

1 STATE OF OKLAHOMA

2 2nd Session of the 53rd Legislature (2012)

3 SENATE BILL 1598

By: Shortey

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5  
6 AS INTRODUCED

7 An Act relating to motor vehicle insurance; amending  
8 47 O.S. 2011, Section 7-606, which relates to  
9 penalties for failure to maintain insurance or  
10 security; adding fee for failure to comply with the  
11 Compulsory Insurance Law; specifying deposit of the  
12 fee into the Insurance Department Anti-Fraud  
13 Revolving Fund; amending 36 O.S. 2011, Section 307.5,  
14 which relates to the Insurance Department Anti-Fraud  
15 Revolving Fund; designating monies to be deposited in  
16 the Fund; specifying that certain fees shall not be  
17 subject to certain calculations or transfers;  
18 specifying use of certain monies; providing an  
19 effective date; and declaring an emergency.

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

21 SECTION 1. AMENDATORY 47 O.S. 2011, Section 7-606, is  
22 amended to read as follows:

23 Section 7-606.

24 A. 1. a. An owner or operator who fails to comply with the  
25 Compulsory Insurance Law, or who fails to produce for  
26 inspection a valid and current security verification  
27 form or equivalent form which has been issued by the  
28 Department of Public Safety upon request of any peace

1 officer, representative of the Department of Public  
2 Safety or other authorized person, shall be guilty of  
3 a misdemeanor and upon conviction shall be subject to  
4 a fine of not more than Two Hundred Fifty Dollars  
5 (\$250.00), or imprisonment for not more than thirty  
6 (30) days, or by both such fine and imprisonment, and  
7 in addition thereto, shall be subject to suspension of  
8 the driving privilege of the person in accordance with  
9 Section 7-605 of this title. Upon issuing a citation  
10 under this paragraph, the law enforcement officer  
11 issuing the citation may seize the vehicle being  
12 operated by the person and cause the vehicle to be  
13 towed and stored as provided by subsection B of  
14 Section 955 of this title, if the officer has probable  
15 cause to believe that the vehicle is not insured as  
16 required by the Compulsory Insurance Law of this  
17 state. If the operator of the vehicle produces what  
18 appears to be a valid security verification form and  
19 the officer is unable to confirm compliance through  
20 the online verification system or noncompliance by a  
21 subsequent investigation, the officer shall be  
22 prohibited from seizing the vehicle and causing such  
23 vehicle to be towed and stored. Further, no vehicle  
24 shall be seized and towed under the provisions of this

1 paragraph if said vehicle is displaying a temporary  
2 license plate that has not expired pursuant to the  
3 provisions of Sections 1137.1 and 1137.3 of this  
4 title.

5 b. In addition to the fine levied in subparagraph a of  
6 this paragraph, the owner or operator shall be ordered  
7 to pay an additional fee of One Hundred Fifty Dollars  
8 (\$150.00). The Department shall transfer the fee  
9 collected pursuant to this subparagraph to the  
10 Insurance Department for deposit in the Insurance  
11 Department Anti-Fraud Revolving Fund.

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

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

4 C. Any person producing proof in court that a current security  
5 verification form or equivalent form which has been issued by the  
6 Department of Public Safety reflecting liability coverage for the  
7 person was in force at the time of the alleged offense shall be  
8 entitled to dismissal of the charge. If proof of security  
9 verification is presented to the court by no later than the business  
10 day preceding the first scheduled court appearance date, the  
11 dismissal shall be without payment of court costs. The court may  
12 access information from the online verification system to confirm  
13 liability coverage. The court shall not dismiss the fine unless  
14 proof that liability coverage for the person was in force at the  
15 time of the alleged offense is presented to the court.

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

20 E. For purposes of this section, "court" means any court in  
21 this state.

22 SECTION 2. AMENDATORY 36 O.S. 2011, Section 307.5, is  
23 amended to read as follows:

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1 Section 307.5. A. There is hereby created in the State  
2 Treasury a revolving fund for the ~~Oklahoma~~ Insurance Department, to  
3 be designated the "Insurance Department Anti-Fraud Revolving Fund".  
4 The fund shall be a continuing fund, not subject to fiscal year  
5 limitation, and shall consist of any monies designated to the fund  
6 as provided in subsections B and C of this section and in  
7 subparagraph b of paragraph 1 of subsection A of Section 7-606 of  
8 Title 47 of the Oklahoma Statutes. Warrants for expenditures from  
9 the revolving fund shall be drawn by the State Treasurer, based on  
10 claims signed by an authorized employee or employees of the  
11 Insurance Department and filed with the Director of the Office of  
12 State Finance. The fund shall be used for the purpose of  
13 administering investigations of abuse, negligence or criminal  
14 conduct regarding insurance laws or regulations and for the purposes  
15 stated in subsection D of this section.

16 B. The Department shall deposit all of the monies obtained as a  
17 result of insurance-related crimes, and other fines, late fees, and  
18 penalties assessed and collected into the Insurance Department Anti-  
19 Fraud Revolving Fund.

20 C. ~~Each~~ Except as provided in subsection D of this section,  
21 each year, the Department shall transfer to the General Revenue Fund  
22 the first Four Hundred Eighty-two Thousand Five Hundred Dollars  
23 (\$482,500.00) collected by the Department and deposited in the  
24 Insurance Department Anti-Fraud Revolving Fund. The next Five

1 Hundred Thousand Dollars (\$500,000.00) collected by the Department  
2 each year shall be divided evenly between the Department and the  
3 ~~Oklahoma~~ Attorney General. All collections to be submitted to the  
4 Attorney General shall be deposited in the Attorney General's  
5 Insurance Fraud Unit Revolving Fund. Any collections above Nine  
6 Hundred Eighty-two Thousand Five Hundred Dollars (\$982,500.00) shall  
7 be deposited each year into the Insurance Department Anti-Fraud  
8 Revolving Fund and shall be retained for use by the Department for  
9 the purposes of administering investigations of abuse, negligence or  
10 criminal conduct regarding insurance laws or regulations.

11 D. Fees collected pursuant to subparagraph b of paragraph 1 of  
12 subsection A of Section 7-606 of Title 47 of the Oklahoma Statutes  
13 shall be deposited into the Insurance Department Anti-Fraud  
14 Revolving Fund. These monies are not subject to the calculations or  
15 transfers required in subsection C of this section. These monies  
16 are to be used to:

17 1. Make grants to local law enforcement units to enhance their  
18 ability to enforce the Compulsory Insurance Law;

19 2. Provide funding for intergovernmental training by the Anti-  
20 Fraud Unit in the area of the Compulsory Insurance Law; and

21 3. Provide funding to enhance public awareness of the  
22 Compulsory Insurance Law.

23 SECTION 3. This act shall become effective July 1, 2012.  
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1       SECTION 4. It being immediately necessary for the preservation  
2 of the public peace, health and safety, an emergency is hereby  
3 declared to exist, by reason whereof this act shall take effect and  
4 be in full force from and after its passage and approval.

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