

MOTOR VEHICLE AMENDMENTS

2017 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Norman K Thurston

Senate Sponsor: _____

LONG TITLE

General Description:

This bill modifies provisions relating to motor vehicle license plates and registrations.

Highlighted Provisions:

This bill:

- ▶ requires the Motor Vehicle Division to transfer the license plate or decal of a vehicle that has been sold, traded, or the ownership of which has been otherwise released, to the new person registering the vehicle in certain circumstances;
- ▶ reduces the uniform fee in lieu of a property ad valorem tax on certain motor vehicles that are registered for a six-month period;
- ▶ requires a county assessor or treasurer to refund a uniform fee in lieu of a property ad valorem tax on a motor vehicle in certain circumstances; and
- ▶ makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

41-1a-401, as last amended by Laws of Utah 2016, Chapter 303

41-1a-413, as last amended by Laws of Utah 1993, Chapter 222



28 **41-1a-701**, as last amended by Laws of Utah 2015, Chapter 412

29 **41-1a-703**, as last amended by Laws of Utah 2015, Chapter 412

30 **59-2-405.1**, as last amended by Laws of Utah 2012, Chapter 397

31 **59-2-1302**, as last amended by Laws of Utah 2011, Chapter 163



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

34 Section 1. Section **41-1a-401** is amended to read:

35 **41-1a-401. License plates -- Number of plates -- Reflectorization -- Indicia of**
36 **registration in lieu of or used with plates.**

37 (1) (a) ~~[The]~~ Except as provided in Subsection (1)(c), the division upon registering a
38 vehicle shall issue to the owner:

39 (i) one license plate for a motorcycle, trailer, or semitrailer;

40 (ii) one decal for a park model recreational vehicle, in lieu of a license plate, which
41 shall be attached in plain sight to the rear of the park model recreational vehicle;

42 (iii) one decal for a camper, in lieu of a license plate, which shall be attached in plain
43 sight to the rear of the camper; and

44 (iv) two identical license plates for every other vehicle.

45 (b) ~~[The]~~ Except as provided in Subsection (1)(c), the license plate or decal issued
46 under Subsection (1)(a) is for the particular vehicle registered and may not be removed during
47 the term for which the license plate or decal is issued or used upon any other vehicle than the
48 registered vehicle.

49 (c) (i) Notwithstanding Subsections (1)(a) and (b) and except as provided in Subsection
50 (1)(c)(iii), the division, upon registering a motor vehicle that has been sold, traded, or the
51 ownership of which has been otherwise released, shall transfer the license plate and decal
52 issued to the person applying to register the vehicle if:

53 (A) the previous registered owner has included the license plate and decal as part of the
54 sale, trade, or ownership release; and

55 (B) the person applying to register the vehicle applies to transfer the license plate and
56 decal to the new registered owner of the vehicle.

57 (ii) The division may not charge a fee to transfer the license plate and decal to a new
58 registered owner under this Subsection (1)(c).

59 (iii) The division may not transfer a personalized or special group license plate and
 60 decal to a new registered owner under this Subsection (1)(c) if the new registered owner does
 61 not meet the qualification or eligibility requirements for that personalized or special group
 62 license plate or decal under Sections 41-1a-410 through 41-1a-422.

63 (2) The division may receive applications for registration renewal, renew registration,
 64 and issue new license plates or decals at any time prior to the expiration of registration.

65 (3) (a) All license plates to be manufactured and issued by the division shall be treated
 66 with a fully reflective material on the plate face that provides effective and dependable
 67 reflective brightness during the service period of the license plate.

68 (b) The division shall prescribe all license plate material specifications and establish
 69 and implement procedures for conforming to the specifications.

70 (c) The specifications for the materials used such as the aluminum plate substrate, the
 71 reflective sheeting, and glue shall be drawn in a manner so that at least two manufacturers may
 72 qualify as suppliers.

73 (d) The granting of contracts for the materials shall be by public bid.

74 (4) (a) The commission may issue, adopt, and require the use of indicia of registration
 75 it considers advisable in lieu of or in conjunction with license plates as provided in this part.

76 (b) All provisions of this part relative to license plates apply to these indicia of
 77 registration, so far as the provisions are applicable.

78 (5) A violation of this section is an infraction.

79 Section 2. Section **41-1a-413** is amended to read:

80 **41-1a-413. Personalized plates -- Sale of vehicle -- Transfer of plates -- Release of**
 81 **priority.**

82 [Hf] Except as provided in Subsection 41-1a-401(1)(c), if a person who has been issued
 83 personalized license plates sells, trades, or otherwise releases ownership of the vehicle for
 84 which the personalized license plates have been issued, that person shall immediately:

85 (1) apply to display the license plates on a different vehicle owned by the person; or

86 (2) surrender the license plates to the division and release his priority to the letters and
 87 numbers displayed on the personalized license plates.

