

1 **UNINSURED MOTORIST DATABASE**

2 **AMENDMENTS**

3 2000 GENERAL SESSION

4 STATE OF UTAH

5 **Sponsor: David H. Steele**

6 AN ACT RELATING TO MOTOR VEHICLES; AMENDING ENFORCEMENT PROVISIONS
7 RELATED TO THE UNINSURED MOTORIST IDENTIFICATION DATABASE PROGRAM;
8 REQUIRING THE REVOCATION OF VEHICLE REGISTRATION IN CERTAIN
9 CIRCUMSTANCES; AMENDING REINSTATEMENT FEES; AMENDING EVIDENCE OF
10 INSURANCE PROVISIONS; AMENDING CERTAIN DATABASE INFORMATION
11 DISCLOSURE PROVISIONS; AND PROVIDING AN EFFECTIVE DATE.

12 This act affects sections of Utah Code Annotated 1953 as follows:

13 AMENDS:

14 **41-1a-109**, as last amended by Chapter 270, Laws of Utah 1998

15 **41-1a-110**, as last amended by Chapters 35 and 270, Laws of Utah 1998

16 **41-1a-120**, as enacted by Chapter 59, Laws of Utah 1994

17 **41-1a-1201**, as last amended by Chapters 12, 157, 184, 270 and 352, Laws of Utah 1998

18 **41-1a-1220**, as enacted by Chapter 35, Laws of Utah 1998

19 **41-12a-303.2**, as last amended by Chapter 216, Laws of Utah 1999

20 **41-12a-804**, as last amended by Chapter 35, Laws of Utah 1998

21 **41-12a-805**, as last amended by Chapter 35, Laws of Utah 1998

22 **41-12a-806**, as last amended by Chapter 269, Laws of Utah 1997

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

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

25 **41-1a-109. Grounds for division refusing registration or certificate of title.**

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

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- 28 (a) the application contains any false or fraudulent statement;
- 29 (b) the applicant has failed to furnish required information or reasonable additional
- 30 information requested by the division;
- 31 (c) the applicant is not entitled to the issuance of a certificate of title or registration of the
- 32 vehicle under this chapter;
- 33 (d) the division has reasonable grounds to believe that the vehicle is a stolen vehicle or that
- 34 the granting of registration or the issuance of a certificate of title would constitute a fraud against
- 35 the rightful owner or other person having a valid lien upon the vehicle;
- 36 (e) the registration of the vehicle is suspended or revoked for any reason provided in the
- 37 motor vehicle laws of this state; or

38 (f) the required [~~fee has~~] fees have not been paid.

39 (2) The division shall also refuse registration or any transfer of registration if the vehicle

40 is mechanically unfit or unsafe to be operated or moved upon the highways.

41 (3) The division shall refuse registration or any transfer of registration of a vehicle upon

42 notification by the Department of Transportation that the vehicle or owner is not in compliance

43 with Title 72, Chapter 9, Motor Carrier Safety Act.

44 (4) The division may not register a vehicle if the registration of the vehicle is revoked

45 under Subsection 41-1a-110(2) until the applicant provides proof:

46 (a) of owner's or operator's security in a form allowed under Subsection 41-12a-303.2(4);

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

48 (c) that the applicant was not an owner of the vehicle at the time the registration was

49 revoked.

50 Section 2. Section **41-1a-110** is amended to read:

51 **41-1a-110. Authority of division to suspend or revoke registration, certificate of title,**

52 **license plate, or permit.**

53 (1) Except as provided in Subsections [~~(2)~~] (3) and [~~(3)~~] (4), the division may suspend or

54 revoke a registration, certificate of title, license plate, or permit if:

55 (a) the division is satisfied that a registration, certificate of title, license plate, or permit

56 was fraudulently procured or erroneously issued;

57 (b) the division determines that a registered vehicle is mechanically unfit or unsafe to be

58 operated or moved upon the highways;

