

ENGROSSED HOUSE  
BILL NO. 3115

By: Peterson (Ron), Terrill,  
Tibbs, Rousselot, Morgan  
(Danny), Lamons, Worthen,  
Thompson, Smithson,  
Brannon, McDaniel, Dorman  
and Pruett of the House

and

Williamson of the Senate

( motor vehicle insurance - online verification  
system - amending 36 O.S., Sections 3636 and 942 -  
amending 3 sections in Title 47 - suspension of  
driving privilege - codification - effective date -  
emergency )

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 7-705.1 of Title 47, unless  
there is created a duplication in numbering, reads as follows:

A. The Department of Public Safety shall promulgate and adopt  
rules for an online verification system for motor vehicle insurance  
or bond as required by the Compulsory Insurance Law, subject to the  
following:

1. The Department shall cooperate with the Oklahoma Tax  
Commission in the development of the verification system;

2. The verification system shall be accessible through the  
Internet, World Wide Web or a similar proprietary or common carrier  
electronic system by authorized personnel of the Department, the  
Oklahoma Tax Commission, the courts, law enforcement personnel, and  
any other entities authorized by the Department;

3. The verification system shall provide for direct inquiry and response between the Department and insurance carriers and direct access to insurers' records by personnel authorized by the Department;

4. The verification system shall be available twenty-four (24) hours a day to verify the insurance status of any vehicle registered in this state through the vehicle's identification number, policy number, registered owner's name or other identifying characteristic or marker as prescribed by the Department in its rules;

5. The Department shall conduct a pilot project to test the system prior to statewide use;

6. The verification system shall be installed and operational no later than July 1, 2008, following an appropriate testing period;

7. The Department may contract with a private vendor to assist in establishing and maintaining the verification system;

8. The verification system shall include appropriate provisions, consistent with industry standards, to secure its data against unauthorized access and to maintain a record of all information requests;

9. Information contained in the verification system shall not be considered a public record; and

10. Any law enforcement officer, during a traffic stop or accident investigation, may access information from the online verification system to establish compliance with the Compulsory Insurance Law and to verify the current validity of the policy described on a security verification form and produced by the operator of a motor vehicle during the traffic stop or accident investigation.

B. Insurance carriers shall cooperate with the Department in establishing and maintaining the insurance verification system and shall provide access to motor vehicle insurance policy status information as provided in the Department's rules.

SECTION 2. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 7-611 of Title 47, unless there is created a duplication in numbering, reads as follows:

A. Except as provided in subsection B of this section, in any civil action to recover damages arising out of an accident involving the operation of a motor vehicle or for any claim against another party's motor vehicle liability insurance coverage, the maximum amount that a plaintiff or claimant may receive, if the plaintiff or claimant is not in compliance with the Compulsory Insurance Law, shall be limited to the amount of medical costs, property damage, and lost income and shall not include any award for pain and suffering.

B. The limitations provided for in subsection A of this section shall not apply:

1. If the plaintiff or claimant was injured by a motorist who at the time of the accident was operating or using a motor vehicle while intoxicated in violation of any provision of law relating to the illegal operation or use of a motor vehicle while intoxicated, and that motorist was convicted of, or pled guilty or nolo contendere to, the offense;

2. If the plaintiff or claimant was a passenger in a motor vehicle involved in the accident, unless the plaintiff or claimant is an owner of the vehicle;

3. If the plaintiff or claimant was not in any motor vehicle involved in the accident;

4. To wrongful death claims; or

5. If the motorist who caused the accident:

a. intentionally causes the accident,

b. leaves the scene of the accident, or

c. at the time of the accident, is acting in furtherance of the commission of a felony.

C. Each person who is involved in the accident which is the basis for the action or claim by the plaintiff or claimant and who is found liable for damages to the plaintiff or claimant may assert the limitation of recovery provided for in subsection A of this section, unless any of the provisions of subsection B of this section apply. The person's motor vehicle liability insurer also may assert the limitation.

SECTION 3. AMENDATORY 36 O.S. 2001, Section 3636, as amended by Section 25, Chapter 519, O.S.L. 2004 (36 O.S. Supp. 2005, Section 3636), is amended to read as follows:

Section 3636. A. No policy insuring against loss resulting from liability imposed by law for bodily injury or death suffered by any person arising out of the ownership, maintenance or use of a motor vehicle shall be issued, delivered, renewed, or extended in this state with respect to a motor vehicle registered or principally garaged in this state unless the policy includes the coverage described in subsection B of this section.

