

**1999 SENATE TRANSPORTATION
SB 2406**

1999 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2262 and SB 2406

Senate Transportation Committee

Conference Committee

Hearing Date February 4, 1999

Tape Number	Side A	Side B	Meter #
1		x	3,182-End
2	x		1-2714
2	x		4,080-5030
February 11, 1999-2	x		4586
Clerk Signature			

Minutes:

SENATOR B. STENEHJEM opened the hearing on SB 2262. Committee members present included: Sens. Bob Stenehjem, R. Schobinger, D. Mutch, D. Cook, D. O'Connell, V. Thompson, and D. Bercier.

SENATOR STEVE TOMAC, DISTRICT #31 testified in support of SB 2262. The reason for this bill is the escalating number of citations for those without insurance. It has gone beyond a point and needs to be dealt with in a direct and serious manner. There is no greater hardship to bestow on someone then to get hit by someone who does not have insurance. There are some statistics from the Morton County Sheriff's Department, the Highway Patrol, and the Mandan Police Department (see statistics). In 1998, there were 300 citations in Morton County. How can we address this? We could increase the fine and provide community service. But after talking to people about it, that really isn't going to curb the problem. There is probably a reason

why they are not buying insurance. For one, they don't have the money for it so they also won't have the money to pay the fine. We decided to parallel our solution very close to an SR22 which requires the Department of Transportation to be notified that there was a citation given. If there is a lapse in that insurance, the Department of Transportation will do similar to what they do with an SR22 when one gets a DUI. SB 2262 is not the direction we want to go. We want to go in the direction that says if you're cited without insurance you are still going to have a \$150 fine but you will also have to provide proof of insurance and continue to provide proof of insurance via the Department of Transportation for a minimum of a year the first time and after that it's open to discussion. If your insurance lapses during that time, there will be a revocation of your driver's license.

SENATOR DWIGHT COOK, DISTRICT #34 testified in support of SB 2406. In my lifetime I have had two accidents with drivers who did not have liability insurance. I have three more numbers for 1998. These are citations written in 1998: no liability insurance, no crash involved, first offense-2,077; no liability insurance and a crash involved-271; no liability insurance, second or subsequent offenses-382. We do have a serious problem. Section 1 of SB 2406 deals with the reinstatement fees the individual must pay to have his license reinstated. It doubles the fees from \$25 to \$50. If the license was lost through alcohol, it raises it from \$50 to \$100. Section 2 forces the individual to show proof of insurance with an insurance card; if you don't have the card, you have fourteen days to twenty days to present that card and prove your insurance and avoid getting a ticket. The law enforcement officer will obtain insurance from the department. This will create communication between the insurers and Department of Transportation.

SENATOR SCHOBINGER Can they obtain that information on a Saturday or Sunday?

SENATOR COOK We want to make it twenty-four hours a day, seven days a week.

SENATOR THOMPSON If people have insurance and it lapses, are they made aware from the insurance company?

SENATOR B. STENEHJEM This bill would require the insurance companies to notify the Department of Transportation of any cancellations or terminations of the insurance policy.

KENT OLSON, EXECUTIVE DIRECTOR FOR PIA testified in support of SB 2262 and 2406.

I may caution you on SB 2406, page 3, section 2. We may not be ready to mandate a dialogue between auto insurance companies and the Department of Transportation. The intent is good but in practicality it may not work. The companies have a cost factor. We like the idea of raising the fine if there is no proof of insurance and if the insurance lapses it will cost \$25.00 to reinstate the driving privileges. The mandatory fine of \$100.00 and it can't be waived. Many times the judges are waving the \$300.00 fine. But we stand in support of what we can do to toughen the uninsured drivers of the state.

SENATOR COOK Can you explain SR22?

KENT OLSON The SR22 usually means a DUI or another driving problem. It is a requirement that you have to have insurance and maintain proof of insurance for one year as a result of a DUI. The proof of insurance that is given to the Department of Transportation; it is called a SR22 form and it allows the violator to drive.

SENATOR COOK If you're driving with an SR22 and are pulled over, how does the officer know you have insurance at that point.

