



In bill text the following has special meaning
underline denotes added text
~~struck out text denotes deleted text~~

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AUTHOR: Hubbard

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SYNOPSIS: This bill amends Sections 32-7A-2 through 32-7A-22 to require the confirmation of motor vehicle liability insurance coverage prior to motor vehicle registration and reregistration and to require insurance companies insuring vehicles registered in Alabama to provide policy data to the Department of Revenue electronically. This bill also adds sections 32-7A-23 through 32-7A-26 to the Code of Alabama 1975.

A BILL

TO BE ENTITLED

AN ACT

To amend Sections 32-7A-2 through 32-7A-22 to require the confirmation of motor vehicle liability insurance coverage prior to motor vehicle registration and reregistration and to require insurance companies insuring vehicles registered in Alabama to provide policy data to the Department of Revenue electronically.

To add sections 32-7A-23 through 32-7A-26 to the Code of Alabama 1975.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Section 32-7A-2 through 32-7A-22 are amended to read as follows:

Section 32-7A-2.

For the purposes of this chapter, the following terms shall have the following meanings respectively ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

(1) **CERTIFICATE OF INSURANCE.** A document issued by an insurer or its authorized representative showing that a specific vehicle is insured for no less than the minimum limits of liability coverage for bodily injury or death and for destruction of property under Section 32-7-6(c).

(2) **COMMERCIAL VEHICLE.** Any self-propelled or towed motor vehicle used on a highway in interstate commerce to transport passengers or property as defined in the Federal Motor Carrier Safety

Administration Code 49 CFR Part 390.

(3) COMMISSIONER. The Commissioner of the Department of Revenue or his or her delegate.

~~(2-4)~~ DEALER. Any person dealing in, buying, selling, exchanging, advertising, or negotiating the sale of motor vehicles and licensed under the provisions of Section 40-12-391.

~~(3-5)~~ DECLARATIONS PAGE. That part of an insurance policy showing ~~all of the pertinent information~~, name of insured, insuring company, the vehicle make, the year model, the vehicle identification number (VIN), the policy number, the amount of coverage or coverages, and the effective and expiration dates of the policy.

~~(4-6)~~ DEPARTMENT. The Department of Revenue.

~~(5-7)~~ DEPOSIT OF CASH. Funds deposited with and held by the State Treasurer as security for payment by the depositor, or by any person responsible for the depositor's motor vehicle with his or her express or implied consent, of all judgments rendered against the depositor or other authorized operator of the depositor's motor vehicle arising from injury, death, or damage sustained through use, operation, maintenance, or control of the motor vehicle within the State of Alabama.

~~(6-8)~~ DIRECTOR. The Director of Public Safety of the State of Alabama.

~~(7-9)~~ DISPLAY. The ~~temporary manual surrender presentation~~ of the evidence of insurance ~~into the hands of the~~ to a law enforcement officer making the request ~~for the officer's inspection thereof~~ as provided in Section 32-7A-6.

(10) FLEET POLICY. A commercial vehicle policy that insures two or more vehicles that are not identified individually by vehicle identification numbers in the policy.

~~(8-11)~~ INSURANCE BINDER. A document issued by an insurer or its authorized representative showing that a specific vehicle is insured for liability coverage for bodily injury or death and for destruction of property under Section 32-7-6(c).

(12) INSURANCE COMMISSIONER. The Commissioner of the Alabama Department of Insurance or his or her delegate.

~~(9-13)~~ LIABILITY INSURANCE POLICY. An owner's or an operator's policy of liability insurance, issued by an insurance carrier duly authorized to transact business in this state, ~~to or for the benefit of the person or vehicle identified in the policy as insured.~~

~~(10-14)~~ MOTOR VEHICLE. Every vehicle that is designed and manufactured to be operated on the streets and highways of Alabama, but not operated upon rails.

~~(11-15)~~ MOTOR VEHICLE LIABILITY BOND. A bond of a surety company duly authorized to transact business in this state, which is conditioned for payments in amounts and under the same circumstances as would be required in a motor vehicle liability insurance policy.

(16) NAIC Number. This is a unique identification number assigned to the insurance company by the National Association of Insurance Commissioners.

(17) Non-Admitted Company. An insurance company not licensed to conduct business in this state

which sells coverage that is unavailable from licensed insurers within this state.

(18) Non-Owner Policy. An insurance policy issued for persons who drive but do not own the insured vehicle.

(~~12~~19) OPERATOR. Every person who is in actual physical control of a motor vehicle.

(~~13~~20) OWNER. Any of the following persons:

a. A person or persons holding the legal title to a motor vehicle, unless paragraph b. or c. is applicable.

b. The mortgagor, debtor, conditional vendee, or lessee of a vehicle that is the subject of a chattel mortgage, lien, agreement for the conditional sale thereof, lease or other like agreement with the right of purchase upon performance of the conditions stated in the agreement and with the immediate right of possession vested in the mortgagor, debtor, conditional vendee, or lessee, in which event the mortgagor, debtor, conditional vendee, or lessee shall be deemed the owner for purposes of this chapter.

c. The lessee of a vehicle owned by the United States of America or any of its agencies or instrumentalities.