B. The policy referred to in subsection A of this section shall provide coverage therein or supplemental thereto for the protection of persons insured thereunder who are legally entitled to recover damages from owners or operators of uninsured motor vehicles and hit-and-run motor vehicles because of bodily injury, sickness or disease, including death resulting therefrom. Coverage shall be not less than the amounts or limits prescribed for bodily injury or death for a policy meeting the requirements of Section 7-204 of Title 47 of the Oklahoma Statutes, as the same may be hereafter amended; provided, however, that increased limits of liability shall be offered and purchased if desired, not to exceed the limits provided in the policy of bodily injury liability of the insured. The uninsured motorist coverage shall be upon a form approved by the Insurance Commissioner as otherwise provided in the Insurance Code and may provide that the parties to the contract shall, upon demand

of either, submit their differences to arbitration; provided, that if agreement by arbitration is not reached within three (3) months from date of demand, the insured may sue the tortfeasor.

C. For the purposes of this coverage the term "uninsured motor vehicle" shall include an insured motor vehicle where the liability insurer thereof is unable to make payment with respect to the legal liability of its insured within the limits specified therein because of insolvency. For the purposes of this coverage the term "uninsured motor vehicle" shall also include an insured motor vehicle, the liability limits of which are less than the amount of the claim of the person or persons making such claim, regardless of the amount of coverage of either of the parties in relation to each other.

D. An insurer's insolvency protection shall be applicable only to accidents occurring during a policy period in which its insured's uninsured motorist coverage is in effect where the liability insurer of the tortfeasor becomes insolvent within one (1) year after such an accident. Nothing herein contained shall be construed to prevent any insurer from according insolvency protection under terms and conditions more favorable to its insured than is provided hereunder.

E. For purposes of this section, there is no coverage for any insured while occupying a motor vehicle owned by, or furnished or available for the regular use of the named insured, a resident spouse of the named insured, or a resident relative of the named insured, if such motor vehicle is not insured by a motor vehicle insurance policy.

F. In the event of payment to any person under the coverage required by this section and subject to the terms and conditions of such coverage, the insurer making such payment shall, to the extent thereof, be entitled to the proceeds of any settlement or judgment resulting from the exercise of any rights of recovery of such person against any person or organization legally responsible for the

bodily injury for which such payment is made, including the proceeds recoverable from the assets of the insolvent insurer. Provided, however, with respect to payments made by reason of the coverage described in subsection C of this section, the insurer making such payment shall not be entitled to any right of recovery against such tortfeasor in excess of the proceeds recovered from the assets of the insolvent insurer of said tortfeasor. Provided further, that any payment made by the insured tortfeasor shall not reduce or be a credit against the total liability limits as provided in the insured's own uninsured motorist coverage. Provided further, that if a tentative agreement to settle for liability limits has been reached with an insured tortfeasor, written notice shall be given by certified mail to the uninsured motorist coverage insurer by its insured. Such written notice shall include:

1. Written documentation of pecuniary losses incurred, including copies of all medical bills; and
2. Written authorization or a court order to obtain reports from all employers and medical providers. Within sixty (60) days of receipt of this written notice, the uninsured motorist coverage insurer may substitute its payment to the insured for the tentative settlement amount. The uninsured motorist coverage insurer shall then be entitled to the insured's right of recovery to the extent of such payment and any settlement under the uninsured motorist coverage. If the uninsured motorist coverage insurer fails to pay the insured the amount of the tentative tort settlement within sixty (60) days, the uninsured motorist coverage insurer has no right to the proceeds of any settlement or judgment, as provided herein, for any amount paid under the uninsured motorist coverage.

