

1 HB302
2 197281-3
3 By Representative Rowe
4 RFD: Public Safety and Homeland Security
5 First Read: 02-APR-19

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

7 "(2) COMMERCIAL AUTOMOBILE LIABILITY INSURANCE
8 POLICY. An insurance policy that:

9 "a. Is written on either a commercial coverage or
10 other commercially rated personal policy form, including, but
11 not limited to, a commercial auto, garage, or truckers form,
12 and is not dependent on the type, number, or ownership of
13 vehicle or entity covered or insured.

14 "b. Insures vehicles that are not identified
15 individually by vehicle identification number on the policy.

16 "(3) COMMISSIONER. The Commissioner of the
17 Department of Revenue or his or her designee.

18 "(4) DEALER. Any person dealing in, buying, selling,
19 exchanging, advertising, or negotiating the sale of motor
20 vehicles and licensed under the provisions of Section
21 40-12-391.

22 "(5) DECLARATIONS PAGE. That part of an insurance
23 policy showing the name of the insured, insuring company, the
24 vehicle make, the year model, the vehicle identification
25 number (VIN), the policy number, the amount of coverage or
26 coverages, and the effective and expiration dates of the
27 policy.

1 "(6) DEPARTMENT. The Department of Revenue.

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

11 "(8) DIRECTOR. ~~The Director of Public Safety of the~~
12 ~~State of Alabama~~ Secretary of the Alabama Law Enforcement
13 Agency, or his or her designee.

14 "(9) INSURANCE BINDER. A document issued by an
15 insurer or its authorized representative showing that a
16 specific vehicle is insured for no less than the minimum
17 limits of liability coverage for bodily injury or death and
18 for destruction of property under subsection (c) of Section
19 32-7-6.

20 "(10) INSURANCE COMMISSIONER. The Commissioner of
21 the Department of Insurance, or his or her designee.

22 "(11) LIABILITY INSURANCE POLICY. An owner's or an
23 operator's personal automobile liability insurance policy,
24 issued by an insurance carrier duly authorized to transact
25 business in this state.

1 "(12) MOTOR VEHICLE. Every self-propelled vehicle
2 that is designed to be operated on the streets and highways of
3 Alabama, but not operated upon rails.

4 "(13) MOTOR VEHICLE LIABILITY BOND. A bond of a
5 surety company duly authorized to transact business in this
6 state, which is conditioned for payments in amounts and under
7 the same circumstances as would be required in a motor vehicle
8 liability insurance policy.

9 "(14) NAIC NUMBER. A unique identification number
10 assigned to the insurance company by the National Association
11 of Insurance Commissioners.

12 "(15) NON-ADMITTED COMPANY. An insurance company not
13 licensed to conduct business in this state which sells
14 coverage that is unavailable from licensed insurers within
15 this state.

16 "(16) NON-OWNER POLICY. An insurance policy issued
17 for persons who drive but do not own the insured vehicle.

18 "(17) ONLINE INSURANCE VERIFICATION SYSTEM. An
19 online insurance verification system using web services as
20 defined in Section 32-7B-2 ~~(6)~~.

21 "(18) OPERATOR. Every person who is in actual
22 physical control of a motor vehicle.

23 "(19) OWNER. Any of the following persons:

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

26 "b. The mortgagor, debtor, conditional vendee, or
27 lessee of a vehicle that is the subject of a chattel mortgage,

1 lien, agreement for the conditional sale thereof, lease or
2 other like agreement with the right of purchase upon
3 performance of the conditions stated in the agreement and with
4 the immediate right of possession vested in the mortgagor,
5 debtor, conditional vendee, or lessee, in which event the
6 mortgagor, debtor, conditional vendee, or lessee shall be
7 deemed the owner for purposes of this chapter.

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

10 "(20) PERSON. Every natural person, firm,
11 partnership, association, estate, trust, corporation, limited
12 liability partnership, limited liability company, or other
13 entity.

14 "(21) REGISTRANT. Vehicle owner or operator, who is
15 issued a registration for a motor vehicle.

16 "(22) REGISTRATION. Certificate or certificates and
17 license plates issued under the laws of this state pertaining
18 to the registration of motor vehicles.

