

SB201 INTRODUCED



1 O75KWJ-1

2 By Senators Carnley, Reed, Chesteen, Melson, Givhan, Jones,

3 Kelley, Bell, Hatcher, Barfoot

4 RFD: Veterans and Military Affairs

5 First Read: 11-Apr-23

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SYNOPSIS:

Under existing law, certain motor vehicles and operators are exempt from the requirement that every motor vehicle registered in this state shall be covered by a liability insurance policy, a commercial automobile liability insurance policy, motor vehicle liability bond, or deposit of cash of minimum coverage limits.

This bill would provide an additional exception to allow an individual on active military duty, whose motor vehicle is registered in Alabama but who, as a result of his or her military assignment, is required to reside in another state, to satisfy the requirement for mandatory motor vehicle liability insurance by purchasing liability coverage in the state where residing on active military duty or assignment in an amount equal to or greater than the minimum amount required in Alabama.

A BILL
TO BE ENTITLED
AN ACT

Relating to mandatory motor vehicle liability



SB201 INTRODUCED

29 insurance; to amend Section 32-7A-5, Code of Alabama 1975, to
30 provide an exception to allow an individual on active military
31 duty, whose motor vehicle is registered in Alabama but who, as
32 a result of his or her military assignment, is required to
33 reside in another state, to satisfy the requirement for
34 mandatory motor vehicle liability insurance by purchasing
35 liability coverage in the state where residing on active
36 military duty or assignment in an amount equal to or greater
37 than the minimum amount required in Alabama.

38 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

41 "§32-7A-5

42 (a) This chapter shall not apply to any of the
43 following vehicles or operators:

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

47 (2) Motor vehicles owned and operated by the United
48 States or any agency thereof, the State of Alabama, or any
49 political or governmental subdivision thereof.

50 (3) Any motor vehicle which is subject to the
51 supervision and regulation of the Federal Motor Carrier Safety
52 Administration or the Alabama Public Service Commission and
53 for which the owner and/or operator has filed evidence of
54 financial responsibility, the liability under which is not
55 less than that required of the operator of a motor vehicle
56 under the terms of this chapter.



SB201 INTRODUCED

57 (4) Motor vehicles covered by a certificate of
58 self-insurance issued by the director under the provisions of
59 Section 32-7-34.

60 (5) Other motor vehicles complying with laws which
61 require the vehicles to be insured in amounts meeting or
62 exceeding the minimum amounts required under Section
63 32-7-6(c).

64 (6) Implements of husbandry as defined in Section
65 32-8-2.

66 (7) Any vehicle moved solely by animal power.

67 (8) Special mobile equipment, as defined in Section
68 32-8-2.

69 (9) Inoperable or stored motor vehicles for which the
70 registrant has surrendered the registration and associated
71 license plate in accordance with the rules adopted by the
72 department prior to the motor vehicle no longer being covered
73 by a liability insurance policy required by this chapter.

74 (10) Motor vehicles owned by a licensed motor vehicle
75 dealer, wholesaler, or rebuilder and held in inventory that
76 are covered by a blanket liability insurance policy or
77 commercial automobile liability insurance policy.

78 (11) Vehicles properly registered in another
79 jurisdiction and not legally required to be registered
80 pursuant to Chapter 12 of Title 40.

81 (12) Vehicles owned by a bank, a subsidiary or
82 affiliate of a bank, or finance company, acquired as an
83 incident to their regular business, that are covered by a
84 blanket liability insurance policy or commercial automobile



SB201 INTRODUCED

85 liability insurance policy.

86 (13) Vehicles as prescribed by the commissioner that
87 are covered by a blanket liability insurance policy or
88 commercial automobile liability insurance policy.

89 (b) An individual on active duty with the United States
90 Armed Forces whose motor vehicle is registered in this state
91 but who, as a result of his or her military duty or assignment
92 is required to reside in another state during the registration
93 period as defined under Section 32-6-61, may satisfy the
94 requirements of this chapter by purchasing liability coverage
95 in the state where residing on active military duty or
96 assignment equal to or greater than the minimum amount
97 required by Section 32-7A-4 and providing proof of coverage.
98 An individual's purchase of liability coverage under this
99 subsection shall not invalidate his or her license or
100 registration in this state pursuant to Chapter 6 of Title 32."

101 Section 2. This act shall become effective January 1,
102 2024, following its passage and approval by the Governor, or
103 its otherwise becoming law.