



Senate

General Assembly

File No. 192

January Session, 2005

Substitute Senate Bill No. 1102

Senate, April 6, 2005

The Committee on Transportation reported through SEN. CIOTTO of the 9th Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

AN ACT CONCERNING ENFORCEMENT OF MANDATORY INSURANCE REQUIREMENTS FOR MOTOR VEHICLES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 14-12c of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2005*):

3 The commissioner may at any time require any owner of a private
4 passenger motor vehicle or a vehicle with a commercial registration, as
5 defined in section 14-1, to submit further information to verify the
6 required security coverage within the time specified by the
7 commissioner. If the commissioner is unable to verify the insurance
8 information furnished, the commissioner shall, unless such registrant
9 has been reported as cancelled in accordance with sections 38a-343, as
10 amended by this act, 38a-343a, 14-12c and 14-12f to 14-12i, inclusive, as
11 amended by this act, afford such owner an opportunity for a hearing in
12 accordance with chapter 54 to determine whether such owner's
13 application for registration contains a material false statement or

14 whether he has failed to continuously maintain the security required
15 under section 38a-371. If the commissioner finds that the owner did
16 not have the required security in effect on the date of registration, or
17 that such owner presented a false or fraudulent insurance
18 identification card to the commissioner, the application for registration
19 shall be deemed to contain a material false statement. Any registration
20 issued as a result of such application shall be void from the date of
21 issue and the registration number plates shall be surrendered to the
22 commissioner or [shall be subject to confiscation in accordance with
23 the provisions of section 14-12h] the commissioner shall issue a notice
24 of suspension of the registration in accordance with the provisions of
25 section 14-12g, as amended by this act. If the commissioner finds that
26 the owner had the required security in effect at the time such
27 application was submitted but failed to maintain it continuously
28 during the registration period, [he] the commissioner shall [cancel any
29 registration issued as a result of such application and the registration
30 number plates shall be surrendered to the commissioner or shall be
31 subject to confiscation in accordance with the provisions of section 14-
32 12h. No new registration for any motor vehicle, the registration of
33 which has been cancelled under this section, may be obtained except as
34 provided by section 14-12h] issue a notice of the suspension of the
35 registration in accordance with the provisions of section 14-12g, as
36 amended by this act.

37 Sec. 2. Section 14-12g of the general statutes is repealed and the
38 following is substituted in lieu thereof (*Effective October 1, 2005*):

39 (a) When a private passenger motor vehicle liability insurance
40 policy has been cancelled and the Commissioner of Motor Vehicles
41 determines that the owner of a registered motor vehicle is in violation
42 of the mandatory security requirements of sections 14-12c, as amended
43 by this act, and 38a-371, the commissioner shall issue to such owner a
44 notice of [cancellation] suspension of the registration involved. [The
45 notice shall contain a statement, in not less than fourteen-point type,
46 that (1) after such cancellation of registration is final and effective such
47 motor vehicle shall be subject to seizure, impoundment and potential

48 forfeiture if observed being operated upon the public highway or if
49 observed parked in any parking area, as defined in section 14-212, and
50 (2) the owner may return the number plate or plates and registration
51 certificate for such vehicle to avoid potential impoundment and
52 suspension of the owner's motor vehicle operator's license pursuant to
53 subsection (c) of this section. Such cancellation shall be final and
54 effective fourteen days from the date of mailing of such notice. If a
55 registered owner to whom such notice of cancellation was issued
56 contends that, notwithstanding the determination of the Commissioner
57 of Motor Vehicles, he has continuously maintained required coverage
58 throughout the period of his registration, such owner may contact the
59 Department of Motor Vehicles by telephone at a special number to be
60 provided, not less than two days before the effective date of the
61 cancellation of the registration to request an administrative hearing to
62 be conducted in accordance with the provisions of chapter 54. Upon
63 such request, the cancellation of the registration shall be stayed
64 pending the final decision. The hearing shall be scheduled promptly
65 and shall be strictly limited to the issues of (A) whether the respondent
66 is the registered owner of the motor vehicle or vehicles subject to the
67 mandatory security requirements, and (B) whether the respondent has
68 failed to continuously maintain the required insurance coverage
69 throughout the registration period. Unless the Commissioner of Motor
70 Vehicles or his designated hearing officer finds in the negative on one
71 of the hearing issues, the cancellation of the registration shall be
72 affirmed. The Commissioner of Motor Vehicles shall render a final
73 decision and shall mail such decision to the respondent not more than
74 thirty days after the conclusion of the hearing. The cancellation of
75 registration shall be effective three days after the date of the mailing of
76 the final decision.]