(~~14~~21) PERSON. Every natural person, firm, partnership, association, estate, trust, corporation, limited liability partnership, limited liability company, or other entity.

(22) REGISTRANT. Vehicle owner or operator, who is issued a registration for a motor vehicle.

(~~15~~23) REGISTRATION. Certificate or certificates and license plates issued under the laws of this state pertaining to the registration of motor vehicles.

(~~16~~24) SIGNATURE. A unique mark, process, or verification in a manner prescribed by the department, as provided in Section 40-1-1.

(~~17~~25) STATE. Any state, territory or possession of the United States, the District of Columbia, any province or territory of the Dominion of Canada, or a state of the Republic of Mexico.

(~~18~~26) SUSPENSION. The ~~temporary~~ withdrawal by formal action of the department of a vehicle's registration ~~for a period as~~ specified by this chapter.

The terms "liability insurance policy," "deposit of cash," and a "motor vehicle liability bond" are used interchangeably throughout this chapter.

Section 32-7A-3.

(a) The department shall administer and enforce the provisions of this chapter and shall make such reasonable rules and regulations concerning any matter administered in this chapter and shall provide for hearings upon the request of persons aggrieved by orders or acts of the department under the provisions of this chapter.

(b) The department may prescribe and provide suitable ~~forms, notices, and all other~~ notices and forms necessary to carry out the provisions of this chapter.

(c) The department may:

(1) Make necessary investigations to procure information required to carry out the provisions of this chapter.

(2) Suspend the motor vehicle registrations pursuant to the provisions of this chapter.

(d) At any time within 30 calendar days after the rendition of any suspension, or decision under the provisions of this chapter, any person may appeal to the administrative law judge pursuant to Section 40-2A-8. After exhausting his or her appeal rights provided under Section 40-2A-8, and, upon providing evidence of payment of the reinstatement fee provided in this chapter, the person may appeal to the circuit court. The appeals to the administrative law judge or circuit court shall be as provided in Section 40-2A-9.

(e) The department shall prescribe the form and manner of electronic transmission for the purposes of insurers sending the notices required by this chapter.

Section 32-7A-4.

(a) No person shall operate, register, or maintain registration of, and no owner shall permit another person to operate, register, or maintain registration of, a motor vehicle designed to be used on a public highway unless the motor vehicle is covered by a liability insurance policy, motor vehicle liability bond, or deposit of cash.

(b)(1) The insurance policy shall be issued in amounts no less than the minimum amounts set for bodily injury or death and for destruction of property under Section 32-7-6(c).

(2) The motor vehicle liability bond shall be in the amount of not less than ~~fifty thousand dollars (\$50,000)~~ the minimum amounts of liability coverage for bodily injury or death and for destruction of property under Section 32-7-6(c). The bond shall be conditioned on the payment of the amount of any judgment rendered against the principal in the bond or any person responsible for the operation of the principal's motor vehicle with his or her express or implied consent, arising from injury, death, or damage sustained through the use, operation, maintenance, or control of the motor vehicle within the State of Alabama.

(3) The deposit of cash with the State Treasurer shall be ~~a sum of not less than fifty thousand dollars (\$50,000)~~ in the amount of not less than the minimum amounts set for bodily injury or death and for destruction of property under Section 32-7-6(c).

(c) Only an insurer authorized to do business in this state shall issue a policy pursuant to this section for any vehicle subject to registration under Chapter 12 of Title 40. Nothing herein shall deprive an insurer of any policy defense available at common law.

(d) Notwithstanding the provisions in subsection (c) of this section, any insurance policies issued by non admitted insurance companies procured through Alabama licensed surplus lines insurance brokers, pursuant to the provisions of Section 27-10-20 for the amounts prescribed under Section 32-7-6(c), shall be deemed to be in compliance with this chapter provided such brokers are registered with the department and transfer all required insurance information electronically in the manner and frequency as prescribed by the department.

Section 32-7A-5.

This chapter shall not apply to any of the following vehicles or operators:

- (1) Trailers as defined in Section 40-12-240, including, but not limited to, semitrailers, travel trailers, boat trailers, pole trailers, and utility trailers.
- (2) Motor vehicles owned and operated by the United States or any agency thereof, the State of Alabama, or any political or governmental subdivision thereof.
- (3) Any motor vehicle which is subject to the supervision and regulation of the Alabama Public Service Commission and for which the owner and/or operator has filed with the commission a bond or insurance policy, the liability under which is not less than that required of the operator of a motor vehicle under the terms of this chapter.
- (4) Motor vehicles covered by a certificate of self-insurance issued by the director under the provisions of Section 32-7-34.
- (5) Other motor vehicles complying with laws which require the vehicles to be insured in amounts meeting or exceeding the minimum amounts required under Section 32-7-6(c).
- (6) Implements of husbandry as defined in Section 32-8-2(5).
- (7) Any vehicle moved solely by animal power.
- (8) Special mobile equipment, as defined in Section 32-8-2(20).
- (9) Inoperable or stored motor vehicles that are not operated, as defined by rules and regulations of the department and not subject to the provisions of Section 32-7A-7.
- (10) Motor vehicles owned by a licensed motor vehicle dealer displaying a dealer distinctive license plate and held for sale that are covered by a blanket liability insurance policy.
- (11) Vehicles properly registered in another jurisdiction and not legally required to be registered pursuant to Chapter 12 of Title 40.
- (12) Vehicles owned by a bank, a subsidiary or affiliate of a bank, or finance company, acquired as an incident to their regular business, that are covered by a blanket liability insurance policy.
- (13) Commercial vehicles as prescribed by the Commissioner.

