

1 STATE OF OKLAHOMA

2 2nd Session of the 52nd Legislature (2010)

3 SUBCOMMITTEE RECOMMENDATION
4 FOR

5 HOUSE BILL NO. 2331

6 By: Martin (Steve)

7 SUBCOMMITTEE RECOMMENDATION

8 An Act relating to motor vehicles; amending Section
9 1, Chapter 322, O.S.L. 2006, as last amended by
10 Section 2, Chapter 340, O.S.L. 2009, and 47 O.S.
11 2001, Sections 7-602, as last amended by Section 33,
12 Chapter 62, O.S.L. 2009, 7-605, as last amended by
13 Section 36, Chapter 62, O.S.L. 2009 and 7-606, as
14 last amended by Section 37, Chapter 62, O.S.L. 2009
15 (47 O.S. Supp. 2009, Sections 7-600.2, 7-602, 7-605
16 and 7-606), which relate to compulsory liability
17 insurance verification requirements and penalties;
18 modifying rules of the online verification system for
19 motor vehicle liability policies; authorizing law
20 enforcement to access information from the online
21 verification system under certain circumstances;
22 providing for the issuance of citations under certain
23 circumstances; modifying registration procedures for
24 motor license agents and registering agencies;
authorizing the seizure of uninsured vehicles under
certain circumstances; amending 47 O.S. 2001, Section
955, as last amended by Section 1, Chapter 14, O.S.L.
2009 (47 O.S. Supp. 2009, Section 955), which relates
to grounds for towing vehicles from roadway;
authorizing uninsured vehicles to be towed under
certain circumstances; and providing an effective
date.

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

1 SECTION 1. AMENDATORY Section 1, Chapter 322, O.S.L.
2 2006, as last amended by Section 2, Chapter 340, O.S.L. 2009 (47
3 O.S. Supp. 2009, Section 7-600.2), is amended to read as follows:

4 Section 7-600.2 A. The Department of Public Safety shall
5 promulgate and adopt, pursuant to the Administrative Procedures Act,
6 rules for an online verification system for motor vehicle liability
7 policies as required by the Compulsory Insurance Law, subject to the
8 following:

9 1. The Oklahoma Tax Commission and the Insurance Department
10 shall cooperate with the Department of Public Safety in the
11 development of the verification system;

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

17 3. The verification system shall provide for direct inquiry and
18 response between the Department and insurance carriers, or such
19 other method of inquiry and response as agreed to by the Department
20 and individual insurance carriers, and direct access to insurers'
21 records by personnel authorized by the Department;

22 4. The verification system shall be available twenty-four (24)
23 hours a day to verify the insurance status of any vehicle registered
24 in this state through the vehicle's identification number, policy

1 number, registered owner's name or other identifying characteristic
2 or marker as prescribed by the Department in its rules;

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

5 ~~6. The verification system shall be installed and operational~~
6 ~~no later than December 31, 2008, following an appropriate testing~~
7 ~~period and after December 31, 2009, the verification system shall be~~
8 ~~installed and operational through the Internet as a web based portal~~
9 ~~system;~~

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

12 ~~8. 6.~~ The verification system shall include appropriate
13 provisions, consistent with industry standards, to secure its data
14 against unauthorized access and to maintain a record of all
15 information requests;

16 ~~9. 7.~~ Information contained in the verification system shall
17 not be considered a public record;

18 ~~10. 8.~~ Any law enforcement officer, to establish compliance
19 with the Compulsory Insurance Law:

20 a. during a traffic stop or accident investigation, ~~may~~
21 shall access information from the online verification
22 ~~system to establish compliance with the Compulsory~~
23 ~~Insurance Law and~~ to verify the current validity of
24 the policy described on a security verification form

1 ~~and~~ produced by the operator of a each motor vehicle
2 during the traffic stop or accident investigation, or
3 b. at any other time, may access information from the
4 online verification system and, if compliance is not
5 confirmed, stop the operator of the motor vehicle and
6 verify the current validity of the policy described on
7 a security verification form produced by the operator.