59 (c) a registered vehicle has been dismantled;

60 (d) the division determines that the required fee has not been paid and the fee is not paid
61 upon reasonable notice and demand;

62 (e) a registration decal, license plate, or permit is knowingly displayed upon a vehicle other
63 than the one for which issued;

64 [~~(f)~~] the division receives notification by the Department of Public Safety that a person:]

65 [(i) has been convicted of operating a registered motor vehicle that does not have owner's
66 or operator's security in effect as required under Section 41-12a-301; or]

67 [(ii) is under an administrative action taken by the Department of Public Safety for
68 operating a registered motor vehicle without owner's or operator's security in effect as required
69 under Section 41-12a-301;]

70 [(g)] (f) the division determines that the owner has committed any offense under this
71 chapter involving the registration, certificate of title, registration card, license plate, registration
72 decal, or permit; or

73 [(h)] (g) the division receives notification by the Department of Transportation that the
74 owner has committed any offence under Title 72, Chapter 9, Motor Carrier Safety Act.

75 (2) The division shall revoke the registration of a vehicle if the division receives
76 notification by the:

77 (a) Department of Public Safety that a person:

78 (i) has been convicted of operating a registered motor vehicle in violation of Section
79 41-12a-301 or 41-12a-303.2; or

80 (ii) is under an administrative action taken by the Department of Public Safety for
81 operating a registered motor vehicle in violation of Section 41-12a-301; or

82 (b) designated agent that the owner of a motor vehicle:

83 (i) has failed to provide satisfactory proof of owner's or operator's security to the
84 designated agent after the second notice provided under Section 41-12a-804; or

85 (ii) provided a false or fraudulent statement to the designated agent.

86 [~~(2)~~] (3) The division may not suspend or revoke the registration of a vessel or outboard
87 motor unless authorized under Section 73-18-7.3.

88 [~~(3)~~] (4) The division may not suspend or revoke the registration of an off-highway vehicle
89 unless authorized under Section 41-22-17.

90 [~~(4)~~] (5) The division shall charge a registration reinstatement fee under Section
91 41-1a-1220, if the registration is revoked under Subsection (1)(f).

92 Section 3. Section **41-1a-120** is amended to read:

93 **41-1a-120. Participation in Uninsured Motorist Identification Database Program.**

94 (1) The division shall provide the Department of Public Safety's designated agent, as
95 defined in Section 41-12a-802, with a record of all current motor vehicle registrations.

96 (2) The division shall perform the duties specified in:

97 (a) Title 41, Chapter 12a, Part VIII, Uninsured Motorist Identification Database Program;

98 and

99 (b) Sections 41-1a-109 and 41-1a-110.

100 (3) The division shall cooperate with the Department of Public Safety in making rules and
101 developing procedures to use the Uninsured Motorist Identification Database.

102 Section 4. Section **41-1a-1201** is amended to read:

103 **41-1a-1201. Disposition of fees.**

104 (1) All fees received and collected under this part shall be transmitted daily to the state
105 treasurer.

106 (2) Except as provided in Subsections (3), (4), and (6), and Subsections 41-1a-408(7), (8),
107 (13), (14), (15), and (16), and in Section 41-1a-1220, all fees collected under this part shall be
108 deposited in the Transportation Fund.

109 (3) (a) Funds generated under Subsections 41-1a-1211(1)(a), (7)(a), and (8) and Section
110 41-1a-1212 may be used by the commission as a dedicated credit to cover the costs incurred in
111 issuing license plates under Part 4, License Plates and Registration Indicia.

112 (b) Funds collected under Subsections 41-1a-1211(3), (5)(b), and (5)(c), less the actual
113 cost incurred by the division in purchasing decals for special group license plates, shall be
114 deposited in the Transportation Fund.

115 (c) Fees for statehood centennial license plates shall be collected and deposited in the
116 Transportation Fund, less production and administrative costs incurred by the commission.

