



insured does not respond to the Department's written notification that their vehicle's insurance has lapsed or has been canceled.

If an affidavit is submitted in lieu of proof of insurance, then a sticker, designed by the Department of Vehicle Registration, is distributed by the county clerk and the department. City, county, or local governments shall then be prohibited from towing a vehicle or citing a vehicle owner for violation of any local ordinance prohibiting the parking of an inoperable vehicle on a city or local road when the sticker is affixed to the vehicle.

The owner of the motor vehicle for which the registration has been revoked would be subject to a reinstatement fee of \$20. The reinstatement fee would be equally divided between the county clerk and the Transportation Cabinet.

**Section 2** creates a new section of KRS Chapter 186A to establish administrative requirements for county clerks and the Department for Vehicle Regulation. Notwithstanding any other law, a person would be able to present to a county clerk or the Department of Vehicle Regulation at any time:

- Proof of insurance in paper or electronic format;
- An affidavit under subsection (3) of Section 1 of this Act in paper or electronic format; or
- A motor vehicle license plate for surrender.

The county clerk or the Department for Vehicle Regulation would then be responsible for noting this action in the AVIS database. County clerks would be responsible for returning surrendered license plates to the Transportation Cabinet.

**Section 3 through 6** provide conforming language.

**Section 7** would allow Kentucky State Police and local police agencies to seize a motor vehicle license plate if, at the time of seizure, the AVIS database indicates that the vehicles registration has been revoked and the plate have not been surrendered.

**Sections 8 through 20** provide conforming language.

**Section 21** amends KRS 304.39-110 to require insurers to offer, upon request, 12-month policy periods.

**Section 22** amends KRS 304.39-117 to modify requirements for evidence of compliance with minimum insurance requirements when such evidence is requested by a police officer. Language is included to conform to previous provisions of this act.

**Section 23** amends KRS 304.99-060 to modify penalties associated with failure to maintain vehicle insurance. For the first offense within a three-year period, proof of security and a receipt showing that a premium for a minimum policy period of six months has been paid will result in no penalty. If he owner fails to do so, the court may fine the

owner no more than \$500. For second and subsequent offenses within any three-year period, the owner must produce proof of insurance and a receipt demonstrating that the premium has been paid for a minimum period of twelve months. If the owner cannot do so, the court may fine the owner no more than \$1,000. Penalties of jail sentences for either first or second and subsequent offenses are eliminated. Those penalties ranged from up to 90 days or 180 days in jail.

**Section 24** amends KRS 431.078 to create expungement rights for motor vehicle owners and operators that fail to have minimum motor vehicle insurance. Petitions must be filed within two years of the date of conviction, and the offending individual must not have offended again in the two years prior to filing the petition.

**The fiscal impact of SB 157 on local governments is indeterminate, but expected to be positive.** The Kentucky Department of Transportation records show that in the 2020 and 2021, there were nearly 266,000 registrations cancelled due to failure to maintain required insurance coverage on a vehicle and approximately 83,500 of these were reinstated. Assuming 130,000 registration revocations per year, county clerks would receive \$1.3 million in reinstatement fees per year.

According to the Kentucky County Clerks' Association, **SB 157** may result in county clerks incurring small training costs to prepare them to implement its provisions. The cost of postage to mail surrendered plates to the Transportation Cabinet would also fall on county clerks.

**Section 23** eliminates a potential penalty of up to 90 days or 180 days in jail which would also eliminate associated costs. A person convicted of a Class B misdemeanor may be incarcerated for up to 90 days. A person convicted of a Class A misdemeanor may be incarcerated for up to twelve months. Misdemeanants are housed in one of Kentucky's 74 full service jails or three life safety jails. While the expense of housing inmates varies by jail, this estimated impact will be based on an average cost to incarcerate of \$40.11 per day. While most misdemeanor defendants are granted bail, those who do are not will also cost local jails an average cost to incarcerate of \$40.11 per day.

### **Part III: Differences to Local Government Mandate Statement from Prior Versions**

Part II refers to SB 157 as introduced. There are no previous versions.

**Data Source(s):** LRC Staff, Kentucky Transportation Cabinet, Kentucky County Clerks' Association; Kentucky Department of Corrections

**Preparer:** Jacob Blevins (WB)      **Reviewer:** KHC      **Date:** 3/1/23