KENT OLSON The driver's license has a six on it that shows it's a SR22. There is no requirement that I need to have proof of insurance in my vehicle but I have to provide it within 20 days.

SENATOR COOK Can an officer call and prove that a driver doesn't have insurance?

KENT OLSON I don't know. Another deterrent is the driver's license which is more important than the insurance.

TERRY WEIS, NORTH DAKOTA ASSOCIATION OF LIFE UNDERWRITERS, testified in support of SB 2262 and 2406 (see testimony).

TOM SMITH, DOMESTIC INSURANCE COMPANY I support SB 2406 with a minor amendment which on page 3 and delete line 3 through 8. A few years back, we were looking at how one would enforce the compulsory action of a law. One of the things we looked at was taking action on a person's driver's license. Put into the law when you go to title your vehicle, you have to certify that you have insurance by giving the name of your company and policy number. As the years have gone by you start talking about driving without liability coverage and it's all tied together. We also looked at a notification system; should the insurance companies be required to report should there be a cancellation or non renewal (he explained the difference between cancellation and non renewals).

end of Tape 1, start tape 2

If there is a cancellation for a DUI or a cancellation for nonpayment, we notify the Department of Transportation and the same thing for a non renewal.

SENATOR COOK What you're saying is one of the reasons many people don't have insurance is a financial matter. They are good drivers. You're suggesting then that we don't group them with people who normally fall under a SR22 and pay high insurance.

TOM SMITH I don't feel if someone drives without liability insurance that they should be put in a high risk category in their insurance. If that person gets picked up for no liability insurance and he has a couple of speeding violations that may cause him to pay an increased premium or high risk.

DICK PECK, ND POLICE OFFICER'S ASSOCIATION testified in support of SB 2406 and 2262. I'd like to see the insurance companies notify the Department of Transportation when an individual cancels their insurance policy.

SENATOR COOK In Florida, when someone is picked up without insurance the officer pulls the plates off of a car. What would police officers think of that law?

DICK PECK It's a step in the right direction because now that the license plate is assigned to the individual and not the car that might be a way to use.

JIM VUKELIC testified on his own behalf in opposition to SB 2262. My concern has been addressed by a proposed amendment from Senator Tomac which essentially does away with the increases in the minimum mandatory penalties. During the 20 years I've been a judge many were prosecuted for no liability insurance. Most plead guilty because of two elements: (1) they were driving (2) they have no insurance. If someone comes in and says I'm not guilty, prove that I didn't have insurance and did not admit it then the prosecutor has to prove that they don't have insurance. Another thing I can tell you is that the people in court without liability insurance are poor. This is mainly the reason why they don't have insurance and when they are sentenced the

minimum mandatory sentence is \$150 fine. Now that is being proposed to double. Many are from the reservations and some have told me that they are not required to have liability on the reservation but it is state law off of the reservation. The only way it comes to the attention of the officer is if there has been a violation or an accident.

When they come into my court, they plead guilty and I sentence them. I give them a fine and then give them six months to pay the fine. If they don't pay the fine, because most of the time they don't have the money and that happens a lot, we have to spend time and money to get the person back into court to explain why they haven't paid the fine. Most of the time, they don't have the money and we cannot put people in jail because they don't have the money. This has been upheld by the Supreme Court. So, if you're going to double the fine, you are increasing the expense for the state. The driver's license is definitely more of a deterrent. If you are going to amend the statute increasing the fine from \$150 to \$300 is not the answer. Many times, I impose the community service hours in lieu of a fine, not in these cases because I can't, but in other offenses. That is a good use of community service. If you amend the statute at all, then remove the language that says "\$150 which may not be suspended". If you want to retain that language then add "unless the reasons for suspending all or part of the sentence are placed on record by the court". You have, as the legislature, done that in other cases (he told a story).

SENATOR COOK Have you had a situation besides the \$150 fine to require they pay restitution for the vehicle damage they caused not covered by insurance?

JIM VUKELIC Yes and I think that is fair.

