

1 **FINANCIAL RESPONSIBILITY OF MOTOR**
2 **VEHICLE OWNERS AND OPERATORS ACT**
3 **AMENDMENTS**

4 2010 GENERAL SESSION

5 STATE OF UTAH

6 **Chief Sponsor: Richard A. Greenwood**

7 Senate Sponsor: Jon J. Greiner

8
9 **LONG TITLE**

10 **General Description:**

11 This bill modifies the Financial Responsibility of Motor Vehicle Owners and Operators
12 Act by amending provisions relating to evidence of insurance requirements.

13 **Highlighted Provisions:**

14 This bill:

15 ▶ repeals the exception that prohibits a person from using a renewal notice or a card
16 issued by an insurance company as evidence that the person had owner's or
17 operator's security in effect for the vehicle the person was operating at the time of
18 the person's citation or arrest for a violation of operating a motor vehicle without
19 having evidence of owner's or operator's security for the vehicle in the person's
20 immediate possession;

21 ▶ provides that a peace officer may not cite or arrest a person for violating the
22 requirement to have evidence of owner's or operator's security for the vehicle in the
23 person's immediate possession if the Uninsured Motorist Identification Database
24 Program information indicates that the vehicle or driver is insured; and

25 ▶ increases the number of months that a motor vehicle must show as not insured in
26 the Uninsured Motorist Identification Database before the designated agent
27 provides certain notices to the owner of the motor vehicle.

28 **Monies Appropriated in this Bill:**

29 None

30 **Other Special Clauses:**

31 None

32 **Utah Code Sections Affected:**

33 AMENDS:

34 **41-1a-109**, as last amended by Laws of Utah 2000, Chapter 345

35 **41-12a-303.2**, as last amended by Laws of Utah 2003, Chapter 298

36 **41-12a-804**, as last amended by Laws of Utah 2006, Chapter 130

37

38 *Be it enacted by the Legislature of the state of Utah:*

39 Section 1. Section **41-1a-109** is amended to read:

40 **41-1a-109. Grounds for division refusing registration or certificate of title.**

41 (1) The division shall refuse registration or issuance of a certificate of title or any
42 transfer of registration upon any of the following grounds:

43 (a) the application contains any false or fraudulent statement;

44 (b) the applicant has failed to furnish required information or reasonable additional
45 information requested by the division;

46 (c) the applicant is not entitled to the issuance of a certificate of title or registration of
47 the vehicle under this chapter;

48 (d) the division has reasonable grounds to believe that the vehicle is a stolen vehicle or
49 that the granting of registration or the issuance of a certificate of title would constitute a fraud
50 against the rightful owner or other person having a valid lien upon the vehicle;

51 (e) the registration of the vehicle is suspended or revoked for any reason provided in
52 the motor vehicle laws of this state; or

53 (f) the required fees have not been paid.

54 (2) The division shall also refuse registration or any transfer of registration if the
55 vehicle is mechanically unfit or unsafe to be operated or moved upon the highways.

56 (3) The division shall refuse registration or any transfer of registration of a vehicle
57 upon notification by the Department of Transportation that the vehicle or owner is not in

58 compliance with Title 72, Chapter 9, Motor Carrier Safety Act.

59 (4) The division may not register a vehicle if the registration of the vehicle is revoked
60 under Subsection 41-1a-110(2) until the applicant provides proof:

61 (a) of owner's or operator's security in a form allowed under Subsection

62 [~~41-12a-303.2(4)~~] 41-12a-303.2(2)(b);

63 (b) of exemption from the owner's or operator's security requirements; or

64 (c) that the applicant was not an owner of the vehicle at the time of the alleged

65 violation or on the day following the time limit provided after the second notice under

66 Subsection 41-12a-804(2).

67 Section 2. Section **41-12a-303.2** is amended to read:

68 **41-12a-303.2. Evidence of owner's or operator's security to be carried when**
69 **operating motor vehicle -- Defense -- Penalties.**

70 (1) As used in this section:

71 (a) "Division" means the Motor Vehicle Division of the State Tax Commission.

72 (b) "Registration materials" means the evidences of motor vehicle registration,
73 including all registration cards, license plates, temporary permits, and nonresident temporary
74 permits.

75 (2) (a) (i) A person operating a motor vehicle shall:

76 (A) have in the person's immediate possession evidence of owner's or operator's
77 security for the motor vehicle the person is operating; and

78 (B) display it upon demand of a peace officer.

79 (ii) A person is exempt from the requirements of Subsection (2)(a)(i) if the person is
80 operating:

81 (A) a government-owned or leased motor vehicle; or

82 (B) an employer-owned or leased motor vehicle and is driving it with the employer's
83 permission.

84 (b) Evidence of owner's or operator's security includes any one of the following:

85 (i) a copy of the operator's valid:

- 86 (A) insurance policy;
- 87 (B) insurance policy declaration page;
- 88 (C) binder notice;
- 89 (D) renewal notice; or
- 90 (E) card issued by an insurance company as evidence of insurance;
- 91 (ii) a certificate of insurance issued under Section 41-12a-402;
- 92 (iii) a certified copy of a surety bond issued under Section 41-12a-405;
- 93 (iv) a certificate of the state treasurer issued under Section 41-12a-406;
- 94 (v) a certificate of self-funded coverage issued under Section 41-12a-407; or
- 95 (vi) information that the vehicle or driver is insured from the Uninsured Motorist

96 Identification Database Program created under Title 41, Chapter 12a, Part 8.

97 (c) (i) Evidence of owner's or operator's security from the Uninsured Motorist
98 Identification Database Program described under Subsection (2)(b)(vi) supercedes any
99 evidence of owner's or operator's security described under Subsection (2)(b)(i)(D) or (E).