Section 32-7A-6.

(a) Every operator of a motor vehicle subject to the provisions of Section 32-7A-4 shall carry within the vehicle evidence of insurance. The evidence shall be legible and sufficient to demonstrate that the motor vehicle currently is covered by a liability insurance policy as required under Section 32-7A-4 and may include, but is not limited to, the following:

- (1) An insurance card, or temporary insurance card, provided by the insurer under this section.
- (2) The combination of proof of purchase of the motor vehicle within the previous 60 calendar days and a current and valid insurance card issued for the motor vehicle replaced by such purchase.

(3) The current declarations page of a liability insurance policy.

(4) A liability insurance binder, or legible copy thereof, certificate of liability insurance, or legible copy thereof, ~~or receipt for payment to an insurer or its authorized representative for a liability insurance premium, or legible copy thereof,~~ provided such document contains all information required in this chapter.

(5) A current motor vehicle rental agreement for the vehicle, which specifies insurance coverage by the rental company or the operator in the minimum amounts, provided in Section 32-7-6(c).

(b) The insurer issuing the liability insurance policy shall provide an insurance card for each motor vehicle insured that shall contain the following information:

(1) The vehicle year model.

(2) The vehicle make.

(3) The vehicle identification number (VIN).

(4) The name of the insured(s).

(5) The name of the insurance company.

(6) The policy number. (Not required on temporary ID card).

(7) The effective date and expiration date, which shall cover a period of time not to exceed 12 months.

(8) Insurance company's NAIC number.

(c) Notwithstanding the foregoing, if the insurance card is issued for a fleet policy, the card may state "FLEET" in lieu of vehicle years, makes, and VIN ~~is~~; and further provided that if the insurance card is issued for a nonowner policy, the card may state "NONOWNER POLICY" in lieu of the vehicle year, make, and VIN.

(d) The minimum size of the insurance card shall be 3" by 2 1/8" ~~, with a minimum 20 pound paper stock required or the equivalent.~~ All required information shall be displayed on the front of the card. The insurance card may include other information at the discretion of the insurer. Insurance companies may allow authorized representatives to issue temporary insurance cards to satisfy the requirements of this chapter. Temporary insurance cards are not required to have the policy number but shall contain all other required information.

(e) No insurer shall issue a card, similar in appearance, form, and content to the insurance card required under this section, in connection with an insurance policy that does not provide the liability insurance coverage required under Section 32-7A-4.

(f) Insurance binders, certificates of liability insurance, and ~~premium receipts, other evidence in order to qualify as proof~~ of insurance as required under this Section, must meet the following requirements (except where noted):

- (1) Insurance company name and NAIC number.
- (2) Policy number - not required on a binder or ~~premium receipt~~ temporary ID card.
- (3) Effective date.
- (4) Expiration date.
- (5) Name of insured(s).
- (6) Vehicle year model - not required if issued for a fleet policy or for a nonowner policy.
- (7) Vehicle make - not required if issued for a fleet policy or for a nonowner policy.
- (8) Vehicle identification number - not required if issued for a fleet policy or for a nonowner policy.
- ~~(9) Date of premium payment - required only on a premium receipt.~~
- (~~10~~9) Signature of authorized representative.

(g) The combination proof of purchase of a motor vehicle, as provided in subsection (a) above, shall consist of a legible copy of the legal bill of sale if the motor vehicle is not subject to the provisions of the Alabama Uniform Certificate of Title and Antitheft Act, or the owner's permit copy of the application for certificate of title for a 1975 and subsequent year model vehicle, or an ~~official copy of a current and valid Alabama temporary registration receipt as authorized under Section 32-6-210 to Section 32-6-219, inclusive, assigned to the vehicle being operated~~ Alabama Certificate of Title issued in the name of the vehicle owner or operator.

(h) The evidence of insurance shall be displayed upon request made by any law enforcement officer wearing a uniform or ~~displaying~~ presenting a badge or other sign of authority. Any person who fails or refuses to comply with such request is in violation of Section 32-7A-~~16~~19. Any person who displays evidence of insurance, knowing there is no valid liability insurance in effect on the motor vehicle as required under Section 32-7A-4 or knowing the evidence of insurance is illegally altered, counterfeit, or otherwise invalid, is in violation of Section 32-7A-~~16~~19.

Section 32-7A-7.

(a) The department ~~may~~shall select ~~random samples of~~ registrations of motor vehicles subject to Section 32-7A-4, or owners thereof, for the purpose of verifying whether or not the motor vehicles are insured.

(b) In addition to such ~~general random~~ samples of motor vehicle registrations, the department may select for verification other ~~random~~ samples including, but not limited to, registrations of motor vehicles owned by persons:

- (1) Whose motor vehicle registrations during the preceding four years have been suspended pursuant to Section 32-7A-9 or 32-7A-11.
- (2) Who during the preceding four years have been convicted of violating Section 32-7A-16 while operating vehicles owned by other persons.

