

**SUBSTITUTE FOR  
SENATE BILL NO. 1151**

A bill to amend 1949 PA 300, entitled  
"Michigan vehicle code,"  
by amending the title and section 219 (MCL 257.219), the title as  
amended by 2016 PA 32 and section 219 as amended by 2018 PA 74, and  
by adding sections 820a, 820b, and 820c.

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

1 TITLE  
2 An act to provide for the registration, titling, sale,  
3 transfer, and regulation of certain vehicles operated upon the  
4 public highways of this state or any other place open to the  
5 general public or generally accessible to motor vehicles and  
6 distressed vehicles; to provide for the licensing of dealers; to  
7 provide for the examination, licensing, and control of operators



1 and chauffeurs; to provide for the giving of proof of financial  
2 responsibility and security by owners and operators of vehicles; to  
3 provide for the imposition, levy, and collection of specific taxes  
4 on vehicles, and the levy and collection of sales and use taxes,  
5 license fees, and permit fees; to provide for the regulation and  
6 use of streets and highways; to create certain funds; to provide  
7 penalties and sanctions for a violation of this act; to provide for  
8 civil liability of manufacturers, the manufacturers of certain  
9 devices, the manufacturers of automated technology, upfitters,  
10 owners, and operators of vehicles and service of process on  
11 residents and nonresidents; to regulate the introduction and use of  
12 certain evidence; to regulate and certify the manufacturers of  
13 certain devices; to provide for approval and certification of  
14 installers and servicers of certain devices; to provide for the  
15 levy of certain assessments; **to authorize the secretary of state to**  
16 **aid in the enforcement of unpaid tolls and enter agreements with**  
17 **certain operators of toll bridges and tunnels; to provide for the**  
18 **powers and duties of certain operators of toll bridges and tunnels;**  
19 **to provide procedures for disputing claims of unpaid tolls;** to  
20 provide for the enforcement of this act; to provide for the  
21 creation of and to prescribe the powers and duties of certain state  
22 and local agencies; to impose liability upon the state or local  
23 agencies; to provide appropriations for certain purposes; to repeal  
24 all other acts or parts of acts inconsistent with this act or  
25 contrary to this act; and to repeal certain parts of this act on a  
26 specific date.

27       Sec. 219. (1) The secretary of state shall refuse issuance of  
28 a registration or a transfer of registration upon any of the  
29 following grounds:



1 (a) The application contains a false or fraudulent statement,  
2 the applicant has failed to furnish required information or  
3 reasonable additional information requested by the secretary of  
4 state, or the applicant is not entitled to the registration of the  
5 vehicle under this act.

6 (b) The secretary of state has reasonable ground to believe  
7 that the vehicle is a stolen or embezzled vehicle, or that the  
8 granting of registration would constitute a fraud against the  
9 rightful owner or other person having a valid lien upon the  
10 vehicle.

11 (c) The registration of the vehicle is suspended or revoked  
12 for any reason provided in the motor vehicle laws of this state.

13 (d) At the time of the application, the operator's or  
14 chauffeur's license of the owner or co-owner or lessee or co-lessee  
15 is suspended, revoked, or denied, except for an applicant who has  
16 been issued a license under section 304, or the operator has never  
17 been licensed by this state for a third or subsequent violation of  
18 section 625 or 625m, a local ordinance substantially corresponding  
19 to section 625 or 625m, or a law of another state substantially  
20 corresponding to section 625 or 625m, or for a fourth or subsequent  
21 suspension or revocation under section 904.

22 (e) The required fee has not been paid.

23 (f) The applicant, at the time of applying for registration or  
24 a transfer of registration other than a temporary registration  
25 issued under section 226b, fails to present a certificate of  
26 compliance or waiver for a motor vehicle as required under either  
27 part 63 or part 65 of the natural resources and environmental  
28 protection act, 1994 PA 451, MCL 324.6301 to 324.6321 and 324.6501  
29 to 324.6539.



1 (g) The application for registration of a vehicle with an  
2 elected gross weight of 55,000 pounds or more is not accompanied  
3 with proof of payment of the federal highway use tax levied under  
4 the surface transportation assistance act of 1982, Public Law 97-  
5 424.