77 (b) [Before such cancellation is final and effective, if] If a registered
78 owner to whom notice of [cancellation] suspension was issued
79 pursuant to subsection (a) of this section does not contest the
80 determination that he or she has failed to maintain mandatory
81 security, the commissioner may enter into a consent agreement with
82 the owner, provided the owner presents satisfactory evidence of

83 mandatory security and pays a civil penalty of [one] two hundred
84 dollars. The consent agreement shall provide that the registration of
85 the motor vehicle shall not be [cancelled] suspended, or that any
86 suspension imposed previously, pursuant to subsection (a) of this
87 section, shall be rescinded, unless (1) the commissioner determines
88 that on or after the effective date of the consent agreement the owner
89 failed to continuously maintain the required security, and (2) the
90 owner cannot establish to the satisfaction of the commissioner that [he]
91 the owner continuously maintained the required security after said
92 effective date. Such consent agreement shall not operate to prevent the
93 commissioner from cancelling, suspending or revoking a registration
94 pursuant to any other provision of the general statutes.

95 (c) The [Commissioner of Motor Vehicles] commissioner may
96 suspend the motor vehicle operator's license of any person whose
97 registration has been [cancelled] suspended in accordance with the
98 provisions of subsection (a) of this section, or section 14-12c, as
99 amended by this act, and who, [within] not later than thirty days [of]
100 after the date of such [cancellation] suspension, has not [returned the
101 number plate or plates and registration certificate or obtained a new
102 registration for] entered into a consent agreement, in accordance with
103 the provisions of subsection (b) of this section, cancelled the
104 registration or transferred ownership of the motor vehicle. Any person
105 aggrieved by the decision of the commissioner to suspend his license
106 under this subsection shall, prior to the effective date of such
107 suspension, be afforded an opportunity for a hearing in accordance
108 with the provisions of chapter 54.

109 Sec. 3. Section 14-12h of the general statutes is repealed and the
110 following is substituted in lieu thereof (*Effective October 1, 2005*):

111 (a) The Commissioner of Motor Vehicles shall compile and maintain
112 a record of all registrations [cancelled] suspended in accordance with
113 the provisions of sections 14-12c, as amended by this act, and [14-12f to
114 14-12k, inclusive, 38a-343 and 38a-343a] 14-12g, as amended by this
115 act. The commissioner shall update the information contained in such

116 record not less than once per week and shall make available to all law
117 enforcement agencies in this state a list of all registration number
118 plates for vehicles whose registration has been [cancelled] suspended.
119 Such list shall contain the number plate numbers, letters or number
120 and letter combinations and the address at which the vehicle was
121 registered. The commissioner may make available the entire list or a
122 portion thereof and may utilize one or more formats for presenting the
123 information contained therein to facilitate its use.

