

1 HB686  
2 119673-2  
3 By Representative Page  
4 RFD: Banking and Insurance  
5 First Read: 09-MAR-10

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8 SYNOPSIS: Under existing law, when a vehicle owner's  
9 motor vehicle registration has been suspended for  
10 violation of Section 32-7A-4, Code of Alabama 1975,  
11 the vehicle owner can either pay the reinstatement  
12 fee to the Department of Revenue or the vehicle  
13 owner's county license plate issuing official.

14 This bill would permit the Administrative  
15 Office of Courts to collect motor vehicle  
16 registration reinstatement fees as they pertain to  
17 liability insurance suspensions. The bill further  
18 provides for the distribution of reinstatement fees  
19 collected.

20  
21 A BILL  
22 TO BE ENTITLED  
23 AN ACT  
24

25 To amend Section 32-7A-9, Code of Alabama 1975, to  
26 provide for the payment of reinstatement fees and the  
27 submission of current proof of insurance documentation by

1 vehicle owners to the Administrative Office of Courts; and to  
2 provide for the distribution of reinstatement fees collected.

3 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

4 Section 1. Section 32-7A-9, Code of Alabama 1975, is  
5 amended to read as follows:

6 "§32-7A-9.

7 "(a) The department shall suspend the vehicle  
8 registration of any motor vehicle determined to be in  
9 violation of Section 32-7A-4, including any motor vehicle  
10 operated in violation of Section 32-7A-16 by an operator other  
11 than the owner of the vehicle. Neither the fact that,  
12 subsequent to the date of verification or violation, the owner  
13 acquired the required liability insurance policy nor the fact  
14 that the owner terminated ownership of the motor vehicle shall  
15 have any bearing upon the required suspension.

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

25 "(c) In the case of a first violation, the  
26 department shall terminate the suspension upon payment by the  
27 owner of a reinstatement fee of one hundred dollars (\$100) in

1 ~~certified funds~~ a manner as prescribed by the department and  
2 submission of proof of current insurance as prescribed by the  
3 department to either the department, ~~or to the vehicle owner's~~  
4 county license plate issuing official, the circuit clerk of  
5 any county, or the Administrative Office of Courts. Upon a  
6 first violation, the owner's name and identifying information  
7 shall be provided to the director by the department, for the  
8 purpose of requiring the owner to purchase and maintain  
9 insurance pursuant to Section 32-7-13 or Section 32-7-31, or  
10 both, for a period of one year.

11 " (d) In the case of a second or subsequent violation  
12 by a person having ownership interest in a motor vehicle or  
13 vehicles within the preceding four years, or a violation of  
14 Section 32-7A-16(3), the department shall terminate the  
15 suspension four months after its effective date upon payment  
16 by the owner of a reinstatement fee of two hundred dollars  
17 (\$200) in ~~certified funds~~ a manner as prescribed by the  
18 department and submission of proof of current insurance as  
19 prescribed by the department to either the department or to  
20 the vehicle owner's county license plate issuing official, the  
21 circuit clerk of the county, or the Administrative Office of  
22 Courts. In the case of a second or subsequent violation, the  
23 owner's name and identifying information shall be provided to  
24 the director by the department, for the purpose of the  
25 director requiring the owner to purchase and maintain  
26 insurance pursuant to Section 32-7-13 or Section 32-7-31, or

1 both, for a period of three years. Upon conviction of a second  
2 offense the violator shall be guilty of a Class B misdemeanor.

3 "(e) In accepting the reinstatement fee and proof of  
4 current insurance, the owner's county license plate issuing  
5 official, the circuit clerk of any county, or the  
6 Administrative Office of Courts shall be responsible for  
7 notifying and forwarding, not later than the next business  
8 day, any required documentation concerning the reinstatement  
9 of motor vehicle registration or registrations to the  
10 department in the manner prescribed by the department.

