

THE HOUSE OF REPRESENTATIVES
Monday, March 1, 2010

Committee Substitute for
House Bill No. 2331

COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 2331 - By: MARTIN (STEVE),
REYNOLDS AND SULLIVAN of the House.

An Act relating to motor vehicles; amending Section 1, Chapter 322, O.S.L. 2006, as last amended by Section 2, Chapter 340, O.S.L. 2009, and 47 O.S. 2001, Sections 7-602, as last amended by Section 33, Chapter 62, O.S.L. 2009, 7-605, as last amended by Section 36, Chapter 62, O.S.L. 2009 and 7-606, as last amended by Section 37, Chapter 62, O.S.L. 2009 (47 O.S. Supp. 2009, Sections 7-600.2, 7-602, 7-605 and 7-606), which relate to compulsory liability insurance verification requirements and penalties; modifying rules of the online verification system for motor vehicle liability policies; authorizing law enforcement to access information from the online verification system under certain circumstances; providing for the issuance of citations under certain circumstances; modifying registration procedures for 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. 2006, as last
2 amended by Section 2, Chapter 340, O.S.L. 2009 (47 O.S. Supp. 2009, Section 7-600.2), is
3 amended to read as follows:
4 Section 7-600.2 A. The Department of Public Safety shall promulgate and adopt,
5 pursuant to the Administrative Procedures Act, rules for an online verification system for

1 motor vehicle liability policies as required by the Compulsory Insurance Law, subject to
2 the following:

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

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

9 3. The verification system shall provide for direct inquiry and response between the
10 Department and insurance carriers, or such other method of inquiry and response as
11 agreed to by the Department and individual insurance carriers, and direct access to
12 insurers' records by personnel authorized by the Department;

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

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

19 ~~6. The verification system shall be installed and operational no later than~~
20 ~~December 31, 2008, following an appropriate testing period and after December 31, 2009,~~
21 ~~the verification system shall be installed and operational through the Internet as a web-~~
22 ~~based portal system;~~

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

3 ~~8.~~ 6. The verification system shall include appropriate provisions, consistent with
4 industry standards, to secure its data against unauthorized access and to maintain a
5 record of all information requests;

6 ~~9.~~ 7. Information contained in the verification system shall not be considered a
7 public record;

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

10 a. during a traffic stop or accident investigation, ~~may~~ shall access
11 information from the online verification system ~~to establish compliance~~
12 ~~with the Compulsory Insurance Law and~~ to verify the current validity
13 of the policy described on a security verification form ~~and~~ produced by
14 the operator of a each motor vehicle during the traffic stop or accident
15 investigation, or

16 b. at any other time, may access information from the online verification
17 system and, if compliance is not confirmed, stop the operator of the
18 motor vehicle and verify the current validity of the policy described on
19 a security verification form produced by the operator.

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

1 ~~11. 9.~~ All information exchanged between the Department and insurance
2 companies, any database created, and all reports, responses, or other information
3 generated for the purposes of the verification system shall not be subject to the
4 Oklahoma Open Records Act.

5 B. This section shall not apply to a policy issued pursuant to paragraph 3 of
6 subsection A of Section 7-601.1 of this title or paragraph 3 of subsection A of Section 7-
7 602 of this title to insure a commercial motor vehicle or to insure any vehicle under a
8 commercial policy that provides commercial auto coverage as defined in Section 7-600 of
9 this title.

10 C. ~~Effective December 31, 2009, as~~ As a condition for writing motor vehicle liability
11 policies in this state, insurance carriers shall cooperate with the Department in
12 establishing and maintaining the insurance verification system and shall provide access
13 to motor vehicle insurance policy status information as provided in the ~~Department's~~
14 rules of the Department.

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

18 Section 7-602. A. 1. The owner of a motor vehicle registered in this state shall
19 carry in the vehicle at all times a current owner's security verification form listing the
20 vehicle or an equivalent form which has been issued by the Department of Public Safety,
21 and the operator of the vehicle shall produce the form upon request for inspection by any

1 law enforcement officer or representative of the Department and, in case of an accident,
2 the form shall be shown upon request to any person affected by the accident.

3 2. a. Every person registering a motor vehicle in this state, except a motor vehicle
4 which is not being used upon the public highways or public streets, or
5 a manufactured home while on a permanent foundation, at the time of
6 registration of the vehicle, shall certify the existence of security with
7 respect to the vehicle by surrendering to a motor license agent or other
8 registering agency a current owner's security verification form from an
9 insurance carrier authorized to do business in this state or an
10 equivalent form issued by the Department of Public Safety. A motor
11 license agent or other registering agency shall require the surrender of
12 the form prior to processing an application for registration or renewal.

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

1 subparagraph a of this paragraph to certify the existence of the
2 required insurance prior to processing any application for motor
3 vehicle registration. The Oklahoma Tax Commission and any motor
4 license agent shall not require an insurance carrier to provide any
5 documentation other than the security verification.

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

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

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

- 5 a. any vehicle owned or leased by the federal or state government, or any
6 agency or political subdivision thereof,
- 7 b. any vehicle bearing the name, symbol, or logo of a business,
8 corporation or utility on the exterior and which is in compliance with
9 the provisions of the Compulsory Insurance Law according to records
10 of the Corporation Commission which reflect a deposit or fleet policy,
- 11 c. fleet vehicles maintaining current vehicle liability insurance as
12 required by the Corporation Commission or any other regulating
13 entity,
- 14 d. any licensed taxicab, and
- 15 e. any vehicle owned by a licensed used motor vehicle dealer.