6 (h) The applicant is a motor carrier subject to an out-of-  
7 service order, the applicant has applied for a registration or  
8 transfer registration as a subterfuge for a person subject to an  
9 out-of-service order, or the applicant's business is operated,  
10 managed, controlled by, or affiliated with a person that is  
11 ineligible for registration, including, but not limited to, the  
12 applicant, a relative or family member of the applicant, or a  
13 corporate officer or shareholder of the applicant. As used in this  
14 subdivision, "out-of-service order" means that term as defined in  
15 49 CFR 390.5, and also includes an out-of-service order issued  
16 under 49 CFR 386.73.

17 **(i) The secretary of state has received a notice from an**  
18 **operator of a toll bridge or tunnel as described in section 820a(2)**  
19 **identifying the applicant and has not received a notice described**  
20 **in section 820a(4) or otherwise learned that the conditions in**  
21 **section 820a(4) apply.**

22 (2) The secretary of state shall refuse issuance of a  
23 certificate of title or a salvage certificate of title upon any of  
24 the following grounds:

25 (a) The application contains a false or fraudulent statement,  
26 the applicant has failed to furnish required information or  
27 reasonable additional information requested by the secretary of  
28 state, or the applicant is not entitled to the issuance of a  
29 certificate of title or salvage certificate of title under this



1 act.

2 (b) The secretary of state has reasonable ground to believe  
3 that the vehicle is a stolen or embezzled vehicle or that the  
4 issuance of a certificate of title or a salvage certificate of  
5 title would constitute a fraud against the rightful owner or other  
6 person having a valid security interest upon the vehicle.

7 (c) The required fee has not been paid.

8 (3) The secretary of state shall not issue a registration for  
9 a vehicle for which a temporary registration plate was issued under  
10 section 904c until the violation resulting in the issuance of the  
11 plate is adjudicated or the vehicle is transferred to a person who  
12 is subject to payment of a use tax under section 3 of the use tax  
13 act, 1937 PA 94, MCL 205.93.

14 **Sec. 820a. (1) Upon appropriation, the secretary of state**  
15 **shall implement a tolling enforcement program as provided in this**  
16 **section and sections 820b and 820c. Under the tolling enforcement**  
17 **program, at the request of an operator of a toll bridge or tunnel,**  
18 **the secretary of state shall negotiate with the operator and enter**  
19 **into an agreement consistent with this section and sections 820b**  
20 **and 820c to exchange data to aid in the enforcement of collecting**  
21 **unpaid tolls. The agreement must provide for all of the following:**

22 (a) A method for identifying an individual who failed to pay a  
23 toll as the registered owner of a vehicle.

24 (b) The form of notice for sending a notice of unpaid toll to  
25 an individual who failed to pay the toll.

26 (c) The service fee that the secretary of state may charge the  
27 operator for providing services under the agreement.

28 (d) A process for disputing a notice of unpaid toll.

29 (e) Data-sharing standards for the transmittal, retention, and



1 breach of data, including that the operator shall use any data  
2 shared by the secretary of state solely for the purpose of  
3 collecting tolls.

4 (f) That the data exchanged must include both of the  
5 following:

6 (i) The names and addresses of individuals who allegedly failed  
7 to pay a toll.

8 (ii) Photographs of vehicles and registration plates.

9 (2) If an individual fails to pay 3 tolls to operate a vehicle  
10 on a toll bridge or tunnel in this state and the 3 tolls remain  
11 unpaid for more than 90 days after the individual receives a notice  
12 of 3 unpaid tolls under section 820b, an operator may notify the  
13 secretary of state of the failure to pay on a form determined by  
14 the secretary of state containing information required by the  
15 secretary of state. If the operator notifies the secretary of state  
16 under this subsection, the operator must inform the individual who  
17 received the notice of 3 unpaid tolls that notice was given to the  
18 secretary of state.

