

SHORT TITLE: Motor vehicles; requiring new and used motor vehicle dealers to require proof of liability insurance coverage prior to leased or purchased vehicle being driven from dealer's property; codification; effective date.

STATE OF OKLAHOMA

1st Session of the 46th Legislature (1997)

SENATE BILL NO. 7

By: Easley

AS INTRODUCED

An Act relating to motor vehicles; requiring new and used motor vehicle dealers to require proof of liability insurance coverage prior to leased or purchased vehicle being driven from dealer's property; declaring certain form to be proof of coverage; requiring copy of form be retained by dealer; making dealer who fails to comply with provision liable for certain claims for certain period; providing for codification; and providing an effective date.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 580.3 of Title 47, unless there is created a duplication in numbering, reads as follows:

A. Upon lease or purchase of a motor vehicle from a new motor vehicle dealer and prior to the vehicle being driven from the dealer's property, the dealer shall require proof of motor vehicle liability insurance coverage from the person to whom the title to the vehicle is to be transferred. A current security verification form provided by an insurance carrier pursuant to Section 7-601.1 of Title 47 of the Oklahoma Statutes for other vehicles owned or operated by the transferee, or a similar form issued pursuant to the laws of another state, shall suffice as proof of liability insurance

coverage. A copy of this form shall be made and retained by the dealer as evidence of compliance with the provisions of this section.

B. A dealer who fails to comply with the provisions of this section shall be liable, for a thirty-day period beginning on the date of the lease or sale of the vehicle, for any claim which arises out of the operation of the vehicle to the extent that the claim would be covered by a policy of liability insurance which meets the minimum requirements set forth in Section 7-204 of Title 47 of the Oklahoma Statutes.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 588 of Title 47, unless there is created a duplication in numbering, reads as follows:

A. Upon lease or purchase of a motor vehicle from a used motor vehicle dealer and prior to the vehicle being driven from the dealer's property, the dealer shall require proof of motor vehicle liability insurance coverage from the person to whom the title to the vehicle is to be transferred. A current security verification form provided by an insurance carrier pursuant to Section 7-601.1 of Title 47 of the Oklahoma Statutes for other vehicles owned or operated by the transferee, or a similar form issued pursuant to the laws of another state, shall suffice as proof of liability insurance coverage. A copy of this form shall be made and retained by the dealer as evidence of compliance with the provisions of this section.

B. A dealer who fails to comply with the provisions of this section shall be liable, for a thirty-day period beginning on the date of the lease or sale of the vehicle, for any claim which arises out of the operation of the vehicle to the extent that the claim would be covered by a policy of liability insurance which meets the minimum requirements set forth in Section 7-204 of Title 47 of the Oklahoma Statutes.

SECTION 3. This act shall become effective November 1, 1997.

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