G. A named insured or applicant shall have the right to reject uninsured motorist coverage in writing, ~~and except that unless a named insured or applicant requests such coverage in writing, such coverage need not be provided in or supplemental to any renewal,~~

~~reinstatement, substitute, amended or replacement policy where a named insured or applicant had rejected the coverage in connection with a policy previously issued to him by the same insurer. The form signed by the insured or applicant which initially rejects coverage or selects lower limits shall remain valid for the life of the policy and the completion of a new selection form shall not be required when a renewal, reinstatement, substitute, replacement, or amended policy is issued to the same named insured by the same insurer or any of its affiliates. Any changes to an existing policy, regardless of whether these changes create new coverage, do not create a new policy and do not require the completion of a new form unless the changes are made to the uninsured motorist coverage.~~

H. ~~Notwithstanding the provisions of this section, the following are the only instances in which a new form affecting uninsured motorist coverage shall be required:~~

~~1. When an insurer is notified of a change in or an additional named insured;~~

~~2. When there is an additional vehicle that is not a replacement vehicle; provided, a new form shall not be required for the addition, substitution or deletion of a vehicle from a commercial automobile liability policy; or~~

~~3. When the amount of bodily injury liability coverage is amended. Provided, any change in premium alone shall not require the issuance of a new form.~~

After selection of limits, rejection, or exercise of the option not to purchase uninsured motorist coverage by a named insured or applicant for insurance, the insurer shall not be required to notify any insured in any renewal, reinstatement, substitute, amended or replacement policy as to the availability of such uninsured motorist coverage or such optional limits. Such selection, rejection, or exercise of the option not to purchase uninsured motorist coverage by a named insured or an applicant shall be valid for all insureds

under the policy and shall continue until a named insured requests in writing that the uninsured motorist coverage be added to an existing or future policy of insurance.

I. Effective for forms required before April 1, 2005, the offer of the coverage required by subsection B of this section shall be in the following form which shall be filed with and approved by the Insurance Commissioner. The form shall be provided to the proposed insured in writing separately from the application and shall read substantially as follows:

OKLAHOMA UNINSURED MOTORIST COVERAGE LAW

Oklahoma law gives you the right to buy Uninsured Motorist coverage in the same amount as your bodily injury liability coverage. THE LAW REQUIRES US TO ADVISE YOU OF THIS VALUABLE RIGHT FOR THE PROTECTION OF YOU, MEMBERS OF YOUR FAMILY, AND OTHER PEOPLE WHO MAY BE HURT WHILE RIDING IN YOUR INSURED VEHICLE. YOU SHOULD SERIOUSLY CONSIDER BUYING THIS COVERAGE IN THE SAME AMOUNT AS YOUR LIABILITY INSURANCE COVERAGE LIMIT.

Uninsured Motorist coverage, unless otherwise provided in your policy, pays for bodily injury damages to you, members of your family who live with you, and other people riding in your car who are injured by: (1) an uninsured motorist, (2) a hit-and-run motorist, or (3) an insured motorist who does not have enough liability insurance to pay for bodily injury damages to any insured person. Uninsured Motorist coverage, unless otherwise provided in your policy, protects you and family members who live with you while riding in any vehicle or while a pedestrian. THE COST OF THIS COVERAGE IS SMALL COMPARED WITH THE BENEFITS!

You may make one of four choices about Uninsured Motorist Coverage:

1. You may buy Uninsured Motorist coverage equal to your bodily injury liability coverage for \$\_\_\_\_\_ for \_\_\_\_ months.

2. You may buy Uninsured Motorist coverage in the amount of \$10,000.00 for each person injured, not to exceed \$20,000.00 for two or more persons injured in one occurrence (the smallest coverage which Oklahoma law allows) for \$\_\_\_\_\_ for \_\_\_\_\_ months.

3. You may buy Uninsured Motorist coverage in an amount less than your bodily injury liability coverage but more than the minimum levels.

4. You may reject Uninsured Motorist coverage.

Please indicate below what Uninsured Motorist coverage you want:

\_\_\_\_\_ I want the same amount of Uninsured Motorist coverage as my bodily injury liability coverage.

\_\_\_\_\_ I want minimum Uninsured Motorist coverage (\$10,000.00 per person/\$20,000.00 per occurrence).

\_\_\_\_\_ I want Uninsured Motorist coverage in the following amount:  
\$\_\_\_\_\_ per person/\$\_\_\_\_\_ per occurrence.

\_\_\_\_\_ I want to reject Uninsured Motorist coverage.

\_\_\_\_\_  
Proposed Insured

THIS FORM IS NOT A PART OF YOUR POLICY AND DOES NOT PROVIDE COVERAGE.

J. The Insurance Commissioner shall approve a deviation to the form described in subsection I of this section if the form includes substantially the same information.