19 "(23) SIGNATURE. A unique mark, process, or
20 verification in a manner prescribed by the department, as
21 provided in Section 40-1-1.

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

1 "(25) SUSPENSION. The withdrawal by formal action of
2 the department of a vehicle's registration as specified by
3 this chapter.

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

7 "§32-7A-5.

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

10 "(1) Trailers as defined in Section 40-12-240,
11 including, but not limited to, semitrailers, travel trailers,
12 boat trailers, pole trailers, and utility trailers.

13 "(2) Motor vehicles owned and operated by the United
14 States or any agency thereof, the State of Alabama, or any
15 political or governmental subdivision thereof.

16 "(3) Any motor vehicle which is subject to the
17 supervision and regulation of the Federal Motor Carrier Safety
18 Administration or the Alabama Public Service Commission and
19 for which the owner and/or operator has filed evidence of
20 financial responsibility, the liability under which is not
21 less than that required of the operator of a motor vehicle
22 under the terms of this chapter.

23 "(4) Motor vehicles covered by a certificate of
24 self-insurance issued by the director under the provisions of
25 Section 32-7-34.

26 "(5) Other motor vehicles complying with laws which
27 require the vehicles to be insured in amounts meeting or

1 exceeding the minimum amounts required under Section
2 32-7-6(c).

3 "6) Implements of husbandry as defined in Section
4 32-8-2 ~~(5)~~.

5 "(7) Any vehicle moved solely by animal power.

6 "(8) Special mobile equipment, as defined in Section
7 32-8-2 ~~(20)~~.

8 "(9) Inoperable or stored motor vehicles ~~that are~~
9 ~~not operated, as defined by rules and regulations of the~~
10 ~~department and not subject to the provisions of Section~~
11 ~~32-7A-7~~ for which the registrant has surrendered the
12 registration and associated license plate in accordance with
13 the rules promulgated by the department prior to the motor
14 vehicle no longer being covered by a liability insurance
15 policy required by this chapter.

16 "(10) Motor vehicles owned by a licensed motor
17 vehicle dealer, wholesaler, or ~~rebuilder, or reconditioner~~ and
18 held in inventory that are covered by a blanket liability
19 insurance policy or commercial automobile liability insurance
20 policy.

21 "(11) Vehicles properly registered in another
22 jurisdiction and not legally required to be registered
23 pursuant to Chapter 12 of Title 40.

24 (12) Vehicles owned by a bank, a subsidiary or
25 affiliate of a bank, or finance company, acquired as an
26 incident to their regular business, that are covered by a

1 blanket liability insurance policy or commercial automobile
2 liability insurance policy.

3 "(13) Vehicles as prescribed by the commissioner
4 that are covered by a blanket liability insurance policy or
5 commercial automobile liability insurance policy.

6 "§32-7A-8.

7 "~~If~~ When the department determines that an owner has
8 registered or maintained the registration of a motor vehicle
9 without a liability insurance policy or a commercial
10 automobile liability insurance policy in accordance with
11 Section 32-7A-4, the department shall, following the
12 expiration of the 30-day period from the date of the notice
13 provided under Section 32-7A-11, notify the owner that such
14 owner's vehicle registration ~~shall be~~ has been suspended ~~30~~
15 ~~calendar days after the date of the mailing of the notice~~
16 ~~unless the owner furnishes evidence of insurance in effect on~~
17 ~~the verification date, as prescribed by the department.~~ The
18 notice shall be in writing and shall be mailed by the U.S.
19 Postal Service, to the registrant's last known address as
20 reflected on the department's motor vehicle registration
21 records. The notice shall set forth the appeal rights
22 available to the registered owner pursuant to Chapter 2A of
23 Title 40.

24 "§32-7A-11.

25 "a) When the department is unable to verify that
26 liability insurance coverage exists for a motor vehicle
27 registered or required to be registered in this state, the

1 department shall send the registrant notice via USPS mail at
2 the last known address as reflected on the department's motor
3 vehicle registration records. The notice shall require that
4 the registrant, within 30 calendar days of the date of the
5 notice, provide evidence of continuous liability insurance
6 coverage for the vehicle for the period specified by the
7 department. The registration will be suspended unless either:

8 "(1) The registrant responds within the required
9 time frame and the response establishes that the registrant
10 has not had a lapse in liability insurance coverage. The
11 department shall then indicate in its records that the insured
12 is in compliance with this chapter.