16 5. Any person who knowingly issues or promulgates false or fraudulent information
17 in connection with either an owner's or operator's security verification form or an
18 equivalent form which has been issued by the Department of Public Safety shall be guilty
19 of a misdemeanor and upon conviction shall be subject to a fine not exceeding Five
20 Hundred Dollars (\$500.00), or imprisonment for not more than six (6) months, or by both
21 such fine and imprisonment.

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

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

14 Section 7-605. A. 1. Whenever any person forfeits a bond, fails to appear, or is
15 convicted in any state or municipal court for permitting the operation in this state of a
16 motor vehicle owned by the person without the security required by this title, for
17 operating a motor vehicle in this state without the security required by this title, or for
18 failure to carry a security verification form, the Department of Public Safety shall
19 suspend the driving privilege of the person.

20 2. The suspension of the driving privilege shall remain in effect until payment is
21 made of the fees provided for in Section 6-212 of this title and proof of security is
22 furnished to the Department of Public Safety which complies with the requirements of

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

7 3. Any person whose driving privilege has been suspended pursuant to the
8 provisions of this subsection shall surrender to the Department his or her driver license.
9 Any person failing to voluntarily relinquish his or her driver license to the Department
10 within thirty (30) days of receipt of the notice specified in paragraph 2 of this subsection
11 shall pay a fee of Fifty Dollars (\$50.00) in addition to the fees provided for in Section 6-
12 212 of this title.

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

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

- 1 a. a conviction, or
- 2 b. a notice of bond forfeiture;

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

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

- 8 a. was issued in error, or
- 9 b. was not related to a violation of:
 - 10 (1) the Compulsory Insurance Law,
 - 11 (2) a security verification form as required by this article, or
 - 12 (3) a municipal ordinance requiring security or the carrying of a
13 security verification form.

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

17 D. Whenever any person's driving privilege has been suspended pursuant to this
18 section or Section 7-612 of this title, the Department may notify any law enforcement
19 officer of the suspension. Any law enforcement officer who has been notified that a
20 person's the driving privilege of a person has been suspended, upon observing the person
21 or motor vehicle anywhere upon a public street, highway, roadway, turnpike, or public
22 parking lot, shall stop the person or motor vehicle ~~and~~, seize the ~~person's~~ driver license of

UNDERLINED language denotes Amendments to present Statutes.
BOLD FACE CAPITALIZED language denotes Committee Amendments.
~~Strike thru~~ language denotes deletion from present Statutes.

1 the person, seize the vehicle being operated by the person and cause the vehicle to be
2 towed and stored as provided in subsection B of Section 955 of this title, if the officer has
3 probable cause to believe that the vehicle is not insured as required by the Compulsory
4 Insurance Law of this state.

5 E. No person shall have a property interest in a driver license issued pursuant to
6 the laws of this state and it shall be the duty of every person whose driving privilege has
7 been suspended to forthwith surrender his or her driver license upon the request of any
8 law enforcement officer or representative of the Department.

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

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

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

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

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

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

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

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

1 imprisonment for not more than thirty (30) days, or by both such fine and imprisonment,
2 and in addition thereto, shall be subject to suspension of the driving privilege of the
3 person in accordance with Section 7-605 of this title. Upon issuing a citation under this
4 paragraph, the law enforcement officer issuing the citation may seize the vehicle being
5 operated by the person and cause the vehicle to be towed and stored as provided by
6 Subsection B of Section 955 of this title, if the officer has probable cause to believe that
7 the vehicle is not insured as required by the Compulsory Insurance Law of this state.

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

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

19 C. Any person producing proof in court that a current security verification form or
20 equivalent form which has been issued by the Department of Public Safety reflecting
21 liability coverage for the person was in force at the time of the alleged offense shall be
22 entitled to dismissal of the charge upon payment of court costs; however, if proof of

1 security verification is presented to the court by the assigned court appearance date, the
2 court shall access information from the online verification system and, if compliance is
3 confirmed, the charge shall be dismissed without payment of court costs.

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

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

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

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

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

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

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

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

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

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

11 C. Each officer of the Department shall use the services of the licensed wrecker
12 operator whose location is nearest to the vehicle to be towed in all instances in subsection
13 A of this section. The requests for services may be alternated or rotated among all
14 licensed wrecker operators who are located within a reasonable radius of each other. In
15 like manner, the officer shall advise any person requesting information as to the
16 availability of a wrecker or towing service, the name of the nearest licensed wrecker
17 operator, giving equal consideration to all licensed wrecker operators located within a
18 reasonable radius of each other. In cities of less than fifty thousand (50,000) population,
19 all licensed wrecker operators located near or in the city limits of such cities shall be
20 considered as being equal distance and shall be called on an equal basis as nearly as
21 possible. In counties bordering other states, if the officer deems safety and time

1 considerations warrant, the officer may call a wrecker or towing service that is not on the
2 rotation log.

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

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

11 COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET,
12 dated 02-25-10 - DO PASS, As Amended and Coauthored.