K. The following are effective on forms required on or after April 1, 2005. The offer of the coverage required by subsection B of this section shall be in the following form which shall be filed with and approved by the Insurance Commissioner. The form shall be provided to the proposed insured in writing separately from the application and shall read substantially as follows:

OKLAHOMA UNINSURED MOTORIST COVERAGE LAW

Oklahoma law gives you the right to buy Uninsured Motorist coverage in the same amount as your bodily injury liability

coverage. THE LAW REQUIRES US TO ADVISE YOU OF THIS VALUABLE RIGHT FOR THE PROTECTION OF YOU, MEMBERS OF YOUR FAMILY, AND OTHER PEOPLE WHO MAY BE HURT WHILE RIDING IN YOUR INSURED VEHICLE. YOU SHOULD SERIOUSLY CONSIDER BUYING THIS COVERAGE IN THE SAME AMOUNT AS YOUR LIABILITY INSURANCE COVERAGE LIMIT.

Uninsured Motorist coverage, unless otherwise provided in your policy, pays for bodily injury damages to you, members of your family who live with you, and other people riding in your car who are injured by: (1) an uninsured motorist, (2) a hit-and-run motorist, or (3) an insured motorist who does not have enough liability insurance to pay for bodily injury damages to any insured person. Uninsured Motorist coverage, unless otherwise provided in your policy, protects you and family members who live with you while riding in any vehicle or while a pedestrian. THE COST OF THIS COVERAGE IS SMALL COMPARED WITH THE BENEFITS!

You may make one of four choices about Uninsured Motorist Coverage:

~~1. You may buy Uninsured Motorist coverage equal to your bodily injury liability coverage for \$\_\_\_\_\_ for \_\_\_\_\_ months.~~

~~2. You may buy Uninsured Motorist coverage in the amount of \$25,000.00 for each person injured, not to exceed \$50,000.00 for two or more persons injured in one occurrence (the smallest coverage which Oklahoma allows) for \$\_\_\_\_\_ for \_\_\_\_\_ months.~~

~~3. You may buy Uninsured Motorist coverage in an amount less than your bodily injury liability coverage, but more than the minimum levels.~~

~~4. You may reject Uninsured Motorist coverage.~~

\_\_\_\_\_ I want the same amount of Uninsured Motorist coverage as my bodily injury liability coverage.

\_\_\_\_\_ I want minimum Uninsured Motorist coverage \$25,000.00 per person/\$50,000.00 per occurrence.

\_\_\_\_\_ I want Uninsured Motorist coverage in the following amount:

\$\_\_\_\_\_ per person/\$\_\_\_\_\_ per occurrence.

\_\_\_\_\_ I want to reject Uninsured Motorist coverage.

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Proposed Insured

THIS FORM IS NOT A PART OF YOUR POLICY AND DOES NOT PROVIDE  
COVERAGE.

L. The Insurance Commissioner shall approve a deviation from the form described in subsection K of this section if the form includes substantially the same information.

M. A change in the bodily injury liability coverage due to a change in the amount or limits prescribed for bodily injury or death by a policy meeting the requirements of Section 7-204 of Title 47 of the Oklahoma Statutes shall not be considered an amendment of the bodily injury liability coverage ~~under paragraph 3 of subsection H of this section~~ and shall not require the completion of a new form.

N. On the first renewal on or after April 1, 2005, the insurer shall change the Uninsured Motorist coverage limits to \$25,000.00 per person/\$50,000.00 per occurrence and charge the corresponding premium for existing policyholders who have selected Uninsured Motorist coverage limits less than \$25,000.00 per person/\$50,000.00 per occurrence. At the first renewal on or after April 1, 2005, the insurer shall provide existing policyholders who have selected Uninsured Motorist coverage limits less than \$25,000.00 per person/\$50,000.00 per occurrence a notice of the change of their Uninsured Motorist coverage limits and that notice shall state how such policyholders may reject Uninsured Motorist coverage limits or select Uninsured Motorist coverage with limits higher than \$25,000.00 per person/\$50,000.00 per occurrence. No notice shall be required to existing policyholders who have rejected Uninsured Motorist coverage or have selected Uninsured Motorist coverage limits equal to or greater than \$25,000.00 per person/\$50,000.00 per occurrence. For purposes of this subsection an existing

policyholder is a policyholder who purchased a policy from the insurer before April 1, 2005, and such policy renews on or after April 1, 2005.