124 (b) (1) If any police officer observes a motor vehicle being operated
125 upon the public highway, and such motor vehicle is displaying
126 registration number plates identified as [cancelled] suspended on the
127 list made available by the commissioner, such police officer may (A)
128 stop or detain such vehicle and its occupants, (B) issue to the operator
129 an infractions complaint for operating an unregistered motor vehicle,
130 or expired registration if the vehicle is not being operated, in violation
131 of section 14-12, and (C) remove the registration number plates from
132 the vehicle and return them to any branch office of the Department of
133 Motor Vehicles. If any police officer, motor vehicle inspector or
134 constable observes a motor vehicle parked in any parking area, as
135 defined in section 14-212, and such motor vehicle is displaying
136 registration number plates identified as [cancelled] suspended on the
137 list made available by the commissioner, such police officer, motor
138 vehicle inspector or constable is authorized to remove the registration
139 number plates from the vehicle and to return them to any branch office
140 of the Department of Motor Vehicles. If a number plate is identified as
141 [cancelled] suspended on the list provided by the commissioner and
142 such identification is in error, the state shall indemnify any police
143 officer, motor vehicle inspector or constable for any claim for damages
144 made against that individual as a result of such individual's good faith
145 reliance on the accuracy of the list provided by the commissioner
146 regarding the confiscation of number plates.

147 (2) If any police officer observes a motor vehicle being operated
148 upon the public highway or parked in any parking area, as defined in
149 section 14-212, displaying registration number plates identified on the

150 list made available by the commissioner as being [cancelled]
151 suspended, such police officer may seize and impound the vehicle. If a
152 police officer seizes and impounds a vehicle pursuant to this
153 subdivision, such officer shall give notice to the commissioner in such
154 form as the commissioner may require. The police officer shall give
155 such notice not later than three days after seizing and impounding the
156 vehicle.

157 [(c) The owner of any motor vehicle whose registration has been
158 cancelled in accordance with the provisions of sections 14-12c and 14-
159 12f to 14-12k, inclusive, 38a-343 and 38a-343a, shall not be eligible to
160 obtain a new registration for a vehicle, or a new or renewal registration
161 for any motor vehicle in the owner's name until the owner appears
162 personally at an office of the Department of Motor Vehicles and (1)
163 completes an application for registration, (2) furnishes proof of
164 insurance, in accordance with section 14-12b, and (3) pays to the
165 Commissioner of Motor Vehicles a restoration fee of the aggregate of
166 two hundred fifty dollars for the first thirty-one days such registration
167 is cancelled, or any portion thereof, and five dollars for each additional
168 day such registration is cancelled, not to exceed ninety days or five
169 hundred forty-five dollars, as required by section 14-50b, in addition to
170 any other fees required to obtain new registration and number plates,
171 except that the commissioner may reduce the restoration fee to the
172 amount of one hundred dollars if the commissioner finds that the
173 vehicle was not operated during the period of such cancellation and
174 during the period such owner failed to maintain mandatory security.]

175 (c) In addition, if the number plates of the vehicle whose registration
176 was [cancelled] suspended have been confiscated, the owner of such
177 motor vehicle shall pay an additional confiscation fee of fifty dollars.
178 Such confiscation fee shall be collected from the owner of the motor
179 vehicle and remitted by the commissioner to the constable who
180 confiscated the number plates or, if the plates were confiscated by a
181 police officer, such confiscation fee shall be remitted to the
182 governmental entity which employed such officer at the time of the
183 confiscation and shall be deposited in the asset forfeiture fund. In the

184 event there is no such fund, such confiscation fee shall be deposited in
185 the general fund of such entity.

186 (d) The owner of any motor vehicle which has been impounded in
187 accordance with the provisions of subdivision (2) of subsection (b) of
188 this section shall not be eligible to regain possession of the vehicle until
189 he complies with the requirements of subsection (c) of this section.
190 Any such motor vehicle which is impounded for more than forty-five
191 days shall be subject to forfeiture to the state.

192 Sec. 4. Subsection (a) of section 14-21i of the general statutes is
193 repealed and the following is substituted in lieu thereof (*Effective*
194 *October 1, 2005*):

195 (a) All restoration fees imposed due to the [cancellation] suspension
196 of the registration for violation of the mandatory security requirements
197 of sections 14-12c, as amended by this act, and 38a-371 or suspension
198 of a motor vehicle operator's license pursuant to subsection (c) of
199 section 14-12g, as amended by this act, or section 14-213b shall be
200 deposited into the Special Transportation Fund.