117 (d) Fees for Olympic special group license plates shall be collected and deposited as
118 provided under Section 41-1a-417.

119 (4) All funds available to the commission for purchase and distribution of license plates
120 and decals are nonlapsing.

121 (5) Except as provided in Subsection (3) and Section 41-1a-1205, the expenses of the
122 commission in enforcing and administering this part shall be provided for by legislative
123 appropriation from the revenues of the Transportation Fund.

124 (6) The following portions of the registration fees imposed under Section 41-1a-1206 for
125 each vehicle shall be deposited in the Centennial Highway Fund created under Section 72-2-118:

126 (a) \$10 of the registration fees imposed under Subsections 41-1a-1206(1)(a), (1)(b), (2),
127 and (5);

128 (b) \$1 of the registration fees imposed under Subsections 41-1a-1206(1)(c)(i), (1)(c)(ii),
129 and (1)(d)(ii);

130 (c) \$2 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(ii);

131 (d) \$3 of the registration fee imposed under Subsection 41-1a-1206(1)(d)(i); and

132 (e) \$4.50 of the registration fee imposed under Subsection 41-1a-1206(1)(e)(i).

133 Section 5. Section **41-1a-1220** is amended to read:

134 **41-1a-1220. Registration reinstatement fee.**

135 (1) At the time application is made for reinstatement or renewal of registration of a motor
136 vehicle after a revocation of the registration under Subsection 41-1a-110[~~(f)~~](2), the applicant
137 shall pay a registration reinstatement fee of [~~\$50~~] \$100.

138 (2) The fee imposed under Subsection (1):

139 (a) is in addition to any other fee imposed under this chapter[-]; and

140 (b) shall be deposited in the Uninsured Motorist Identification Restricted Account created
141 in Section 41-12a-806.

142 (3) The division shall waive the registration reinstatement fee imposed under this section
143 if:

144 (a) the registration was revoked under Subsection 41-1a-110(2)(b); and

145 (b) a person had owner's or operator's security in effect for the vehicle at the time the
146 registration was revoked.

147 Section 6. Section **41-12a-303.2** is amended to read:

148 **41-12a-303.2. Evidence of owner's or operator's security to be carried when**
149 **operating motor vehicle -- Defense -- Penalties.**

150 (1) As used in this section:

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

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

154 (2) (a) (i) [~~Except as provided in Subsection (2)(a)(ii), a~~] A person operating a motor
155 vehicle shall:

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

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

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

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

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

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

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

166 (A) insurance policy;

167 (B) insurance policy declaration page;

168 [~~(B)~~] (C) binder notice;

169 [~~(C)~~] (D) renewal notice; or

170 [~~(D)~~] (E) card issued by an insurance company as evidence of insurance;

171 (ii) a certificate of insurance issued under Section 41-12a-402;

172 (iii) a certified copy of a surety bond issued under Section 41-12a-405;

173 (iv) a certificate of the state treasurer issued under Section 41-12a-406;

174 (v) a certificate of self-funded coverage issued under Section 41-12a-407; or

175 (vi) information that the vehicle or driver is insured from the Uninsured Motorist

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

177 (c) Evidence of owner's or operator's security from the Uninsured Motorist Identification
178 Database Program described under Subsection (2)(b)(vi) supercedes any evidence of owner's or
179 operator's security described under Subsections (2)(b)(i)[~~(C)~~](D) or [~~(D)~~] (E).

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

183 (4) (a) Evidence of owner's or operator's security as defined under Subsection (2)(b) except
184 Subsections (2)(b)(i)(D) and (E) or a [letter] written statement from an insurance agent or company
185 verifying that the person had the required motor vehicle insurance coverage on the date specified
186 is considered proof of owner's or operator's security for purposes of Subsection (3) and Section
187 41-12a-804.

188 (b) The court considering a citation issued under this section shall allow the evidence or
189 [letter] a written statement under Subsection (4)(a) and a copy of the citation to be faxed or mailed
190 to the clerk of the court to satisfy Subsection (3).