13 "(2) The registrant responds within the required
14 time frame that, after the registration date, he or she did
15 not operate the vehicle during the lapse in coverage due to
16 the motor vehicle being stored, inoperable, or otherwise
17 unused as prescribed by the department. The registrant may
18 claim the stored or inoperable exemption provided under this
19 subdivision only if all of the following conditions are
20 satisfied:

21 "a. The registrant surrenders the registration and
22 associated license plate to the registrant's license plate
23 issuing official within 30 days from the date of the notice
24 sent pursuant to subsection (a).

25 "b. The registrant has not claimed a stored or
26 inoperable exemption under this subdivision during the current
27 registration period for the registered vehicle.

1 "c. During the lapse in coverage, the registered
2 vehicle was not involved in an accident while operated on a
3 public road or highway.

4 "d. During the lapse in coverage, the registrant or
5 a driver of the registered vehicle was not subject to or
6 issued a citation while operating the registered vehicle on a
7 public road or highway.

8 ~~The~~ If each of these conditions is satisfied, the
9 current registration shall~~then~~ be revoked and the department
10 shall update its records to reflect that the registration is
11 revoked for the remainder of the registration period. In the
12 event the motor vehicle for which the registration has been
13 revoked is no longer stored, inoperable, or otherwise unused
14 as prescribed by the department, a new registration and
15 license plate must be obtained prior to operating the vehicle.
16 The department may by establish by rule an extension to the 30
17 day surrender period if the registrant cannot return the
18 license plate for good cause.

19 "(b) Except as provided in Section 32-7A-11(a)(2),
20 ~~If~~ if the registrant subsequently provides, in a manner as
21 prescribed by the department, proof of subsequent liability
22 insurance coverage for the vehicle during the current
23 registration period then the registration shall be reinstated.

24 "(c) Any operator of a motor vehicle for which the
25 registration has been revoked shall be subject to citation by
26 law enforcement in accordance with Section 32-7A-16.

1 "(d) The notice required under subsection (a) shall
2 include notice of the following:

3 "(1) That the stored or inoperable exemption
4 provided for in subdivision (a) (2) can be claimed only once
5 during a registration period.

6 "(2) That once this exemption is claimed during a
7 registration period, reinstatement of the vehicle's
8 registration following any further lapse in coverage during
9 the registration period will require the payment of the
10 reinstatement fees provided under Section 32-7A-12.

11 "§32-7A-12.

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

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

1 renewed or a new registration is acquired for the motor
2 vehicle contrary to Section 32-7A-17.

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

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

1 owner's name and identifying information shall be provided to
2 the director by the department, for the purpose of the
3 director requiring the owner to purchase and maintain
4 insurance pursuant to Section 32-7-13 or Section 32-7-31, or
5 both, for a period of ~~three~~ two registration years. Upon
6 conviction of a second offense the violator shall be guilty of
7 a Class B misdemeanor.

8 ~~"(e) The registrant shall not be subject to the
9 reinstatement fees provided by subsections (c) and (d) and the
10 department shall terminate the suspension if the department or
11 official establishes that, upon presentation of proof of
12 liability insurance coverage for the insurance verification
13 date, the registrant did not have a lapse in liability
14 insurance coverage.~~

15 (e) The registrant shall not be subject to the
16 reinstatement fees provided in subsections (c) and (d) and the
17 suspension shall be terminated if it can be verified that
18 liability coverage was in effect on the insurance verification
19 date.

20 ~~"(e)~~ (f) In accepting the reinstatement fee and
21 proof of current insurance, the owner's county license plate
22 issuing official, the circuit clerk of any county, or the
23 Administrative Office of Courts shall be responsible for
24 notifying and forwarding, not later than the next business
25 day, any required documentation concerning the reinstatement
26 of motor vehicle registration or registrations to the
27 department in the manner prescribed by the department.