8 If compliance is not confirmed for the policy described on the
9 security verification form produced or if no security verification
10 form is produced, the officer shall issue a citation to the operator
11 for failure to comply with the Compulsory Insurance Law; and

12 ~~11.~~ 9. All information exchanged between the Department and
13 insurance companies, any database created, and all reports,
14 responses, or other information generated for the purposes of the
15 verification system shall not be subject to the Oklahoma Open
16 Records Act.

17 B. This section shall not apply to a policy issued pursuant to
18 paragraph 3 of subsection A of Section 7-601.1 of this title or
19 paragraph 3 of subsection A of Section 7-602 of this title to insure
20 a commercial motor vehicle or to insure any vehicle under a
21 commercial policy that provides commercial auto coverage as defined
22 in Section 7-600 of this title.

23 C. ~~Effective December 31, 2009, as~~ As a condition for writing
24 motor vehicle liability policies in this state, insurance carriers

1 shall cooperate with the Department in establishing and maintaining
2 the insurance verification system and shall provide access to motor
3 vehicle insurance policy status information as provided in the
4 ~~Department's~~ rules of the Department.

5 SECTION 2. AMENDATORY 47 O.S. 2001, Section 7-602, as
6 last amended by Section 33, Chapter 62, O.S.L. 2009 (47 O.S. Supp.
7 2009, Section 7-602), is amended to read as follows:

8 Section 7-602. A. 1. The owner of a motor vehicle registered
9 in this state shall carry in the vehicle at all times a current
10 owner's security verification form listing the vehicle or an
11 equivalent form which has been issued by the Department of Public
12 Safety, and the operator of the vehicle shall produce the form upon
13 request for inspection by any law enforcement officer or
14 representative of the Department and, in case of an accident, the
15 form shall be shown upon request to any person affected by the
16 accident.

17 2. a. Every person registering a motor vehicle in this
18 state, except a motor vehicle which is not being used
19 upon the public highways or public streets, or a
20 manufactured home while on a permanent foundation, at
21 the time of registration of the vehicle, shall certify
22 the existence of security with respect to the vehicle
23 by surrendering to a motor license agent or other
24 registering agency a current owner's security

1 verification form from an insurance carrier authorized
2 to do business in this state or an equivalent form
3 issued by the Department of Public Safety. A motor
4 license agent or other registering agency shall
5 require the surrender of the form prior to processing
6 an application for registration or renewal.

7 b. ~~Effective upon implementation of the online~~
8 ~~verification system for motor vehicle insurance~~
9 ~~provided for in Section 7-600.2 of this title, online~~
10 ~~verification shall replace the procedure provided for~~
11 ~~in subparagraph a of this paragraph and every Every~~
12 motor license agent or other registering agency shall
13 use the online verification system to certify the
14 existence of security with respect to the vehicle from
15 an insurance carrier authorized to do business in this
16 state unless the online verification system is not
17 online or the required information is otherwise not
18 available. In such a case, the license agent or other
19 registering agency may accept verification as provided
20 in subparagraph a of this paragraph to certify the
21 existence of the required insurance prior to
22 processing any application for motor vehicle
23 registration. The Oklahoma Tax Commission and any
24 motor license agent shall not require an insurance

1 carrier to provide any documentation other than the
2 security verification.

3 3. Fleet vehicles operating under the authority of the
4 Corporation Commission, the Federal Highway Administration, or
5 vehicles registered pursuant to the provisions of Section 1120 of
6 this title, shall certify the existence of security with respect to
7 each vehicle at the time of registration by submitting one of the
8 following:

- 9 a. a current owner's security verification form verifying
10 the existence of security as required by the
11 Compulsory Insurance Law, or
12 b. a permit number verified by the Corporation Commission
13 indicating the existence of a current liability
14 insurance policy. Provided, in the event the
15 Corporation Commission is unable to verify the
16 existence of insurance as provided herein in a prompt
17 and timely fashion, the Corporation Commission may
18 accept a current single state registration form issued
19 by the Corporation Commission or any other regulating
20 entity with which the Corporation Commission has
21 entered into a reciprocal compact or agreement
22 regarding the regulation of motor vehicles engaged in
23 interstate or foreign commerce upon and over the
24 public highways.