(3) Whose driving privileges have been suspended or revoked during the preceding four years.

(4) Who during the preceding four years have received a disposition of supervision by the courts of this state for a violation of the provisions of this chapter.

(c) The director shall provide to the department, in a manner designated by the department, the name of an owner or operator of any motor vehicle involved in an accident without liability insurance who is determined not to be subject to the suspension by the director pursuant to the provisions of Section 32-7-6. The director shall also provide to the department, in a manner designated by the department, the name of an owner or operator of any motor vehicle that has been found in violation of Section 32-7A-16.

The department may then verify whether or not at the time of the accident such motor vehicle was covered by a liability insurance policy in accordance with Section 32-7A-4.

(d) The department may send to owners of ~~randomly~~-selected motor vehicles or to ~~randomly~~-selected motor vehicle owners, requests for information about their motor vehicles and liability insurance coverage. The request shall require the owner to state:

(1) Whether or not the motor vehicle was insured on the verification date stated in the department's request, and the reason no insurance existed for the vehicle if not insured.

(2) The name, address, NAIC number and telephone number of the insurance company that insures the motor vehicle.

(3) The effective date of the policy and the expiration date of the policy.

(4) The owner's signature.

(5) The policy number.

(e) Within 30 calendar days after the department mails a request, the owner to whom it is sent shall furnish the requested information to the department in a manner as prescribed by the department ~~with the owner's signed and dated affirmation that such information is true and correct~~. Proof of insurance in effect on the verification date, as prescribed by the department, may be considered by the department to be a satisfactory response to the request for information.

(f) Any owner whose response indicates that his or her vehicle was not covered by a liability insurance policy in accordance with Section 32-7A-4 shall be deemed to have registered or maintained registration of a motor vehicle in violation of that section. Any owner who fails to respond to such a request shall be deemed to have registered or maintained registration of a motor vehicle in violation of Section 32-7A-4.

(g) If the owner responds to the request for information by asserting that his or her vehicle was covered by a liability insurance policy on the verification date stated in the department's request, the department may conduct a verification of the response by furnishing necessary information to the insurer named in the response. The insurer shall within 30 calendar days inform the department if on the verification date stated the motor vehicle was not insured by the insurer in accordance with Section 32-7A-4.

(h) No ~~random~~-sample selected under this section shall be categorized on the basis of race, color, religion, sex, national origin, ancestry, age, marital status, physical or mental disability, economic status,

or geography.

Section 32-7A-8.

If the department determines that an owner has registered or maintained the registration of a motor vehicle without a liability insurance policy in accordance with Section 32-7A-4, the department shall notify the owner that such owner's vehicle registration shall be suspended ~~45~~ 30 calendar days after the date of the mailing of the notice unless the owner ~~within 30 calendar days~~ furnishes proof of insurance in effect on the verification date, as prescribed by the department. The notice shall be in writing and shall be mailed by ~~first class~~ the U.S. Postal Service ~~or by certified mail, return receipt requested,~~ to the owner's last known address as reflected on the department's motor vehicle registration records .

Section 32-7A-9.

~~(a) The department shall suspend the vehicle registration of any motor vehicle determined to be in violation of Section 32-7A-4, including any motor vehicle operated in violation of Section 32-7A-16 by an operator other than the owner of the vehicle. Neither the fact that, subsequent to the date of verification or violation, the owner acquired the required liability insurance policy nor the fact that the owner terminated ownership of the motor vehicle shall have any bearing upon the required suspension. Notice Required. - An insurer shall report its new and terminated policies on a schedule and method as prescribed by the department.~~

~~(b) The registration of any motor vehicle registered in this state shall be suspended upon the department receiving notice of the conviction of the operator of the motor vehicle in another state of an offense which, if committed in this state, would constitute a violation of Section 32-7A-4. Until it is terminated, any suspension under this chapter shall remain in force even if the registration is renewed or a new registration is acquired for the motor vehicle contrary to Section 32-7A-10.~~

~~(c) In the case of a first violation, the department shall terminate the suspension upon payment by the owner of a reinstatement fee of one hundred dollars (\$100) in certified funds and submission of proof of insurance as prescribed by the department to either the department or to the vehicle owner's county license plate issuing official. Upon a first violation, the owner's name and identifying information shall be provided to the director by the department, for the purpose of requiring the owner to purchase and maintain insurance pursuant to Section 32-7-13 or Section 32-7-31, or both, for a period of one year.~~

~~(d) In the case of a second or subsequent violation by a person having ownership interest in a motor vehicle or vehicles within the preceding four years, or a violation of Section 32-7A-16(3), the department shall terminate the suspension four months after its effective date upon payment by the owner of a reinstatement fee of two hundred dollars (\$200) in certified funds and submission of proof of insurance as prescribed by the department to either the department or to the vehicle owner's county license plate issuing official. In the case of a second or subsequent violation, the owner's name and identifying information shall be provided to the director by the department, for the purpose of the director requiring the owner to purchase and maintain insurance pursuant to Section 32-7-13 or Section 32-7-31, or both, for a period of three years. Upon conviction of a second offense the violator shall be guilty of a Class B misdemeanor.~~

