An Act

ENROLLED SENATE
BILL NO. 1335

By: Brooks of the Senate

and

Kirby of the House

An Act relating to motor vehicle insurance; amending 47 O.S. 2011, Sections 7-606, as last amended by Section 10, Chapter 54, O.S.L. 2015, (47 O.S. Supp. 2015, Section 7-606), which relates to failure to maintain insurance; adding municipal police departments as entity that may enforce Compulsory Insurance Law; modifying certain procedures after issuance of citation; amending Section 5, Chapter 176, O.S.L. 2013 (47 O.S. Supp. 2015, Section 7-625), which relates to the Oklahoma Temporary Motorist Liability Plan; modifying annual policy form requirement; allowing multi-year contract; modifying annual bidding requirement; amending Section 6, Chapter 176, O.S.L. 2013 (47 O.S. Supp. 2015, Section 7-626), which relates to rates and premiums; modifying certain fees, providing for certain exception to fee waiver; adding municipal police departments as proper entity to accept fees; and providing an effective date.

SUBJECT: Motor vehicle insurance

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 47 O.S. 2011, Section 7-606, as last amended by Section 10, Chapter 54, O.S.L. 2015 (47 O.S. Supp. 2015, Section 7-606), is amended to read as follows:

Section 7-606. A. 1. An owner or operator who fails to comply with the Compulsory Insurance Law, or who fails to produce for inspection a valid and current security verification form or equivalent form which has been issued by the Department of Public Safety upon request of any peace officer, representative of the Department of Public Safety or other authorized person, shall be guilty of a misdemeanor and upon conviction shall be subject to a fine of not more than Two Hundred Fifty Dollars ($250.00), or imprisonment for not more than thirty (30) days, or by both such fine and imprisonment, and in addition thereto, shall be subject to suspension of the driving privilege of the person in accordance with Section 7-605 of this title. Upon issuing a citation under this paragraph, the law enforcement officer issuing the citation may:

a. seize the vehicle being operated by the person and cause the vehicle to be towed and stored as provided by subsection B of Section 955 of this title, if the officer has probable cause to believe that the vehicle is not insured as required by the Compulsory Insurance Law of this state, or

b. seize the license plate of the vehicle and issue the citation to the vehicle operator, provided that the vehicle is in a drivable condition at the time of issuing the citation. A copy of the citation retained by the owner or operator of the vehicle shall serve as the temporary license plate of the vehicle for up to ten (10) calendar days after the issuance of the citation. After ten (10) calendar days, the vehicle shall not be used until the vehicle operator or owner completes the requirements to retrieve the license plate.

(1) After the issuance of the citation, <u>and if the charges are to be filed in district court,</u> the law enforcement agency issuing the citation shall, within three (3) days, deposit the license plate and deliver a copy of the citation to the county sheriff's office of the county where the violation has occurred. <u>If the charges are to be filed in municipal court, the law enforcement agency issuing the citation may deposit the</u>

license plate within their own agency. The county sheriff's office or municipal police department that is storing the license plate shall provide the plan administrator with the seized license plate number by entering the required information into the statewide database maintained by the plan administrator. The plan administrator shall maintain a database including all seized license plates and shall submit such information to the Oklahoma Tax Commission.

(2) The vehicle owner or operator may retrieve the license plate from the county sheriff's office or municipal police department upon providing verification of compliance with the Compulsory Insurance Law, payment in full of an administrative fee of One Hundred Twenty-five Dollars ($125.00) to the county sheriff's office or municipal police department and payment in full of the citation to the court clerk. The county sheriff's office or municipal police department shall transfer the administrative fee to the Plan Administrator. The Plan Administrator shall notify the Oklahoma Tax Commission that the vehicle owner or operator is in compliance with this division and shall distribute the administrative fee as follows:

(a) Twenty Dollars ($20.00) of the fee shall be distributed to the county sheriff's office or municipal police department that stored the seized license plate to defray any expenses involved in the storage of the license plate,

(b) Seventy Dollars ($70.00) of the fee shall be transferred to the law enforcement agency which issued the citation and may be used for any lawful purpose,

(c) Twenty-five Dollars ($25.00) of the fee shall be transferred to the Temporary Insurance Premium Pool, ~~and~~

(d) the Plan Administrator shall retain Ten Dollars ($10.00) of the fee~~.~~, and

(e) if, by the end of the second business day immediately following the date of citation, a person produces proof to the law enforcement agency that issued the citation and is storing the seized license plate that a current security verification form or equivalent form which has been issued by the Department of Public Safety reflecting liability coverage for the person was in force at the time of the alleged offense, the person shall not be required to pay the administrative fee required by this division. If no such proof is presented within that time, the person shall pay the full administrative fee required by this division, regardless of whether the person had minimum auto liability insurance coverage at the time of citation.

(3) The county sheriff's office or municipal police department may dispose of any unclaimed license plate after ninety (90) days according to applicable state law. After the license plate has been disposed of by the county sheriff's office or municipal police department, the operator or owner shall be required to obtain a new license plate pursuant to all existing requirements.