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

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

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

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

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

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

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

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

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

207 (iii) An insurer that provides a certificate of insurance as provided under Section
208 41-12a-402 or 41-12a-403 may not terminate the insurance policy unless notice of termination is
209 filed with the department no later than ten days after termination as required under Section
210 41-12a-404.

211 (iv) If a person who has canceled the certificate of insurance applies for a license within
212 three years from the date proof of owner's or operator's security was originally required, the
213 department shall refuse the application unless the person reestablishes proof of owner's or

214 operator's security and maintains the proof for the remainder of the three-year period.

215 Section 7. Section **41-12a-804** is amended to read:

216 **41-12a-804. Notice -- Proof -- Revocation of registration -- False statements --**
217 **Penalties -- Exemptions -- Sales tax enforcement.**

218 (1) If the comparison under Section 41-12a-803 shows that a motor vehicle is not insured
219 for three consecutive months, the Motor Vehicle Division [may] shall direct that the designated
220 agent provide notice to the owner of the motor vehicle that [he] the owner has [45] 15 days to
221 provide:

222 (a) proof of owner's or operator's security in a form allowed under Subsection
223 41-12a-303.2(4); or

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

225 (2) [(a)] If an owner of a motor vehicle fails to provide satisfactory proof of owner's or
226 operator's security to the designated agent[;-(i)], the designated agent shall:

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

229 (i) proof of owner's or operator's security in a form allowed under Subsection
230 41-12a-303.2(4); or

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

232 [(A)] (b) for each notice provided, indicate information relating to the owner's failure to
233 provide proof of owner's or operator's security in the database; and

234 [(B)] (c) provide this information to state and local law enforcement agencies as requested
235 in accordance with the provisions under Section 41-12a-805[;and].

236 [(ii) the] (3) The Motor Vehicle Division [may]:

237 [(A)] (a) shall revoke the registration upon receiving notification under Subsection
238 41-1a-110[(+)(f)](2); and

239 [(B)] (b) [direct the designated agent to] shall provide appropriate notices of the
240 revocation, the legal consequences of operating a vehicle with revoked registration and without
241 owner's or operator's security and instructions on how to get the registration reinstated;

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

243 [(b)] (4) Any action by the Motor Vehicle Division to revoke the registration of a motor
244 vehicle under this [Subsection-(2)] section may be in addition to an action by a law enforcement

245 agency to impose the penalties under Section 41-12a-302 or 41-12a-303.2.

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

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

250 [~~3~~](6) The department and the Motor Vehicle Division shall direct the designated agent
251 to exempt from this section a farm truck that:

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

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

254 [~~4~~](7) This part does not affect other actions or penalties that may be taken or imposed
255 for violation of the owner's and operator's security requirements of this chapter.

256 [~~5~~](8) If a comparison under Section 41-12a-803 shows that a motor vehicle may not
257 be in compliance with motor vehicle registration or sales and use tax laws, the Motor Vehicle
258 Division may direct that the designated agent provide notice to the owner of a motor vehicle that
259 information exists which indicates the possible violation.

260 Section 8. Section **41-12a-805** is amended to read:

261 **41-12a-805. Disclosure of insurance information -- Penalty.**

262 (1) Information in the database established under Section 41-12a-803 provided by a person
263 to the designated agent is considered to be the property of the person providing the information.
264 The information may not be disclosed from the database under Title 63, Chapter 2, Government
265 Records Access and Management Act, or otherwise, except as follows:

266 (a) for the purpose of investigating, litigating, or enforcing the owner's or operator's
267 security requirement under Section 41-12a-301, the designated agent shall verify insurance
268 information through the state computer network for a state or local government agency or court;

269 (b) for the purpose of investigating, litigating, or enforcing the owner's or operator's
270 security requirement under Section 41-12a-301, the designated agent shall, upon request, issue to
271 any state or local government agency or court a certificate documenting the insurance [status]
272 information, according to the database, of a specific individual or motor vehicle for the time period
273 designated by the government agency;