SECTION 4. AMENDATORY 36 O.S. 2001, Section 942, as amended by Section 11, Chapter 519, O.S.L. 2004 (36 O.S. Supp. 2005, Section 942), is amended to read as follows:

Section 942. Any insurance carrier that issues motor vehicle liability or collision insurance policies in this state shall not establish or apply premium rates, increase premium rates, cancel a policy, or refuse to issue or renew a policy, based on any traffic record maintained by the Department of Public Safety which covers a period of time more than three (3) years prior to the date the insurance carrier makes a determination to take any such action; provided however, those offenses that are provided for in subsection C of Section 941 of this title and the offense of reckless driving as provided for in Section 11-901 of Title 47 of the Oklahoma Statutes may be considered by an insurance carrier for a period of not more than five (5) years.

SECTION 5. AMENDATORY 47 O.S. 2001, Section 7-605, is amended to read as follows:

Section 7-605. A. 1. Every owner of a motor vehicle who permits the operation of the motor vehicle in this state, and every person who operates a motor vehicle in this state without the security required by this title, and any person who receives a deferred sentence, forfeits a bond, fails to appear, or is convicted in any state or municipal court for failure to carry a security verification form, shall ~~be subject to suspension of~~ have his or her driving privilege ~~and suspension of~~ suspended and the registration of any motor vehicle not covered by security shall also be suspended.

2. The suspension shall remain in effect until payment is made of the fees provided for in Section 6-212 of this title and proof of

security is furnished to the Department of Public Safety which complies with the requirements of ~~Section 7-601 of this title~~ the Compulsory Insurance Law; provided, for the purposes of this section, proof of security shall not mean a binder policy but shall mean an owner's policy or an operator's policy, as defined in Section 7-600 of this title; provided further, a suspension for failure to appear shall remain in effect until proof of appearance is received by the Department from the reporting court. Suspension under this section shall be effective when notice thereof is given pursuant to Section 2-116 of this title.

3. Any person whose driving privilege or registration has been suspended pursuant to the provisions of this subsection shall surrender to the Department his or her driver license and the license plate of any motor vehicle registered in his or her name and not covered by security. Any person failing to voluntarily relinquish his or her driver license or license plate or plates to the Department within thirty (30) days of receipt of the notice specified in paragraph 2 of this subsection shall pay a fee of Fifty Dollars (\$50.00) in addition to the fees provided for in Section 6-212 of this title.

4. If a person furnishes proof to the satisfaction of the Department that security was in effect at the time of the alleged offense, the Department shall vacate the suspension order and shall not require the filing of a certificate of insurance nor payment of either of the above fees.

B. 1. When suspending a driver license or motor vehicle registration for violation of the Compulsory Insurance Law, Section 7-600 et seq. of this title, or for violation of a municipal ordinance requiring security or the carrying of a security verification form, the Department may rely upon court records which indicate that a person was either convicted or failed to appear upon

the charge when the record is obtained from any court of competent jurisdiction which indicates one of the following:

- a. a charge and the imposition of a deferred sentence,
- b. a conviction, or
- c. a notice of bond forfeiture.

2. A court record is sufficient under paragraph 1 of this subsection which includes a statement such as "No Security Form", "No Insurance" or other term indicating lack of security.

3. The Department may continue to rely on such records until proof is submitted from the issuing court clerk which indicates that the record either:

- a. was issued in error, or
- b. was not related to a violation of:
  - (1) the Compulsory Insurance Law,
  - (2) a security verification form as required by Chapter 7 of this title, or
  - (3) a municipal ordinance requiring security or the carrying of a security verification form.

C. If a nonresident's driving privilege or registration is suspended pursuant to subsection A of this section, the Department shall transmit a certified copy of the record of such action to the official or officials in charge of the issuance of licenses and registration certificates in the state in which the nonresident resides.

D. Whenever any person's driving privilege and vehicle registration has been suspended pursuant to this section, the Department may notify any law enforcement officer of the suspension. Any law enforcement officer who has been notified that a person's driving privilege and vehicle registration have been suspended, upon observing the person or motor vehicle anywhere upon a public street, highway, roadway, turnpike, or public parking lot, shall stop the

person or motor vehicle and seize the person's driver license and license plate.