88 Section 3. Section **41-1a-701** is amended to read:

89 **41-1a-701. Transfer by owner -- Removal of plates.**

90 (1) (a) If the owner of a registered vehicle transfers [his] the title or interest to the
91 vehicle, the registration of the vehicle expires. ~~[The]~~

92 (b) Unless an owner has included the transfer of a license plate and decal as part of a
93 sale, trade, or ownership release of a vehicle, the owner shall remove the license plates from
94 the transferred vehicle.

95 (2) (a) ~~[Within]~~ If an owner does not transfer a license plate and decal to a person as
96 part of a sale, trade, or ownership release of a vehicle, within 20 days from the date of transfer,
97 the owner shall forward the plates to the division to be destroyed or may have the plates and the
98 registration number assigned to another vehicle, subject to the rules of the division.

99 (b) If an owner transfers a license plate and decal as part of a sale, trade, or ownership
100 release of a vehicle, the new registered owner of the transferred vehicle shall apply to the
101 division to have the plates and registration number assigned to the new registered owner.

102 (3) A violation of this section is an infraction.

103 Section 4. Section **41-1a-703** is amended to read:

104 **41-1a-703. New owner to secure new registration and new certificate of title.**

105 (1) The transferee, before operating or permitting the operation of a transferred vehicle
106 on a highway, shall:

107 (a) present to the division the certificate of registration and the certificate of title,
108 properly endorsed~~[-and shall]~~;

109 (b) apply for a new certificate of title and obtain a new registration for the transferred
110 vehicle, as upon an original registration, except as permitted under Sections [41-1a-223](#),
111 [41-1a-520](#), and [41-1a-704](#)~~[-]~~; and

112 (c) apply to the division to have the license plates and registration number assigned to
113 the new registered owner of the transferred vehicle if the license plates and decal were included
114 as part of the sale, trade, or ownership release of the transferred vehicle.

115 (2) A violation of this section is an infraction.

116 Section 5. Section **59-2-405.1** is amended to read:

117 **59-2-405.1. Uniform fee on certain vehicles weighing 12,000 pounds or less --**

118 **Distribution of revenues -- Appeals.**

119 (1) The property described in Subsection (2) is exempt from ad valorem property taxes
120 pursuant to Utah Constitution Article XIII, Section 2, Subsection (6).

121 (2) (a) Except as provided in Subsection (2)(b), there is levied as provided in this part a
122 statewide uniform fee in lieu of the ad valorem tax on:

123 (i) motor vehicles as defined in Section 41-1a-102 that:

124 (A) are required to be registered with the state; and

125 (B) weigh 12,000 pounds or less; and

126 (ii) state-assessed commercial vehicles required to be registered with the state that
127 weigh 12,000 pounds or less.

128 (b) The following tangible personal property is exempt from the statewide uniform fee
129 imposed by this section:

130 (i) aircraft;

131 (ii) tangible personal property subject to a uniform fee imposed by:

132 (A) Section 59-2-405;

133 (B) Section 59-2-405.2; or

134 (C) Section 59-2-405.3; and

135 (iii) tangible personal property that is exempt from state or county ad valorem property
136 taxes under the laws of this state or of the federal government.

137 (3) (a) Except as provided in Subsections (3)(b) and (c), beginning on January 1, 1999,
138 the uniform fee for purposes of this section is as follows:

Age of Vehicle	Uniform Fee
12 or more years	\$10
9 or more years but less than 12 years	\$50
6 or more years but less than 9 years	\$80
3 or more years but less than 6 years	\$110
Less than 3 years	\$150

145 (b) For registrations under Section 41-1a-215.5, the uniform fee for purposes of this
146 section is as follows:

Age of Vehicle	Uniform Fee
12 or more years	[\$7.75] <u>\$5</u>
9 or more years but less than 12 years	[\$38.50] <u>\$25</u>
6 or more years but less than 9 years	[\$61.50] <u>\$40</u>

151 3 or more years but less than 6 years [~~\$84.75~~] \$55

152 Less than 3 years [~~\$115.50~~] \$75

153 (c) Notwithstanding Subsections (3)(a) and (b), beginning on September 1, 2001, for a
154 motor vehicle issued a temporary sports event registration certificate in accordance with
155 Section [41-3-306](#), the uniform fee for purposes of this section is \$5 for the event period
156 specified on the temporary sports event registration certificate regardless of the age of the
157 motor vehicle.

158 (4) Notwithstanding Section [59-2-407](#), property subject to the uniform fee that is
159 brought into the state and is required to be registered in Utah shall, as a condition of
160 registration, be subject to the uniform fee unless all property taxes or uniform fees imposed by
161 the state of origin have been paid for the current calendar year.