1 "~~(f)~~ (g) Except as provided in subsections ~~(g)~~ (h)
2 and ~~(i)~~, (j) a portion of the fees received under this section
3 by the department shall be used by the department exclusively
4 for the operation and management of the mandatory liability
5 insurance law and this article. After the payment of the
6 expenses, the remaining funds shall be deposited into the
7 General Fund; provided, if the fees are collected by the
8 owner's county license plate issuing official, the official
9 shall remit the fee to the department, except for ~~10~~ (15)
10 percent of the fee, which shall be retained by the official
11 and distributed 50 percent to the county license plate issuing
12 official and 50 percent to the county general fund. The
13 retained fees distributed to the county license plate issuing
14 official shall be deposited into a special fund designated as
15 the Special Licensing Officials' Fund. The special fund shall
16 be used for taxpayer education of the requirements of Title
17 32, Chapter 7A, the improvement of the equipment and
18 operations in the office of the licensing official charged
19 with motor vehicle registration and titling responsibilities
20 and shall be in addition to the amount budgeted for the office
21 of the official. Fees deposited into the special fund shall be
22 disbursed at the sole discretion of the license plate issuing
23 official and shall be audited by the Examiners of Public
24 Accounts. Such moneys in the special fund shall not ~~accumulate~~
25 ~~in excess of ten thousand dollars (\$10,000) during~~ exceed
26 twenty-five thousand dollars ~~(25,000)~~ (\$25,000) at the end of
27 any fiscal year, provided however that balances in excess of

1 the twenty-five thousand ~~(\$25,000)~~ (\$25,000) cap may be carried
2 over on a monthly basis prior to the close of each fiscal
3 year. Any excess moneys shall accrue to the county general
4 fund. License plate issuing officials shall remit the balance
5 of the funds to the department in the manner prescribed by the
6 department ~~by the 10th~~ on or before the 20th day of the month
7 following the month of collection.

8 ~~"(g)~~ (h) If the reinstatement fees are collected by
9 the Administrative Office of Courts, it shall remit the fee to
10 the department, except for 15 percent of the fee, which shall
11 be retained in its entirety by the Administrative Office of
12 Courts. If the reinstatement fees are collected by the circuit
13 clerk, it shall remit the fee to the department, except for 15
14 percent of the fee, which shall be retained by the circuit
15 clerk and distributed evenly between the circuit clerk's
16 office and the Administrative Office of Courts. Any portion of
17 the reinstatement fee due to the Administrative Office of
18 Courts shall be deposited into the Advanced Technology and
19 Data Exchange Fund established pursuant to Section 12-19-290.
20 Any portion of the reinstatement fee due to the circuit clerk
21 shall be deposited into the Clerk's Fund established pursuant
22 to Section 12-17-225.4(2).

23 ~~"(h)~~ (i) Refunds of reinstatement fees, less the
24 retained fees, shall be granted in cases of duplicate payment,
25 or as approved by the department. Anyone who is denied a
26 refund of the reinstatement fee may appeal the denial to the

1 ~~administrative law judge~~ Alabama Tax Tribunal pursuant to
2 Section 40-2A-7.

3 "~~(i)~~ (j) Notwithstanding the provisions of
4 subsection ~~(f)~~ (g), 15 percent of the net proceeds received by
5 the department shall be deposited by the department into the
6 Alabama Peace Officers' Annuity and Benefit Fund, as
7 authorized by Section 36-21-66.

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

15 "~~(k)~~ (l) The terms circuit clerk and circuit clerk's
16 office as used in any part of this chapter shall also include
17 any district clerk or district clerk's office that functions
18 separately from the office of the circuit clerk pursuant to
19 Section 12-17-161."

20 Section 2. The department shall provide the
21 licensing plate issuing official the ability to dispose of
22 unused and surrendered license plates in a uniform manner as
23 prescribed by the department and provide guidance to
24 registrants on the disposal and surrender of a license plate
25 when a license plate transfer is not an available option.

1 Section 3. This act shall become effective January
2 1, 2020, following its passage and approval by the Governor,
3 or upon its otherwise becoming law.

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House of Representatives

Read for the first time and re-
ferred to the House of Representa-
tives committee on Public Safety
and Homeland Security..... 02-APR-19

Read for the second time and placed
on the calendar 1 amendment 25-APR-19

Read for the third time and passed
as amended..... 22-MAY-19

Yeas 93, Nays 0, Abstains 7

Jeff Woodard
Clerk