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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2012

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A N A C T

RELATING TO MOTOR AND OTHER VEHICLES -- MOTOR VEHICLE REPARATIONS
ACT

Introduced By: Representatives Tarro, Dickinson, and Serpa

Date Introduced: February 16, 2012

Referred To: House Corporations

It is enacted by the General Assembly as follows:

1 SECTION 1. Section 31-47-3.1 of the General Laws in Chapter 31-47 entitled "Motor
2 Vehicle Reparations Act" is hereby amended to read as follows:

3 **31-47-3.1. Registration application.** -- (a) No motor vehicle shall be registered and no
4 registration renewed in this state unless the application for the registration of a motor vehicle
5 shall contain a statement to be signed by the applicant who does all of the following:

6 (1) States that the applicant will not operate, or allow to be operated, the registered motor
7 vehicle or any other motor vehicle unless all those motor vehicles shall be continuously covered
8 by financial security;

9 (2) Contains a brief summary of the purposes and operation of this chapter, the rights
10 and duties of the applicant and the penalties for violation of this chapter;

11 (3) Warns the applicant that this chapter does not prevent the possibility that the
12 applicant may be involved in an accident with an owner or operator of a motor vehicle who is
13 without financial responsibility.

14 (b) (1) In the case of a person who purchases any motor vehicle from a licensed motor
15 vehicle dealer, who agrees to make application for registration of the motor vehicle on behalf of
16 the purchaser, the person shall sign a statement that complies with subsection (a) of this section.

17 (2) In the case of a person who leases any motor vehicle from a dealer engaged in the
18 business of leasing motor vehicles who agrees to make application for registration of the motor

1 vehicle on behalf of the lessee, the person shall sign a statement that complies with subsection (a)
2 of this section, and the dealer shall do either of the following:

3 (i) Submit the statement signed by the person to the division of motor vehicles; or

4 (ii) Sign and submit a statement that certifies that the statement has been signed and filed
5 with the dealer or incorporated into the lease.

6 ~~(ii)~~(c) The administrator of the division of motor vehicles shall prescribe the form for all
7 statements required under this section and the manner in which these statements shall be
8 presented to the applicant. Statements shall be designed to enable the applicant to retain a copy.

9 ~~(iv)~~(d) An application for an operator's, chauffeur's, restricted or probationary license, or
10 renewal of those licenses shall contain a statement to be signed by the applicant that does all of
11 the following:

12 ~~(A)~~(1) States that the applicant will not operate a motor vehicle in this state, unless he or
13 she continuously maintains, or has maintained on his or her behalf, financial security;

14 ~~(B)~~(2) Contains a brief summary of the purposes and operation of this chapter, the rights
15 and duties of the applicant and the penalties for violation of this chapter;

16 ~~(C)~~(3) Warns the applicant that the financial responsibility law does not prevent the
17 possibility that the applicant may be involved in an accident with an owner or operator of a motor
18 vehicle who is without financial security.

19 SECTION 2. Section 31-47-8.1 of the General Laws in Chapter 31-47 entitled "Motor
20 Vehicle Repairs Act" is hereby amended to read as follows:

21 **31-47-8.1. Verification of proof of financial security.** -- (a) The administrator of the
22 division of motor vehicles shall select random samples of registrations of motor vehicles subject
23 to this chapter, or owners of them, for the purpose of verifying whether or not the motor vehicles
24 have proof of financial security as defined in this chapter. The administrator of the division of
25 motor vehicles shall verify proof of financial security by sending requests for verification to the
26 owner and/or insurer of the randomly selected motor vehicles.

27 (b) In addition to general random samples of motor vehicle registrations, the
28 administrator of the division of motor vehicles shall select for verification other random samples,
29 including, but not limited to, registrations of motor vehicles owned by persons:

30 (1) Whose motor vehicle registrations during the preceding four (4) years have been
31 suspended pursuant to the provisions of this chapter;

32 (2) Who during the preceding four (4) years have been convicted of violating the
33 provisions of this chapter while operating vehicles owned by other persons;

34 (3) Whose driving privileges have been suspended during the preceding four (4) years;

1 or

2 (4) Who during the preceding four (4) years acquired ownership of motor vehicles while
3 the registrations of those vehicles under the previous owners were suspended pursuant to the
4 provisions of this chapter.

