

1 **special revolving fund.**

2 Every owner of a vehicle subject to registration under this
3 article shall make application to the division for the registration
4 of the vehicle upon the appropriate form or forms furnished by the
5 division and every application shall bear the signature of the
6 owner or his or her authorized agent, written with pen and ink, and
7 the application shall contain:

8 (a) The name, bona fide residence and mailing address of the
9 owner, the county in which he or she resides or business address of
10 the owner if a firm, association or corporation.

11 (b) A description of the vehicle including, insofar as the
12 data specified in this section may exist with respect to a given
13 vehicle, the make, model, type of body, the manufacturer's serial
14 or identification number or other number as determined by the
15 commissioner.

16 (c) In the event a motor vehicle is designed, constructed,
17 converted or rebuilt for the transportation of property, the
18 application shall include a statement of its declared gross weight
19 if the motor vehicle is to be used alone, or if the motor vehicle
20 is to be used in combination with other vehicles, the application
21 for registration of the motor vehicle shall include a statement of
22 the combined declared gross weight of the motor vehicle and the
23 vehicles to be drawn by the motor vehicle; declared gross weight

1 being the weight declared by the owner to be the actual combined
2 weight of the vehicle or combination of vehicles and load when
3 carrying the maximum load which the owner intends to place on the
4 vehicle; and the application for registration of each vehicle shall
5 also include a statement of the distance between the first and last
6 axles of that vehicle or combination of vehicles.

7 The declared gross weight stated in the application may not
8 exceed the permissible gross weight for the axle spacing listed in
9 the application as determined by the table of permissible gross
10 weights contained in chapter seventeen-c of this code; and any
11 vehicle registered for a declared gross weight as stated in the
12 application is subject to the single-axle load limit set forth in
13 that chapter.

14 (d) Each applicant shall state whether the vehicle is or is
15 not to be used in the public transportation of passengers or
16 property, or both, for compensation and if used for compensation,
17 or to be used, the applicants shall certify that the vehicle is
18 used for compensation and shall, as a condition precedent to the
19 registration of the vehicle, obtain a certificate of convenience or
20 permit from the Public Service Commission unless otherwise exempt
21 from this requirement in accordance with chapter twenty-four-a of
22 this code.

23 (e) ~~A statement~~ A certificate of insurance as defined in

1 section four, article two-a, chapter seventeen-d of this code or,
2 at the discretion of the commissioner, a statement or electronic
3 acknowledgment under penalty of false swearing that liability
4 insurance is in effect and will continue to be in effect through
5 the entire term of the vehicle registration period within limits
6 which may not be less than the requirement of section two, article
7 four, chapter seventeen-d of this code. ~~which shall contain~~ Proof
8 of insurance shall accompany the registration application with the
9 name and National Association of Insurance commissioners assigned
10 code of the applicant's insurer, the policy number, and any other
11 information required by the commissioner of Motor Vehicles or proof
12 that the applicant has qualified as a self-insurer meeting the
13 requirements of section two, article six of ~~said~~ that chapter and
14 that as a self-insurer he or she has complied with the minimum
15 security requirements as established in section two, article four
16 of that chapter. If the commissioner determines that the required
17 security is not or was not in effect, he or she shall suspend the
18 vehicle owner's driver's license and revoke the vehicle
19 registration in accordance with ~~the provisions of~~ article two-a,
20 chapter seventeen-d of this code.

21 If any person making an application required under ~~the~~
22 ~~provisions of~~ this section, in the application knowingly provides
23 false information or false proof of security, ~~or a false statement~~

1 ~~of insurance,~~ or if any person, including an applicant's insurance
2 agent, knowingly counsels, advises, aids or abets another in
3 providing false information or false proof of security ~~or a false~~
4 ~~statement of insurance~~ in the application he or she is guilty of a
5 misdemeanor and, upon conviction thereof, shall be fined not more
6 than \$500, or be imprisoned in jail for a period not to exceed
7 fifteen days, or both fined and imprisoned and, in addition to the
8 fine or imprisonment, shall have his or her driver's license
9 suspended for a period of ninety days and vehicle registration
10 revoked if applicable.

11 (f) Any further information that is reasonably required by the
12 division to enable it to determine whether the vehicle is lawfully
13 entitled to registration.

14 (g) Each application for registration shall be accompanied by
15 the fees provided in this article and an additional fee of \$0.50
16 for each motor vehicle for which the applicant seeks registration.

17 (h) Revocation of a motor vehicle registration pursuant to
18 this section does not affect the perfection or priority of a lien
19 or security interest attaching to the motor vehicle that is noted
20 on the certificate of title to the motor vehicle.

