

Sixtieth  
Legislative Assembly  
of North Dakota

## HOUSE BILL NO. 1037

Introduced by

Legislative Council

(Transportation Committee)

1 A BILL for an Act to create and enact a new section to chapter 26.1-40 of the North Dakota  
2 Century Code, relating to proof of insurance; to amend and reenact section 39-08-20 of the  
3 North Dakota Century Code, relating to the criminal procedure for driving without liability  
4 insurance; and to provide a penalty.

5 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

6 **SECTION 1.** A new section to chapter 26.1-40 of the North Dakota Century Code is  
7 created and enacted as follows:

8 **Proof of insurance.** An insurer who issues a policy shall provide proof of insurance to  
9 the insured in the form of written evidence of the policy's terms as to type, duration, and the  
10 vehicle covered by the policy.

11 **SECTION 2. AMENDMENT.** Section 39-08-20 of the North Dakota Century Code is  
12 amended and reenacted as follows:

13 **39-08-20. Driving without liability insurance prohibited - Penalty.**

- 14 1. A person may not drive, or the owner may not cause or knowingly permit to be  
15 driven, a motor vehicle in this state without a valid policy of liability insurance in  
16 effect in order to respond in damages for liability arising out of the ownership,  
17 maintenance, or use of that motor vehicle in the amount required by chapter  
18 39-16.1.
- 19 2. Upon being stopped by a law enforcement officer for the purpose of enforcing or  
20 investigating the possible violation of an ordinance or state law or during the  
21 investigation of an accident, the person driving the motor vehicle ~~shall~~ may provide  
22 to the officer upon request satisfactory evidence of the policy required under this  
23 section. If unable to comply with the request, that person may be charged with a  
24 violation of this section if that person fails to submit satisfactory evidence of the

1 ~~policy to the officer or the officer's agency within twenty days of the date of the~~  
2 ~~request. If that person produces satisfactory evidence of a valid policy of liability~~  
3 ~~insurance in effect at the time of the alleged violation of this section to the officer,~~  
4 ~~the officer's agency, or a court, that person may not be convicted or assessed any~~  
5 ~~administration fee for violation of this section subsection 1.~~

6 3. A person charged with a violation of subsection 1 may not be found to have  
7 committed the violation if the person produces satisfactory evidence of a valid  
8 policy of liability insurance in effect at the time of the violation to the appropriate  
9 court. Notwithstanding section 26.1-30-18, a person may be convicted for failure to  
10 have a valid policy of liability insurance in effect under this section if the time of  
11 acquisition of the policy was after the time of the alleged incidence of driving  
12 without liability insurance. If the time of acquisition of the policy comes into  
13 question, the driver or owner has the burden of establishing the time of acquisition.  
14 If the driver is not an owner of the motor vehicle, the driver does not violate this  
15 section if the driver provides the court with evidence identifying the owner of the  
16 motor vehicle and describing circumstances under which the owner caused or  
17 permitted the driver to drive the motor vehicle.

18 4. Violation of ~~this section~~ subsection 1 is a class B misdemeanor and the sentence  
19 imposed must include a fine of at least one hundred fifty dollars which may not be  
20 suspended. A person convicted for a second or subsequent violation of driving  
21 without liability insurance within an eighteen-month period must be fined at least  
22 three hundred dollars which may not be suspended.

23 ~~2-~~ 5. Upon conviction for a violation of ~~this section~~ subsection 1 or equivalent ordinance,  
24 the person who has been convicted shall provide proof of motor vehicle liability  
25 insurance to the department in the form of a written or electronically transmitted  
26 certificate from an insurance carrier authorized to do business in this state. This  
27 proof must be provided for a period of three years and kept on file with the  
28 department. If the person fails to provide this information, the department shall  
29 suspend that person's driving privileges and may not issue or renew that person's  
30 operator's license unless that person provides proof of insurance. For a second or  
31 subsequent conviction for a violation of subsection 1 or equivalent ordinance, if a

1            person fails to provide this information, the department shall impound the motor  
2            vehicle number plates of all the motor vehicles owned and operated by the person  
3            at the time of the violation until that person provides proof of insurance. The  
4            person shall deliver the number plates to the department within twenty days of  
5            notice of hearing for the suspension or if directed to at the hearing, whichever is  
6            later. A person who does not provide the impounded number plates to the  
7            department at the appropriate time is guilty class B misdemeanor.

8        ~~3.~~ 6. A person who has been convicted for violation of ~~this section~~ subsection 1 or  
9            equivalent ordinance shall surrender that person's operator's license and purchase  
10           a duplicate operator's license with a notation requiring that person to keep proof of  
11           liability insurance on file with the department. The fee for this license is fifty dollars  
12           and the fee to remove this notation is fifty dollars.

13       ~~4.~~ 7. When an insurance carrier has certified a motor vehicle liability policy, the  
14           insurance carrier shall notify the director no later than ten days after cancellation or  
15           termination of the certified insurance policy by filing a notice of cancellation or  
16           termination of the certified insurance policy; except that a policy subsequently  
17           procured and certified shall, on the effective date of its certification, terminate the  
18           insurance previously certified with respect to any motor vehicle designated in both  
19           certificates.