

1 SB52
2 189040-1
3 By Senator Chambliss
4 RFD: Finance and Taxation General Fund
5 First Read: 09-JAN-18
6 PFD: 01/05/2018

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8 SYNOPSIS: Under existing law, a county license plate
9 issuing official, the circuit clerk of a county, or
10 the Administrative Office of Courts may collect a
11 reinstatement fee when a person is applying to have
12 his or her suspension of vehicle registration
13 reinstated for failure to have the required
14 mandatory liability insurance required by state
15 law.

16 This bill would increase the percentage of
17 the reinstatement fee that a county license plate
18 issuing official may retain when reinstating
19 vehicle registration from a suspension under the
20 mandatory liability insurance law.

21
22 A BILL
23 TO BE ENTITLED
24 AN ACT

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26 To amend Section 32-7A-12 of the Code of Alabama
27 1975, relating to suspension of vehicle registration for

1 failure to obtain mandatory liability insurance; to increase
2 the percentage of the reinstatement fee a county license plate
3 issuing official may retain when reinstating vehicle
4 registration from a suspension under the mandatory liability
5 insurance law.

6 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

7 Section 1. Section 32-7A-12 of the Code of Alabama
8 1975, is amended to read as follows:

9 "§32-7A-12.

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

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

1 "(c) In the case of a first violation, the
2 department shall terminate the suspension upon payment by the
3 owner of a reinstatement fee of two hundred dollars (\$200) in
4 a manner as prescribed by the department and submission of
5 proof of current insurance as prescribed by the department to
6 either the department, the vehicle owner's county license
7 plate issuing official, the circuit clerk of any county, or
8 the Administrative Office of Courts. Upon a first violation,
9 the owner's name and identifying information shall be provided
10 to the director by the department, for the purpose of
11 requiring the owner to purchase and maintain insurance
12 pursuant to Section 32-7-13 or Section 32-7-31, or both, for a
13 period of one year.

14 "(d) In the case of a second or subsequent violation
15 by a person having ownership interest in a motor vehicle or
16 vehicles within the preceding four years, or a violation of
17 Section 32-7A-16(b) (2), the department shall terminate the
18 suspension four months after its effective date upon payment
19 by the owner of a reinstatement fee of four hundred dollars
20 (\$400) in a manner as prescribed by the department and
21 submission of proof of current insurance as prescribed by the
22 department to either the department or to the vehicle owner's
23 county license plate issuing official, the circuit clerk of
24 any county, or the Administrative Office of Courts. In the
25 case of a second or subsequent violation, the owner's name and
26 identifying information shall be provided to the director by
27 the department, for the purpose of the director requiring the

1 owner to purchase and maintain insurance pursuant to Section
2 32-7-13 or Section 32-7-31, or both, for a period of three
3 years. Upon conviction of a second offense the violator shall
4 be guilty of a Class B misdemeanor.

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

13 "(f) Except as provided in subsections (g) and (i),
14 a portion of the fees received under this section by the
15 department shall be used by the department exclusively for the
16 operation and management of the mandatory liability insurance
17 law and this article. After the payment of the expenses, the
18 remaining funds shall be deposited into the General Fund;
19 provided, if the fees are collected by the owner's county
20 license plate issuing official, the official shall remit the
21 fee to the department, except for ~~10~~ 15 percent of the fee,
22 which shall be retained by the official and distributed 50
23 percent to the county license plate issuing official and 50
24 percent to the county general fund. The retained fees
25 distributed to the county license plate issuing official shall
26 be deposited into a special fund designated as the Special
27 Licensing Officials' Fund. The special fund shall be used for

1 the improvement of the equipment and operations in the office
2 of the licensing official charged with motor vehicle
3 registration and titling responsibilities and shall be in
4 addition to the amount budgeted for the office of the
5 official. Fees deposited into the special fund shall be
6 disbursed at the sole discretion of the license plate issuing
7 official and shall be audited by the Examiners of Public
8 Accounts. Such moneys in the special fund shall not accumulate
9 in excess of ten thousand dollars (\$10,000) during any fiscal
10 year. Any excess moneys shall accrue to the county general
11 fund. License plate issuing officials shall remit the balance
12 of the funds to the department in the manner prescribed by the
13 department by the 10th day of the month following the month of
14 collection.

15 "(g) If the reinstatement fees are collected by the
16 Administrative Office of Courts, it shall remit the fee to the
17 department, except for 15 percent of the fee, which shall be
18 retained in its entirety by the Administrative Office of
19 Courts. If the reinstatement fees are collected by the circuit
20 clerk, it shall remit the fee to the department, except for 15
21 percent of the fee, which shall be retained by the circuit
22 clerk and distributed evenly between the circuit clerk's
23 office and the Administrative Office of Courts. Any portion of
24 the reinstatement fee due to the Administrative Office of
25 Courts shall be deposited into the Advanced Technology and
26 Data Exchange Fund established pursuant to Section 12-19-290.
27 Any portion of the reinstatement fee due to the circuit clerk

1 shall be deposited into the Clerk's Fund established pursuant
2 to Section 12-17-225.4(2).

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

8 "(i) Notwithstanding the provisions of subsection
9 (f), 15 percent of the net proceeds received by the department
10 shall be deposited by the department into the Alabama Peace
11 Officers' Annuity and Benefit Fund, as authorized by Section
12 36-21-66.

13 "(j) It shall be unlawful for the vehicle owner's
14 county license plate issuing official to fail to collect such
15 reinstatement fees, when due. Additionally, the reinstatement
16 fee shall not be waived by the court when the vehicle owner
17 cannot produce evidence that a valid liability insurance
18 policy was in effect on the date a citation was issued for
19 violation of the provisions of this chapter.

20 "(k) The terms circuit clerk and circuit clerk's
21 office as used in any part of this chapter shall also include
22 any district clerk or district clerk's office that functions
23 separately from the office of the circuit clerk pursuant to
24 Section 12-17-161."

25 Section 2. This act shall become effective on the
26 first day of the third month following its passage and
27 approval by the Governor, or its otherwise becoming law.

