

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact §§ 46.2-688, 46.2-706 through 46.2-708, and 46.2-710 of the Code of Virginia, relating to motor vehicle insurance verification by the Department of Motor Vehicles; report.

[H 1867]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 46.2-688, 46.2-706 through 46.2-708, and 46.2-710 of the Code of Virginia are amended and reenacted as follows:

§ 46.2-688. Refund of fees paid.

Any person holding a registration card and license plate or license plates with decal who disposes of, elects not to use the vehicle for which it was issued on the highways in the Commonwealth, or transfers another valid license plate to the vehicle, may surrender, prior to the beginning of the registration period, the license plates or license plates with decals and registration card or provide other evidence of registration of the vehicle to the Commissioner with a statement that the vehicle for which the license plate or license plate with decal was issued has been disposed of, election has been made not to use the vehicle on the highways in the Commonwealth, or another valid license plate has been transferred to the vehicle and request a refund of the fee paid. The Commissioner shall retain five dollars of the fee to cover the costs incurred in issuing the plates and processing the refund.

The Commissioner shall refund to the applicant a proration, in six-month increments, of the total cost of the registration and license plates or license plates with decals if application for the refund is made when there are six or more months remaining in the registration period. *The Commissioner shall not provide a refund when otherwise eligible if the applicant chooses not to return the license plates to the Department.* No charge or deduction shall be assessed for any refund made under this subsection.

§ 46.2-706. Additional fee; proof of insurance required of applicants for registration of insured motor vehicles; verification of insurance; suspension of driver's license, registration certificates, and license plates for certain violations.

A. In addition to any other fees prescribed by law, every person registering an uninsured motor vehicle, as defined in § 46.2-705, at the time of registering or reregistering the uninsured vehicle, shall pay a fee of \$500; however, if the uninsured motor vehicle is being registered ~~or reregistered~~ for a period of less than a full year, the uninsured motor vehicle fee shall be prorated for the unexpired portion of the registration period. If the vehicle is a motor vehicle being registered ~~or reregistered~~ as provided in subsection B of § 46.2-697, the fee shall be one-fourth of the annual uninsured motor vehicle fee for each quarter for which the vehicle is registered.

B. If the owner of a motor vehicle registered under this article as an uninsured motor vehicle, during the period for which such vehicle is registered, obtains insurance coverage adequate to permit such vehicle's registration as an insured motor vehicle and presents evidence satisfactory to the Commissioner of the existence of such insurance coverage, the Commissioner shall amend the Department's records to show such vehicle to be registered as an insured motor vehicle and shall refund to the owner a prorated portion of the additional fee required by this section for registration of an uninsured motor vehicle. Such proration shall be on a monthly basis, except that no such refund shall be made (i) as to any registration during the last three months of its validity or (ii) on any portion of any such fee required to be paid resulting from a determination by the Department or any court that a vehicle was uninsured and no fee had been paid.

C. Every person applying for registration of a motor vehicle and declaring it to be an insured motor vehicle shall, under the penalties set forth in § 46.2-707, execute and furnish to the Commissioner his certificate that the motor vehicle is an insured motor vehicle as defined in § 46.2-705, or that the Commissioner has issued to its owner, in accordance with § 46.2-368, a certificate of self-insurance applicable to the vehicle sought to be registered. The Commissioner, or his duly authorized agent, may verify that the motor vehicle is properly insured by comparing owner and vehicle identification information on file at the Department of Motor Vehicles with liability information on the owner and vehicle transmitted to the Department by any insurance company licensed to do business in the Commonwealth as provided in § 46.2-706.1. If no record of liability insurance is found, the Department may require the motor vehicle owner to verify insurance in a method prescribed by the Commissioner.

D. The refusal or neglect of any owner within 30 days to submit the liability insurance information when required by the Commissioner or his duly authorized agent, or the electronic notification by the

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insurance company or surety company that the policy or bond named in the certificate of insurance is not in effect, shall require the Commissioner to suspend any driver's license and all registration certificates and license plates issued to the owner of the motor vehicle until the person (i) has paid to the Commissioner a *noncompliance* fee of \$500 \$600 to be disposed of as provided for in § 46.2-710 with respect to the motor vehicle determined to be uninsured and (ii) furnishes proof of financial responsibility for the future in the manner prescribed in Article 15 (§ 46.2-435 et seq.) of Chapter 3. No order of suspension required by this section shall become effective until the Commissioner has offered the person an opportunity for an administrative hearing to show cause why the order should not be enforced. Notice of the opportunity for an administrative hearing may be included in the order of suspension. Any request for an administrative hearing made by such person must be received by the Department within 180 days of the issuance date of the order of suspension unless the person presents to the Department evidence of military service as defined by the federal Servicemembers Civil Relief Act (50 U.S.C. § 3901 et seq.), incarceration, commitment, hospitalization, or physical presence outside the United States at the time the order of suspension was issued. When three years have elapsed from the effective date of the suspension required in this section, the Commissioner may relieve the person of the requirement of furnishing proof of future financial responsibility.

E. The Commissioner shall suspend the driver's license and all registration certificates and license plates of any person on receiving a record of his conviction of a violation of any provisions of § 46.2-707, but the Commissioner shall dispense with the suspension when the person is convicted for a violation of § 46.2-707 and the Department's records show conclusively that the motor vehicle was insured or that the fee applicable to the registration of an uninsured motor vehicle has been paid by the owner prior to the date and time of the alleged offense.

F. *The Commissioner may dispense with a suspension for a violation of this section or § 46.2-708 if the person determined to have committed the violation provides to the Commissioner proof that conclusively shows that the motor vehicle in question was insured at the time the Department initiated insurance monitoring under § 46.2-706 or at the time of a violation of § 46.2-708.*

§ 46.2-706.1. Insurance and surety companies to furnish certain insurance information.

A. Any liability insurance information relating to individually identified vehicles or persons, received from such companies under this section, shall be considered privileged information and not subject to the Virginia Freedom of Information Act (§ 2.2-3700 et seq.).

B. Such information shall be used in conjunction with information supplied under § 46.2-706 to verify insurance for motor vehicles certified by their owners to be insured.

C. Insurance companies licensed to do business in Virginia shall provide to the Department ~~monthly~~ *electronic, electronically in a manner prescribed by the Commissioner,* updates of ~~insured information and vehicle descriptions required by the Commissioner when they~~ (i) ~~cancel within 30 days of a policy change to liability insurance for vehicles~~ a vehicle registered in Virginia, (ii) ~~add including liability insurance for vehicles registered in Virginia, or~~ (iii) ~~provide liability insurance for vehicles registered in Virginia newly satisfying that satisfies~~ financial responsibility requirements. A policy change occurs when an insurance company (i) issues liability insurance, (ii) cancels liability insurance, (iii) becomes aware of a lapse in liability insurance, (iv) reissues or reinstates liability insurance, or (v) adds a vehicle to an existing liability insurance policy.

D. Insurance companies licensed to do business in Virginia shall respond electronically in a manner prescribed by the Commissioner to a Department request for acknowledgment of liability insurance within 15 days of receiving the request. Insurance companies shall respond to the request by confirming or denying the existence of a policy with the company.

E. Every update of a policy change concerning a liability insurance policy shall include the following information: vehicle identification number, full name of first named insured, vehicle make, and vehicle model year. If available, the following information shall also be included: date of birth for first named insured, full names and dates of birth for all vehicle operators, and Virginia drivers' license numbers or social security numbers for the first named insured and all vehicle operators.

§ 46.2-707. Operating uninsured motor vehicle without payment of fee; verification of insurance; false evidence of insurance.

Any person who owns an uninsured motor vehicle (i) licensed in the Commonwealth, (ii) subject to registration in the Commonwealth, or (iii) displaying temporary license plates provided for in § 46.2-1558 who operates or permits the operation of that motor vehicle without first having paid to the Commissioner the uninsured motor vehicle fee required by § 46.2-706, to be disposed of as provided by § 46.2-710, shall be guilty of a Class 3 misdemeanor.

Any person who is the operator of such an uninsured motor vehicle and not the titled owner, who knows that the required fee has not been paid to the Commissioner, shall be guilty of a Class 3 misdemeanor.

The Commissioner or his duly authorized agent, having reason to believe that a motor vehicle is

being operated or has been operated on any specified date, may require the owner of such motor vehicle to verify insurance in a method prescribed by the Commissioner as provided for by § 46.2-706. The refusal or neglect of the owner who has not, prior to the date of operation, paid the uninsured motor vehicle fee required by § 46.2-706 as to such motor vehicle, to provide such verification shall be prima facie evidence that the motor vehicle was an uninsured motor vehicle at the time of such operation.

Any person who falsely verifies insurance to the Commissioner or gives false evidence that a motor vehicle sought to be registered is an insured motor vehicle, shall be guilty of a Class 3 misdemeanor.

However, the foregoing portions of this section shall not be applicable if it is established that the owner had good cause to believe and did believe that such motor vehicle was an insured motor vehicle, in which event the provisions of § 46.2-609 shall be applicable.

Any person who owns an uninsured motor vehicle (i) licensed in the Commonwealth, (ii) subject to registration in the Commonwealth, or (iii) displaying temporary license plates provided for in § 46.2-1558, and who has not paid the uninsured motor vehicle fee required by § 46.2-706, shall immediately surrender the vehicle's license plates to the Department, unless the vehicle's registration has been deactivated as provided by § 46.2-646.1. Any person who fails to immediately surrender his vehicle's license plates as required by this section is guilty of a Class 3 misdemeanor.

Abstracts of records of conviction, as defined in this title, of any violation of any of the provisions of this section shall be forwarded to the Commissioner as prescribed by § 46.2-383.

The Commissioner shall suspend the driver's license and all registration certificates and license plates of any titled owner of an uninsured motor vehicle upon receiving a record of his conviction of a violation of any provisions of this section, and he shall not thereafter reissue the driver's license and the registration certificates and license plates issued in the name of such person until such person pays the *a noncompliance fee applicable to the registration of an uninsured motor vehicle as prescribed in § 46.2-706 of \$600 to be disposed of as provided for in § 46.2-710* and furnishes proof of future financial responsibility as prescribed by Article 15 (§ 46.2-435 et seq.) of Chapter 3 of this title. However, when three years have elapsed from the date of the suspension herein required, the Commissioner may relieve such person of the requirement of furnishing proof of future financial responsibility. When such suspension results from a conviction for presenting or causing to be presented to the Commissioner false verification as to whether a motor vehicle is an insured motor vehicle or false evidence that any motor vehicle sought to be registered is insured, then the Commissioner shall not thereafter reissue the driver's license and the registration certificates and license plates issued in the name of such person so convicted for a period of 180 days from the date of such order of suspension, and only then when all other provisions of law have been complied with by such person.

The Commissioner shall suspend the driver's license of any person who is the operator but not the titled owner of a motor vehicle upon receiving a record of his conviction of a violation of any provisions of this section and he shall not thereafter reissue the driver's license until 30 days from the date of such order of suspension.

§ 46.2-707.1. Noncompliance fee payment plan.

A. The Department may establish an ~~uninsured motor vehicle~~ *a noncompliance fee payment plan* to allow individuals to pay the fees for a motor vehicle determined to be uninsured as prescribed in § 46.2-706, 46.2-707, or 46.2-708. Notwithstanding §§ 46.2-706, 46.2-707, and 46.2-708, a ~~Virginia resident~~ *an individual* 18 years of age or older whose driver's license and vehicle registration have been suspended pursuant to § 46.2-706, 46.2-707, or 46.2-708 may apply to the Department to enter into a payment plan agreement with a duration of no more than three years from the agreement date, referred to in this section as the "payment plan period."

B. To be eligible to enter into the payment plan, the individual must (i) have one or more outstanding suspensions of driving privileges pursuant to the provisions of § 46.2-706, 46.2-707, or 46.2-708 and have no other outstanding suspensions or revocations; (ii) meet all other conditions for reinstatement of driving privileges; and (iii) have ~~never~~ *not* defaulted *twice* on a ~~prior~~ *the same* uninsured motor vehicle payment plan agreement.

C. An eligible individual who ~~enters~~ *pays a \$25 administrative fee when entering into a payment plan agreement or when reentering into a payment plan agreement* with the Department, ~~pays a \$25 administrative fee,~~ and pays the reinstatement fee pursuant to §§ 46.2-333.1 and 46.2-411, if required, shall be eligible to have his driving privileges reinstated by the Department.

D. The amount and frequency of each payment and the duration of the payment plan shall be described in the payment plan agreement signed by the Department and the individual. Payments may be made in person, online, *by telephone*, or by mail. The full fee must be paid in no more than three years from the agreement date; however, an individual may repay the balance of the fee at any time during the payment plan period with no penalty.

E. If an individual defaults on the payment plan agreement, the Commissioner shall suspend the driver's license and all registration certificates and license plates issued to the owner of the motor

vehicle determined to be uninsured. Such driver's license, registration certificates, and license plates shall remain suspended until the individual pays the balance of the fee applicable to the registration of an uninsured motor vehicle as prescribed in § 46.2-706, 46.2-707, or 46.2-708 and furnishes proof of future financial responsibility as prescribed by Article 15 (§ 46.2-435 et seq.) of Chapter 3. An individual is in default if he (i) pays an installment payment late as defined in the payment plan agreement or (ii) fails to make an installment payment as agreed to in the payment plan agreement. If an individual is in default *and is ineligible to reenter the payment plan*, full payment of the balance of the fee shall be due as agreed to in the payment plan agreement. *The Commissioner may extend the due date of any installment payment for not more than 30 days if the Department is unable to process an installment payment due to circumstances beyond its control.*

F. When all fees are paid, the individual shall continue to furnish proof of financial responsibility pursuant to Article 15 (§ 46.2-435 et seq.) of Chapter 3 and § 46.2-709.

G. Installment payments of the fee with respect to the motor vehicle determined to be uninsured shall be disposed of pursuant to § 46.2-710. The administrative fee shall be paid to the Commissioner and deposited into the state treasury account set aside in a special fund to be used to meet the necessary expenses incurred by the Department.

§ 46.2-708. Suspension of driver's license and registration when uninsured motor vehicle is involved in reportable accident; hearing prior to suspension.

When it appears to the Commissioner from the records of his office *or from a report submitted by an insurance company licensed to do business in the Commonwealth* that an uninsured motor vehicle as defined in § 46.2-705, subject to registration in the Commonwealth, is involved in a reportable accident in the Commonwealth resulting in death, injury or property damage with respect to which motor vehicle the owner thereof has not paid the uninsured motor vehicle fee as prescribed in § 46.2-706, the Commissioner shall, in addition to enforcing the applicable provisions of Article 13 (§ 46.2-417 et seq.) of Chapter 3, suspend such owner's driver's license and all of his license plates and registration certificates until such person has complied with Article 13 of Chapter 3 and has paid to the Commissioner a *noncompliance* fee of ~~\$500~~ \$600, to be disposed of as provided by § 46.2-710, with respect to the motor vehicle involved in the accident and furnishes proof of future financial responsibility in the manner prescribed in Article 15 (§ 46.2-435 et seq.) of Chapter 3. However, no order of suspension required by this section shall become effective until the Commissioner has offered the person an opportunity for an administrative hearing to show cause why the order should not be enforced. Notice of the opportunity for an administrative hearing may be included in the order of suspension. Any request for an administrative hearing made by such person must be received by the Department within 180 days of the issuance date of the order of suspension unless the person presents to the Department evidence of military service as defined by the federal Servicemembers Civil Relief Act (50 U.S.C. § 3901 et seq.), incarceration, commitment, hospitalization, or physical presence outside the United States at the time the order of suspension was issued.

However, when three years have elapsed from the effective date of the suspension herein required, the Commissioner may relieve such person of the requirement of furnishing proof of future financial responsibility. The presentation by a person subject to the provisions of this section of a certificate of insurance, executed by an agent or representative of an insurance company qualified to do business in this Commonwealth, showing that on the date and at the time of the accident the vehicle was an insured motor vehicle as herein defined, or, presentation by such person of evidence that the additional fee applicable to the registration of an uninsured motor vehicle had been paid to the Department prior to the date and time of the accident, shall be sufficient bar to the suspension provided for in this section.

§ 46.2-710. Disposition of funds collected.

From every noncompliance fee collected by the Commissioner under the provisions of this article, the Commissioner shall retain \$100 to be placed in a special fund in the state treasury to be used to meet the expenses of the Department. All other funds collected by the Commissioner under the provisions of this article shall be paid into the state treasury and held in a special fund to be known as the Uninsured Motorists Fund to be disbursed as provided by law. The Commissioner may expend ~~monies~~ moneys from such funds, for the administration of this article, in accordance with the General Appropriations Act general appropriation act.

2. That the provisions of this act amending and reenacting § 46.2-706.1 of the Code of Virginia shall become effective on January 1, 2020.

3. That in December 2024 the Department of Motor Vehicles shall report to the General Assembly regarding the effectiveness of the provisions of this act in improving the Department of Motor Vehicles' Insurance Verification Program. The report shall provide recommendations to address any lack of compliance with the Commonwealth's motor vehicle liability insurance requirements.