

Sixtieth
Legislative Assembly
of North Dakota

ENGROSSED 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 provide to
22 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. Notwithstanding section 26.1-30-18, a person may be convicted for failure to have
7 a valid policy of liability insurance in effect under this section if the time of
8 acquisition of the policy was after the time of the alleged incidence of driving
9 without liability insurance. If the time of acquisition of the policy comes into
10 question, the driver or owner has the burden of establishing the time of acquisition.
11 If the driver is not an owner of the motor vehicle, the driver does not violate this
12 section if the driver provides the court with evidence identifying the owner of the
13 motor vehicle and describing circumstances under which the owner caused or
14 permitted the driver to drive the motor vehicle.

15 4. Violation of ~~this section~~ subsection 1 is a class B misdemeanor and the sentence
16 imposed must include a fine of at least one hundred fifty dollars which may not be
17 suspended. A person convicted for a second or subsequent violation of driving
18 without liability insurance within ~~an eighteen-month~~ a three-year period must be
19 fined at least three hundred dollars which may not be suspended. For a second or
20 subsequent conviction for a violation of subsection 1 or equivalent ordinance, the
21 court shall impound the motor vehicle number plates of the motor vehicle owned
22 and operated by the person at the time of the violation until that person provides
23 proof of insurance and a twenty dollar fee to the department. The person shall
24 deliver the number plates to the court without delay at a time certain as ordered by
25 the court following the conviction. The court shall deliver the number plates to the
26 department. A person who does not provide the number plates to the court at the
27 appropriate time is guilty of a class B misdemeanor.

28 ~~2- 5.~~ 5. Upon conviction for a violation of ~~this section~~ subsection 1 or equivalent ordinance,
29 the person who has been convicted shall provide proof of motor vehicle liability
30 insurance to the department in the form of a written or electronically transmitted
31 certificate from an insurance carrier authorized to do business in this state. This

proof must be provided for a period of three years and kept on file with the department. If the person fails to provide this information, the department shall suspend that person's driving privileges and may not issue or renew that person's operator's license unless that person provides proof of insurance.

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

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