

SENATE BILL No. 791

October 5, 2005, Introduced by Senator HAMMERSTROM and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1949 PA 300, entitled
"Michigan vehicle code,"
(MCL 257.1 to 257.923) by adding sections 520a, 520b, 520c, and
520d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 520A. (1) THE SECRETARY OF STATE SHALL ESTABLISH AND
2 IMPLEMENT A VERIFICATION SYSTEM FOR MOTOR VEHICLE INSURANCE
3 COVERAGE. THE VERIFICATION SYSTEM SHALL BE DESIGNED WITH THE GOAL
4 OF IDENTIFYING MOTOR VEHICLES THAT ARE BEING OPERATED ON HIGHWAYS
5 IN THIS STATE WITHOUT THE REQUIRED INSURANCE COVERAGE AND SHALL
6 HAVE ALL OF THE FOLLOWING CHARACTERISTICS:

7 (A) PROVIDE QUICK, ACCURATE, AND CURRENT ACCESS TO MOTOR
8 VEHICLE INSURANCE COVERAGE INFORMATION FOR PERSONS AND AGENCIES
9 CHARGED WITH ENFORCEMENT OF MOTOR VEHICLE INSURANCE REQUIREMENTS.

1 (B) BE COST-EFFECTIVE.

2 (C) PROTECT THE PRIVACY OF MOTOR VEHICLE OWNERS.

3 (D) PROTECT THE SECURITY AND INTEGRITY OF INFORMATION PROVIDED
4 BY INSURERS.

5 (E) ALLOW FOR INDEPENDENT AUDITING.

6 (2) THE SECRETARY OF STATE MAY CONSULT WITH MOTOR VEHICLE
7 INSURERS AND THE IMPLEMENTING AND ENFORCING AGENCIES AND ENTITIES
8 REGARDING THE DESIGN, DEVELOPMENT, AND TESTING OF A PILOT PROGRAM
9 AND THE FULL IMPLEMENTATION OF THE PROGRAM.

10 SEC. 520B. THE SECRETARY OF STATE SHALL COLLECT A \$2.00 MOTOR
11 VEHICLE INSURANCE VERIFICATION FEE ALONG WITH EACH YEARLY MOTOR
12 VEHICLE REGISTRATION. THE FEE SHALL BE DEPOSITED WITH THE STATE
13 TREASURER AND CREDITED TO THE INSURANCE VERIFICATION FUND CREATED
14 IN SECTION 520C.

15 SEC. 520C. (1) THE INSURANCE VERIFICATION FUND IS CREATED IN
16 THE STATE TREASURY. THE STATE TREASURER SHALL CREDIT TO THE FUND
17 THE AMOUNTS RECEIVED UNDER SECTION 520B AND INTEREST ON INVESTMENT
18 OF THE FUND. THE STATE TREASURER MAY CREDIT MONEY FROM ANY OTHER
19 SOURCE TO THE FUND.

20 (2) MONEY IN THE FUND AT THE CLOSE OF A FISCAL YEAR SHALL
21 REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

22 (3) MONEY IN THE FUND SHALL BE EXPENDED ONLY AS PROVIDED IN
23 THIS SECTION. THE SECRETARY OF STATE SHALL EXPEND MONEY FROM THE
24 FUND TO ESTABLISH, IMPLEMENT, AND MAINTAIN A PROGRAM FOR TIMELY
25 VERIFICATION OF MOTOR VEHICLE INSURANCE COVERAGE, WHICH MAY INCLUDE
26 ANY OF THE FOLLOWING:

27 (A) SOLICITING COMPETITIVE BIDS FOR SUPPLIES, SERVICES,

1 SOFTWARE, OR EQUIPMENT.

2 (B) IMPLEMENTING A PILOT PROGRAM.

3 (C) PURCHASING, DEVELOPING, MODIFYING, TESTING, IMPLEMENTING,
4 OPERATING, OR MAINTAINING A MOTOR VEHICLE INSURANCE COVERAGE
5 VERIFICATION SYSTEM.

6 SEC. 520D. THE SECRETARY OF STATE SHALL REQUIRE MOTOR VEHICLE
7 INSURERS TO SUBMIT ON A DAILY BASIS INFORMATION NECESSARY FOR
8 EFFECTIVE IMPLEMENTATION AND OPERATION OF THE MOTOR VEHICLE
9 INSURANCE COVERAGE VERIFICATION SYSTEM.

10 Enacting section 1. This amendatory act does not take effect
11 unless all of the following bills of the 93rd Legislature are
12 enacted into law:

13 (a) Senate Bill No. 792.

14

15 (b) Senate Bill No. 793.

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