

# SENATE BILL NO. 1151

September 07, 2022, Introduced by Senator SCHMIDT and referred to the Committee on Transportation and Infrastructure.

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,

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

1 contrary to this act; and to repeal certain parts of this act on a  
2 specific date.

3       Sec. 219. (1) The secretary of state shall refuse issuance of  
4 a registration or a transfer of registration upon any of the  
5 following grounds:

6       (a) The application contains a false or fraudulent statement,  
7 the applicant has failed to furnish required information or  
8 reasonable additional information requested by the secretary of  
9 state, or the applicant is not entitled to the registration of the  
10 vehicle under this act.

11       (b) The secretary of state has reasonable ground to believe  
12 that the vehicle is a stolen or embezzled vehicle, or that the  
13 granting of registration would constitute a fraud against the  
14 rightful owner or other person having a valid lien upon the  
15 vehicle.

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

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

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

28       (f) The applicant, at the time of applying for registration or  
29 a transfer of registration other than a temporary registration

1 issued under section 226b, fails to present a certificate of  
2 compliance or waiver for a motor vehicle as required under either  
3 part 63 or part 65 of the natural resources and environmental  
4 protection act, 1994 PA 451, MCL 324.6301 to 324.6321 and 324.6501  
5 to 324.6539.

6 (g) The application for registration of a vehicle with an  
7 elected gross weight of 55,000 pounds or more is not accompanied  
8 with proof of payment of the federal highway use tax levied under  
9 the surface transportation assistance act of 1982, Public Law 97-  
10 424.

11 (h) The applicant is a motor carrier subject to an out-of-  
12 service order, the applicant has applied for a registration or  
13 transfer registration as a subterfuge for a person subject to an  
14 out-of-service order, or the applicant's business is operated,  
15 managed, controlled by, or affiliated with a person that is  
16 ineligible for registration, including, but not limited to, the  
17 applicant, a relative or family member of the applicant, or a  
18 corporate officer or shareholder of the applicant. As used in this  
19 subdivision, "out-of-service order" means that term as defined in  
20 49 CFR 390.5, and also includes an out-of-service order issued  
21 under 49 CFR 386.73.

22 **(i) The secretary of state has received a notice from an**  
23 **operator of a toll bridge or tunnel that the applicant has failed**  
24 **to pay 3 tolls under section 820a and the conditions described in**  
25 **section 820a are met.**

26 (2) The secretary of state shall refuse issuance of a  
27 certificate of title or a salvage certificate of title upon any of  
28 the following grounds:

29 (a) The application contains a false or fraudulent statement,

1 the applicant has failed to furnish required information or  
2 reasonable additional information requested by the secretary of  
3 state, or the applicant is not entitled to the issuance of a  
4 certificate of title or salvage certificate of title under this  
5 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 issuance of a certificate of title or a salvage certificate of  
9 title would constitute a fraud against the rightful owner or other  
10 person having a valid security interest upon the vehicle.

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

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

18 **Sec. 820a. (1) At the request of an operator of a toll bridge**  
19 **or tunnel, the secretary of state shall enter into an agreement**  
20 **that satisfies the requirements of this section to exchange data to**  
21 **aid in the enforcement of collecting unpaid tolls. The agreement**  
22 **must provide that the operator shall use any data shared by the**  
23 **secretary of state solely for the purpose of collecting tolls and**  
24 **shall destroy the data 90 days after a claim of an unpaid toll is**  
25 **resolved. The data exchanged must include both of the following:**

26 (a) The names and addresses of individuals who allegedly  
27 failed to pay a toll.

28 (b) Photographs of vehicles and registration plates.

29 (2) If an individual fails to pay 3 tolls to operate a vehicle

1 on a toll bridge or tunnel in this state and the 3 tolls remain  
2 unpaid for more than 90 days after the individual receives a notice  
3 of 3 unpaid tolls under section 820b, an operator may notify the  
4 secretary of state of the failure to pay on a form determined by  
5 the secretary of state containing information required by the  
6 secretary of state. If the operator notifies the secretary of state  
7 under this subsection, the operator must inform the individual who  
8 received the notice of 3 unpaid tolls that notice was given to the  
9 secretary of state.

10 (3) If the secretary of state receives a notice under  
11 subsection (2), the secretary of state must, under section 219,  
12 refuse to issue a registration to or transfer a registration issued  
13 to the individual responsible for paying the toll until the  
14 conditions described in subsection (4) are met. The secretary of  
15 state must act under this subsection even if there is an ongoing  
16 dispute of the toll under section 820b or appeal under section  
17 820c.

