

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

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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 ~~§→~~ [·] ; ~~§→~~ [and]

20a                  ▶ provides that a peace officer may not cite or arrest a person for violating the  
20b                  requirement to have evidence of owner's or operator's security for the vehicle in the person's  
20c                  immediate possession if the Uninsured Motorist Identification Database Program information  
20d                  indicates that the vehicle or driver is insured; and ←~~§~~

20a                  ▶ increases the number of months that a motor vehicle must show as not insured in the  
20b                  Uninsured Motorist Identification Database before the designated agent provides certain  
20c                  notices to the owner of the motor vehicle. ←~~§~~

21                  **Monies Appropriated in this Bill:**

22                  None

23                  **Other Special Clauses:**



24           None

25   **Utah Code Sections Affected:**

26   AMENDS:

27           **41-1a-109**, as last amended by Laws of Utah 2000, Chapter 345

28 **41-12a-303.2**, as last amended by Laws of Utah 2003, Chapter 298

29 **41-12a-804**, as last amended by Laws of Utah 2006, Chapter 130



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

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

33 **41-1a-109. Grounds for division refusing registration or certificate of title.**

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

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

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

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

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

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

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

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

49 (3) The division shall refuse registration or any transfer of registration of a vehicle  
50 upon notification by the Department of Transportation that the vehicle or owner is not in  
51 compliance with Title 72, Chapter 9, Motor Carrier Safety Act.

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

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

55 [~~41-12a-303.2(4)~~] 41-12a-303.2(2)(b);

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

57 (c) that the applicant was not an owner of the vehicle at the time of the alleged  
58 violation or on the day following the time limit provided after the second notice under

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

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

61 **41-12a-303.2. Evidence of owner's or operator's security to be carried when**  
62 **operating motor vehicle -- Defense -- Penalties.**

63 (1) As used in this section:

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

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

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

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

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

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

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

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

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

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

79 (A) insurance policy;

80 (B) insurance policy declaration page;

81 (C) binder notice;

82 (D) renewal notice; or

83 (E) card issued by an insurance company as evidence of insurance;

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

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

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

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

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

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

90 (c) ~~§~~ **→** (i) ~~←~~ ~~§~~ Evidence of owner's or operator's security from the Uninsured Motorist  
 91 Identification Database Program described under Subsection (2)(b)(vi) supercedes any  
 92 evidence of owner's or operator's security described under Subsection (2)(b)(i)(D) or (E).

92a **§** **→** (ii) A peace officer may not cite or arrest a person for a violation of Subsection (2)(a) if the  
 92b Uninsured Motorist Identification Database Program created under Title 41, Chapter 12a,  
 92c Part 8, information indicates that the vehicle or driver is insured. ~~←~~ ~~§~~

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

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

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

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

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

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

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

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

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

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

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

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

121 (iii) An insurer that provides a certificate of insurance as provided under Section  
122 41-12a-402 or 41-12a-403 may not terminate the insurance policy unless notice of termination  
123 is filed with the department no later than 10 days after termination as required under Section  
124 41-12a-404.

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

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

130 **41-12a-804. Notice -- Proof -- Revocation of registration -- False statements --**  
131 **Penalties -- Exemptions -- Sales tax enforcement.**

132 (1) If the comparison under Section 41-12a-803 shows that a motor vehicle is not  
133 insured for ~~12~~ **[two]** three ~~12~~ consecutive months, the Motor Vehicle Division shall direct that  
133a the designated

134 agent provide notice to the owner of the motor vehicle that the owner has 15 days to provide:

135 (a) proof of owner's or operator's security in a form allowed under Subsection  
136 ~~[41-12a-303.2(4)]~~ 41-12a-303.2(2)(b); or

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

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

140 (a) provide a second notice to the owner of the motor vehicle that the owner now has  
141 15 days to provide:

142 (i) proof of owner's or operator's security in a form allowed under Subsection  
143 ~~[41-12a-303.2(4)]~~ 41-12a-303.2(2)(b); or

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

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

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

149 (3) The Motor Vehicle Division:

150 (a) shall revoke the registration upon receiving notification under Subsection  
151 41-1a-110(2);

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

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

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

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

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

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

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

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

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

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

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**Legislative Review Note**  
as of 1-25-10 12:57 PM

**Office of Legislative Research and General Counsel**

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**Fiscal Note**

**H.B. 261 - Financial Responsibility of Motor Vehicle Owners and Operators**

**Act Amendments**

2010 General Session

State of Utah

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**State Impact**

Enactment of this bill will not require additional appropriations.

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**Individual, Business and/or Local Impact**

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.

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