~~(e) In accepting the reinstatement fee and proof of insurance, the owner's county license plate issuing official shall be responsible for notifying and forwarding, not later than the next business day, any required documentation concerning the reinstatement of motor vehicle registration or registrations to the department in the manner prescribed by the department.~~

~~(f) Except as provided in subsection (g), all fees collected under this section shall be retained by the department for use in the administration of this chapter; provided, if the fees are collected by the owner's county license plate issuing official, the official shall remit the fee to the department, except for 10 percent of the fee, which shall be retained by the official and distributed 50 percent to the county license plate issuing official and 50 percent to the county general fund. In the event the county license plate issuing official receives a salary, the retained fee distributed to the county license plate issuing official shall be deposited into a special motor vehicle registration and titling technology fund. The special fund shall be used for all reasonable and necessary technology expenses directly related to the registration or titling, or both, of motor vehicles, including, but not limited to, the purchase of hardware or software, or both, for motor vehicle registration and titling activities. The special fund shall be for the use of the official charged with motor vehicle registration and titling responsibilities and shall be in addition to the amount budgeted for the office of the official. Moneys in the special fund shall be disbursed by the county commission for the payment of motor vehicle registration or titling-related technology expenses of those official requisitioning expenditures from the fund. County license plate issuing officials shall remit the balance of the funds to the department in the manner prescribed by the department by the 10th day of the month following the month of collection. Refunds of reinstatement fees, less the retained fees, shall be granted in cases of duplicate payment, or as approved by the department. Anyone who is denied a refund of the reinstatement fee may appeal the denial to the administrative law judge pursuant to Section 40-2A-8.~~

~~(g) Notwithstanding the provisions of subsection (f), ten dollars (\$10) of each reinstatement fee received shall be deposited by the department into the Alabama Peace Officers' Annuity and Benefit Fund, as authorized by Section 36-21-66.~~

Section 32-7A-10.

~~(a) No later than the tenth day of each month, the department shall provide a current list of owners whose license plates have been suspended pursuant to Section 32-7A-9 to officials authorized to issue motor vehicle license plates or authorized to perform other duties in connection with the issuance of motor vehicle license plates, or both. The department may provide the list electronically to those officials indicating a preference for electronic transmission of information. If any insurance company shall fail to forward notices within a time period or using the method prescribed by the Commissioner, the department shall notify the Insurance Commissioner of any and all violations of Section 32-7A-9 by any insurer, and the Insurance Commissioner may take appropriate action against such insurer.~~

~~(b) All officials authorized by law to register motor vehicles, issue motor vehicle license plates, and to perform other duties in connection with the issuance of motor vehicle license plates shall refuse to register or reregister a motor vehicle or refuse to transfer the license plates if the registration is suspended pursuant to Section 32-7A-9. The department shall prescribe the form and manner of transmission for the purposes of notifying the Insurance Commissioner of insurers who have violated this chapter.~~

~~(c) Beginning with January 1, 2001, all officials authorized by law to issue motor vehicle license plates shall obtain, when issuing or transferring motor vehicle registrations, the Alabama driver's license number of the owner of the vehicle, or, if the owner does not have a driver's license number, the identification card number as provided under Section 32-6-4, or for a company or other entity, the federal employer identification number, for inclusion with the motor vehicle registration records in the state and county databases. Provided, the county shall not include these numbers on the motor vehicle registration receipts. This information shall be used by the department in the administration of the provisions of this chapter.~~

~~(d) Officials authorized to issue motor vehicle license plates shall require an affirmation that the owners are in compliance with the liability insurance requirements of this chapter on each registration and on each transfer of registration.~~

~~If the county allows renewal by mail or electronic means, it shall allow the owner to indicate compliance with this chapter by including affirmation language as developed by the department on the renewal notice along with a signature line on mail renewals and an alternative method to indicate acceptance of the affirmation on electronic renewals.~~

Section 32-7A-11.

~~(a) If the department or the director determines that the proof of insurance submitted by a motor vehicle owner under Sections 32-7A-7, 32-7A-8, or 32-7A-9 is false, the department shall suspend the owner's vehicle registration. The department shall terminate the suspension six months after its effective date upon payment by the owner of a reinstatement fee of two hundred dollars (\$200) in certified funds, and submission of proof of insurance as prescribed by the department. When department records do not indicate liability insurance coverage existing for a motor vehicle registered or required to be registered in this State, the department shall send the registrant notice via USPS mail at the last known address as reflected on the department's motor vehicle registration records. The notice shall require that the registrant within thirty (30) calendar days of the date of the notice, provide evidence of continuous liability insurance coverage for the vehicle for the period specified by the department. The registration will be suspended unless either:~~

~~(b) Upon a violation of this section, the owner's name and identifying information shall be provided to the director by the department, for the purpose of the director requiring the owner to purchase and maintain liability insurance pursuant to Section 32-7-13 or Section 32-7-31, or both, for a period of three years. The registrant responds within the required time frame and the response establishes that the registrant has not had a lapse in liability insurance coverage. The department shall then correct its records to reflect that the insured is in compliance with this Chapter or~~

~~(c) All funds collected under this section shall be retained by the department for use in the administration of this chapter. The registrant responds within the required time frame that, after the registration date, he or she did not operate the vehicle during the lapse in coverage. The registration shall then be revoked and the department shall update its records to reflect that the registration is revoked.~~

~~(1) If the registrant subsequently provides, in a manner as prescribed by the department, proof of subsequent liability insurance for the vehicle during the current registration period then the registration shall be re-instated.~~

~~(2) Any operator of a motor vehicle for which the registration has been revoked shall be subject to citation by law enforcement.~~

Section 32-7A-12.

~~No verification procedure established under this chapter shall include individual inspections of vehicles on the public streets or highways solely for the purpose of verifying the existence of an insurance policy. No law enforcement officer shall stop a vehicle solely for the purpose of verifying the existence of a valid insurance policy. (a) The department shall suspend the vehicle registration of any motor vehicle determined to be in violation of Section 32-7A-4, including any motor vehicle operated in violation of Section 32-7A-19 by an operator other than the owner of the vehicle. Neither the fact that, subsequent to the date of verification or violation, the registrant acquired the required liability insurance~~

policy nor the fact that the registrant terminated ownership of the motor vehicle shall have any bearing upon the required suspension.

(b) The registration of any motor vehicle registered in this state shall be suspended upon the department receiving notice of the conviction of the operator of the motor vehicle in another state of an offense which, if committed in this state, would constitute a violation of Section 32-7A-4. Until it is terminated, any suspension under this chapter shall remain in force even if the registration is renewed or a new registration is acquired for the motor vehicle contrary to Section 32-7A-10.

(c) In the case of a first violation, the department shall terminate the suspension upon payment by the registrant of a reinstatement fee of five hundred dollars (\$500) in certified funds and submission of proof of insurance as prescribed by the department to either the department or to the vehicle registrant's license plate issuing official. Upon a first violation, the registrant's name and identifying information shall be provided to the director by the department, for the purpose of requiring the registrant to purchase and maintain insurance pursuant to Section 32-7-13 or Section 32-7-31, or both, for a period of one (1) year or for a period as prescribed by the Director.

(d) In the case of a second violation by a registrant having ownership interest of a motor vehicle or vehicles within the preceding four (4) years, or a violation of Section 32-7A-19(3), the department shall terminate the suspension upon payment by the registrant of a reinstatement fee of seven hundred fifty dollars (\$750) in certified funds and submission of proof of insurance as prescribed by the department to either the department or to the vehicle registrant's license plate issuing official. In the case of a second or subsequent violation, the registrant's name and identifying information shall be provided to the director by the department, for the purpose of the director requiring the registrant to purchase and maintain insurance pursuant to Section 32-7-13 or Section 32-7-31, or both, for a minimum period of three (3) years or an additional period as prescribed by the director. Upon conviction of a second or subsequent offense the violator shall be guilty of a Class B misdemeanor.

(e) In the case of a third or subsequent violation by a registrant of a motor vehicle or vehicles within the preceding four (4) years, the department shall terminate the suspension upon payment by the registrant of a reinstatement fee of one thousand dollars (\$1,000) in certified funds and submission of proof of insurance as prescribed by the department to either the department or to the vehicle registrant's license plate issuing official.

(f) A license plate may not be transferred from a vehicle for which the registration is suspended, pursuant to this Chapter, to another vehicle until after such time that the vehicle registration is reinstated pursuant to this Chapter. Furthermore, no new tag or registration shall be issued for the registrant's newly acquired vehicle if the registrant has sold a vehicle for which a motor vehicle registration has been suspended pursuant to this Chapter.

(g) In accepting the reinstatement fee and proof of insurance, the registrant's license plate issuing official shall be responsible for notifying and forwarding any required documentation concerning the reinstatement of motor vehicle registration or registrations to the department in the manner prescribed by the department.

(h) Except as provided in subsection (g), all fees collected under this section shall be retained by the department for use in the administration of this chapter; provided, if the fees are collected by the registrant's county license plate issuing official, the official shall remit the fee to the department, except for 10 percent of the fee, which shall be retained by the official and distributed 50 percent to the county license plate issuing official and 50 percent to the county general fund. The fee retained by the county license plate issuing official shall be deposited into a special motor vehicle registration and titling

technology fund. The special fund shall be used for all reasonable and necessary technology expenses directly related to the registration or titling, or both, of motor vehicles, including, but not limited to, the purchase of hardware or software, or both, for motor vehicle registration and titling activities. The special fund shall be for the use of the official charged with motor vehicle registration and titling responsibilities and shall be in addition to the amount budgeted for the office of the official. Moneys in the special fund shall be disbursed by the county commission for the payment of motor vehicle registration or titling-related technology expenses of those officials requisitioning expenditures from the fund. License plate issuing officials shall remit the balance of the funds to the department in the manner prescribed by the department by the 20th day of the month following the month of collection. Refunds of reinstatement fees, less the retained fees, shall be granted in cases of duplicate payment, or as approved by the department. Anyone who is denied a refund of the reinstatement fee may appeal the denial to the administrative law judge pursuant to Section 40-2A-8.

(i) Notwithstanding the provisions of subsection (f), ten percent (10%) of each reinstatement fee collected shall be deposited by the department into the Alabama Peace Officers' Annuity and Benefit Fund, as authorized by Section 36-21-66.

Section 32-7A-13.

