

Vehicle Registration Modifications

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Brady Brammer

LONG TITLE**Committee Note:**

The Revenue and Taxation Interim Committee recommended this bill.

Legislative Vote: 14 voting for 2 voting against 2 absent

General Description:

This bill allows the State Tax Commission to contract with a designated agent to assist in address verification for vehicles insured in the state.

Highlighted Provisions:

This bill:

- defines terms;
- allows the State Tax Commission (commission) to contract with a designated agent to determine the address for which a vehicle's insurance is tied, to assist the division in determining whether the owner is a resident of this state;
- based on information provided by the designated agent, allows the commission to investigate whether the owner is a resident for vehicle registration purposes or otherwise in compliance with relevant registration and tax laws;
- allows a person found in violation 60 days to cure the violation before being subject to a penalty;
- allows funds in the Uninsured Motorist Identification Restricted Account to be used to cover the costs of the designated agent for address verification; and
- makes technical changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

41-1a-202, as last amended by Laws of Utah 2023, Chapters 81, 532

41-12a-806, as last amended by Laws of Utah 2024, Chapters 268, 319

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **41-1a-202** is amended to read:

41-1a-202 . Definitions -- Vehicles exempt from registration -- Registration of vehicles after establishing residency.

(1) ~~[In]~~ As used in this section:

(a) "Designated agent" means the same as that term is defined in Section 41-12a-803.

~~[(a)]~~ (b) "Domicile" means the place:

(i) where an individual has a fixed permanent home and principal establishment;

(ii) to which the individual if absent, intends to return; and

(iii) in which the individual and his family voluntarily reside, not for a special or temporary purpose, but with the intention of making a permanent home.

~~[(b)]~~ (c)(i) "Resident" means any of the following:

(A) an individual who:

(I) has established a domicile in this state;

(II) regardless of domicile, remains in this state for an aggregate period of six months or more during any calendar year;

(III) engages in a trade, profession, or occupation in this state or who accepts employment in other than seasonal work in this state and who does not commute into the state;

(IV) declares himself to be a resident of this state for the purpose of obtaining a driver license or motor vehicle registration; or

(V) declares himself a resident of Utah to obtain privileges not ordinarily extended to nonresidents, including going to school, or placing children in school without paying nonresident tuition or fees; or

(B) any individual, partnership, limited liability company, firm, corporation, association, or other entity that:

(I) maintains a main office, branch office, or warehouse facility in this state and that bases and operates a motor vehicle in this state; or

(II) operates a motor vehicle in intrastate transportation for other than seasonal work.

(ii) "Resident" does not include any of the following:

(A) a member of the military temporarily stationed in Utah;

(B) an out-of-state student, as classified by the institution of higher education,

- 66 enrolled with the equivalent of seven or more quarter hours, regardless of
67 whether the student engages in a trade, profession, or occupation in this state or
68 accepts employment in this state; and
- 69 (C) an individual domiciled in another state or a foreign country that:
- 70 (I) is engaged in public, charitable, educational, or religious services for a
71 government agency or an organization that qualifies for tax-exempt status
72 under Internal Revenue Code Section 501(c)(3);
- 73 (II) is not compensated for services rendered other than expense
74 reimbursements; and
- 75 (III) is temporarily in Utah for a period not to exceed 24 months.
- 76 (iii) Notwithstanding Subsections ~~[(1)(b)(i) and (ii)]~~ (1)(c)(i) and (ii), "resident"
77 includes the owner of a vehicle equipped with an automated driving system as
78 defined in Section 41-26-102.1 if the vehicle is physically present in the state for
79 more than 30 consecutive days in a calendar year.
- 80 (2)(a) Registration under this chapter is not required for any:
- 81 (i) vehicle registered in another state and owned by a nonresident of the state or
82 operating under a temporary registration permit issued by the division or a dealer
83 authorized by this chapter, driven or moved upon a highway in conformance with
84 the provisions of this chapter relating to manufacturers, transporters, dealers, lien
85 holders, or interstate vehicles;
- 86 (ii) vehicle driven or moved upon a highway only for the purpose of crossing the
87 highway from one property to another;
- 88 (iii) implement of husbandry, whether of a type otherwise subject to registration or
89 not, that is only incidentally operated or moved upon a highway;
- 90 (iv) special mobile equipment;
- 91 (v) vehicle owned or leased by the federal government;
- 92 (vi) motor vehicle not designed, used, or maintained for the transportation of
93 passengers for hire or for the transportation of property if the motor vehicle is
94 registered in another state and is owned and operated by a nonresident of this state;
- 95 (vii) vehicle or combination of vehicles designed, used, or maintained for the
96 transportation of persons for hire or for the transportation of property if the
97 vehicle or combination of vehicles is registered in another state and is owned and
98 operated by a nonresident of this state and if the vehicle or combination of
99 vehicles has a gross laden weight of 26,000 pounds or less;

