

1 **ACCESS TO UNINSURED MOTORIST**
2 **INFORMATION**

3 2003 GENERAL SESSION
4 STATE OF UTAH

5 **Sponsor: David H. Steele**

6 **This act modifies the Motor Vehicles Code by amending the Uninsured Motorist**
7 **Identification Database Program. This act allows the database information to be used by**
8 **financial institutions to facilitate protection of a financial institution's bona fide security**
9 **interests in a motor vehicle. This act allows database information to be made accessible**
10 **through the Internet or to be made available through other electronic medium if the**
11 **Department of Public Safety determines that sufficient security is provided to ensure**
12 **compliance with disclosure restrictions. This act makes technical changes.**

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

14 AMENDS:

15 **41-12a-803**, as last amended by Chapter 35, Laws of Utah 1998

16 **41-12a-805**, as last amended by Chapter 345, Laws of Utah 2000

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

18 Section 1. Section **41-12a-803** is amended to read:

19 **41-12a-803. Program creation -- Administration -- Selection of designated agent**
20 **-- Duties -- Rulemaking -- Audits.**

21 (1) There is created the Uninsured Motorist Identification Database Program to:

22 (a) establish an Uninsured Motorist Identification Database to verify compliance with
23 motor vehicle owner's or operator's security requirements under Section 41-12a-301 and other
24 provisions under this part;

25 (b) assist in reducing the number of uninsured motor vehicles on the highways of the
26 state; [~~and~~]

27 (c) assist in increasing compliance with motor vehicle registration and sales and use tax



28 laws[-]; and

29 (d) assist in protecting a financial institution's bona fide security interest in a motor
30 vehicle.

31 (2) The program shall be administered by the department with the assistance of the
32 designated agent and the Motor Vehicle Division.

33 (3) (a) The department shall contract in accordance with Title 63, Chapter 56, Utah
34 Procurement Code, with a third party to establish and maintain an Uninsured Motorist
35 Identification Database for the purposes established under this part.

36 (b) The contract may not obligate the department to pay the third party more monies
37 than are available in the account.

38 (4) (a) The third party under contract under this section is the department's designated
39 agent, and shall develop and maintain a computer database from the information provided by:

40 (i) insurers under Section 31A-22-315;

41 (ii) the division under Subsection (6); and

42 (iii) the Motor Vehicle Division under Section 41-1a-120.

43 (b) (i) The database shall be developed and maintained in accordance with guidelines
44 established by the department so that state and local law enforcement agencies and financial
45 institutions as defined in Section 7-1-103 can efficiently access the records of the database,
46 including reports useful for the implementation of the provisions of this part.

47 (ii) (A) The reports shall be in a form and contain information approved by the
48 department.

49 (B) The reports may be made available through the Internet or through other electronic
50 medium, if the department determines that sufficient security is provided to ensure compliance
51 with Section 41-12a-805 regarding limitations on disclosure of information in the database.

52 (5) With information provided by the department and the Motor Vehicle Division, the
53 designated agent shall, at least monthly:

54 (a) update the database with the motor vehicle insurance information provided by the
55 insurers in accordance with Section 31A-22-315; and

56 (b) compare all current motor vehicle registrations against the database.

57 (6) The division shall provide the designated agent with the name, date of birth,
58 address, and driver license number of all persons on the driver license database.

59 (7) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
60 department shall make rules and develop procedures in cooperation with the Motor Vehicle
61 Division to use the database for the purpose of administering and enforcing this part.

62 (8) (a) The designated agent shall archive computer data files at least semi-annually for
63 auditing purposes.

64 (b) The internal audit unit of the tax commission provided under Section 59-1-206
65 shall audit the program at least annually. The audit shall include verification of:

66 (i) billings made by the designated agent; and

67 (ii) the accuracy of the designated agent's matching of vehicle registration with
68 insurance data.

69 Section 2. Section **41-12a-805** is amended to read:

70 **41-12a-805. Disclosure of insurance information -- Penalty.**

71 (1) Information in the database established under Section 41-12a-803 provided by a
72 person to the designated agent is considered to be the property of the person providing the
73 information. The information may not be disclosed from the database under Title 63, Chapter
74 2, Government Records Access and Management Act, or otherwise, except as follows:

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

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

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

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

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

- 90 (iii) the legal guardian of that individual if the individual is legally incapacitated;
- 91 (iv) a person who has power of attorney from the insured individual;
- 92 (v) a person who submits a notarized release from the insured individual dated no more
93 than 90 days before the date the request is made; or
- 94 (vi) a person suffering loss or injury in a motor vehicle accident in which the insured
95 individual is involved, but only as part of an accident report as authorized in Section
96 41-12a-202;
- 97 (d) for the purpose of investigating, enforcing, or prosecuting laws or issuing citations
98 by state or local law enforcement agencies related to the:
 - 99 (i) registration and renewal of registration of a motor vehicle under Title 41, Chapter
100 1a, Motor Vehicle Act;
 - 101 (ii) purchase of a motor vehicle under Title 59, Chapter 12, Sales and Use Tax Act; and
 - 102 (iii) owner's or operator's security requirements under Section 41-12a-301;
- 103 (e) upon request of a peace officer acting in an official capacity under the provisions of
104 Subsection (1)(d), the department or the designated agent shall, upon request, disclose relevant
105 information for investigation, enforcement, or prosecution; ~~and~~
- 106 (f) for the purpose of the state auditor, the legislative auditor general, or other auditor
107 of the state conducting audits of the program~~[-]; and~~
- 108 (g) upon request of a financial institution as defined under Section 7-1-103 for the
109 purpose of protecting the financial institution's bona fide security interest in a motor vehicle.
- 110 (2) (a) The department may allow the designated agent to prepare and deliver upon
111 request, ~~[a certified copy of]~~ a report on the insurance information of a person or motor vehicle
112 in accordance with this section.
 - 113 (b) The report may be in the form of:
 - 114 (i) a certified copy that is considered admissible in any court proceeding in the same
115 manner as the original; or
 - 116 (ii) information accessible through the Internet or through other electronic medium if
117 the department determines that sufficient security is provided to ensure compliance with this
118 section.
 - 119 (c) The department may allow the designated agent to charge a fee established by the
120 department under Section 63-38-3.2 for each;

121 (i) document authenticated[-], including each certified copy;
122 (ii) record accessed by the Internet or by other electronic medium; and
123 (iii) record provided to a financial institution under Subsection (1)(g).
124 ~~[(b) Each certified copy of a report on the insurance information furnished in~~
125 ~~accordance with this section is admissible in any court proceeding in the same manner as the~~
126 ~~original.]~~

127 (3) Any person who knowingly releases or discloses information from the database for
128 a purpose other than those authorized in this section or to a person who is not entitled to it is
129 guilty of a third degree felony.

130 (4) An insurer is not liable to any person for complying with Section 31A-22-315 by
131 providing information to the designated agent.

132 (5) Neither the state nor the department's designated agent are liable to any person for
133 gathering, managing, or using the information in the database as provided in Section
134 31A-22-315 and this part.

Legislative Review Note
as of 1-21-03 8:58 AM

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

Office of Legislative Research and General Counsel

Fiscal Note
Bill Number SB0052

Access to Uninsured Motorist Information

28-Jan-03

3:35 PM

State Impact

It is estimated that provisions of this bill can be implemented with existing resources.

Individual and Business Impact

Financial institutions will be able to better protect their bona fide security interests in a motor vehicle.

Office of the Legislative Fiscal Analyst