274 (c) upon request, the department or its designated agent shall disclose whether or not a
275 person is an insured individual and the insurance company name to:

276 (i) that individual or, if that individual is deceased, any interested person of that individual,
277 as defined in Section 75-1-201;

278 (ii) the parent or legal guardian of that individual if the individual is an unemancipated
279 minor;

280 (iii) the legal guardian of that individual if the individual is legally incapacitated;

281 (iv) a person who has power of attorney from the insured individual;

282 (v) a person who submits a notarized release from the insured individual dated no more
283 than 90 days before the date the request is made; or

284 (vi) a person suffering loss or injury in a motor vehicle accident in which the insured
285 individual is involved, but only as part of an accident report as authorized in Section 41-12a-202;

286 (d) for the purpose of investigating, enforcing, or prosecuting laws or issuing citations by
287 state or local law enforcement agencies related to the:

288 (i) registration and renewal of registration of a motor vehicle under Title 41, Chapter 1a,
289 Motor Vehicle Act;

290 (ii) purchase of a motor vehicle under Title 59, Chapter 12, Sales and Use Tax Act; and

291 (iii) owner's or operator's security requirements under Section 41-12a-301;

292 (e) upon request of a peace officer acting in an official capacity under the provisions of
293 Subsection (1)(d), the department or the designated agent shall, upon request, disclose relevant
294 information for investigation, enforcement, or prosecution; and

295 (f) for the purpose of the state auditor, the legislative auditor general, or other auditor of
296 the state conducting audits of the program.

297 (2) (a) The department may allow the designated agent to prepare and deliver upon request,
298 a certified copy of a report on the insurance information of a person or motor vehicle in accordance
299 with this section. The department may allow the designated agent to charge a fee established by
300 the department under Section 63-38-3.2 for each document authenticated.

301 (b) Each certified copy of a report on the insurance information furnished in accordance
302 with this section is admissible in any court proceeding in the same manner as the original.

303 ~~[(2)]~~ (3) Any person who knowingly releases or discloses information from the database
304 for a purpose other than those authorized in this section or to a person who is not entitled to it is
305 guilty of a third degree felony.

306 ~~[(3)]~~ (4) An insurer is not liable to any person for complying with Section 31A-22-315 by

307 providing information to the designated agent.

308 [~~(4)~~] (5) Neither the state nor the department's designated agent are liable to any person
309 for gathering, managing, or using the information in the database as provided in Section
310 31A-22-315 and this part.

311 Section 9. Section **41-12a-806** is amended to read:

312 **41-12a-806. Restricted Account -- Creation -- Funding -- Interest -- Purposes.**

313 (1) There is created within the Transportation Fund a restricted account known as the
314 "Uninsured Motorist Identification Restricted Account."

315 (2) The account consists of monies generated from the following revenue sources:

316 (a) monies received by the state under Section 41-1a-1218, the uninsured motorist
317 identification fee; [~~and~~]

318 (b) monies received by the state under Section 41-1a-1220; and

319 [~~(b)~~] (c) appropriations made to the account by the Legislature.

320 (3) (a) The account shall earn interest.

321 (b) All interest earned on account monies shall be deposited into the account.

322 (4) Monies shall be appropriated from the account by the Legislature to:

323 (a) the department to[~~:(a)~~] fund the contract with the designated agent; [~~and~~]

324 (b) the department to offset the costs to state and local law enforcement agencies of using
325 the information for the purposes authorized under this part[~~:(b)~~]; and

326 (c) the Tax Commission to offset the costs to the Motor Vehicle Division for revoking and
327 reinstating vehicle registrations under Subsection 41-1a-110(2)(b).

328 Section 10. **Effective date.**

329 This act takes effect on July 1, 2000.

Legislative Review Note as of 1-13-00 1:07 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel