

SENATE BILL No. 142

By Committee on Transportation

2-5

AN ACT concerning motor vehicles; relating to the registration thereof; certifying proof of financial security; amending K.S.A. 8-173 and K.S.A. 2002 Supp. 40-3118 and repealing the existing sections.

Be it enacted by the Legislature of the State of Kansas:

Section 1. K.S.A. 8-173 is hereby amended to read as follows: 8-173.

(a) An application for registration of a vehicle as provided in article 1 of chapter 8 of the Kansas Statutes Annotated and amendments thereto, shall not be accepted unless the person making such application shall exhibit:

(1) A receipt showing that such person has paid all personal property taxes levied against such person for the preceding year, including taxes upon such vehicle, except that if such application is made before June 21 such receipt need show payment of only one-half the preceding year's tax; or

(2) evidence that such vehicle was assessed for taxation purposes by a state agency, or was assessed as stock in trade of a merchant or manufacturer or was exempt from taxation under the laws of this state.

(b) An application for registration of a vehicle as provided in article 1 of chapter 8 of the Kansas Statutes Annotated shall not be accepted if the records of the county treasurer show that the applicant is delinquent and owes personal property taxes levied against the applicant for any preceding year.

(c) An application for registration or renewal of registration of a motor vehicle shall not be accepted until the applicant signs a certification, provided by the director of motor vehicles, certifying that the applicant has and will maintain, during the period of registration, the required insurance, self insurance or other financial security required pursuant to K.S.A. 40-3104 and amendments thereto. *Proof of insurance may also be certified on-line or electronically.*

~~(d) An application for registration or renewal of registration of a vehicle shall not be accepted if the applicant is unable to provide proof of the insurance, self insurance or other financial security required by article 31 of chapter 40 of the Kansas Statutes Annotated. Proof of insurance shall be verified by examination of the insurance card or other documen-~~

1 ~~tation issued by an insurance company, a certificate of self insurance~~
2 ~~issued by the commissioner, a binder of insurance, a certificate of insur-~~
3 ~~ance, a motor carrier identification number issued by the state corpora-~~
4 ~~tion commission, proof of insurance for vehicles covered under a fleet~~
5 ~~policy, a commercial policy covering more than one vehicle or a policy of~~
6 ~~insurance required by K.S.A. 40-3104, and amendments thereto and for~~
7 ~~vehicles used as part of a drivers education program, a dealership contract~~
8 ~~and a copy of a motor vehicle liability insurance policy issued to a school~~
9 ~~district or accredited nonpublic school. Examination of a photocopy or~~
10 ~~facsimile of any of these documents shall suffice for verification of reg-~~
11 ~~istration or renewal. Proof of insurance may also be verified on-line or~~
12 ~~electronically.~~

13 Sec. 2. K.S.A. 2002 Supp. 40-3118 is hereby amended to read as
14 follows: 40-3118. (a) No motor vehicle shall be registered or reregistered
15 in this state unless the owner, at the time of registration, has in effect a
16 policy of motor vehicle liability insurance covering such motor vehicle, as
17 provided in this act, or is a self-insurer thereof, or the motor vehicle is
18 used as a driver training motor vehicle, as defined in K.S.A. 72-5015, and
19 amendments thereto, in an approved driver training course by a school
20 district or an accredited nonpublic school under an agreement with a
21 motor vehicle dealer, and such policy of motor vehicle liability insurance
22 is provided by the school district or accredited nonpublic school. As used
23 in this section, the term “financial security” means such policy or self-
24 insurance. The director shall require that the owner certify ~~and provide~~
25 ~~verification of financial security,~~ in the manner prescribed by K.S.A. 8-
26 173, and amendments thereto, that the owner has such financial security,
27 and the owner of each motor vehicle registered in this state shall maintain
28 financial security continuously throughout the period of registration. In
29 addition, when an owner certifies that such financial security is a motor
30 vehicle liability insurance policy meeting the requirements of this act, the
31 director may require that the owner or owner’s insurance company pro-
32 duce records to prove the fact that such insurance was in effect at the
33 time the vehicle was registered and has been maintained continuously
34 from that date. Failure to produce such records shall be prima facie ev-
35 idence that no financial security exists with regard to the vehicle con-
36 cerned. It shall be the duty of insurance companies, upon the request of
37 the director, to notify the director within 30 calendar days of the date of
38 the receipt of such request by the director of any insurance that was not
39 in effect on the date of registration and maintained continuously from
40 that date.

41 (b) Except as otherwise provided in K.S.A. 40-276, 40-276a and 40-
42 277, and amendments thereto, and except for termination of insurance
43 resulting from nonpayment of premium or upon the request for cancel-

1 lation by the insured, no motor vehicle liability insurance policy, or any
2 renewal thereof, shall be terminated by cancellation or failure to renew
3 by the insurer until at least 30 days after mailing a notice of termination,
4 by certified or registered mail or United States post office certificate of
5 mailing, to the named insured at the latest address filed with the insurer
6 by or on behalf of the insured. Time of the effective date and hour of
7 termination stated in the notice shall become the end of the policy period.
8 Every such notice of termination sent to the insured for any cause what-
9 soever shall include on the face of the notice a statement that financial
10 security for every motor vehicle covered by the policy is required to be
11 maintained continuously throughout the registration period, that the op-
12 eration of any such motor vehicle without maintaining continuous finan-
13 cial security therefor is a class B misdemeanor and shall be subject to a
14 fine of not less than \$300 and not more than \$1,000 and that the regis-
15 tration for any such motor vehicle for which continuous financial security
16 is not provided is subject to suspension and the driver's license of the
17 owner thereof is subject to suspension.

18 (c) The director of vehicles shall verify a sufficient number of insur-
19 ance certifications each calendar year as the director deems necessary to
20 insure compliance with the provisions of this act. The owner or owner's
21 insurance company shall verify the accuracy of any owner's certification
22 upon request, as provided in subsection (a).

23 (d) In addition to any other requirements of this act, the director shall
24 require a person to acquire insurance and for such person's insurance
25 company to maintain on file with the division evidence of such insurance
26 for a period of one year when a person has been convicted in this or
27 another state of any of the violations enumerated in K.S.A. 8-285, and
28 amendments thereto.

29 The director shall also require any driver whose driving privileges have
30 been suspended pursuant to this section to maintain such evidence of
31 insurance as required above.

32 The company of the insured shall immediately mail notice to the di-
33 rector whenever any policy required by this subsection to be on file with
34 the division is terminated by the insured or the insurer for any reason.
35 The receipt by the director of such termination shall be prima facie evi-
36 dence that no financial security exists with regard to the person
37 concerned.

38 No cancellation notice shall be sent to the director if the insured adds
39 or deletes a vehicle, adds or deletes a driver, renews a policy or is issued
40 a new policy by the same company. No cancellation notice shall be sent
41 to the director prior to the date the policy is terminated if the company
42 allows a grace period for payment until such grace period has expired and
43 the policy is actually terminated.

1 For the purposes of this act, the term “conviction” includes pleading
2 guilty or *nolo contendere*, being convicted or being found guilty of any
3 violation enumerated in this subsection without regard to whether sen-
4 tence was suspended or probation granted. A forfeiture of bail, bond or
5 collateral deposited to secure a defendant’s appearance in court, which
6 forfeiture has not been vacated, shall be equivalent to a conviction.