162 (5) (a) Notwithstanding Section [59-2-407](#), a motor vehicle described in Subsection
163 (2)(a)(i) is eligible for a refund of a uniform fee imposed under this section if:

164 (i) (A) the vehicle has previously been registered in the current calendar year for a
165 12-month period under Section [41-1a-215](#); and

166 (B) the uniform fee imposed under this section has previously been paid on the motor
167 vehicle in the current calendar year;

168 (ii) (A) the vehicle has previously been registered in the current calendar year for a six
169 month period under Section [41-1a-215.5](#); and

170 (B) the uniform fee imposed under this section has previously been paid twice on the
171 motor vehicle in the current calendar year.

172 (b) In accordance with Subsection [59-2-1302](#)(6), the registered owner of a vehicle shall
173 apply to the county assessor or treasurer to receive the refund described in Subsection (5)(a).

174 ~~[(5)]~~ (6) (a) The revenues collected in each county from the uniform fee shall be
175 distributed by the county to each taxing entity in which the property described in Subsection (2)
176 is located in the same proportion in which revenue collected from ad valorem real property tax
177 is distributed.

178 (b) Each taxing entity shall distribute the revenues received under Subsection ~~[(5)]~~(6)
179 (a) in the same proportion in which revenue collected from ad valorem real property tax is
180 distributed.

181 Section 6. Section **59-2-1302** is amended to read:

182 **59-2-1302. Assessor or treasurer's duties -- Collection of uniform fees and taxes**
183 **on personal property -- Unpaid tax or unpaid uniform fee is a lien -- Delinquency interest**
184 **-- Rate.**

185 (1) After the assessor assesses taxes or uniform fees on personal property, the assessor
186 or, if this duty has been reassigned in an ordinance under Section 17-16-5.5, the treasurer shall:

187 (a) list the personal property tax or uniform fee with the real property of the owner in
188 the manner required by law and as provided under Subsection (3), if the assessor or treasurer,
189 as the case may be, determines that the real property is sufficient to secure the payment of the
190 personal property taxes or uniform fees;

191 (b) immediately collect the taxes or uniform fees due on the personal property; or

192 (c) on or before the day on which the tax or uniform fee on personal property is due,
193 obtain from the taxpayer a bond that is:

194 (i) payable to the county in an amount equal to the amount of the tax or uniform fee
195 due, plus 20% of the amount of the tax or uniform fee due; and

196 (ii) conditioned for the payment of the tax or uniform fee on or before November 30.

197 (2) (a) An unpaid tax as defined in Section 59-1-705, or unpaid uniform fee upon
198 personal property listed with the real property is a lien upon the owner's real property as of
199 noon of January 1 of each year.

200 (b) An unpaid tax as defined in Section 59-1-705, or unpaid uniform fee upon personal
201 property not listed with the real property is a lien upon the owner's personal property as of noon
202 of January 1 of each year.

203 (3) The assessor or treasurer, as the case may be, shall make the listing under this
204 section:

205 (a) on the record of assessment of the real property; or

206 (b) by entering a reference showing the record of the assessment of the personal
207 property on the record of assessment of the real property.

208 (4) (a) The amount of tax or uniform fee assessed upon personal property is delinquent
209 if the tax or uniform fee is not paid on the day on which the tax notice or the combined signed
210 statement and tax notice under Section 59-2-306 is due.

211 (b) Subject to Subsection (4)(c), delinquent taxes or uniform fees under Subsection

212 (4)(a) shall bear interest from the date of delinquency until the day on which the delinquent tax

213 or uniform fee is paid at an interest rate equal to the sum of:

214 (i) 6%; and

215 (ii) the federal funds rate target:

216 (A) established by the Federal Open Markets Committee; and

217 (B) that exists on the January 1 immediately preceding the date of delinquency.

218 (c) The interest rate described in Subsection (4)(b) may not be less than 7% or more
219 than 10%.

220 (5) A county assessor or treasurer shall deposit all collections of public funds from a
221 personal property tax or personal property uniform fee no later than once every seven banking
222 days with:

223 (a) the state treasurer; or

224 (b) a qualified depository for the credit of the county.

225 (6) Upon application by the registered owner of a motor vehicle, a county assessor or
226 treasurer shall refund a personal property uniform fee for a motor vehicle as defined in Section
227 41-1a-102 that weighs 12,000 pounds or less if:

228 (a) (i) the motor vehicle has previously been registered in the current calendar year for
229 a 12-month period under Section 41-1a-215; and

230 (ii) the uniform fee imposed under Section 59-2-405.1 has previously been paid on the
231 motor vehicle in the current calendar year; or

232 (b) (i) the motor vehicle has previously been registered in the current calendar year for
233 a six-month period under Section 41-1a-215.5; and

234 (ii) the uniform fee imposed under Section 59-2-405.1 has previously been paid twice
235 on the motor vehicle in the current calendar year.

236 Section 7. **Effective date.**

237 This bill takes effect on January 1, 2018.