~~No state or local governmental unit and no government official or employee acting in the course of his or her official duties in the administration or enforcement of Section 32-7A-4 and related provisions of this chapter shall be liable for any damages, brought directly or indirectly by the injured party or a third party, except for damages resulting from willful and wanton misconduct or gross negligence on the part of the governmental unit, official, or employee. All officials authorized by law to register motor vehicles, issue motor vehicle license plates, and to perform other duties in connection with the issuance of motor vehicle license plates shall refuse to register or reregister a motor vehicle or refuse to transfer the license plates if the registration is suspended pursuant to Section 32-7A-9.~~

Section 32-7A-14.

~~A person who, whether present or absent, aids, abets, induces, procures or causes the commission of an act which, if done directly by him, would be a felony or a misdemeanor under a provision of this chapter, is guilty of the same felony or misdemeanor. (a) License plate issuing officials shall not register or reregister a motor vehicle or transfer the license plates if the registration is suspended pursuant to Section 32-7A-12.~~

(b) Notwithstanding the provisions of subsection (a), upon the request of the vehicle registrant, the license plate issuing official shall reinstate a vehicle registrant's suspended vehicle registration at such time the vehicle registrant meets the provisions of vehicle reinstatement provided for by this chapter.

(c) No vehicle registration or renewal thereof shall be issued to any motor vehicle unless the license plate issuing official receives satisfactory evidence of insurance, liability insurance bond or deposit of cash that provides the minimum motor vehicle insurance coverage required by Section 32-7-6 or is exempted under Section 32-7A-5. Verification by the license plate issuing official shall be made in a manner as prescribed by the department.

(d) All officials authorized by law to issue motor vehicle license plates shall obtain, when issuing or transferring motor vehicle registrations, the registrant's state issued driver's license or identification card number as provided under Section 32-6-4, a department approved federal identifying number, national drivers license, or for a company or other entity, the federal employer identification number, for inclusion within the motor vehicle registration records in the state and county databases. Provided, these

numbers shall not be included on the motor vehicle registration receipts. The department has the additional authority to assign an identifying number to vehicle registrants in order to document compliance with this Chapter. This information shall be used by the department in the administration of the provisions of this chapter.

Section 32-7A-15.

~~A person is guilty of a Class C felony who, with fraudulent intent: No verification procedure established under this chapter shall include individual inspections of vehicles on the public streets or highways solely for the purpose of verifying the existence of an insurance policy. No law enforcement officer shall stop a vehicle solely for the purpose of verifying the existence of a valid insurance policy.~~

~~(1) Alters, forges or counterfeits an insurance card to make it appear valid.~~

~~(2) Makes, sells or otherwise makes available an invalid or counterfeit insurance card, or other evidence of insurance.~~

Section 32-7A-16.

~~A person is guilty of a Class C misdemeanor who:~~

~~(1) Operates a motor vehicle unless the motor vehicle is covered by a liability insurance policy in accordance with this chapter. No state or local governmental unit and no government official or employee acting in the course of his or her official duties in the administration or enforcement of Section 32-7A-4 and related provisions of this chapter shall be liable for any damages, brought directly or indirectly by the injured party or a third party, except for damages resulting from willful and wanton misconduct or gross negligence on the part of the governmental unit, official, or employee.~~

~~(2) Fails or refuses to comply with a request by a law enforcement officer for display of evidence of insurance as required under this chapter.~~

~~(3) Operates a vehicle the registration of which is suspended pursuant to the provisions of this chapter.~~

~~(4) Displays evidence of insurance knowing there is no valid liability insurance in effect on the motor vehicle as required by this chapter.~~

~~(5) With notice, registers, or attempts to register a vehicle.~~

Section 32-7A-17.

~~Whenever a court convicts a person of a violation of Section 32-7A-15 or Section 32-7A-16, the clerk of the court within 10 days shall forward a report of the conviction to the department in a form prescribed by the department. The department shall keep records of such reports. A person who, whether present or absent, aids, abets, induces, procures or causes the commission of an act which, if done directly by him, would be a felony or a misdemeanor under a provision of this chapter, is guilty of the same felony or misdemeanor.~~

Section 32-7A-18.

~~The following penalties are applicable to violations of this chapter. A person is guilty of a Class C~~

felony who, with fraudulent intent:

~~(1) FELONIES. A person convicted of a felony for the violation of a provision of this chapter is guilty of a Class C felony and is subject to punishment by a fine of not less than five hundred dollars (\$500) nor more than five thousand dollars (\$5,000), or by imprisonment for not less than one year and one day or not more than 10 years, or both the fine and imprisonment. Alters, forges or counterfeits an insurance card to make it appear valid.~~

~~(2) MISDEMEANORS. A person convicted of a misdemeanor for the violation of a provision of this chapter is guilty of a Class C misdemeanor and is subject to punishment by a fine not to exceed five hundred dollars (\$500) for the first conviction. Upon each subsequent conviction, the fine shall not exceed one thousand dollars (\$1,000) or suspension of the person's driver's license for a period not to exceed six months, or both fine and suspension. Makes, sells or otherwise makes available an invalid or counterfeit insurance card, or other evidence of insurance.~~

Section 32-7A-19.

