



# HOUSE BILL No. 5845

May 25, 2000, Introduced by Reps. Pappageorge, Kukuk, Jellema, Stamas, Caul, Jelinek, Geiger, Stallworth, Pumford, Mead, Cameron Brown, Pestka, Kelly, Tesanovich, Clarke, Godchaux and Jansen and referred to the Committee on Appropriations.

A bill to amend 1965 PA 198, entitled  
"Motor vehicle accident claims act,"  
by amending the title and sections 3 and 3a (MCL 257.1103 and  
257.1103a).

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

### TITLE

An act providing for the establishment, maintenance, and  
administration of a motor vehicle accident claims fund for the  
payment of damages for injury to or death of certain persons or  
property damage arising out of the ownership, maintenance, or use  
of motor vehicles in the state in certain cases AND FOR PAYMENTS  
AS PROVIDED FOR BY LAW; and to provide penalties for violation of  
this act.

Sec. 3. (1) There shall be a fund to be known as the motor  
vehicle accident claims fund. A detailed financial statement of

1 the condition of the fund shall be published by the secretary of  
2 state annually. This fund shall be subject to a financial audit  
3 by the auditor general. The treasurer shall deposit or invest an  
4 unappropriated portion of the fund, in the same manner and  
5 subject to all provisions of law with respect to the deposit or  
6 investment of state funds by the state treasurer, and interest  
7 earned by portions of the fund deposited or invested by the trea-  
8 surer shall be collected ~~by him~~ and placed to the credit of the  
9 fund. MONEY IN THE FUND SHALL BE EXPENDED AS PROVIDED FOR IN  
10 THIS ACT AND AS PROVIDED FOR BY LAW. Unexpended ~~moneys~~ MONEY  
11 appropriated from the fund shall revert to the fund at the end of  
12 each fiscal year.

13 (2) The commissioner of ~~insurance shall have the power of~~  
14 ~~visitation and examination of the affairs of~~ THE OFFICE OF  
15 FINANCIAL AND INSURANCE SERVICES MAY VISIT AND EXAMINE the fund  
16 as though the fund were an insurer and ~~shall~~ MAY report to the  
17 governor and the legislature on its financial position, actuarial  
18 soundness, and general condition. A copy of the report shall be  
19 filed with the auditor general for ~~his~~ use in auditing the  
20 fund. The fund shall file an annual statement relating to busi-  
21 ness and affairs on a form the commissioner shall prescribe.

22 (3) ~~As of the close of the fiscal year ending June 30,~~  
23 ~~1970, and at~~ AT the end of each fiscal year, ~~thereafter,~~ the  
24 ~~insurance bureau of the department of commerce shall~~ OFFICE OF  
25 FINANCIAL AND INSURANCE SERVICES MAY examine the records of the  
26 fund in accordance with insurance accounting principles and file  
27 ~~its~~ A report with the secretary before the succeeding April 1.

1       ~~-(4) A person who furnishes false evidence of insurance upon~~  
2 ~~the issuance or transfer of registration under this section is~~  
3 ~~guilty of a misdemeanor. In addition his operator's or~~  
4 ~~chauffeur's license or motor vehicle registration, or both, may~~  
5 ~~be suspended by the secretary for not more than 1 year.~~

6       (4) ~~-(5)-~~ A person shall not use records or information  
7 produced as a result of the administration of this act for the  
8 purpose of soliciting the sale or purchase of motor vehicle  
9 liability insurance. A person who violates this subsection is  
10 guilty of a misdemeanor and shall be imprisoned for not more than  
11 1 year, or fined not more than \$1,000.00, or both.

12       Sec. 3a. (1) ~~Upon the effective date of this amendatory~~  
13 ~~act, the state treasurer is authorized to transfer the sum of~~  
14 ~~\$20,000,000.00 from~~ AT THE CLOSE OF BUSINESS ON SEPTEMBER 30,  
15 2001, THE BALANCE OF the motor vehicle accident CLAIMS fund IS  
16 TRANSFERRED to the state general fund. The ~~state accounting~~  
17 ~~division~~ DEPARTMENT OF MANAGEMENT AND BUDGET shall treat the  
18 transfer as revenue from other funds.

19       (2) ~~To reimburse the motor vehicle accident claims fund for~~  
20 ~~the cash transferred pursuant to subsection (1), there is appro-~~  
21 ~~priated from the general fund for the fiscal year beginning July~~  
22 ~~1, 1976, the sum of \$15,000,000.00 and for the fiscal year begin-~~  
23 ~~ning July 1, 1977, the sum of \$5,000,000.00. There is appropri-~~  
24 ~~ated from the general fund each fiscal year from the effective~~  
25 ~~date of this act through the fiscal year beginning July 1, 1976,~~  
26 ~~an amount sufficient to pay any due and payable claims which~~  
27 ~~exceed available revenue of the motor vehicle accident claims~~

1 ~~fund, which amount shall be deducted from the subsequent~~  
2 ~~\$5,000,000.00 appropriation contained in this section to the~~  
3 ~~motor vehicle accident claims fund.~~ BEGINNING SEPTEMBER 30, 2002  
4 AND ON THE LAST DAY OF EACH FISCAL YEAR THEREAFTER, THE BALANCE  
5 OF THE MONEY IN THE MOTOR VEHICLE ACCIDENT CLAIMS FUND IS TRANS-  
6 FERRED TO THE STATE GENERAL FUND. THE DEPARTMENT OF MANAGEMENT  
7 AND BUDGET SHALL TREAT THE TRANSFER AS REVENUE FROM OTHER FUNDS.