

# SENATE BILL No. 638

July 16, 2003, Introduced by Senators OLSHOVE, LELAND, SCOTT, PATTERSON, JACOBS, BRATER, CLARK-COLEMAN, BERNERO, CHERRY, SCHAUER, BARCIA, BASHAM, GILBERT and CLARKE and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1949 PA 300, entitled  
 "Michigan vehicle code,"  
 by amending section 328 (MCL 257.328), as amended by 1995 PA 287,  
 and by adding section 520a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

SENATE BILL No. 638

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  
 6 the insurance code of 1956, ~~Act No. 218 of the Public Acts of~~  
 7 ~~1956, being sections 500.3101 to 500.3179 of the Michigan~~  
 8 ~~Compiled Laws~~ **1956 PA 218, MCL 500.3101 to 500.3179.** An owner  
 9 or operator of a motor vehicle who fails to produce evidence of  
 10 insurance under this subsection when requested to produce that

1 evidence or who fails to have motor vehicle insurance for the  
2 vehicle as required under chapter 31 of ~~Act No. 218 of the~~  
3 ~~Public Acts of 1956~~ **the insurance code of 1956, 1956 PA 218, MCL**  
4 **500.3101 to 500.3179**, is responsible for a civil infraction.

5 (2) A certificate of insurance ~~, if~~ issued by an insurance  
6 company ~~, which certificate~~ **that** states that security ~~which~~  
7 ~~meets~~ **meeting** the requirements of sections 3101 and ~~3102~~ **3103**  
8 of ~~Act No. 218 of the Public Acts of 1956, being sections~~  
9 ~~500.3101 and 500.3102 of the Michigan Compiled Laws~~ **the**  
10 **insurance code of 1956, 1956 PA 218, MCL 500.3101 and 500.3103**,  
11 is in force shall be accepted as prima facie evidence that  
12 insurance is in force for the motor vehicle described in the  
13 certificate of insurance until the expiration date shown on the  
14 certificate. The certificate ~~, in addition to describing the~~  
15 ~~motor vehicles for which insurance is in effect, shall state the~~  
16 **shall contain all of the following information:**

17 (a) **The vehicle identification number.**

18 (b) **The name and address of the insurer.**

19 (c) **The insurance policy number.**

20 (d) **The effective date and the expiration date of the**  
21 **insurance policy.**

22 (e) **The name of each person** ~~named on the policy, policy~~  
23 ~~declaration, or a declaration certificate~~ whose operation of the  
24 vehicle would cause the liability coverage of that insurance to  
25 become void.

26 (3) If an owner or operator of a motor vehicle is determined  
27 to be responsible for a violation of subsection (1), the court in

1 which the civil infraction determination is entered may require  
2 the person to surrender his or her operator's or chauffeur's  
3 license unless proof that the vehicle has insurance meeting the  
4 requirements of sections 3101 and ~~3102~~ **3103** of ~~Act No. 218 of~~  
5 ~~the Public Acts of 1956~~ **the insurance code of 1956, 1956 PA 218,**  
6 **MCL 500.3101 and 500.3103**, is submitted to the court. If the  
7 person submits proof to the court that the vehicle has insurance  
8 meeting the requirements of sections 3101 and ~~3102~~ **3103** of ~~Act~~  
9 ~~No. 218 of the Public Acts of 1956~~ **the insurance code of 1956,**  
10 **1956 PA 218, MCL 500.3101 and 500.3103**, in addition to the civil  
11 fine and costs provided by section 907, the court shall assess a  
12 fee of \$25.00. If the court requires the license to be  
13 surrendered, the court shall order the secretary of state to  
14 suspend the person's license. The court shall immediately  
15 destroy the license and shall forward to the secretary of state  
16 an abstract of the court record as required by section 732. Upon  
17 receipt of the abstract, the secretary of state shall suspend the  
18 person's license beginning with the date on which a person is  
19 determined to be responsible for the civil infraction for a  
20 period of 30 days or until proof of insurance ~~which~~ **that** meets  
21 the requirements of sections 3101 and ~~3102~~ **3103** of ~~Act No. 218~~  
22 ~~of the Public Acts of 1956~~ **the insurance code of 1956, 1956 PA**  
23 **218, MCL 500.3101 and 500.3103**, is submitted to the secretary of  
24 state, whichever occurs later. A person who submits proof of  
25 insurance to the secretary of state under this subsection shall  
26 pay a service fee of \$25.00 to the secretary of state. The  
27 person shall not be required to be examined as set forth in

1 section 320c and shall not be required to pay a replacement  
2 license fee.

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

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

23 (6) Points shall not be entered on a driver's record pursuant  
24 to section 320a for a violation of this section.

25 (7) This section does not apply to the owner or operator of a  
26 motor vehicle that is registered in a state other than this state  
27 or a foreign country or province.

1           Sec. 520a. (1) The secretary of state shall create and  
2 maintain a central file of registered motor vehicles insured  
3 under an automobile insurance policy meeting the requirements of  
4 section 3101 or 3103 of the insurance code of 1956, 1956 PA 218,  
5 MCL 500.3101 and 500.3103. The file shall contain all of the  
6 following information for each insured vehicle:

7           (a) The vehicle identification number.

8           (b) The name and address of the insurer.

9           (c) The insurance policy number.

10          (d) The effective date and the expiration date of the  
11 insurance policy.

12          (2) The secretary of state shall send a notice to each  
13 registered owner of a motor vehicle registered under this act if  
14 the secretary of state has been informed by the insurer that the  
15 policy of insurance for the motor vehicle has expired without  
16 being renewed or has been terminated or canceled and the  
17 secretary of state has not been informed by the registered owner  
18 of the motor vehicle that the motor vehicle is insured under  
19 another policy of insurance.

20          (3) A notice issued under this section shall be on a form  
21 prescribed by the secretary of state and shall contain both of  
22 the following:

23          (a) A statement that the insurer has informed the secretary  
24 of state that the policy of insurance for the motor vehicle has  
25 expired without being renewed or has been terminated or canceled  
26 and the secretary of state has not been informed by the  
27 registered owner of the motor vehicle that the motor vehicle is

1 insured under another policy of insurance.

2 (b) A statement that if a registered owner of the motor  
3 vehicle fails to respond to the notice before the expiration of  
4 14 days after the notice was issued and fails to present proof to  
5 the secretary of state that is satisfactory to the secretary of  
6 state that the motor vehicle is insured pursuant to section 520,  
7 the secretary of state will cancel the registration of the motor  
8 vehicle and will not issue a new registration for the motor  
9 vehicle until an owner of the motor vehicle provides proof to the  
10 secretary of state that is satisfactory to the secretary of state  
11 that the motor vehicle is insured pursuant to section 520.

12 (4) The secretary of state shall cancel the registration of  
13 a motor vehicle unless a registered owner of the motor vehicle  
14 provides proof of insurance to the secretary of state as required  
15 under this section.

16 Enacting section 1. This amendatory act does not take  
17 effect unless Senate Bill No. 634

18 of the 92nd Legislature is enacted into  
19 law.