

SB312 ENGROSSED



1 F61TDD-2
2 By Senator Chambliss
3 RFD: County and Municipal Government
4 First Read: 11-May-23
5 2023 Regular Session



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A BILL
TO BE ENTITLED
AN ACT

Relating to the Mandatory Liability Insurance Act; to amend Sections 32-7A-5 and 32-7A-16, Code of Alabama 1975, to further provide for the exceptions to the act for inoperable or stored motor vehicles; to prohibit the continued operation of a motor vehicle in violation of the registration and insurance requirements.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 32-7A-5 and 32-7A-16, Code of Alabama 1975, are amended to read as follows:

"§32-7A-5

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

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

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

(3) Any motor vehicle ~~which~~that is subject to the supervision and regulation of the Federal Motor Carrier Safety



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29 Administration or the Alabama Public Service Commission and
30 for which the owner and/or operator has filed evidence of
31 financial responsibility, the liability under which is not
32 less than that required of the operator of a motor vehicle
33 under the terms of this chapter.

34 (4) Motor vehicles covered by a certificate of
35 self-insurance issued by the director under ~~the provisions of~~
36 Section 32-7-34.

37 (5) Other motor vehicles complying with laws ~~which~~that
38 require the vehicles to be insured in amounts meeting or
39 exceeding the minimum amounts required under Section
40 32-7-6(c).

41 (6) Implements of husbandry as defined in Section
42 32-8-2.

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

44 (8) Special mobile equipment, as defined in Section
45 32-8-2.

46 (9) Inoperable or stored motor vehicles; provided,
47 however, that this does not relieve or nullify any affirmative
48 duty to maintain insurance coverage pursuant to a security
49 agreement ~~for which the registrant has surrendered the~~
50 ~~registration and associated license plate in accordance with~~
51 ~~the rules adopted by the department prior to the motor vehicle~~
52 ~~no longer being covered by a liability insurance policy~~
53 ~~required by this chapter.~~

54 (10) Motor vehicles owned by a licensed motor vehicle
55 dealer, wholesaler, or rebuilder and held in inventory that
56 are covered by a blanket liability insurance policy or



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57 commercial automobile liability insurance policy.

58 (11) Vehicles properly registered in another
59 jurisdiction and not legally required to be registered
60 pursuant to Chapter 12 of Title 40.

61 (12) Vehicles owned by a bank, a subsidiary or
62 affiliate of a bank, or finance company, acquired as an
63 incident to their regular business, that are covered by a
64 blanket liability insurance policy or commercial automobile
65 liability insurance policy.

66 (13) Vehicles as prescribed by the commissioner that
67 are covered by a blanket liability insurance policy or
68 commercial automobile liability insurance policy."

69 "§32-7A-16

70 (a) A person is guilty of a Class C misdemeanor who:

71 (1) Operates a motor vehicle without a liability
72 insurance policy, a commercial automobile liability insurance
73 policy, a motor vehicle liability insurance bond, or deposit
74 of cash in accordance with this chapter.

75 (2) With notice of cancellation, recision, abrogation,
76 or termination of insurance, registers, or attempts to
77 register a motor vehicle.

78 (b) A person shall be guilty of a traffic violation
79 who:

80 (1) Operates a motor vehicle and upon demand of a law
81 enforcement officer, fails or refuses to present satisfactory
82 evidence of insurance unless a law enforcement officer
83 verifies motor vehicle liability insurance coverage through
84 the online insurance verification system.



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85 (2) Operates a vehicle the registration of which is
86 suspended or revoked pursuant to this chapter.

87 (3) Operates a motor vehicle and presents evidence of
88 insurance when there is no valid insurance in effect on the
89 motor vehicle as required by this chapter.

90 (c) A motor vehicle may be impounded at the discretion
91 of a law enforcement officer if the operator fails to provide
92 evidence of registration and insurance as required by this
93 title or Title 40. Evidence of registration and insurance may
94 be verified through the online insurance verification system
95 and other electronic means as necessary.

96 (d) For the purposes of this chapter, ~~the reference~~
97 ~~herein to~~ "operating a motor vehicle" shall be satisfied
98 whenever it is apparent that the vehicle has traveled any
99 distance upon a public road or highway and a law enforcement
100 officer may have only observed the results of finding the
101 vehicle stopped either on or off the public road or highway,
102 as for example when the vehicle has come to a stop after an
103 accident. Witnessing the operation of the vehicle is not
104 required for a citation to be issued under this chapter.

105 (e) (1) In no case shall a motor vehicle for which a
106 traffic stop has been conducted or which has been involved in
107 an accident continue to be operated on a public road or
108 highway if the operator of the motor vehicle fails to provide
109 evidence of registration and insurance as required by Section
110 32-7A-4, this title, or Title 40, and in such event the
111 following shall apply:

112 a. For a first violation within a two-year registration



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113 period, the law enforcement officer shall direct the motor
114 vehicle to be moved to a place of safety away from the
115 roadway.

116 b. For a second violation within a two-year
117 registration period, the law enforcement officer shall direct
118 an approved towing service to tow the vehicle to a location of
119 the operator's choice and to release the motor vehicle to the
120 owner, operator, or agent thereof upon payment of any fees
121 associated with the towing, impoundment, and storage of the
122 vehicle.

123 c. For a third or subsequent violation within a
124 two-year registration period, the law enforcement officer
125 shall cause the vehicle to be impounded. The motor vehicle may
126 not be released to the operator, owner, or agent thereof until
127 the requirements of Section 32-7A-4 are satisfied and all
128 reasonable and customary towing, impoundment, and storage fees
129 are paid.

130 (2) Any towing service that removes a motor vehicle at
131 the direction of a law enforcement officer shall have a lien
132 on the motor vehicle for all reasonable and customary fees
133 related to the towing, impoundment, and storage of a motor
134 vehicle as provided in Section 32-6-19(c)(2)."

135 Section 2. This act shall become effective January 1,
136 2024, following its passage and approval by the Governor, or
137 its otherwise becoming law.



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140 Senate

141 Read for the first time and referred11-May-23
142 to the Senate committee on County
143 and Municipal Government

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145 Read for the second time and placed16-May-23
146 on the calendar:
147 0 amendments

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149 Read for the third time and passed24-May-23
150 as amended
151 Yeas 33
152 Nays 0
153 Abstains 0

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156 Patrick Harris,
157 Secretary.
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