LYNN HEINERT, SUPERVISOR OF SUSPENSIONS AND RECORD SECTION FOR DRIVER'S LICENSE AND TRAFFIC SAFETY testified in a neutral position. I'm here to answer any questions you may have.

SENATOR COOK Should we have seen a fiscal note?

SENATOR B. STENEHJEM Yes, there is a fiscal note on 2406.

SENATOR COOK I assume that \$2 million is administrating the last part of that bill.

SENATOR B. STENEHJEM It is not possible to accurately determine the administrative cost of this bill, however it is likely it will cost \$2 million per biennium to administer the provisions of this bill (read from the fiscal note).

SENATOR COOK Can we pursue what that might be if all we were dealing with is those who were arrested for not having insurance and convicted?

SENATOR B. STENEHJEM Yes.

LYNN HEINERT If the bill were amended to eliminate section 3, the dollar amount to implement just requiring the filing of liability insurance for those drivers who were convicted of no liability insurance, it would be approximately \$25,000 which would be for software programming needed to accomplish this.

SENATOR COOK This is 24 hours a day and 7 days a week where someone could acquire that information?

LYNN HEINERT Yes.

SENATOR B. STENEHJEM SB 2406 would require all drivers to provide proof of insurance, require all insurance companies to notify the Department of Transportation of cancellations and terminations. Have you had time to review the amendment I proposed?

LYNN HEINERT Yes.

SENATOR B. STENEHJEM I have proposed an amendment that would state anyone convicted of driving without liability insurance would receive a notice from the Department of Transportation that requires them to come into the Department and provide proof of insurance. If they proved they had insurance they would get a restricted driver's license and pay the driver's license fee and for a period of three years they would be driving with a restricted driver's license saying they're required to prove their insurance. The insurance companies within that three year period would notify the Department of a lapse of insurance at which time the Department will notify the driver to come in with proof of insurance or they will have their license suspended. When the policy expires, they need to provide proof of insurance for a three year period. Then they could come in and get a unrestricted driver's license. The moment anyone is stopped, the driver's license would show restrictions. The intent of this legislation is not to force anyone into the high risk part of insurance but to provide insurance on the vehicle that they are operating for the minimum requirements of the state of North Dakota.

LYNN HEINERT The procedure with this amendment would be the same as a SR22 but they would not be in the high risk category, it would be the insurance liability policy.

SENATOR THOMPSON Is there any concern on the individual who has a commercial license when they are trying to drive truck for a living but get pulled over on a regular license and do not have liability insurance?

LYNN HEINERT We are calling this "Motor Vehicle Liability Insurance". The high risk are called financial responsibility.

SENATOR B. STENEHJEM The amendment makes sure that doesn't happen. There is no need to force them into that category.

LYNN HEINERT We would not have the driver's license expire different than it does now. If they are due to get restriction removed they can come in to get it removed and renewed.

SENATOR B. STENEHJEM Would that be for \$8.00?

LYNN HEINERT I believe under the amendment you proposed it would be \$50 in the middle of that renewal period.

SENATOR B. STENEHJEM Is there any other testimony?

SENATOR B. STENEHJEM We will close the hearings on SB 2262 and SB 2406.

Tape #2, February 4, 1999

SENATOR B. STENEHJEM reviewed the newest amendment. In this bill, If someone loans you a vehicle and it's not insured, they can go back and get the owner of the vehicle.

SENATOR COOK Can the owner of the vehicle be charged?

SENATOR B. STENEHJEM Yes.

SENATOR THOMPSON I move to adopt the amendment proposed by Senator Bob Stenehjem.

SENATOR COOK I second that motion.

The amendment was unanimously adopted.

SENATOR THOMPSON I listened to the judge's testimony. I think the dollar amounts before us are okay.

SENATOR COOK Have we removed the 20 days yet?

SENATOR B. STENEHJEM No.

SENATOR COOK This will create proof of motor vehicle liability.

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Senate Transportation Committee

Bill/Resolution Number SB 2262 and SB 2406

Hearing Date February 4, 1999

SENATOR COOK I move for a Do Pass as Amended.