1 4. The following shall not be required to carry an owner's or
2 operator's security verification form or an equivalent form from the
3 Department of Public Safety during operation of the vehicle and
4 shall not be required to surrender a security verification form for
5 vehicle registration purposes:

6 a. any vehicle owned or leased by the federal or state
7 government, or any agency or political subdivision
8 thereof,

9 b. any vehicle bearing the name, symbol, or logo of a
10 business, corporation or utility on the exterior and
11 which is in compliance with the provisions of the
12 Compulsory Insurance Law according to records of the
13 Corporation Commission which reflect a deposit or
14 fleet policy,

15 c. fleet vehicles maintaining current vehicle liability
16 insurance as required by the Corporation Commission or
17 any other regulating entity,

18 d. any licensed taxicab, and

19 e. any vehicle owned by a licensed used motor vehicle
20 dealer.

21 5. Any person who knowingly issues or promulgates false or
22 fraudulent information in connection with either an owner's or
23 operator's security verification form or an equivalent form which
24 has been issued by the Department of Public Safety shall be guilty

1 of a misdemeanor and upon conviction shall be subject to a fine not
2 exceeding Five Hundred Dollars (\$500.00), or imprisonment for not
3 more than six (6) months, or by both such fine and imprisonment.

4 B. Each motor license agent is authorized to charge a fee of
5 One Dollar and fifty cents (\$1.50) to each person to whom the agent
6 issues a certificate of registration and who is required to
7 surrender proof of financial responsibility, or for whom the motor
8 license agent certifies the existence of financial responsibility
9 through an authorized online certification system, pursuant to the
10 provisions of the Compulsory Insurance Law. The fee may be retained
11 by the agent as compensation for services in processing the proof of
12 financial responsibility and for processing the driver license
13 information, insurance verification information, and other
14 additional information furnished to the agent pursuant to Section
15 1112 of this title, if such agent does not receive the maximum
16 compensation as authorized by law.

17 SECTION 3. AMENDATORY 47 O.S. 2001, Section 7-605, as
18 last amended by Section 36, Chapter 62, O.S.L. 2009 (47 O.S. Supp.
19 2009, Section 7-605), is amended to read as follows:

20 Section 7-605. A. 1. Whenever any person forfeits a bond,
21 fails to appear, or is convicted in any state or municipal court for
22 permitting the operation in this state of a motor vehicle owned by
23 the person without the security required by this title, for
24 operating a motor vehicle in this state without the security

1 required by this title, or for failure to carry a security
2 verification form, the Department of Public Safety shall suspend the
3 driving privilege of the person.

4 2. The suspension of the driving privilege shall remain in
5 effect until payment is made of the fees provided for in Section 6-
6 212 of this title and proof of security is furnished to the
7 Department of Public Safety which complies with the requirements of
8 the Compulsory Insurance Law; provided, for purposes of this
9 section, proof of security shall not mean a binder policy but shall
10 mean an owner's policy or an operator's policy, as defined in
11 Section 7-600 of this title; provided further, a suspension for
12 failure to appear shall remain in effect until proof of appearance
13 is received by the Department from the reporting court. Suspension
14 under this section shall be effective when notice thereof is given
15 pursuant to Section 2-116 of this title.

16 3. Any person whose driving privilege has been suspended
17 pursuant to the provisions of this subsection shall surrender to the
18 Department his or her driver license. Any person failing to
19 voluntarily relinquish his or her driver license to the Department
20 within thirty (30) days of receipt of the notice specified in
21 paragraph 2 of this subsection shall pay a fee of Fifty Dollars
22 (\$50.00) in addition to the fees provided for in Section 6-212 of
23 this title.

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

6 B. 1. When suspending the driving privilege for violation of
7 the Compulsory Insurance Law, or for violation of a municipal
8 ordinance requiring security or the carrying of a security
9 verification form, the Department may rely upon court records which
10 indicate that a person was either convicted or failed to appear upon
11 the charge when the record is obtained from any court of competent
12 jurisdiction which indicates one of the following:

13 a. a conviction, or

14 b. a notice of bond forfeiture;1

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

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

21 a. was issued in error, or

22 b. was not related to a violation of:

23 (1) the Compulsory Insurance Law,
24

1 (2) a security verification form as required by this
2 article, or

3 (3) a municipal ordinance requiring security or the
4 carrying of a security verification form.