21 **CHAPTER 17D. MOTOR VEHICLE SAFETY RESPONSIBILITY LAW.**

22 **ARTICLE 2A. SECURITY UPON MOTOR VEHICLES.**

23 **§17D-2A-2. Scope of article.**

1 This article applies to the operation of all motor vehicles
2 required to be registered or operated on the roads and highways to
3 have the security in effect, as provided in section two, article
4 two of this chapter, with the exception of motor vehicles owned by
5 the state, any of its political subdivisions or by the federal
6 government.

7 For the purposes of this article, commercial auto coverage is
8 defined as any coverage provided to an insured, regardless of
9 number of vehicles or entity covered, under a commercial coverage
10 form and rated from a commercial manual approved by the Department
11 of Insurance. This article ~~shall~~ does not apply to commercial
12 vehicles insured under commercial auto coverage; however, insurers
13 of such vehicles may participate on a voluntary basis.

14 **§17D-2A-5. Minimum policy term.**

15 ~~(a) An insurance company shall provide the Division of Motor~~
16 ~~Vehicles with a cancellation notice within ten days of the~~
17 ~~effective date of cancellation whenever the company issues or~~
18 ~~causes to be issued a cancellation under the provisions of~~
19 ~~subsections (b) through (e), section one, article six-a, chapter~~
20 ~~thirty-three of this code. Unless the Division of Motor Vehicles~~
21 ~~by legislative rule allows for an alternative to suspension, the~~
22 ~~division shall then suspend the driver license of the owner of such~~
23 ~~vehicle for a period of thirty days and shall suspend the motor~~

1 ~~vehicle registration until proof of insurance is presented to the~~
2 ~~division. If, within the thirty-day period a license or~~
3 ~~registration is suspended, the owner shows proof of insurance, the~~
4 ~~owner's license and registration shall be immediately removed from~~
5 ~~suspension. If a license or registration is not suspended as~~
6 ~~result of the cancellation of insurance, the owner of the motor~~
7 ~~vehicle shall submit a statement under penalty of false swearing,~~
8 ~~that the cancellation will not result in the operation of an~~
9 ~~uninsured motor vehicle upon the highways of this state, and this~~
10 ~~verification shall be sent to the commissioner within twenty days~~
11 ~~of the notice of cancellation.~~

12 ~~(b) On or before January 15, 1985, the Commissioner of Motor~~
13 ~~Vehicles shall report to the Legislature upon proceedings pursuant~~
14 ~~to this section. The report shall include the total number of~~
15 ~~statements selected for verification as required by section three,~~
16 ~~article three, chapter seventeen-a, the total number of notices~~
17 ~~received from insurers, the total number of notices of pending~~
18 ~~suspensions issued and the total number of cases in which~~
19 ~~cancellation was found to have resulted in a lapse of coverage upon~~
20 ~~a vehicle operated upon the highways of this state during the prior~~
21 ~~year.~~

22 ~~(c) No policy of motor vehicle liability insurance issued or~~
23 ~~delivered for issuance in this state shall be contracted for a~~

1 period of less than ninety days: *Provided*, That the Insurance
2 Commissioner may establish exceptions thereto by rules ~~and~~
3 ~~regulations~~ proposed for legislative approval pursuant to chapter
4 twenty-nine-a of this code.

5 **§17D-2A-7. Suspension or revocation of license, registration;**
6 **reinstatement.**

7 (a) Any owner of a motor vehicle, subject to ~~the provisions of~~
8 this article, who fails to have the required security in effect at
9 the time such vehicle is registered or being operated upon the
10 roads or highways shall have his or her driver's license suspended
11 by the Commissioner of the Division of Motor Vehicles and shall
12 have his or her motor vehicle registration revoked as follows:

13 (1) For the first offense, the commissioner shall suspend the
14 driver's license for thirty days and shall revoke the owner's
15 vehicle registration until such time as he or she presents current
16 proof of insurance on all currently registered vehicles: *Provided*,
17 That if an owner complies with ~~the provisions of~~ this subdivision,
18 and pays a penalty fee of \$200 before the effective date, the
19 driver's license suspension of thirty days ~~shall~~ may not be imposed
20 and the vehicle registration revocation ~~shall be~~ may not be imposed
21 and no reinstatement fees are required.

22 (2) For the second or subsequent offense within five years,
23 the commissioner shall suspend the owner's driver's license for a

1 period of ~~thirty~~ ninety days and shall revoke the owner's vehicle
2 registration until he or she presents to the Division of Motor
3 Vehicles the proof of security required by this article.

4 ~~(3) For the third or subsequent offense within five years, the~~
5 ~~commissioner shall suspend the owner's driver's license for a~~
6 ~~period of ninety days and revoke the vehicle registration until~~
7 ~~such time as he or she presents current proof of insurance.~~

8 ~~(4)~~ (3) If the motor vehicle is titled and registered in more
9 than one name, the commissioner shall suspend the driver's license
10 of only one of the owners.