- (viii) trailer of 750 pounds or less unladen weight and not designed, used, and maintained for hire for the transportation of property or person;
- (ix) single-axle trailer unless that trailer is:
- (A) a commercial vehicle;
 - (B) a trailer designed, used, and maintained for hire for the transportation of property or person; or
 - (C) a travel trailer, camping trailer, or fifth wheel trailer of 750 pounds or more laden weight;
- (x) manufactured home or mobile home;
- (xi) off-highway vehicle currently registered under Section 41-22-3 if the off-highway vehicle is:
- (A) being towed;
 - (B) operated on a street or highway designated as open to off-highway vehicle use; or
 - (C) operated in the manner prescribed in Subsections 41-22-10.3(1) through (3);
- (xii) off-highway implement of husbandry operated in the manner prescribed in Subsections 41-22-5.5(3) through (5);
- (xiii) modular and prebuilt homes conforming to the uniform building code and presently regulated by the United States Department of Housing and Urban Development that are not constructed on a permanent chassis;
- (xiv) electric assisted bicycle defined under Section 41-6a-102;
- (xv) motor assisted scooter defined under Section 41-6a-102; or
- (xvi) electric personal assistive mobility device defined under Section 41-6a-102.
- (b) For purposes of an implement of husbandry as described in Subsection (2)(a)(iii), incidental operation on a highway includes operation that is:
- (i) transportation of raw agricultural materials or other agricultural related operations; and
 - (ii) limited to 100 miles round trip on a highway.
- (3)(a) Unless otherwise exempted under Subsection (2), registration under this chapter is required for any motor vehicle, combination of vehicles, trailer, semitrailer, vintage vehicle, or restored-modified vehicle within 60 days of the owner establishing residency in this state.
- (b)(i) The division may contract with a designated agent described in Chapter 12a, Part 8, Uninsured Motorist Identification Database Program, to determine the

address for which a contract for owner's or operator's security pertaining to a certain vehicle is tied.

(ii) If a designated agent provides information described in Subsection (3)(a) that indicates that an owner of a vehicle is a resident, the commission may investigate or require additional information to ensure compliance with this chapter, Chapter 22, Off-highway Vehicles, and Title 73, Chapter 18, State Boating Act.

(c) If the commission's investigation described in Subsection (3)(b)(ii) determines that the owner of the vehicle is not in compliance, before the commission may impose a penalty for noncompliance, the commission shall notify the owner of the vehicle and provide an opportunity for the owner of the vehicle to comply with this chapter, Chapter 22, Off-highway Vehicles, or Title 73, Chapter 18, State Boating Act.

(d) If the owner of a vehicle that is given notice of noncompliance as described in Subsection (3)(c) fails to comply within 60 days, the commission may impose appropriate penalties for noncompliance as provided in this chapter, Chapter 22, Off-highway Vehicles, or Title 73, Chapter 18, State Boating Act.

(4) A motor vehicle that is registered under Section 41-3-306 is exempt from the registration requirements of this part for the time period that the registration under Section 41-3-306 is valid.

(5) A vehicle that has been issued a nonrepairable certificate may not be registered under this chapter.

Section 2. Section **41-12a-806** is amended to read:

41-12a-806 . Restricted account -- Creation -- Funding -- Interest -- Purposes.

(1) There is created within the Transportation Fund a restricted account known as the "Uninsured Motorist Identification Restricted Account."

(2) The account consists of money generated from the following revenue sources:

- (a) money received by the state under Section 41-1a-1218, the uninsured motorist identification fee;
- (b) money received by the state under Section 41-1a-1220, the registration reinstatement fee; and
- (c) appropriations made to the account by the Legislature.

(3)(a) The account shall earn interest.

(b) All interest earned on account money shall be deposited into the account.

(4) The Legislature shall appropriate money from the account to:

- (a) the department to fund the contract with the designated agent;

- (b) the department to offset the costs to state and local law enforcement agencies of using the information for the purposes authorized under this part;
- (c) the State Tax Commission to:
- (i) offset the costs to the Motor Vehicle Division for revoking and reinstating vehicle registrations under Subsection 41-1a-110(2)(a)(ii); and
 - (ii) cover the contract and other costs of the designated agent for address verification described in Subsection 41-1a-202(3); and
- (d) the department to reimburse a person for the costs of towing and storing the person's vehicle if:
- (i) the person's vehicle was impounded in accordance with Subsection 41-1a-1101(4);
 - (ii) the impounded vehicle had owner's or operator's security in effect for the vehicle at the time of the impoundment;
 - (iii) the database indicated that owner's or operator's security was not in effect for the impounded vehicle; and
 - (iv) the department determines that the person's vehicle was wrongfully impounded.
- (5) The Legislature may appropriate not more than \$2,000,000 annually from the account to the Peace Officer Standards and Training Division, created under Section 53-6-103, for use in law enforcement training, including training on the use of the Uninsured Motorist Identification Database Program created under[~~Title 41,~~] Chapter 12a, Part 8, Uninsured Motorist Identification Database Program.
- (6)(a) By following the procedures in Title 63G, Chapter 4, Administrative Procedures Act, the department shall hold a hearing to determine whether a person's vehicle was wrongfully impounded under Subsection 41-1a-1101(4).
- (b) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the division shall make rules establishing procedures for a person to apply for a reimbursement under Subsection (4)(d).
- (c) A person is not eligible for a reimbursement under Subsection (4)(d) unless the person applies for the reimbursement within six months from the date that the motor vehicle was impounded.

Section 3. **Effective date.**

This bill takes effect:

- (1) except as provided in Subsection (2), May 7, 2025; or
- (2) if approved by two-thirds of all the members elected to each house:
 - (a) upon approval by the governor;

202 . **(b) without the governor's signature, the day following the constitutional time limit of**
203 **Utah Constitution, Article VII, Section 8; or**
204 . **(c) in the case of a veto, the date of veto override.**