

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.