201 Sec. 5. Subsection (b) of section 38a-343 of the general statutes is
202 repealed and the following is substituted in lieu thereof (*Effective*
203 *October 1, 2005*):

204 (b) Where a private passenger motor vehicle liability insurance
205 company sends a notice of cancellation under subsection (a) of this
206 section to the named insured of a private passenger motor vehicle
207 liability insurance policy, or a third party designee, such company
208 shall provide with such notice a warning, in a form approved by the
209 Commissioner of Motor Vehicles and the Insurance Commissioner,
210 which informs the named insured that (1) the cancellation will be
211 reported to the Commissioner of Motor Vehicles; (2) the named
212 insured [will] may be receiving one or more mail inquiries from the
213 Commissioner of Motor Vehicles, concerning whether or not required
214 insurance coverage is being maintained, and that the named insured
215 must respond to these inquiries; (3) if the required insurance coverage

216 lapses at any time, the Commissioner of Motor Vehicles [will cancel]
 217 may suspend the registration or registrations for the vehicle or vehicles
 218 under the policy and the number plates will be subject to confiscation
 219 and any person operating any such vehicle will be subject to legal
 220 penalties for the operation of an unregistered motor vehicle; (4) the
 221 named insured will not be able to have the registration restored or
 222 obtain a new registration, or any other registration or renewal in the
 223 insured's name, except upon [(i) payment of the registration and
 224 number plate fees, as required by section 14-49, (ii) payment of a
 225 restoration fee, as required by section 14-50b, and (iii) the posting of a
 226 special certificate of financial responsibility for a period of one year;
 227 and (5) if the number plates have been confiscated, the payment of an
 228 additional confiscation fee of fifty dollars shall be imposed]
 229 presentation to the Commissioner of Motor Vehicles of evidence of
 230 required security or coverage and the entering into of a consent
 231 agreement with the commissioner in accordance with the provisions of
 232 section 14-12g, as amended by this act.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2005</i>	14-12c
Sec. 2	<i>October 1, 2005</i>	14-12g
Sec. 3	<i>October 1, 2005</i>	14-12h
Sec. 4	<i>October 1, 2005</i>	14-21i(a)
Sec. 5	<i>October 1, 2005</i>	38a-343(b)

TRA *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 06 \$	FY 07 \$
Department of Motor Vehicles	TF - Revenue Gain	1,000,000	1,000,000

Note: TF=Transportation Fund

Municipal Impact: None

Explanation

The bill increases the Department of Motor Vehicles' (DMV) consent agreement fee from \$100 to \$200. The fee increase is anticipated to result in approximately \$1 million annually.

The consent agreement fee is paid by the vehicle owner when the owner does not contest the determination by DMV that he failed to maintain insurance and provides DMV with evidence that he currently has insurance coverage. There are approximately 10,000 consent agreement transactions annually processed by the DMV.

OLR Bill Analysis

sSB 1102

AN ACT CONCERNING ENFORCEMENT OF MANDATORY INSURANCE REQUIREMENTS FOR MOTOR VEHICLES**SUMMARY:**

This bill replaces the statutorily required registration cancellation mechanism the Department of Motor Vehicles (DMV) uses for vehicles operating without required insurance coverage with DMV's standard registration suspension process. It also increases from \$100 to \$200 the civil penalty a vehicle owner must pay when he enters a consent agreement with DMV for reinstatement of registration following imposition of the registration sanction and provision by the owner of satisfactory evidence of mandatory security.