11 "(f) Except as provided in ~~subsection~~ subsections  
12 (g) and (i), all fees collected under this section shall be  
13 retained by the department exclusively for use in the  
14 administration of this chapter; provided, if the fees are  
15 collected by the owner's county license plate issuing  
16 official, the official shall remit the fee to the department,  
17 except for 10 percent of the fee, which shall be retained by  
18 the official and distributed 50 percent to the county license  
19 plate issuing official and 50 percent to the county general  
20 fund. ~~In the event the county license plate issuing official~~  
21 ~~receives a salary, the~~ The retained fee fees distributed to  
22 the county license plate issuing official shall be deposited  
23 into a special ~~motor vehicle registration and titling~~  
24 ~~technology fund.~~ designated as the "Special Licensing  
25 Officials' Fund." The special fund shall be used for ~~all~~  
26 ~~reasonable and necessary technology expenses directly related~~  
27 ~~to the registration or titling, or both, of motor vehicles,~~

1 including, but not limited to, the purchase of hardware or  
2 software, or both, for motor vehicle registration and titling  
3 activities. The special fund shall be for the use the  
4 improvement of the equipment and operations in the office of  
5 the licensing official charged with motor vehicle registration  
6 and titling responsibilities and shall be in addition to the  
7 amount budgeted for the office of the official. ~~Moneys in Fees~~  
8 deposited into the special fund shall be disbursed ~~by the~~  
9 ~~county commission for the payment of motor vehicle~~  
10 ~~registration or titling-related technology expenses of those~~  
11 ~~official requisitioning expenditures from the fund. County~~  
12 ~~license~~ at the sole discretion of the license plate issuing  
13 official and shall be audited by the Examiners of Public  
14 Accounts. Such moneys in the special fund shall not accumulate  
15 in excess of ten thousand dollars (\$10,000) during any fiscal  
16 year. Any excess moneys shall accrue to the county general  
17 fund. License plate issuing officials shall remit the balance  
18 of the funds to the department in the manner prescribed by the  
19 department by the 10th day of the month following the month of  
20 collection. ~~Refunds of reinstatement fees, less the retained~~  
21 ~~fees, shall be granted in cases of duplicate payment, or as~~  
22 ~~approved by the department. Anyone who is denied a refund of~~  
23 ~~the reinstatement fee may appeal the denial to the~~  
24 ~~administrative law judge pursuant to Section 40-2A-8.~~

25 "(g) If the reinstatement fees are collected by the  
26 Administrative Office of Courts, it shall remit the fee to the  
27 department, except for 15 percent of the fee, which shall be

1 retained in its entirety by the Administrative Office of  
2 Courts. If the reinstatement fees are collected by the circuit  
3 clerk, it shall remit the fee to the department, except for 15  
4 percent of the fee, which shall be retained by the circuit  
5 clerk and distributed evenly between the circuit clerk's  
6 office and the Administrative Office of Courts. Any portion of  
7 the reinstatement fee due to the Administrative Office of  
8 Courts shall be deposited into the Advanced Technology and  
9 Data Exchange Fund established pursuant to Section 12-19-290.  
10 Any portion of the reinstatement fee due to the circuit clerk  
11 shall be deposited into the Clerk's Fund established pursuant  
12 to Section 12-17-225.4(2).

13 "(h) Refunds of reinstatement fees, less the  
14 retained fees, shall be granted in cases of duplicate payment,  
15 or as approved by the department. Anyone who is denied a  
16 refund of the reinstatement fee may appeal the denial to the  
17 administrative law judge pursuant to Section 40-2A-7.

18 ~~(g)~~(i) Notwithstanding the provisions of subsection  
19 (f), ten dollars (\$10) of each reinstatement fee received 15  
20 percent of the net proceeds received by the department shall  
21 be deposited by the department into the Alabama Peace  
22 Officers' Annuity and Benefit Fund, as authorized by Section  
23 36-21-66.

24 "(j) It shall be unlawful for the vehicle owner's  
25 county license plate issuing official to fail to collect such  
26 reinstatement fees, when due. Additionally, the reinstatement  
27 fee shall not be waived by the court when the vehicle owner

1 cannot produce evidence that a valid liability insurance  
2 policy was in effect on the date a citation was issued for  
3 violation of the provisions of this chapter."

4           Section 2. The terms "circuit clerk" and "circuit  
5 clerk's office" as used in any part of this act shall also  
6 include any district clerk or district clerk's office that  
7 functions separately from the office of the circuit clerk  
8 pursuant to Section 12-17-161, Code of Alabama 1975.

9           Section 3. This act shall become effective on  
10 January 1, 2011, following its passage and approval by the  
11 Governor, or its otherwise becoming law.