

HOUSE BILL 527

Introduced by Phillips, et al.

1/31	Introduced
1/31	Referred to Highways & Transportation
2/01	Fiscal Note Requested
2/01	First Reading
2/06	Fiscal Note Received
2/06	Fiscal Note Printed
2/12	Hearing
2/14	Tabled in Committee

1
2 INTRODUCED BY

House BILL NO. *527*
Phillip Taylor Beck

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT REVISING THE
5 REQUIREMENTS FOR PROOF OF FINANCIAL RESPONSIBILITY ON
6 APPLICATION FOR REGISTRATION OF A MOTOR VEHICLE; PROVIDING
7 FOR PENALTIES; AND AMENDING SECTIONS 61-3-301, 61-6-135,
8 61-6-302, AND 61-6-304, MCA."
9

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 **Section 1.** Section 61-3-301, MCA, is amended to read:

12 "61-3-301. (Temporary) Registration -- license plate
13 required -- display. (1) Except as otherwise provided in
14 this chapter, no a person may not operate a motor vehicle
15 upon the public highways of Montana unless the vehicle is
16 properly registered and has the proper number plates
17 conspicuously displayed, one on the front and one on the
18 rear of the vehicle, each securely fastened to prevent it
19 from swinging and unobstructed from plain view, except that
20 trailers, semitrailers, quadricycles, motorcycles, and
21 vehicles authorized in 61-4-102(6) to display demonstrator
22 plates may have but one number plate conspicuously displayed
23 on the rear. No A person may not display on a vehicle at the
24 same time a number assigned to it under any motor vehicle
25 law except as provided in this chapter. A junk vehicle, as

1 defined in Title 75, chapter 10, part 5, being driven or
2 towed to an auto wrecking graveyard for disposal is exempt
3 from the provisions of this section.

4 (2) No A person may not purchase or display on a
5 vehicle a license plate bearing the number assigned to any
6 county as provided in 61-3-332 other than the county of his
7 permanent residence at the time of application for
8 registration. However, the owner of any a motor vehicle
9 requiring a license plate on any a motor vehicle used in the
10 public transportation of persons or property may make
11 application for the license in any county through which the
12 motor vehicle passes in its regularly scheduled route, and
13 the license plate issued bearing the number assigned to that
14 county may be displayed on the motor vehicle in any other
15 county of the state.

16 (3) It is unlawful to use license plates issued to one
17 vehicle on any other vehicle, trailer, or semitrailer unless
18 legally transferred as provided by statute, or to repaint
19 old license plates to resemble current license plates.

20 (4) This section does not apply to a vehicle exempt
21 from taxation under 15-6-215 or subject to taxation under
22 61-3-520.

23 (5) A person may not display license plates issued
24 under this chapter on a motor vehicle that is the subject of
25 a notice of cancellation or termination of an insurance

1 policy as provided in 61-6-135.

2 ~~(5)~~(6) Any A person violating these provisions is
3 guilty of a misdemeanor and subject to the penalty
4 prescribed in 61-3-601. (Terminates December 31, 1993--sec.
5 11, Ch. 525, L. 1989.)

6 61-3-301. (Effective January 1, 1994) Registration --
7 license plate required -- display. (1) Except as otherwise
8 provided in this chapter, no A person may not operate a
9 motor vehicle upon the public highways of Montana unless the
10 vehicle is properly registered and has the proper number
11 plates conspicuously displayed, one on the front and one on
12 the rear of the vehicle, each securely fastened to prevent
13 it from swinging and unobstructed from plain view, except
14 that trailers, semitrailers, quadricycles, motorcycles, and
15 vehicles authorized in 61-4-102(6) to display demonstrator
16 plates may have but one number plate conspicuously displayed
17 on the rear. No person may display on a vehicle at the same
18 time a number assigned to it under any motor vehicle law
19 except as provided in this chapter. A junk vehicle, as
20 defined in Title 75, chapter 10, part 5, being driven or
21 towed to an auto wrecking graveyard for disposal is exempt
22 from the provisions of this section.

23 (2) No A person may not purchase or display on a
24 vehicle a license plate bearing the number assigned to any a
25 county as provided in 61-3-332 other than the county or his

1 permanent residence at the time of application for
2 registration. However, the owner of any a motor vehicle
3 requiring a license plate on any a motor vehicle used in the
4 public transportation of persons or property may make
5 application for the license in any county through which the
6 motor vehicle passes in its regularly scheduled route, and
7 the license plate so issued bearing the number assigned to
8 that county may be displayed on the motor vehicle in any
9 other county of the state.

