insurance Placement Facility to impose a premium surcharge on insured drivers who had been convicted of violating MCL 257.626c, the felonious driving section of the Michigan Vehicle Code, rather than MCL 752.191, the repealed felonious driving law.

MCL 500.3341

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The Automobile Insurance Placement Facility was created by statute to be the insurer of last resort for people with poor driving

records, poor payment histories, or no prior insurance. Under Public Act 251 of 2002, the Facility may charge premium surcharges on all auto insurance coverage, except comprehensive coverage, for individuals who have been convicted of specific violations of the Michigan Penal Code, the Michigan Vehicle Code, or Public Act 214 of 1931 (the prior felonious driving law). Previously, the Facility could impose a surcharge on certain high-risk drivers, such as those with numerous speeding tickets or accidents, but did not have the authority to levy additional charges against drivers who had committed certain crimes in an automobile, such as manslaughter or auto theft. Public Act 251 addressed this loophole in the law.

The legislation that resulted in Public Act 251 (Senate Bill 882) was introduced in the Legislature shortly after felonious driving proposals had moved through the legislative process but before they took effect. These measures included House Bill 4813, which became Public Act 134 of 2001. That Act repealed the 1931 felonious driving statute, which predated the Michigan Vehicle Code, and enacted revised felonious driving provisions in the Vehicle Code. Under Public Act 134, the offense applies not only to incidents that occur on a highway, but also to incidents occurring in other places open to the general public or generally accessible to motor vehicles, including parking lots. Public Act 134 took effect on February 1, 2002.

The Insurance Code provisions enacted by Public Act 251 of 2002, however, cite the old felonious driving law. Senate Bill 1428 simply would replace the repealed section number with the new one.

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Maria Tyszkiewicz

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.