5 C. If a nonresident's driving privilege is suspended pursuant
6 to subsection A of this section, the Department shall transmit
7 notice of the suspension to the licensing agency in the state in
8 which the nonresident resides.

9 D. Whenever any person's driving privilege has been suspended
10 pursuant to this section or Section 7-612 of this title, the
11 Department may notify any law enforcement officer of the suspension.
12 Any law enforcement officer who has been notified that ~~a person's~~
13 the driving privilege of a person has been suspended, upon observing
14 the person or motor vehicle anywhere upon a public street, highway,
15 roadway, turnpike, or public parking lot, shall stop the person or
16 motor vehicle ~~and,~~ seize the ~~person's~~ driver license of the person,
17 seize the vehicle being operated by the person and may cause the
18 vehicle to be towed and stored as provided in subsection B of
19 Section 955 of this title, if the officer has probable cause to
20 believe that the vehicle is not insured as required by the
21 Compulsory Insurance Law of this state.

22 E. No person shall have a property interest in a driver license
23 issued pursuant to the laws of this state and it shall be the duty
24 of every person whose driving privilege has been suspended to

1 forthwith surrender his or her driver license upon the request of
2 any law enforcement officer or representative of the Department.

3 F. Any person upon a public street, highway, roadway, turnpike,
4 or public parking lot, within this state, who willfully refuses to
5 surrender possession of a driver license after being informed by a
6 peace officer or representative of the Department that his or her
7 driving privilege is currently under suspension according to the
8 records of the Department, shall be guilty of a misdemeanor,
9 punishable as provided in Section 17-101 of this title.

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

14 H. The Department shall deposit fees collected pursuant to
15 paragraph 3 of subsection A of this section or pursuant to
16 subsection E of Section 7-612 of this title in a special account of
17 the Department maintained with the office of the State Treasurer.
18 The State Treasurer shall credit these fees to this special account
19 to be distributed as hereinafter provided.

20 I. The Department shall identify the name of the employing law
21 enforcement agency from which a suspended driver license has been
22 received pursuant to this section, and determine that the fee
23 required by paragraph 3 of subsection A of this section has been
24 paid. The Department shall reimburse the law enforcement agency so

1 identified the sum of Twenty-five Dollars (\$25.00) for each driver
2 license from the special account.

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

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

13 SECTION 4. AMENDATORY 47 O.S. 2001, Section 7-606, as
14 last amended by Section 37, Chapter 62, O.S.L. 2009 (47 O.S. Supp.
15 2009, Section 7-606), is amended to read as follows:

16 Section 7-606. A. 1. An owner or operator who fails to comply
17 with the Compulsory Insurance Law, or who fails to produce for
18 inspection a valid and current security verification form or
19 equivalent form which has been issued by the Department of Public
20 Safety upon request of any peace officer, representative of the
21 Department of Public Safety or other authorized person, shall be
22 guilty of a misdemeanor and upon conviction shall be subject to a
23 fine of not more than Two Hundred Fifty Dollars (\$250.00), or
24 imprisonment for not more than thirty (30) days, or by both such

1 fine and imprisonment, and in addition thereto, shall be subject to
2 suspension of the driving privilege of the person in accordance with
3 Section 7-605 of this title. Upon issuing a citation under this
4 paragraph, the law enforcement officer issuing the citation may
5 seize the vehicle being operated by the person and shall cause the
6 vehicle to be towed and stored as provided by Subsection B of
7 Section 955 of this title, if the officer has probable cause to
8 believe that the vehicle is not insured as required by the
9 Compulsory Insurance Law of this state.