E. No person shall have a property interest in a driver license, vehicle registration, or vehicle license plate issued pursuant to the laws of this state and it shall be the duty of every person whose driving privilege or motor vehicle registration has been suspended to forthwith surrender such driver license or license plate or both upon the request of any law enforcement officer or representative of the Department.

F. Any person upon a public street, highway, roadway, turnpike, or public parking lot, within this state, who willfully refuses to surrender possession of a driver license or license plate after being informed by a peace officer or representative of the Department that his or her driving privilege or motor vehicle registration is currently under suspension according to the records of the Department, shall be guilty of a misdemeanor, punishable by imprisonment in the county jail for not more than ten (10) days or a fine not to exceed Five Hundred Dollars (\$500.00) or by both such fine and imprisonment.

G. Any driver license or license plate surrendered to or seized by a law enforcement officer pursuant to the Compulsory Insurance Law shall be submitted to a representative of the Department in a manner and with a form or method approved by the Department.

H. The Department shall deposit fees collected pursuant to paragraph 3 of subsection A of this section in a special account of the Department maintained with the office of the State Treasurer. The State Treasurer shall credit these fees to this special account to be distributed as hereinafter provided.

I. The Department shall identify the name of the employing law enforcement agency from which a suspended driver license or license plate has been received pursuant to this section, and determine that the fee required by paragraph 3 of subsection A of this section has

been paid. The Department shall reimburse the law enforcement agency so identified the sum of Twenty-five Dollars (\$25.00) for each driver license and the sum of Twenty-five Dollars (\$25.00) for each vehicle license plate from the special account.

J. Any unencumbered monies remaining in the special account at the close of each calendar month shall be transferred by the Department to the General Revenue Fund of the State Treasury.

K. The State of Oklahoma, the departments and agencies thereof, including the Department of Public Safety, all political subdivisions, and the officers and employees of each, shall not be held legally liable in any suit in law or in equity for any erroneous entry of a suspension upon the records of the Department, nor for the enforcement of the provisions of the Compulsory Insurance Law performed in good faith.

SECTION 6. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 7-612 of Title 47, unless there is created a duplication in numbering, reads as follows:

A. It is a misdemeanor for any person:

1. To purchase a security verification form which bears altered or fictitious information concerning the existence of security required by the Compulsory Insurance Law;

2. To display or cause or permit to be displayed or to possess a security verification form which the person knows bears altered or fictitious information concerning the existence of security required by the Compulsory Insurance Law; or

3. To display or cause or permit to be displayed or to possess any security verification form that is counterfeit.

B. It is a felony for anyone, other than an insurance carrier or insurance producer, as defined by Section 1435.2 of Title 36 of the Oklahoma Statutes, to:

1. Create or otherwise manufacture a security verification form or facsimile thereof, or to create, manufacture or possess an

engraved plate or other such device for the printing of security verification forms; or

2. Issue or sell security verification forms.

C. 1. The violation of any of the provisions of subsection A of this section shall constitute a misdemeanor punishable by a fine of not less than Twenty-five Dollars (\$25.00), nor more than Two Hundred Fifty Dollars (\$250.00) and by mandatory suspension of the person's driving privilege and vehicle registration.

2. The violation of any of the provisions of subsection B of this section shall constitute a felony punishable by a fine not exceeding Ten Thousand Dollars (\$10,000.00) or a term of imprisonment in the State Penitentiary not to exceed seven (7) years, or by both such fine and imprisonment.

SECTION 7. AMENDATORY 47 O.S. 2001, Section 7-606, is amended to read as follows:

Section 7-606. A. 1. An owner or operator who fails to comply with the Compulsory Insurance Law of this state, or who fails to produce for inspection a valid and current security verification form or equivalent form which has been issued by the Department of Public Safety upon request of any peace officer, representative of the Department of Public Safety or other authorized person, shall be guilty of a misdemeanor and upon conviction shall be subject to a fine of not more than Two Hundred Fifty Dollars (\$250.00), or imprisonment for not more than thirty (30) days, or by both such fine and imprisonment, and in addition thereto, shall be subject to suspension of license and registration in accordance with Section 7-605 of this title.