11 (b) Any person who ~~knowingly operates~~ is not the vehicle owner
12 and is convicted of operating a motor vehicle upon the roads or
13 highways of this state which does not have the security required by
14 ~~the provisions of this article shall have~~ the conviction placed on
15 his or her driver's license record. ~~suspended by the commissioner~~
16 ~~subject to the following:~~

17 ~~(1) For the first offense, the commissioner shall suspend the~~
18 ~~driver's license until such time as he or she presents current~~
19 ~~proof of insurance on all currently registered vehicles: Provided,~~
20 ~~That if a driver complies with the provisions of this section and~~
21 ~~pays a penalty fee of \$200 before the effective date of the~~
22 ~~driver's license suspension, the thirty day driver's license~~
23 ~~suspension shall not be imposed and no reinstatement fees are~~

1 ~~required.~~

2 ~~(2) For the second offense within five years, the commissioner~~
3 ~~shall suspend the driver's license for a period of thirty days.~~

4 ~~(3) For the third or subsequent offense within five years, the~~
5 ~~commissioner shall suspend the person's driver's license for a~~
6 ~~period of ninety days.~~

7 ~~(c) A person's driver's license shall be suspended in~~
8 ~~accordance with subsection (b) of this section if the person is~~
9 ~~operating a motor vehicle designated for off-highway use upon the~~
10 ~~roads and highways of this state without the required security in~~
11 ~~effect.~~

12 (c) The division may not suspend or revoke a driver's license
13 under this article for any citation of driving without insurance
14 that is received by the division from a court that is more than one
15 year from the date of the offense.

16 (d) The commissioner may withdraw a suspension of a driver's
17 license or revocation of a motor vehicle registration and refund
18 any penalty or reinstatement fees at any time provided that the
19 commissioner is satisfied that there was not a violation of the
20 provisions of required security related to operation of a motor
21 vehicle upon the roads or highways of this state by such person.
22 The commissioner may request additional information as needed in
23 order to make such determination.

1 (e) A person may not have his or her driver's license
2 suspended or motor vehicle registration revoked under ~~any~~
3 ~~provisions~~ of this section unless he or she and any lienholder
4 noted on the certificate of title ~~shall is~~ are first given written
5 notice of such suspension or revocation sent by certified mail, at
6 least thirty days prior to the effective date of such suspension or
7 revocation, and upon that person's written request, he or she shall
8 be afforded an opportunity for a hearing thereupon as well as a
9 stay of the commissioner's order of suspension or revocation and an
10 opportunity for judicial review of such hearing. The request for
11 a hearing shall be made within ten days from the date of receipt of
12 the notice of driver's license suspension or motor vehicle
13 registration revocation. The scope of the hearing is limited to
14 questions of identity or whether or not there was insurance in
15 effect at the time of the event causing the commissioner's action.
16 Upon affirmation of the commissioner's order, the period of
17 suspension, revocation or other penalty commences to run.

18 (f) A suspended driver's license is reinstated following the
19 period of suspension upon compliance with the conditions set forth
20 in this article and a revoked motor vehicle registration is
21 reissued only upon lawful compliance with ~~the provisions~~ of this
22 article.

23 (g) Revocation of a motor vehicle registration pursuant to

1 this section does not affect the perfection or priority of a lien
2 or security interest attaching to the motor vehicle that is noted
3 on the certificate of title to the motor vehicle.

4 (h) Any owner or driver of a motor vehicle determined by an
5 electronic insurance verification program to be uninsured shall be
6 assessed the same criminal and administrative sanctions prescribed
7 in this chapter subject to the following:

8 (1) Any person who is assessed a penalty prescribed by this
9 section has the same procedural due process provided by this
10 chapter or by rules promulgated by the division to show that there
11 was not a violation and provide for the exoneration of any
12 penalties or records; and

13 (2) The commissioner may accept a binder, an identification
14 card or a declaration page from a policy as evidence of insurance
15 pending electronic verification to stay a pending administrative
16 sanction.

NOTE: The purpose of this bill is to require proof of insurance when registering a motor vehicle. The bill requires a certificate of insurance to be in effect during the entire term of the vehicle registration period. The bill permits a discretionary electronic acknowledgment exception. The bill clarifies that certain security provisions do not apply to commercial vehicles insured under commercial auto coverage. The bill removes the requirement that insurance companies must notify the Division of Motor Vehicles when a policy holder's vehicle insurance has been canceled. The bill removes an outdated reporting requirement. The

bill clarifies and increases the penalties for owners who do not have the required security in effect. The bill replaces the driver's license suspension penalty of a person who knowingly operates a vehicle without the required security with a provision stating that a person who is not the vehicle owner and who is convicted of operating a motor vehicle that does not have the required security shall have the conviction placed on the driver's license record. The bill prohibits the Division of Motor Vehicles from taking action against a person cited for driving without insurance if the citation is received by the division more than one year from the date of the offense.

Strike-throughs indicate language that would be stricken from the present law, and underscoring indicates new language that would be added.