7 The requirements of this subsection shall apply whether or not such
8 person owns a motor vehicle.

9 (e) Whenever the director shall receive prima facie evidence, as pre-
10 scribed by this section, that continuous financial security covering any
11 motor vehicle registered in this state is not in effect, the director shall
12 notify the owner by registered or certified mail or United States post
13 office certificate of mailing that, at the end of 30 days after the notice is
14 mailed, the registration for such motor vehicle and the driving privileges
15 of the owner of the vehicle shall be suspended or revoked, pursuant to
16 such rules and regulations as the secretary of revenue shall adopt, unless
17 within 10 days after the notice is mailed: (1) Such owner shall demonstrate
18 proof of continuous financial security covering such vehicle to the satis-
19 faction of the director; or (2) such owner shall mail a written request
20 which is postmarked within 10 days after the notice is mailed requesting
21 a hearing with the director. Upon receipt of a timely request for a hearing,
22 the director shall afford such person an opportunity for hearing within
23 the time and in the manner provided in K.S.A. 8-255, and amendments
24 thereto. If, within the ten-day period or at the hearing, such owner is
25 unable to demonstrate proof of continuous financial security covering the
26 motor vehicle in question, the director shall revoke the registration of
27 such motor vehicle and suspend the driving privileges of the owner of
28 the vehicle.

29 (f) Whenever the registration of a motor vehicle or the driving priv-
30 ileges of the owner of the vehicle are suspended or revoked for failure of
31 the owner to maintain continuous financial security, such suspension or
32 revocation shall remain in effect until satisfactory proof of insurance has
33 been filed with the director as required by subsection (d) and a reinstatement
34 fee in the amount herein prescribed is paid to the division of ve-
35 hicles. Such reinstatement fee shall be in the amount of \$100 except that
36 if the registration of a motor vehicle of any owner is revoked within one
37 year following a prior revocation of the registration of a motor vehicle of
38 such owner under the provisions of this act such fee shall be in the amount
39 of \$300. The division of vehicles shall remit such fees to the state treasurer
40 in accordance with the provisions of K.S.A. 75-4215, and amendments
41 thereto. Upon receipt of each such remittance, the state treasurer shall
42 deposit the entire amount in the state treasury to the credit of the state
43 highway fund.

1 (g) In no case shall any motor vehicle, the registration of which has
2 been revoked for failure to have continuous financial security, be rere-
3 gistered in the name of the owner thereof, the owner's spouse, parent or
4 child or any member of the same household, until the owner complies
5 with subsection (f). In the event the registration plate has expired, no new
6 plate shall be issued until the motor vehicle owner complies with the
7 reinstatement requirements as required by this act.

8 (h) Evidence that an owner of a motor vehicle, registered or required
9 to be registered in this state, has operated or permitted such motor ve-
10 hicle to be operated in this state without having in force and effect the
11 financial security required by this act for such vehicle, together with proof
12 of records of the division of vehicles indicating that the owner did not
13 have such financial security, shall be prima facie evidence that the owner
14 did at the time and place alleged, operate or permit such motor vehicle
15 to be operated without having in full force and effect financial security
16 required by the provisions of this act.

17 (i) Any owner of a motor vehicle registered or required to be regis-
18 tered in this state who shall make a false certification concerning financial
19 security for the operation of such motor vehicle as required by this act,
20 shall be guilty of a class A misdemeanor. Any person, firm or corporation
21 giving false information to the director concerning another's financial se-
22 curity for the operation of a motor vehicle registered or required to be
23 registered in this state, knowing or having reason to believe that such
24 information is false, shall be guilty of a class A misdemeanor.

25 (j) The director shall administer and enforce the provisions of this act
26 relating to the registration of motor vehicles, and the secretary of revenue
27 shall adopt such rules and regulations as may be necessary for its
28 administration.

29 (k) Whenever any person has made application for insurance cover-
30 age and such applicant has submitted payment or partial payment with
31 such application, the insurance company, if payment accompanied the
32 application and if insurance coverage is denied, shall refund the unearned
33 portion of the payment to the applicant or agent with the notice of denial
34 of coverage. If payment did not accompany the application to the insur-
35 ance company but was made to the agent, the agent shall refund the
36 unearned portion of the payment to the applicant upon receipt of the
37 company's notice of denial.

38 (l) For the purpose of this act, "declination of insurance coverage"
39 means a final denial, in whole or in part, by an insurance company or
40 agent of requested insurance coverage.

41 Sec. 3. K.S.A. 8-173 and K.S.A. 2002 Supp. 40-3118 are hereby
42 repealed.

43

1 Sec. 4. This act shall take effect and be in force from and after its
2 publication in the statute book.
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43