2. An owner other than an owner of an antique or a classic automobile as defined by the Oklahoma Tax Commission who files an affidavit that a vehicle shall not be driven upon the public highways or public streets, pursuant to Section 7-607 of this title, who drives or permits the driving of the vehicle upon the public

highways or public streets, shall be guilty of a misdemeanor and upon conviction thereof shall be subject to a fine of not more than Five Hundred Dollars (\$500.00), or imprisonment for not more than thirty (30) days, or by both such fine and imprisonment, and in addition thereto, shall be subject to suspension of license and registration in accordance with Section 7-605 of this title.

B. A sentence imposed for any violation of Section 7-600 et seq. of this title may be suspended or deferred in whole or in part by the court.

C. Any person producing proof in court that a current security verification form or equivalent form which has been issued by the Department reflecting liability coverage for such person was in force at the time of the alleged offense shall be entitled to dismissal of such charge upon payment of court costs; however, if proof of security verification is presented to the court ~~within forty-eight (48) hours after the violation~~ by the assigned court appearance date, the charge shall be dismissed without payment of court costs.

D. Upon conviction, bond forfeiture or deferral of sentence, the court clerk shall forward an abstract to the Department of Public Safety within ten (10) days reflecting the action taken by the court.

SECTION 8. AMENDATORY 47 O.S. 2001, Section 7-608, is amended to read as follows:

Section 7-608. A. ~~Each insurance carrier, which issues a vehicle liability policy pursuant to the provisions of Sections 7-601 through 7-610 of this title, shall provide notice, either by means of written or electronic communication, to the Department of Public Safety of the termination of the policy for nonpayment or refund of premium if the termination is final and occurs within the first one hundred eighty (180) days of the inception date of such policy. Each insurance carrier also shall provide such notice for~~

~~any such policy which has been issued for a period of less than six (6) months which expires without renewal. Any notice required by this subsection shall be provided to the Department within a reasonable time after the expiration of any applicable grace period.~~

~~B. If an insurance carrier, required to provide notification pursuant to subsection A of this section, has knowledge that relinquishment of vehicle ownership is the reason for termination or expiration without renewal of a policy, that fact shall be included in the notification.~~

~~C. The Department of Public Safety shall implement a method of insurance verification, by promulgated rule, utilizing the system specified in Section 1 of this act which shall be a method of determining verification after the initial insurance verification provided at the time of registration of a vehicle, after reinstatement for a suspension for violation of the Compulsory Insurance Law, or if the Department has reason to believe an owner or operator may not be in compliance with the Compulsory Insurance Law. The system shall provide procedures for direct inquiry and response between the Department and insurance carriers. The Department also shall implement a method of verification, by promulgated rule, for determining verification prior to the full implementation of Section 1 of this act.~~

~~B. The Department of Public Safety shall promulgate rules governing the ~~notification~~ response requirements specified in ~~subsections~~ subsection A and B of this section, including the development of procedures which would permit insurance carriers to provide the required ~~notices~~ response to the Department by means of ~~written or~~ electronic communication ~~on a monthly basis~~.~~

~~D. C. Upon receipt of a ~~notice of termination~~ response of no insurance coverage or invalid insurance coverage from a carrier pursuant to subsection A of this section, the Department of Public Safety shall notify the vehicle owner of the ~~receipt of the~~~~

~~termination notice~~ response of the insurance carrier and shall request proof of insurance from the vehicle owner. Within thirty (30) days of the postmark date of the request for proof of insurance, the vehicle owner shall submit such proof of insurance on a form prescribed by the Department. ~~The Department shall not be required to notify or request proof of insurance from a former vehicle owner if the Department receives the notification as provided in subsection B of this section, unless the Department has reason to believe that the person should be maintaining an operator's policy.~~

SECTION 9. AMENDATORY 47 O.S. 2001, Section 7-609, as amended by Section 11, Chapter 418, O.S.L. 2004 (47 O.S. Supp. 2005, Section 7-609), is amended to read as follows:

Section 7-609. A. Whenever any owner fails to timely furnish proof of insurance or fails to timely respond as required by subsection ~~D~~ C of Section 7-608 of this title, the Department of Public Safety shall suspend the person's driving privilege and the registration of any motor vehicle registered in the name of such person as owner which is not covered by security. The suspension shall be effective immediately upon the lapse of the thirty-day response period in subsection ~~D~~ C of Section 7-608 of this title. The suspension shall remain in effect until payment is made of the fees provided for in Section 6-212 of this title and proof of insurance is presented to the Department; provided, if the person ~~is not an owner of any motor vehicle or~~ is not subject to the Compulsory Insurance Law of this state ~~or~~, provides proof the vehicle was is insured prior to the suspension date and there has been no break in insurance coverage, provides proof the vehicle is and has been inoperable since or prior to the cancellation date of the insurance policy, provides proof the person no longer owns the vehicle and has not since or prior to the cancellation date of the insurance policy, or is not an owner of any motor vehicle and the

Department does not have reason to believe the person should be maintaining an operator's policy, then proof of insurance and payment of the processing and reinstatement fee shall not be required and the Department shall vacate the suspension of the person's driving privilege.

B. Any person whose driving privilege and registration have been suspended pursuant to the provisions of subsection A of this section shall surrender to the Department his or her driver license and the license plate of any motor vehicle registered in his or her name and not covered by security within thirty (30) days from the date of the suspension. Any owner failing to surrender his or her driver license or license plate or plates to the Department within such time shall pay a fee of Fifty Dollars (\$50.00) which shall be in addition to the fees provided for in Section 6-212 of this title.

C. Whenever any person's driving privilege or registration of any motor vehicle is suspended pursuant to this section according to the records of the Department, the Department may accordingly notify any peace officer of the suspension.

D. Any peace officer who has been notified that a person's driving privilege or registration of a motor vehicle is currently under suspension according to the records of the Department ~~may~~ shall, upon observing the person or motor vehicle anywhere upon a public street, highway, roadway, turnpike, or public parking lot, within this state, forthwith stop the person or motor vehicle and seize the person's driver license or license plate or both.

E. No person shall have a property interest in a driver license, vehicle registration, or vehicle license plate issued pursuant to the laws of this state and it shall be the duty of every person whose driving privilege or motor vehicle registration has been suspended to forthwith surrender such driver license or license plate or both upon the request of any peace officer or representative of the Department.

F. Any person upon a public street, highway, roadway, turnpike, or public parking lot, within this state, who willfully refuses to surrender possession of a driver license or license plate after being informed by a peace officer or representative of the Department that his or her driving privilege or motor vehicle registration is currently under suspension according to the records of the Department, shall be guilty of a misdemeanor, punishable by imprisonment in the county jail for not more than ten (10) days or a fine not to exceed Five Hundred Dollars (\$500.00) or by both such fine and imprisonment.

G. Any driver license or license plate surrendered to or seized by a peace officer pursuant to this article shall be submitted to a representative of the Department in a manner and with a form or method approved by the Department.

H. The Department shall deposit fees collected pursuant to subsection B of this section and paragraph 3 of subsection A of Section 7-605 of this title in a special account of the Department maintained with the office of the State Treasurer. The State Treasurer shall credit these fees to this special account to be distributed as hereinafter provided.

I. The Department shall identify the name of the employing law enforcement agency from which a suspended driver license or license plate has been received pursuant to this section, and determine that the fee required by subsection B of this section or paragraph 3 of subsection A of Section 7-605 of this title has been paid. The Department shall reimburse the law enforcement agency so identified the sum of Twenty-five Dollars (\$25.00) for each driver license and the sum of Twenty-five Dollars (\$25.00) for each vehicle license plate from the special account.

J. Any unencumbered monies remaining in the special account at the close of each calendar month shall be transferred by the Department to the General Revenue Fund of the State Treasury.

K. The State of Oklahoma, the departments and agencies thereof, including the Department of Public Safety, all political subdivisions, and the officers and employees of each, shall not be held legally liable in any suit in law or in equity for any erroneous entry of a suspension upon the records of the Department, nor for the enforcement of the provisions of the Compulsory Insurance Law, Section 7-600 et seq. of this title, performed in good faith.

SECTION 10. This act shall become effective July 1, 2006.

SECTION 11. It being immediately necessary for the preservation of the public peace, health and safety, an emergency is hereby declared to exist, by reason whereof this act shall take effect and be in full force from and after its passage and approval.

Passed the House of Representatives the 15th day of March, 2006.

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Presiding Officer of the House of  
Representatives

Passed the Senate the \_\_\_\_ day of \_\_\_\_\_, 2006.

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Presiding Officer of the Senate