SENATOR THOMPSON I second that motion.

Roll call was taken on SB 2406. (6 Yeas, 0 Nays and 1 Absent and Not Voting).

Senator Cook will carry SB 2406.

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: _____ Amendment to: SB 2406

Requested by Legislative Council _____ Date of Request: 02-08-99

1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts. Please provide breakdowns, if appropriate, showing salaries and wages, operating expenses, equipment, or other details to assist in the budget process.

Narrative: To implement changes to the drivers license programs to reflect the restriction for liability insurance; to account for the increase in fees, both the restricted license issuance and the increase in reinstatement fees; and to place the liability insurance on the driving record.

Breakdown of the projected costs for the 1999-2001 biennium: \$25,000 to make changes to the drivers license programs; \$2,100 for printing letters to inform the driver of the additional requirement and postage.

Breakdown of the projected revenue increases for the 1999-2001 biennium: \$12,500 for reinstatement fees for drivers suspended for no liability insurance; \$120,000 for issuance of restricted license; \$677,000 increase for the total increase of reinstatement fees.

Breakdown of the projected revenue increases for the 2001-2003 biennium: \$12,500 increase for reinstatement fee for drivers suspended for no liability insurance; \$677,000 increase for the total increase of reinstatement fees; \$240,000 for issuance of restricted license and issuance of license removing restriction.

2. State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues	-0-	-0-	-0-	\$809,500	-0-	\$929,500
Expenditures	-0-	-0-	-0-	\$27,100	-0-	\$2,100

3. What, if any, is the effect of this measure on the budget for your agency or department:

- a. For rest of 1997-99 biennium: -0-
(Indicate the portion of this amount included in the 1999-2001 executive budget:) -0-
- b. For the 1999-2001 biennium: \$27,100
(Indicate the portion of this amount included in the 1999-2001 executive budget:) -0-
- c. For the 2001-03 biennium: \$2,100

4. County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-



Signed:



Typed Name:

Marsha M. Lembke

Department:

Drivers License and Traffic Safety Division

Phone Number:

(701) 328-4865

Date Prepared:

February 9, 1999

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: SB 2406 Amendment to: _____

Requested by Legislative Council Date of Request: 1-27-99

- Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

This bill doubles the reinstatement fee for a suspended or revoked drivers license, which will result in an revenue increase of \$677,000 per biennium. The bill also establishes a major new program within the Motor Vehicle Division relating to verification of insurance for motor vehicle owners.

It is not possible to accurately determine the administrative cost of this bill. However, it is likely that it will cost at least \$2,000,000 per biennium to administer the provisions of this bill. It is also estimated that we will need to add 3-4 additional employees to handle the additional workload that will be created.

- State fiscal effect in dollar amounts:

	1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues				(\$583,000)		(\$583,000)
Expenditures				\$2,000,000		\$2,000,000

What, if any, is the effect of this measure on the budget for your agency or department:

- For rest of 1997-99 biennium: None
- For the 1999-2001 biennium: Reduce available revenue to match federal highway funds and increase the appropriation for the Motor Vehicle Division
- For the 2001-03 biennium: Reduce available revenue to match federal highway funds and increase the appropriation for the Motor Vehicle Division

- County, city, and school district fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts
			(\$460,000)	(\$280,000)		(\$460,000)	(\$280,000)	

Signed: *Keith Kiser*
 Typed Name: Keith Kiser, Motor Vehicle Director
 Department: Department of Transportation
 Phone Number: 328-2725
 Date Prepared: 2-2-99

Date: _____
Roll Call Vote #: /

1999 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2406

Senate Transportation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken No Pass as Amended

Motion Made By Sen. Cook Seconded By Sen. Thompson

Senators	Yes	No	Senators	Yes	No
Sen. B. Stenehjem-Chairman	X				
Sen. R. Schobinger-V. Chair	X				
Sen. Duane Mutch	X				
Sen. Dwight Cook	X				
Sen. David O'Connell					
Sen. Vern Thompson	X				
Sen. Dennis Bercier	X				

Total (Yes) 10 No 0

Absent 1

Floor Assignment Senator Cook

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2406: Transportation Committee (Sen. B. Stenehjem, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** and **BE REREFERRED** to the **Appropriations Committee** (6 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). SB 2406 was placed on the Sixth order on the calendar.