19 (3) Except as otherwise provided in this subsection, if the  
20 secretary of state receives a notice under subsection (2), the  
21 secretary of state must, under section 219, refuse to issue a  
22 registration to or transfer a registration issued to the individual  
23 responsible for paying the toll. If the secretary of state receives  
24 a notice described in subsection (4), or otherwise learns that the  
25 conditions in subsection (4) apply, the secretary of state shall  
26 issue or transfer any registration the secretary of state refused  
27 to issue or transfer under this subsection.

28 (4) If an operator gives notice to the secretary of state  
29 identifying an individual as described in subsection (2), the



1 operator shall immediately notify the secretary of state if any of  
2 the following occur:

3 (a) The individual files a notice of dispute under section  
4 820b.

5 (b) The individual files a notice of appeal under section  
6 820c.

7 (c) The individual pays 1 or more of the 3 unpaid tolls.

8 (d) The operator or a dispute arbitrator described in section  
9 820c determines the individual is not responsible for paying 1 or  
10 more of the 3 unpaid tolls.

11 (5) Actions taken by an operator under this section, section  
12 820b, or section 820c are in addition to any other methods of  
13 enforcement and collection available under the law.

14 (6) An individual responsible for paying a toll under this  
15 section, section 820b, and section 820c is either of the following  
16 individuals:

17 (a) If a toll device is not affixed to the vehicle, the  
18 individual to whom the vehicle is registered.

19 (b) If a toll device is affixed to the vehicle, the individual  
20 to whom the toll device is registered.

21 (7) An agreement under subsection (1) must provide that tolls  
22 and administration fees collected by or on behalf of the operator  
23 are the property of the operator and provide that an operator may  
24 do any of the following:

25 (a) Establish, collect, and enforce the payment of tolls.

26 (b) Establish, collect, and enforce administration fees based  
27 on criteria that the operator considers appropriate, including  
28 administration fees related to any of the following:

29 (i) The secretary of state's service fee charged to the



1 operator for providing services to the operator under the  
2 agreement.

3 (ii) A dispute under section 820b.

4 (iii) An appeal under section 820c.

5 (c) Exempt any vehicle or class of vehicles from the payment  
6 of tolls and administration fees.

7 (d) Determine the methods of payment of tolls and  
8 administration fees.

9 (e) Establish terms and conditions for the registration and  
10 distribution of toll devices.

11 (f) Require security for the provision of any toll device.

12 (8) This section does not authorize an operator to charge and  
13 collect tolls on a bridge or tunnel if not otherwise authorized by  
14 law.

15 (9) As used in this section and in sections 820b and 820c:

16 (a) "Operator" means the owner or operator of a publicly or  
17 privately owned toll bridge or tunnel in this state that uses an  
18 automatic tolling system that identifies an individual responsible  
19 for paying a toll by doing either of the following:

20 (i) Photographing the individual's vehicle registration plate.

21 (ii) Detecting a toll device.

22 (b) "Toll" means a toll for operating a vehicle on a toll  
23 bridge or tunnel and any related fees.

24 (c) "Toll device" means an electronic device used to identify  
25 a vehicle, including, but not limited to, a transponder system,  
26 that is linked to an account for which an individual must register.

27 Sec. 820b. (1) If an operator of a toll bridge or tunnel has  
28 entered into an agreement with the secretary of state under the  
29 tolling enforcement program described in section 820a, and an





1 individual fails to pay a toll, the operator may mail the  
2 individual a notice of unpaid toll that contains all of the  
3 following information:

4 (a) The amount of the toll, including any administration fees  
5 charged to the individual as authorized under the agreement.

6 (b) A statement that the individual may dispute the toll on  
7 the grounds described in subsection (2) (a) to (d) and must do both  
8 of the following to dispute a toll:

9 (i) Send a notice of dispute to the operator by not later than  
10 30 days after receiving the notice of unpaid toll.

11 (ii) Prove the grounds for disputing the toll.

12 (c) That the toll is considered paid in full if the operator  
13 fails to respond to the notice of dispute described in subdivision  
14 (b) by not later than 30 days after receiving the notice of  
15 dispute.

16 (d) The number of unpaid tolls that the individual has.