10 (3) It is unlawful to use license plates issued to one
11 vehicle on any other vehicle, trailer, or semitrailer unless
12 legally transferred as provided by statute, or to repaint
13 old license plates to resemble current license plates.

14 (4) A person may not display license plates issued
15 under this chapter on a motor vehicle that is the subject of
16 a notice of cancellation or termination of an insurance
17 policy as provided in 61-6-135.

18 ~~(4)~~(5) Any A person violating these provisions is
19 guilty of a misdemeanor and subject to the penalty
20 prescribed in 61-3-601."

21 **Section 2.** Section 61-6-135, MCA, is amended to read:

22 "61-6-135. Notice of cancellation or termination of
23 certified policy -- civil penalty -- department to seize
24 numbered plates. (1) When an insurance carrier has certified
25 a motor vehicle liability policy under 61-6-133 or a policy

1 under 61-6-134, the insurance so certified ~~shall~~ may not be
 2 canceled or terminated until at least 10 days after a notice
 3 of cancellation or termination of the insurance so certified
 4 ~~shall--be~~ is filed in the office of the department, except
 5 that such a policy subsequently procured and certified ~~shall~~
 6 on the effective date of its certification ~~terminate~~
 7 terminates the insurance previously certified with respect
 8 to any motor vehicle designated in both certificates.

9 (2) In addition to other penalties provided by law, if
 10 the owner of a motor vehicle subject to a notification of
 11 cancellation or termination as provided in subsection (1)
 12 fails to comply with the provisions of 61-6-301 and operates
 13 the motor vehicle or allows the motor vehicle to be operated
 14 on the public highways in violation of 61-6-301:

15 (a) the owner is subject to a civil penalty of \$50; and

16 (b) the department shall seize the numbered plates
 17 issued for display on the motor vehicle under 61-3-332 and
 18 shall retain the plates until the motor vehicle owner has
 19 provided proof of compliance as required under 61-6-302."

20 **Section 3.** Section 61-6-302, MCA, is amended to read:

21 "61-6-302. Proof of compliance. (1) Except-as--provided
 22 in-subsection-(2);-before-any-applicant A person required to
 23 register his motor vehicle may-do-so--the-applicant-must
 24 certify-to-the-county--treasurer--that--he--possesses shall
 25 submit with his application for registration as proof that

1 he has complied with the provisions of 61-6-301:

2 (a) the certificate of an insurance company authorized
 3 to conduct business in Montana under the provisions of Title
 4 33 that states it has issued to the person an automobile
 5 liability insurance policy; The certificate submitted under
 6 this subsection (1)(a) remains valid for reregistration of
 7 the motor vehicle identified in the policy until the
 8 insurance carrier gives notification of cancellation or
 9 termination of the insurance as provided in 61-6-135.

10 (b) a certificate of self-insurance; or;

11 (c) a posted indemnity bond; or

12 (d) documentation that he is eligible for an exemption
 13 under 61-6-303 covering the motor vehicle.

14 (2) The certification--shall proof submitted as required
 15 in subsection (1) must be on-a-form in forms prescribed by
 16 the department.

17 (3) The department may immediately cancel the
 18 registration and license plates of the vehicle upon
 19 notification that the insurance-certification proof required
 20 in subsection (1) was not correctly represented.

21 (4) Any A person who intentionally provides false
 22 information on an insurance certification is guilty of
 23 unsworn falsification to authorities, punishable as provided
 24 in 45-7-203.

25 (2)--An-applicant-for-registration-of-a--motor--vehicle

1 ~~who wishes to register the vehicle by mail must sign a~~
 2 ~~statement on the application stating that the applicant is~~
 3 ~~in compliance with the financial liability requirements of~~
 4 ~~61-6-301.~~

5 (3)(5) An owner of a motor vehicle who ceases to
 6 maintain the insurance or bond required or whose certificate
 7 of self-insurance is canceled or whose vehicle ceases to be
 8 exempt shall immediately surrender the registration and
 9 license plates for the vehicle to the county treasurer for
 10 delivery to the department and may not operate or permit
 11 operation of the vehicle in Montana until insurance has
 12 again been furnished as required and the vehicle is again
 13 registered and licensed.

14 (4)(6) Every person shall carry in a motor vehicle
 15 being operated by him an insurance card approved by the
 16 department but issued by the insurance carrier to the motor
 17 vehicle owner as proof of compliance with 61-6-301. A motor
 18 vehicle operator shall exhibit the insurance card upon
 19 demand of a justice of the peace, a city or municipal judge,
 20 a peace officer, a highway patrol officer, or a field deputy
 21 or inspector of the department.