18 (4) If notice has been given to the secretary of state under  
19 subsection (2) and 1 or more of the 3 tolls is subsequently paid or  
20 the operator or dispute arbitrator, as described in section 820c,  
21 determines the individual is not responsible for paying 1 or more  
22 of the 3 tolls, the operator shall immediately notify the secretary  
23 of state. If the secretary of state receives a notice described in  
24 this subsection, the secretary of state shall issue or transfer any  
25 registration the secretary of state refused to issue or transfer  
26 under subsection (3) for the individual named in the notice  
27 described in this subsection.

28 (5) Actions taken by an operator under this section, section  
29 820b, and section 820c are in addition to any other methods of

1 enforcement and collection available under the law.

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

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

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

9 (7) An agreement under subsection (1) must provide that tolls,  
10 administration fees, and interest collected by or on behalf of the  
11 operator are the property of the operator and provide that an  
12 operator may do any of the following:

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

14 (b) Establish, collect, and enforce administration fees based  
15 on criteria that the operator considers appropriate, including  
16 administration fees related to a dispute under section 820b or  
17 appeal under section 820c.

18 (c) Establish interest rates to be charged on unpaid tolls and  
19 administration fees and collect interest charged at those rates.

20 (d) Exempt any vehicle or class of vehicles from the payment  
21 of tolls, administration fees, or interest.

22 (e) Determine the methods of payment of tolls, administration  
23 fees, and interest.

24 (f) Establish terms and conditions for the registration and  
25 distribution of toll devices.

26 (g) Require security for the provision of any toll device.

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

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

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

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

7 (ii) Detecting a toll device.

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

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

13 Sec. 820b. (1) If an individual fails to pay a toll, the  
14 operator of the toll bridge or tunnel may mail the individual a  
15 notice of unpaid toll that must contain all of the following  
16 information:

17 (a) The amount of the toll.

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

21 (i) Send a notice of dispute to the operator by not later than  
22 30 days after receiving the notice of unpaid toll.

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

24 (c) That the toll is considered paid in full if the operator  
25 fails to respond to the notice of dispute described in subdivision  
26 (b) by not later than 30 days after receiving the notice of  
27 dispute.

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

29 (e) A statement that the secretary of state must refuse to



1 issue or transfer registration under section 219 if 3 tolls remain  
2 unpaid for more than 90 days after the date that notice of 3 unpaid  
3 tolls is sent.

4 (2) An individual who receives a notice of unpaid toll may  
5 dispute the alleged failure to pay the toll by sending a notice of  
6 dispute to the operator by not later than 30 days after receiving  
7 the notice of unpaid toll. The notice of dispute must contain  
8 information proving 1 of the following grounds for disputing the  
9 toll:

10 (a) The toll was paid in full.

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

12 (c) The vehicle, the registration plate, or the toll device  
13 registered to the individual was lost or stolen at the time the  
14 toll was incurred.

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

17 (3) The payment of a toll does not prejudice the right of an  
18 individual who receives a notice of unpaid toll to dispute the toll  
19 under this section. If the individual pays the toll, the operator  
20 shall return to the individual the amount paid if either of the  
21 following occurs:

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

25 (b) The toll is considered to be paid in full under subsection  
26 (4).

27 (4) Not later than 30 days after receiving a notice of  
28 dispute, an operator must render a decision on the disputed toll  
29 and send the individual who sent the notice of dispute a copy of

1 the decision that may state the operator's reasons for its  
2 decision. If the operator fails to respond to a notice of dispute  
3 by not later than 30 days after the notice of dispute is received,  
4 the disputed toll is considered to be paid in full. If the operator  
5 decides the individual is responsible for paying the toll, the  
6 operator's decision must include a statement describing the  
7 individual's right to appeal the decision to a dispute arbitrator  
8 under section 820c and the address of the dispute arbitrator.

9       Sec. 820c. (1) The secretary of state shall appoint a dispute  
10 arbitrator to decide appeals of an operator's decision on a dispute  
11 under section 820b.

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

17       (3) Not later than 15 days after receiving a notice of appeal,  
18 the operator may send a written submission to the dispute  
19 arbitrator. If the operator sends a written submission to the  
20 dispute arbitrator, the operator must also send a copy to the  
21 individual appealing.

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

25       (a) Decide the appeal based on the notice of appeal and  
26 written submission.

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

28       (5) If the dispute arbitrator finds that the individual is not  
29 responsible for paying the toll, the dispute arbitrator may order

1 the operator to pay the individual the amount of the individual's  
2 reasonable out-of-pocket expenses incurred in connection with the  
3 dispute or appeal.

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

6 (7) The dispute arbitrator shall send the individual, the  
7 operator, and the secretary of state a copy of the decision by not  
8 later than 120 days after receiving the notice of appeal under  
9 subsection (1). If the dispute arbitrator fails to send a copy of  
10 the decision by not later than 120 days after receiving the notice  
11 of appeal under subsection (1), the individual or the operator may  
12 seek an order from a court of competent jurisdiction compelling the  
13 dispute arbitrator to render and send a copy of the decision.