100 (ii) A peace officer may not cite or arrest a person for a violation of Subsection (2)(a)
101 if the Uninsured Motorist Identification Database Program created under Title 41, Chapter
102 12a, Part 8, information indicates that the vehicle or driver is insured.

103 (3) It is an affirmative defense to a charge under this section that the person had
104 owner's or operator's security in effect for the vehicle the person was operating at the time of
105 the person's citation or arrest.

106 (4) (a) Evidence of owner's or operator's security as defined under Subsection (2)(b)
107 [~~except Subsections (2)(b)(i)(D) and (E)~~] or a written statement from an insurance producer or
108 company verifying that the person had the required motor vehicle insurance coverage on the
109 date specified is considered proof of owner's or operator's security for purposes of Subsection
110 (3) and Section 41-12a-804.

111 (b) The court considering a citation issued under this section shall allow the evidence
112 or a written statement under Subsection (4)(a) and a copy of the citation to be faxed or mailed
113 to the clerk of the court to satisfy Subsection (3).

114 (c) The notice under Section 41-12a-804 shall specify that the written statement under
115 Subsection (4)(a) and a copy of the notice shall be faxed or mailed to the designated agent to
116 satisfy the proof of owner's or operator's security required under Section 41-12a-804.

117 (5) A violation of this section is a class B misdemeanor, and the fine shall be not less
118 than:

119 (a) \$400 for a first offense; and

120 (b) \$1,000 for a second and subsequent offense within three years of a previous
121 conviction or bail forfeiture.

122 (6) Upon receiving notification from a court of a conviction for a violation of this
123 section, the department:

124 (a) shall suspend the person's driver license; and

125 (b) may not renew the person's driver license or issue a driver license to the person
126 until the person gives the department proof of owner's or operator's security.

127 (i) This proof of owner's or operator's security shall be given by any of the ways
128 required under Section 41-12a-401.

129 (ii) This proof of owner's or operator's security shall be maintained with the
130 department for a three-year period.

131 (iii) An insurer that provides a certificate of insurance as provided under Section
132 41-12a-402 or 41-12a-403 may not terminate the insurance policy unless notice of termination
133 is filed with the department no later than 10 days after termination as required under Section
134 41-12a-404.

135 (iv) If a person who has canceled the certificate of insurance applies for a license
136 within three years from the date proof of owner's or operator's security was originally required,
137 the department shall refuse the application unless the person reestablishes proof of owner's or
138 operator's security and maintains the proof for the remainder of the three-year period.

139 Section 3. Section **41-12a-804** is amended to read:

140 **41-12a-804. Notice -- Proof -- Revocation of registration -- False statements --**
141 **Penalties -- Exemptions -- Sales tax enforcement.**

142 (1) If the comparison under Section 41-12a-803 shows that a motor vehicle is not
143 insured for [~~two~~] three consecutive months, the Motor Vehicle Division shall direct that the
144 designated agent provide notice to the owner of the motor vehicle that the owner has 15 days
145 to provide:

146 (a) proof of owner's or operator's security in a form allowed under Subsection
147 [~~41-12a-303.2(4)~~] 41-12a-303.2(2)(b); or

148 (b) proof of exemption from the owner's or operator's security requirements.

149 (2) If an owner of a motor vehicle fails to provide satisfactory proof of owner's or
150 operator's security to the designated agent, the designated agent shall:

151 (a) provide a second notice to the owner of the motor vehicle that the owner now has
152 15 days to provide:

153 (i) proof of owner's or operator's security in a form allowed under Subsection
154 [~~41-12a-303.2(4)~~] 41-12a-303.2(2)(b); or

155 (ii) proof of exemption from the owner's or operator's security requirements;

156 (b) for each notice provided, indicate information relating to the owner's failure to
157 provide proof of owner's or operator's security in the database; and

158 (c) provide this information to state and local law enforcement agencies as requested
159 in accordance with the provisions under Section 41-12a-805.

160 (3) The Motor Vehicle Division:

161 (a) shall revoke the registration upon receiving notification under Subsection
162 41-1a-110(2);

163 (b) shall provide appropriate notices of the revocation, the legal consequences of
164 operating a vehicle with revoked registration and without owner's or operator's security and
165 instructions on how to get the registration reinstated; and

166 (c) may direct the designated agent to provide the notices under this Subsection (3).

167 (4) Any action by the Motor Vehicle Division to revoke the registration of a motor
168 vehicle under this section may be in addition to an action by a law enforcement agency to
169 impose the penalties under Section 41-12a-302 or 41-12a-303.2.

170 (5) (a) A person may not provide a false or fraudulent statement to the Motor Vehicle
171 Division or designated agent.

172 (b) In addition to any other penalties, a person who violates Subsection (5)(a) is guilty
173 of a class B misdemeanor.

174 (6) The department and the Motor Vehicle Division shall direct the designated agent
175 to exempt from this section a farm truck that:

176 (a) meets the definition of a farm truck under Section 41-1a-102; and

177 (b) is registered as a farm truck under Title 41, Chapter 1a, Motor Vehicle Act.

178 (7) This part does not affect other actions or penalties that may be taken or imposed
179 for violation of the owner's and operator's security requirements of this chapter.

180 (8) If a comparison under Section 41-12a-803 shows that a motor vehicle may not be
181 in compliance with motor vehicle registration or sales and use tax laws, the Motor Vehicle
182 Division may direct that the designated agent provide notice to the owner of a motor vehicle
183 that information exists which indicates the possible violation.