22 (7) However, no A person charged with violating this
 23 subsection may not be convicted if he produces in court or
 24 the office of the arresting officer proof of insurance valid
 25 at the time of his arrest."

1 **Section 4.** Section 61-6-304, MCA, is amended to read:

2 "**61-6-304. Penalties.** ~~It is unlawful for any~~ A person
 3 ~~to~~ may not operate a motor vehicle upon ways of this state
 4 open to the public without a valid policy of liability
 5 insurance in effect in an amount not less than that provided
 6 in 61-6-301 or unless such the person has been issued a
 7 certificate of self-insurance pursuant to 61-6-143 or has
 8 previously posted an indemnity bond with the department as
 9 provided by 61-6-301 or is operating a vehicle exempt under
 10 61-6-303. A violation of 61-6-301 through 61-6-304 is a
 11 misdemeanor punishable by a fine of not less than \$250 \$500
 12 and not ~~to exceed \$500~~ more than \$5,000 or by imprisonment
 13 in the county jail for not more than ~~10~~ days 1 year, or
 14 both."

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for HB0527, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:


The bill would revise the requirements for proof of financial responsibility on application for registration of a motor vehicle and provide for penalties.

ASSUMPTIONS:

1. There are about 1,000,000 motor vehicles insured in the state and approximately 15% of these vehicles will have insurance coverage cancelled or terminated each year. Under this bill, a change in insurance companies is considered a termination of the previous coverage.
2. 1.00 FTE vehicle registration clerk will be able to process 16 full-cycle cancellations per work day. On the basis of 225 work days per year, it is estimated that 42.00 FTE Grade 6 clerks may need to be added for each year of the 1993 biennium, along with 2.00 FTE Grade 9 assistants and 1.00 Grade 14 supervisor. Employee benefits for the additional FTE are calculated at a rate of 22%. The positions are assumed to be filled on a phase-in basis during FY92 and to be fully staffed during FY93.
3. It is expected that the workload for Highway Patrol officers will increase with the requirement to physically seize license plates from uninsured vehicles; however, no increase in patrol officers or overtime pay is included in the fiscal impact.
4. Current law is represented by the executive budget recommendation for the Registrar's Bureau of the Department of Justice.
5. Although the bill provides for increases in the minimum and maximum fines and maximum imprisonment term, it is assumed that revenue from fines will increase only about 25% per year because the higher penalties will create more incentive for purchase and retention of insurance coverage. Currently, the average fine for an uninsured vehicle is about \$250 with total fine revenue of about \$400,000 per year.
6. The impact of the bill on motor vehicle insurance rates, total motor vehicle insurance premium income and net premium taxes in the state, and claims against insurance companies and uninsured motorists was not considered.

FISCAL IMPACT:

See next page.


ROD SUNDSTED, BUDGET DIRECTOR
Office of Budget and Program Planning

DATE

JOHN E. PHILLIPS, PRIMARY SPONSOR

DATE

Fiscal Note for HB0527, as introduced

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Fiscal Note Request, HB0527, as introduced

Form BD-15

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Department of Justice-Registrar's Bureau

	<u>FY 92</u>			<u>FY 93</u>		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Expenditures:</u>						
FTE	73.00	118.00	45.00	73.00	118.00	45.00
Personal Services	1,480,000	2,052,000	572,000	1,480,000	2,276,000	796,000
Operating Costs	809,000	1,206,000	397,000	816,000	1,347,000	531,000
Equipment	<u>7,000</u>	<u>164,000</u>	<u>157,000</u>	<u>7,000</u>	<u>7,000</u>	<u>0</u>
Total	2,296,000	3,422,000	1,126,000	2,303,000	3,630,000	1,327,000
<u>Funding:</u>						
General Fund (01)	2,296,000	3,422,000	1,126,000	2,303,000	3,630,000	1,327,000
<u>Revenues:</u>						
General Fund (01)	46,000	57,000	11,000	46,000	57,000	11,000
State Special (02)	154,000	193,000	39,000	154,000	193,000	39,000
County Revenue	<u>200,000</u>	<u>250,000</u>	<u>50,000</u>	<u>200,000</u>	<u>250,000</u>	<u>50,000</u>
Total	400,000	500,000	100,000	400,000	500,000	100,000
Net State Gen. Fund Impact			(1,115,000)			(1,316,000)

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

Revenue from uninsured motor vehicle fines is expected to increase by approximately \$50,000 per year statewide.

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