10 2. An owner other than an owner of an antique or a classic
11 automobile as defined by the Oklahoma Tax Commission who files an
12 affidavit that a vehicle shall not be driven upon the public
13 highways or public streets, pursuant to Section 7-607 of this title,
14 who drives or permits the driving of the vehicle upon the public
15 highways or public streets, shall be guilty of a misdemeanor and
16 upon conviction thereof shall be subject to a fine of not more than
17 Five Hundred Dollars (\$500.00), or imprisonment for not more than
18 thirty (30) days, or by both such fine and imprisonment, and in
19 addition thereto, shall be subject to suspension of the driving
20 privilege of the person in accordance with Section 7-605 of this
21 title.

22 B. A sentence imposed for any violation of the Compulsory
23 Insurance Law may be suspended or deferred in whole or in part by
24 the court.

1 C. Any person producing proof in court that a current security
2 verification form or equivalent form which has been issued by the
3 Department of Public Safety reflecting liability coverage for the
4 person was in force at the time of the alleged offense shall be
5 entitled to dismissal of the charge upon payment of court costs;
6 however, if proof of security verification is presented to the court
7 by the assigned court appearance date, the court shall access
8 information from the online verification system and, if compliance
9 is confirmed, the charge shall be dismissed without payment of court
10 costs.

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

15 SECTION 5. AMENDATORY 47 O.S. 2001, Section 955, as
16 last amended by Section 1, Chapter 14, O.S.L. 2009 (47 O.S. Supp.
17 2009, Section 955), is amended to read as follows:

18 Section 955. A. Any officer of the Department of Public Safety
19 or any other political subdivision of this state is hereby
20 authorized to cause to be towed any vehicle found upon the roadway
21 when:

22 1. Report has been made that the vehicle has been stolen or
23 taken without the consent of its owner;

24

1 2. The officer has reason to believe the vehicle has been
2 abandoned as defined in Sections 901 and 902 of this title;

3 3. The person driving or in control of the vehicle is arrested
4 for an alleged offense for which the officer is required by law to
5 take the person arrested or summoned before a proper magistrate
6 without unnecessary delay;

7 4. At the scene of an accident, when the owner or driver is not
8 in a position to take charge of the vehicle and direct or request
9 its proper removal; ~~or~~

10 5. The officer has probable cause that the person operating the
11 vehicle has not been granted driving privileges or that the driving
12 privileges of the person are currently suspended, revoked, canceled,
13 denied, or disqualified; or

14 6. The officer has probable cause that the vehicle is not
15 insured as required by the Compulsory Insurance Law of this state.

16 B. A licensed wrecker operator is not liable for damage to a
17 vehicle, vessel, or cargo that obstructs the normal movement of
18 traffic or creates a hazard to traffic and is removed in compliance
19 with the request of a law enforcement officer, unless there is
20 failure to exercise reasonable care in the performance of the act or
21 for conduct that is willful or malicious.

22 C. Each officer of the Department shall use the services of the
23 licensed wrecker operator whose location is nearest to the vehicle
24 to be towed in all instances in subsection A of this section. The

1 requests for services may be alternated or rotated among all
2 licensed wrecker operators who are located within a reasonable
3 radius of each other. In like manner, the officer shall advise any
4 person requesting information as to the availability of a wrecker or
5 towing service, the name of the nearest licensed wrecker operator,
6 giving equal consideration to all licensed wrecker operators located
7 within a reasonable radius of each other. In cities of less than
8 fifty thousand (50,000) population, all licensed wrecker operators
9 located near or in the city limits of such cities shall be
10 considered as being equal distance and shall be called on an equal
11 basis as nearly as possible. In counties bordering other states, if
12 the officer deems safety and time considerations warrant, the
13 officer may call a wrecker or towing service that is not on the
14 rotation log.

15 D. Any officer of the Department who has been requested by a
16 person in need of wrecker or towing service to call a specific
17 wrecker or towing service for such person, and who calls a different
18 wrecker or towing service other than the one requested, without the
19 consent of the person, except where hazardous conditions exist,
20 shall be suspended from the Department, without compensation, for a
21 period of thirty (30) days, except in instances where a vehicle is
22 removed from the roadway under the authority of paragraphs 3 and 4
23 of subsection A of this section.

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SECTION 6. This act shall become effective November 1, 2010.

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