5 (c) Upon receiving certification from the department of revenue under section 31-26-6 of
6 the name of an owner or operator of any motor vehicle involved in an accident, the administrator
7 of the division of motor vehicles shall verify whether or not at the time of the accident the motor
8 vehicle was covered by proof of financial security as defined in this chapter.

9 (d) The administrator of the division of motor vehicles shall send to owners of randomly
10 selected motor vehicles, or to randomly selected motor vehicle owners, requests for information
11 about their motor vehicles and proof of financial security. The request shall require the owner to
12 state whether or not the motor vehicle had proof of financial security on the verification date
13 stated in the administrator's request and the request may require, but is not limited to, a statement
14 by the owner of the names and addresses of insurers, policy numbers, and expiration dates of
15 insurance coverage or similar information as to other types of proof of financial security.

16 (1) Within twenty (20) days after the administrator of the division of motor vehicles
17 mails a request, the owner to whom it is sent shall furnish the requested information to the
18 administrator of the division of motor vehicles above the owner's signed affirmation that the
19 information is true and correct. Proof of financial security in effect on the verification date, as
20 prescribed by the administrator of the division of motor vehicles, may be considered by the
21 administrator of the division of motor vehicles to be a satisfactory response to the request for
22 information.

23 (2) If the owner responds to the request for information by asserting that the motor
24 vehicle was covered by proof of financial security on the verification date stated in the
25 administrator's request, the administrator of the division of motor vehicles may conduct a
26 verification of the response by furnishing necessary information to any insurer named in the
27 response. The insurer shall within twenty (20) days inform the assistant director if an individual
28 did not have in force motor vehicle insurance in accordance with the provisions of this chapter.

29 If the administrator of the division of motor vehicles determines that an owner has
30 registered or maintained the registration of a motor vehicle without proof of financial security as
31 required by this chapter, the administrator of the division of motor vehicles shall notify the owner
32 and the owner shall be deemed to have registered or maintained registration of a motor vehicle in
33 violation of this chapter unless the owner within twenty (20) days furnishes proof of financial
34 security in effect on the verification date as prescribed by the administrator of the division of

1 motor vehicles.

2 (e) The administrator of the division of motor vehicles may send to insurers of randomly
3 selected motor vehicles requests for verification as to whether or not the verification date given
4 for that vehicle is true and accurate in accordance with the provisions of this chapter.

5 (1) The insurer shall within twenty (20) days inform the administrator of the division of
6 motor vehicles if an individual did not have in force motor vehicle insurance in accordance with
7 the provisions of this chapter.

8 (2) If the insurer informs the administrator of the division of motor vehicles that the
9 motor vehicle was not insured by the insurer on the verification date stated in accordance with the
10 provisions of this chapter, the administrator of the division of motor vehicles shall require the
11 owner to show proof of financial security within twenty (20) days of the administrator's request.
12 Any owner who fails to respond to that request shall be deemed to have registered or maintained
13 registration of a motor vehicle in violation of this chapter.

14 (f) The administrator of the division of motor vehicles shall promulgate regulations for
15 the procedures for verification of proof of financial security. The administrator of the division of
16 motor vehicles shall also promulgate rules and regulations for the method in which the random
17 selection shall be conducted.

18 (g) No random sample selected under this section shall be categorized on the basis of
19 race, color, religion, sex, national origin, ancestry, age, marital status, disability, economic status
20 or geography.

21 (h) No verification procedure established under this section shall include individual
22 inspections of motor vehicles on a highway solely for the purpose of verifying the existence of
23 evidence of proof of financial security. The verification procedure shall be based solely upon a
24 review of documentary information.

25 (i) An insurer who cancels coverage shall notify the administrator of the division of
26 motor vehicles of such cancellation forthwith in writing or electronically. Upon receipt of such
27 notice of cancellation, the administrator of the division of motor vehicles shall forthwith send to
28 the motor vehicle owner whose coverage has been cancelled a request for proof of financial
29 security pursuant to subsection 31-47-8.1(d).

30 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

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1 This act would require applicants for vehicle registration to certify that financial security
2 will be maintained continuously, and would direct insurers to notify the department of motor
3 vehicles when coverage is cancelled.

4 This act would take effect upon passage.

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