

HOUSE BILL NO. 5733

May 16, 2024, Introduced by Reps. Tyrone Carter, Whitsett, Shannon, Liberati, Breen, Steckloff, Witwer, McKinney, Aragona, Farhat, Scott and Snyder and referred to the Committee on Transportation, Mobility and Infrastructure.

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

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

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

1 of this act on a specific date.

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

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

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

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

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

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

27 (f) The applicant, at the time of applying for registration or
28 a transfer of registration other than a temporary registration
29 issued under section 226b, fails to present a certificate of

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

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

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

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

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) Upon appropriation of funds for the program,**
19 **the secretary of state shall implement a tolling enforcement**
20 **program as provided in this section and section 820b. Under the**
21 **tolling enforcement program, at the request of an operator, the**
22 **secretary of state shall negotiate with the operator and enter into**
23 **a tolling enforcement agreement consistent with this section to aid**
24 **in the enforcement of collecting unpaid tolls. The tolling**
25 **enforcement agreement must provide for all of the following:**

26 (a) A method for determining the registered owner of a vehicle
27 for which an individual failed to pay a toll.

28 (b) The form of a notice of unpaid toll to be sent to an
29 individual who failed to pay the toll.

1 (c) The service fee that the secretary of state may charge the
2 operator for providing services under the tolling enforcement
3 agreement.

4 (d) A dispute resolution process for an individual to dispute
5 a notice of unpaid toll.

6 (e) Data sharing standards for the transmittal, retention,
7 breach, and use of data, including that the operator shall use any
8 data shared by the secretary of state solely for the purpose of
9 collecting tolls.

10 (f) That the data exchanged must include both of the
11 following:

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

14 (ii) Toll transaction details of the vehicles and registration
15 plates.

16 (g) A statement that the tolls and related fees collected by
17 or on behalf of the operator are the property of the operator and
18 that an operator may do any of the following:

19 (i) Establish, collect, and enforce the payment of tolls.

20 (ii) Exempt any vehicle or class of vehicles from the payment
21 of tolls.

22 (iii) Determine the methods of payment of tolls.

23 (iv) Establish terms and conditions for the registration and
24 distribution of toll devices.

25 (2) If an individual fails to pay 6 tolls to operate a vehicle
26 on a toll bridge or tunnel in this state and the 6 tolls remain
27 unpaid for more than 90 days after the individual receives a notice
28 of unpaid toll as required by a tolling enforcement agreement under
29 this section, an operator may notify the secretary of state of the

1 failure to pay the tolls on a form determined by the secretary of
2 state.

3 (3) Except as otherwise provided in this subsection, if the
4 secretary of state receives a notice under subsection (2), the
5 secretary of state must, under section 219, refuse to issue a
6 registration to or transfer a registration issued to the individual
7 responsible for paying the toll. If the secretary of state receives
8 a subsequent notice described in subsection (4), or otherwise
9 learns that the conditions in subsection (4) apply, the secretary
10 of state shall issue or transfer any registration the secretary of
11 state refused to issue or transfer under this subsection.

12 (4) If an operator gives notice to the secretary of state
13 identifying an individual as described in subsection (2), the
14 operator shall immediately notify the secretary of state on a form
15 determined by the secretary of state if any of the following occur:

16 (a) The individual pays all unpaid tolls due to the operator.

17 (b) The dispute resolution process required by the tolling
18 enforcement agreement results in a final determination that a toll
19 was paid in full, the amount of the toll is incorrect, or the
20 individual named in the notice of unpaid toll is not the individual
21 responsible for paying the toll under subsection (6).

22 (5) The remedies available to an operator under this section
23 are in addition to any other methods of enforcement and collection
24 available under law.

25 (6) An individual responsible for paying a toll under this
26 section is the individual to whom the vehicle is registered.

27 (7) 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 (8) As used in this section and in section 820b:

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) "Related fee" means any fee or charge, including interest,
9 permitted by law for creating, maintaining, administering, billing,
10 and collecting an account.

11 (c) "Toll" means a toll for operating a vehicle on a toll
12 bridge or tunnel and any related fees.

13 (d) "Toll device" means an electronic device used to identify
14 a vehicle, including, but not limited to, a transponder system,
15 that is linked to an account for which an individual must register.

16 Sec. 820b. (1) The secretary of state may, on the written
17 request of an operator, enter into a reciprocity agreement with the
18 duly authorized representative of another state or tolling entity
19 for the enforcement and collection of tolls.

20 (2) A reciprocity agreement must provide that if the issuance
21 of registration or a transfer of registration of a motor vehicle
22 would be refused under section 219, or pursuant to a comparable law
23 or regulation of another state, because the registrant of the motor
24 vehicle failed to pay applicable tolls, then the state issuing the
25 registration shall likewise refuse the issuance of registration or
26 transfer of registration until the registrant has paid the tolls
27 and otherwise complied with the rules and regulations of the other
28 state or tolling entity that imposed the tolls.

29 (3) Before entering into a reciprocity agreement, the

1 secretary of state must confirm and include in the reciprocity
2 agreement all of the following:

3 (a) The other state or tolling entity has its own effective
4 reciprocal procedure for collecting tolls and agrees to collect
5 tolls by employing sanctions for nonpayment that include denial of
6 the issuance of registration or transfer of registration of a motor
7 vehicle.

8 (b) The other state or tolling entity provides adequate
9 notice, due process, and appeal protections to avoid the likelihood
10 of a false, a mistaken, or an unjustified claim of nonpayment.

11 (c) The registered owner of a motor vehicle registered in this
12 state may present evidence to the other state or tolling entity by
13 mail, telephone, electronic means, or other means to invoke rights
14 of due process without having to appear personally in the other
15 state where the nonpayment is alleged to have occurred.

16 (d) The secretary of state may charge the other state or
17 tolling entity a fee sufficient to cover the costs of collection
18 services.

19 (e) Additional terms and procedures as are necessary and
20 proper to facilitate the administration of the reciprocity
21 agreement.

22 (4) This section does not limit the enforcement or collection
23 of a toll by any means available under the law.

24 (5) Notwithstanding any law to the contrary, the secretary of
25 state may release registration information and may take other
26 actions that are reasonably necessary to effectuate the enforcement
27 or collection of tolls under a reciprocity agreement.

28 (6) The secretary of state may promulgate rules necessary to
29 implement this section under the administrative procedures act of

1 1969, 1969 PA 306, MCL 24.201 to 24.328.

2 (7) As used in this section:

3 (a) "Reciprocity agreement" means a reciprocity agreement
4 entered under subsection (1).

5 (b) "State" means any state, territory, or possession of the
6 United States, the District of Columbia, or any province of Canada.

7 (c) "Tolling entity" means an entity authorized to impose and
8 collect tolls under the laws of this state or another state.