17 (e) A statement that the secretary of state must refuse to  
18 issue or transfer registration under section 219 if both of the  
19 following apply:

20 (i) Three tolls remain unpaid for more than 90 days after the  
21 date that notice of 3 unpaid tolls is sent.

22 (ii) There is no pending dispute under this section or pending  
23 appeal under section 820c.

24 (2) An individual who receives a notice of unpaid toll may  
25 dispute the alleged failure to pay the toll by sending a notice of  
26 dispute to the operator by not later than 30 days after receiving  
27 the notice of unpaid toll. The notice of dispute must contain  
28 information proving 1 of the following grounds for disputing the  
29 toll:



1 (a) The toll was paid in full.

2 (b) The amount of the toll is incorrect.

3 (c) The vehicle, the registration plate, or the toll device  
4 registered to the individual was lost or stolen at the time the  
5 toll was incurred.

6 (d) The individual named in the notice of unpaid toll is not  
7 the individual responsible for paying the toll.

8 (3) The payment of a toll does not prejudice the right of an  
9 individual who receives a notice of unpaid toll to dispute the toll  
10 under this section. If the individual pays the toll, the operator  
11 shall return to the individual the amount paid if either of the  
12 following occurs:

13 (a) The operator or the dispute arbitrator described in  
14 section 820c subsequently decides that the individual is not  
15 responsible for paying the toll.

16 (b) The toll is considered to be paid in full under subsection  
17 (4).

18 (4) Not later than 30 days after receiving a notice of  
19 dispute, an operator must render a decision on the disputed toll  
20 and send the individual who sent the notice of dispute and the  
21 secretary of state a copy of the decision that may state the  
22 operator's reasons for its decision. If the operator fails to  
23 respond to a notice of dispute by not later than 30 days after the  
24 notice of dispute is received, the disputed toll is considered to  
25 be paid in full. If the operator decides the individual is  
26 responsible for paying the toll, the operator's decision must  
27 include a statement describing the individual's right to appeal the  
28 decision to a dispute arbitrator under section 820c and the address  
29 of the dispute arbitrator.



1           Sec. 820c. (1) Upon appropriation, and if the secretary of  
2 state implements a tolling enforcement program under section 820a,  
3 the secretary of state shall appoint a dispute arbitrator to decide  
4 appeals of an operator's decision on a dispute under section 820b.

5           (2) An individual may appeal an operator's decision under  
6 section 820b by sending a notice of appeal, setting out the grounds  
7 for disputing the toll, to the dispute arbitrator and to the  
8 operator not later than 30 days after receiving the operator's  
9 decision.

10           (3) Not later than 15 days after receiving a notice of appeal,  
11 the operator may send a written submission to the dispute  
12 arbitrator. If the operator sends a written submission to the  
13 dispute arbitrator, the operator must also send a copy to the  
14 individual appealing.

15           (4) The dispute arbitrator shall review a notice of appeal and  
16 any written submission made by an operator and do 1 of the  
17 following:

18           (a) Decide the appeal based on the notice of appeal and  
19 written submission.

20           (b) Hold a hearing before deciding the appeal.

21           (5) If the dispute arbitrator finds that the individual is not  
22 responsible for paying the toll, the dispute arbitrator may order  
23 the operator to pay the individual the amount of the individual's  
24 reasonable out-of-pocket expenses incurred in connection with the  
25 dispute or appeal. If the dispute arbitrator finds that the  
26 individual is responsible for paying the toll, the dispute  
27 arbitrator may order the individual to pay the amount of the  
28 operator's reasonable out-of-pocket expenses incurred in connection  
29 with the dispute or appeal.



1           (6) The decision of the dispute arbitrator is final and is not  
2 subject to further appeal.

3           (7) The dispute arbitrator shall send the individual, the  
4 operator, and the secretary of state a copy of the decision by not  
5 later than 120 days after receiving the notice of appeal under  
6 subsection (2). If the dispute arbitrator fails to send a copy of  
7 the decision by not later than 120 days after receiving the notice  
8 of appeal under subsection (2), the individual or the operator may  
9 seek an order from a court of competent jurisdiction compelling the  
10 dispute arbitrator to render and send a copy of the decision.