If the operator of the vehicle produces what appears to be a valid security verification form and the officer is unable to confirm compliance through the online verification system or noncompliance by a subsequent investigation, the officer shall be prohibited from seizing the license plate or seizing the vehicle and causing such vehicle to be towed and stored. Further, no vehicle shall be seized

and towed under the provisions of this paragraph if the vehicle is displaying a temporary license plate that has not expired pursuant to the provisions of Sections 1137.1 and 1137.3 of this title.

2. An owner other than an owner of an antique or a classic automobile as defined by the Oklahoma Tax Commission who files an affidavit that a vehicle shall not be driven upon the public highways or public streets, pursuant to Section 7-607 of this title, who drives or permits the driving of the vehicle upon the public highways or public streets, shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than Five Hundred Dollars ($500.00), or imprisonment for not more than thirty (30) days, or by both such fine and imprisonment, and in addition thereto, shall be subject to suspension of the driving privilege of the person in accordance with Section 7-605 of this title.

B. A sentence imposed for any violation of the Compulsory Insurance Law may be suspended or deferred in whole or in part by the court.

C. Any person producing proof in court that a current security verification form or equivalent form which has been issued by the Department of Public Safety reflecting liability coverage for the person was in force at the time of the alleged offense shall be entitled to dismissal of the charge. If proof of security verification is presented to the court by no later than the business day preceding the first scheduled court appearance date, the dismissal shall be without payment of court costs. The court may access information from the online verification system to confirm liability coverage. The court shall not dismiss the fine unless proof that liability coverage for the person was in force at the time of the alleged offense is presented to the court.

D. Upon conviction or bond forfeiture, the court clerk shall forward an abstract to the Department of Public Safety within five (5) days reflecting the action taken by the court.

E. For purposes of this section, "court" means any court in this state.

SECTION 2. AMENDATORY Section 5, Chapter 176, O.S.L. 2013 (47 O.S. Supp. 2015, Section 7-625), is amended to read as follows:

Section 7-625. A. The Insurance Commissioner shall ~~annually~~ when necessary, develop and approve a policy form for the purpose of providing coverage under the Oklahoma Temporary Motorist Liability Plan. All coverage and exclusions shall be defined in the form prescribed by the Commissioner. The exclusions may include, but are not limited to, driving without a license, driving during the commission of a felony or driving while under the influence. The approved policy form shall become part of a Request for Proposals.

B. The Office of Management and Enterprise Services, in consultation with the Insurance Commissioner, shall select an insurer through a competitive bidding process to administer insurance coverage under the Plan. The contract for insurance coverage awarded pursuant to this section may be a multi-year contract, renewable annually, in accordance with any applicable Office of Management and Enterprise Services guidelines or procedures.

C. Bids shall be received by the Office of Management and Enterprise Services by November 1 ~~of each~~ as required for any rebidding year. Bids shall be expressed as a daily temporary insurance rate and shall include all costs associated with administering the insurance portion of the Plan. Bids may not include any additional administrative fees. The Office of Management and Enterprise Services, in consultation with the Insurance Commissioner, shall select the lowest and best bid.

D. If no acceptable bids are received, the Office of Management and Enterprise Services may suspend coverage provided under the Plan until acceptable bids are received.

SECTION 3. AMENDATORY Section 6, Chapter 176, O.S.L. 2013 (47 O.S. Supp. 2015, Section 7-626), is amended to read as follows:

Section 7-626. A. A statewide association of county sheriffs in Oklahoma shall serve as the Plan Administrator.

B. The daily rate for temporary insurance under the Oklahoma Temporary Motorist Liability Plan for the following calendar year shall be announced on the first Monday in December. The daily cost of coverage and administrative fee shall be paid to the county sheriff's office or municipal police department and the fine and court fees associated with the traffic ticket shall be paid to the court clerk. The daily cost of coverage shall be calculated on each twenty-four-hour period from the time the citation was issued pursuant to subparagraph b of paragraph 1 of subsection A of Section 7-606 of Title 47 of the Oklahoma Statutes, rounding up. The county sheriff's office or municipal police department shall not waive premium dues for any defendant, except as provided in subsection D of this section. The county sheriff's office or municipal police department shall remit all proceeds from the daily cost of insurance to the Plan on the first business day of each month to the Plan Administrator. The Plan Administrator shall remit the total statewide monthly premium to the appropriate insurance carrier within sixty (60) days of the premium being earned.

C. If for any reason the premium is not collected, then the Oklahoma Temporary Motorist Liability Plan shall pay the premium out of the Temporary Insurance Premium Pool.

D. If the citation issued pursuant to subparagraph b of paragraph 1 of subsection A of Section 7-606 of Title 47 of the Oklahoma Statutes is dismissed without cost, the coverage provided under the Plan is considered never activated and the premium is considered unearned and shall be waived.

E. Tag agents shall not issue a new or renewed tag for this vehicle until all fines, fees and premiums have been paid and the license plate has been released by the county sheriff's office.

SECTION 4. This act shall become effective November 1, 2016.

Passed the Senate the 25th day of February, 2016.

Presiding Officer of the Senate

Passed the House of Representatives the 13th day of April, 2016.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 14th

day of April, 2016, at 2:37 o'clock P M.

By: Audrey Rockwell

Approved by the Governor of the State of Oklahoma this 20th

day of April, 2016, at 4:16 o'clock P M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20 _____, at _____ o'clock _____ M.

By: _____