Page 2, line 21, remove the overstrike over "~~that person may be~~"

Page 2, line 22, remove the overstrike over "~~charged with a violation of this section if that person fails to submit~~", after "such" insert "satisfactory", and remove the overstrike over "evidence" and insert immediately thereafter "of the policy"

Page 2, remove the overstrike over line 23

Page 2, line 24, remove "the law enforcement officer shall obtain the information from the department"

Page 2, line 26, remove the overstrike over "~~the officer, officer's agency, or~~"

Page 2, line 27, after the period insert "If the driver is not an owner of the motor vehicle, the driver does not violate this section if the driver provides the court with evidence identifying the owner of the motor vehicle and describing circumstances under which the owner caused or permitted the driver to drive the motor vehicle."

Page 3, replace lines 3 through 8 with:

- "2. Upon conviction for a violation of this section or equivalent ordinance, the person who has been convicted shall provide proof of motor vehicle liability insurance to the department in the form of a written or electronically transmitted 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. A person who has been convicted for violation of this section 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. 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."

Renumber accordingly

1999 HOUSE TRANSPORTATION

SB 2406

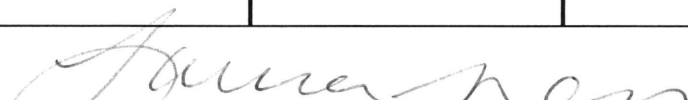
1999 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2406

House Transportation Committee

Conference Committee

Hearing Date March 9, 1999

Tape Number	Side A	Side B	Meter #
1	x		0-15.5
Committee Clerk Signature 			

Minutes:

CHAIRMAN KEISER OPENED THE HEARING ON SB 2406; A BILL RELATING TO REVOKED AND SUSPENDED LICENSES AND DRIVING WITHOUT LIABILITY INSURANCE.

SENATOR BOB STENEHJEM, Dist. 30, introduced SB 2406. He noted the two main parts to the bill. The first would require someone driving without liability insurance to provide proof of insurance to the drivers licensing or the license will be suspended. The insurance companies also must provide notification of cancelled or suspended policies. It is only for those people that are convicted of driving without liability insurance. This is not going to put people in a higher insurance bracket, but is very similar to that plan. The other part of the bill doubles the fines. If your license is suspended, this doubles the fine. If you lose our license due to an alcohol

violation, the same jump occurs. He said that the original fiscal note is very high, but it is wrong and the updated note is attached.

REP. MAHONEY noted that he assumed that we are trying to peg this on the recurring violator.

What is this going to do to put more emphasis on these people?

SEN. STENEHJEM said that there is always going to be that group that still won't get liability insurance. But, there is hopes that this will deter those that don't want to lose their license and don't want to pay the fine. The way he envisioned it, the lower court convicts and sends notice to the driver's licensing bureau who will then send out a notice asking for the convicted to come and show proof of insurance or lose their license.

REP. KEISER questioned the language referring to the time frame. Should we put in a time frame that the action needs to be done in?

SEN. STENEHJEM said that the time structure will be set up likely on a ten day notice starting as soon as Driver's Licensing is notified.

SENATOR DWIGHT COOK, Dist. 34, testified in support of SB 2406. He noted that on page 2, line 7 of the original bill, there was concern if someone insured was driving an uninsured vehicle. He said that the driver in this case would not be liable.

LYNN HEINERT, Department of Transportation, testified in support of SB 2406. She said that it is an economical way to handle uninsured drivers. It will only affect those driving without liability insurance.

REP. LEMIEUX asked where the money gained will be directed.

LYNN said that area had not yet been targeted.

Page 3

House Transportation Committee

Bill/Resolution Number sb 2406

Hearing Date March 4, 1999

DICK PECK, North Dakota Peace Officers Association testified in support of SB 2406. He said it is simply another tool to help get people off of the street and bring it to the court's attention.