~~No person shall display evidence of insurance to a law enforcement officer, court, or officer of the court, knowing there is no valid liability insurance in effect on the motor vehicle as required under Section 32-7A-4 or knowing the evidence of insurance is altered, counterfeit, or otherwise invalid as evidence of insurance required under Section 32-7A-4. If the law enforcement officer issues a citation to a motor vehicle operator for displaying invalid evidence of insurance, the officer shall confiscate the evidence for presentation in court. A person is guilty of a Class C misdemeanor who:~~

~~(1) Operates a motor vehicle unless the motor vehicle is covered by a liability insurance policy, a motor vehicle liability insurance bond or deposit of cash in accordance with this chapter.~~

~~(2) Fails or refuses to comply with a request by a law enforcement officer for display of evidence of insurance as required under this chapter. Witnessing the operation of the vehicle is not required for a citation to be issued under this chapter. Failure of the vehicle operator to provide evidence of insurance to the officer is considered a separate offense that is witnessed by the officer.~~

~~(3) Operates a vehicle the registration of which is suspended pursuant to the provisions of this chapter.~~

~~(4) Displays evidence of insurance knowing there is no valid liability insurance in effect on the motor vehicle as required by this chapter.~~

~~(5) With notice, registers, or attempts to register a vehicle.~~

Section 32-7A-20.

~~No person charged with violating the requirements of this chapter to maintain or display, or both, evidence of insurance shall be convicted if such person produces in court satisfactory evidence that at the time of the citation the motor vehicle was covered by a liability insurance policy in accordance with Section 32-7A-4. The chief judge of each circuit may designate an officer of the court to review the documentation demonstrating that at the time of citation the motor vehicle was covered by a liability insurance policy in accordance with Section 32-7A-4. Whenever a court convicts a person of a violation of Section 32-7A-18 or Section 32-7A-19, the clerk of the court within ten (10) calendar days shall forward a report of the conviction to the department in a form prescribed by the department. The department shall keep records of such reports.~~

Section 32-7A-21.

~~Information regarding the motor vehicle registration suspension or reinstatement status of any person is confidential and shall be released only to the person who is the subject of a suspension or possible suspension, or to law enforcement agencies, courts, and other governmental entities, including officials responsible for the issuance of license plates, as necessary in the administration of the provisions of this chapter. A motor vehicle may be towed and impounded at the discretion of law enforcement, if the operator fails to provide evidence of insurance.~~

Section 32-7A-22.

~~This chapter is supplemental to other laws relative to motor vehicles and financial responsibility, and insofar as possible shall be construed in pari materia with such laws. The following penalties are applicable to violations of this chapter.~~

(1) FELONIES. A person convicted of a felony for the violation of a provision of this chapter is guilty of a Class C felony and is subject to punishment by a fine of not less than five hundred dollars (\$500) nor more than five thousand dollars (\$5,000), or by imprisonment for not less than one year and one day or not more than 10 years, or both the fine and imprisonment.

(2) MISDEMEANORS. A person convicted of a misdemeanor for the violation of a provision of this chapter is guilty of a Class C misdemeanor and is subject to punishment by a fine not to exceed five hundred dollars (\$500) for the first conviction. Upon each subsequent conviction, the fine shall not exceed one thousand dollars (\$1,000) or suspension of the person's driver's license for a period not to exceed six months, or both fine and suspension.

Section 2. Section 32-7A-23 is added to the Code of Alabama 1975 to read as follows:

No person shall display evidence of insurance to a law enforcement officer, court, or officer of the court, knowing there is no valid liability insurance in effect on the motor vehicle as required under Section 32-7A-4 or knowing the evidence of insurance is altered, counterfeit, or otherwise invalid as evidence of insurance required under Section 32-7A-4. If the law enforcement officer issues a citation to a motor vehicle operator for displaying invalid evidence of insurance, the officer shall confiscate the evidence for presentation in court.

Section 3. Section 32-7A-24 is added to the Code of Alabama 1975 to read as follows:

No person charged with violating the requirements of this chapter to maintain or display, or both, evidence of insurance shall be convicted if such person produces in court satisfactory evidence that at the time of the citation the motor vehicle was covered by a liability insurance policy or liability insurance bond in accordance with Section 32-7A-4. The chief judge of each circuit may designate an officer of the court to verify that at the time of citation the motor vehicle was covered by a liability insurance policy in accordance with Section 32-7A-4.

Section 4. Section 32-7A-25 is added to the Code of Alabama 1975 to read as follows:

Information regarding the motor vehicle registration suspension or reinstatement status of any person is confidential and shall be released only to the person who is the subject of a suspension or possible suspension, or to law enforcement agencies, courts, and other governmental entities, including officials responsible for the issuance of license plates, as necessary in the administration of the provisions of this

chapter.

Section 5. Section 32-7A-26 is added to the Code of Alabama 1975 to read as follows:

This chapter is supplemental to other laws relative to motor vehicles and a mandatory liability insurance policy or liability insurance bond, and insofar as possible shall be construed in pari materia with such laws.

Section 6. The provisions of this act are severable. If any part of the act is declared invalid or unconstitutional, such declaration shall not affect the part that remains.

Section 7. This act shall become effective on January 1, 2009, following its passage and approval by the Governor, or its otherwise becoming law.

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