EFFECTIVE DATE: October 1, 2005

REGISTRATION SANCTION FOR FAILURE TO MAINTAIN INSURANCE COVERAGE

By law, private passenger motor vehicles and vehicles with commercial registrations cannot be operated in Connecticut unless the vehicle owner has insurance meeting minimum statutory requirements. Periodically, vehicle insurers must provide DMV with data identifying vehicles for which they have cancelled coverage. This data is compared to active vehicle registrations to determine vehicles potentially operating without the required insurance.

When DMV finds that a vehicle owner failed to maintain required insurance coverage throughout the vehicle's registration period, current law prescribes a specific process it must follow to cancel the vehicle's registration. This process is different and distinct from the process DMV uses to suspend vehicle registrations for other reasons. The bill replaces the registration cancellation procedure with DMV's suspension process.

Under the current cancellation sanction, DMV sends a notice of registration cancellation to the vehicle owner notifying him that (1)

after the cancellation is final and effective the vehicle is subject to seizure, impoundment, and potential forfeiture if seen operating on a public highway or in a public parking area and (2) the owner may return the marker plates and registration to avoid potential impoundment and suspension of his driver's license. The registration cancellation is final and effective 14 days after mailing of the notice.

If the owner contends that coverage has been maintained throughout the registration period, he may contact DMV through a special telephone number at least two days before the effective date of the cancellation to request an administrative hearing. The cancellation is stayed upon such request pending the final decision. The hearing must be scheduled promptly but is limited to determining if the person is the registered owner of the vehicle in question and if he has failed to maintain coverage throughout the registration period. The cancellation is upheld unless the commissioner or designated hearing officer finds either fact not to be true. The commissioner's final decision must be mailed to the person no more than 30 days from conclusion of the hearing, and the cancellation becomes effective three days after the mailing date of the final decision.

The owner of the vehicle with the cancelled registration is not eligible to get a new registration for it, or a new or renewal registration for any other motor vehicle in his name, until he appears personally at DMV and (1) completes a registration application, (2) furnishes proof of insurance, and (3) pays a \$250 restoration fee for the first 31 days, or any part thereof, that the registration was cancelled and \$5 for each additional day up to 90 days or \$545. This fee is in addition to any other fees required to obtain a new registration. The commissioner may reduce the restoration fee to \$100 if he finds that the vehicle was not operated during the cancellation period and during the period the owner failed to maintain the insurance (see COMMENT).

The bill eliminates this process and replaces it with registration suspension according to DMV's established process, but it keeps (1) the driver's license suspension as a potential sanction, imposing it if the vehicle owner has not entered into a consent agreement with DMV, cancelled the vehicle's registration, or transferred ownership of the vehicle within 30 days after the date of the registration suspension and (2) the consent agreement process.

In addition, the bill maintains the existing authority for police to seize

and impound a vehicle observed operating with a suspended registration, payment of a \$50 confiscation fee, and the requirement that a vehicle impounded for more than 45 days is subject to forfeiture to the state.

The bill increases the penalty the vehicle owner must pay if he enters a consent agreement with DMV from \$100 to \$200. This occurs when the owner does not contest the determination that he has failed to maintain insurance and provides DMV with satisfactory evidence that he currently has insurance coverage. Entrance into a consent agreement results in a termination of a suspension order or rescission of a suspension previously imposed unless the commissioner determines that the owner failed to maintain insurance or cannot satisfy the commissioner that he has maintained it continuously after the effective date of the agreement.

The bill requires cancellation notices insurers may send to their policyholders to reflect the changed requirements the bill imposes.

COMMENT

Unchanged Statute Regarding Cancellation Restoration Fee

The bill appears to be eliminating the separate \$250 to \$545 registration restoration fee a vehicle owner must pay in addition to the consent agreement fee. However, CGS § 14-50b, which specifies the fees required for restoration of licenses and registrations and contains language similar to the provision deleted in the bill has not been amended to either (1) eliminate the restoration fee or (2) amend the fee requirement to make it consistent with the change from registration cancellation to registration suspension.

COMMITTEE ACTION

Transportation Committee

Joint Favorable Substitute

Yea 28 Nay 0