CHAIRMAN KEISER repeated Rep. Mahoney's question, asking how we are going to get to the repeat offenders.

DICK said we may never get the repeat offenders.

DISTRICT JUDGE JIM VUHELK testified neutrally on SB 2406. (See written testimony).

CHAIRMAN KEISER CLOSED THE HEARING ON SB 2406.

COMMITTEE ACTION

REP. SVEEN moved a DO PASS on SB 2406. REP. MICKELSON seconded the motion. The motion carried.

ROLL CALL - 8 YEA, 3 NAE, 4 ABSENT AND NOT VOTING.

FLOOR ASSIGNMENT - REP. MICKELSON

Date: 3/4
Roll Call Vote #: 1

1999 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. 2406

House Transportation Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken DO PASS

Motion Made By Rep Sreen Seconded By Rep Mickelson

Representatives	Yes	No	Representatives	Yes	No
Representative Keiser, Chair	✓		Representative Thorpe		✓
Representative Mickelson, V. Ch.	✓				
Representative Belter	✓				
Representative Jensen	✓				
Representative Kelsch					
Representative Kempenich	✓				
Representative Price	✓				
Representative Sveen	✓				
Representative Weisz		✓			
Representative Grumbo	✓				
Representative Lemieux		✓			
Representative Mahoney					
Representative Meyer					
Representative Schmidt					

Total (Yes) 8 No 3

Absent 4

Floor Assignment Rep. Mickelson

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
March 4, 1999 11:12 a.m.

Module No: HR-39-4011
Carrier: Mickelson
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2406, as engrossed: Transportation Committee (Rep. Keiser, Chairman) recommends DO PASS (8 YEAS, 3 NAYS, 4 ABSENT AND NOT VOTING). Engrossed SB 2406 was placed on the Fourteenth order on the calendar.

1999 TESTIMONY

SB 2406



**TESTIMONY ON SB 2262/ 2406
February 4, 1999
SENATE TRANSPORTATION
COMMITTEE**

Mr. Chairman and members of the committee, My name is Terry Weis I Am here today representing the North Dakota Association of Life Underwriters.

I rise in support of these bills. We believe that the responsible Drivers that carry insurance are being forgotten when there is an Accident and the fault of the damages go to the driver of the other Vehicle but the responsible driver is penalized by having to pay the deductible on his vehicle.

We believe that there must be a way of monitoring those who have Accidents without insurance and recovering the deductible amounts for the responsible drivers.

I would be happy to answer any questions.

Suggested Amendment to SB2406

(Proposed by James M. Vukelic)

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

A person may not drive, or the owner may not cause or knowingly permit to be driven, a motor vehicle in this state without a valid policy of liability insurance in effect in order to respond in damages for liability arising out of the ownership, maintenance, or use of that motor vehicle in the amount required by chapter 39-16.1. Upon being stopped by a law enforcement officer for the purpose of enforcing or investigating the possible violation of an ordinance or state law or during the investigation of an accident, the person driving the motor vehicle shall provide to the officer upon request satisfactory evidence of the policy required under this section. If unable to comply with the request, that person may be charged with a violation of this section if that person fails to submit such evidence to the officer or the officer's agency within twenty days of the date of the request. If that person produces a valid policy of liability insurance in effect at the time of violation of this section to the officer, officer's agency, or a court, that person may not be convicted or assessed any court costs for violation of this section. Violation of this section is a class B misdemeanor and the sentence imposed must include a fine of at least one hundred fifty dollars ~~which may not be suspended~~. The court may not suspend any part of the fine unless the court first finds that the offense was the defendant's first violation of this section and that extenuating or mitigating circumstances exist which justify a suspension. The court shall announce the circumstances that justify a suspension in open court when sentence is imposed and recite these circumstances in the sentence or order suspending part of the fine. A person convicted for a second or subsequent violation of driving without liability insurance within an eighteen-month period must be fined at least three hundred dollars which may not be suspended.