

1 STATE OF OKLAHOMA

2 2nd Session of the 55th Legislature (2016)

3 HOUSE BILL 2473

By: Walker

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6 AS INTRODUCED

7 An Act relating to compulsory liability insurance;
8 amending 47 O.S. 2011, Section 7-600.2, which relates
9 to the online verification system; removing
10 requirement to issue citation if no security form is
11 produced; requiring law enforcement officer to access
12 the online verification system if no security
13 verification form is produced; requiring issuance of
14 citation under certain circumstances; amending 47
15 O.S. 2011, Section 7-606, as last amended by Section
16 10, Chapter 54, O.S.L. 2015 (47 O.S. Supp. 2015,
17 Section 7-606), which relates to penalties for
18 failure to maintain and provide proof of insurance or
19 security; providing that if an officer obtains
20 certain online verification there shall be no
21 violation of the Compulsory Insurance Law; and
22 providing an effective date.

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

29 SECTION 1. AMENDATORY 47 O.S. 2011, Section 7-600.2, is
30 amended to read as follows:

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

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

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

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

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

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

23 6. The verification system shall include appropriate
24 provisions, consistent with industry standards, to secure its data

1 against unauthorized access and to maintain a record of all
2 information requests;

3 7. Information contained in the verification system shall not
4 be considered a public record;

5 8. Any law enforcement officer, to establish compliance with
6 the Compulsory Insurance Law during a traffic stop or accident
7 investigation, shall access information from the online verification
8 system to verify the current validity of the policy described on a
9 security verification form produced by the operator of each motor
10 vehicle during the traffic stop or accident investigation. If
11 compliance is not confirmed for the policy described on the security
12 verification form produced by the operator and a subsequent
13 investigation conducted by the officer verifies that the operator is
14 not in compliance ~~or if no security verification form is produced,~~
15 the officer shall issue a citation to the operator for failure to
16 comply with the Compulsory Insurance Law;

17 9. If the operator fails to produce the security verification
18 form during a traffic stop or accident investigation, the requesting
19 law enforcement officer shall access information from the online
20 verification system through the vehicle's identification number,
21 registered owner's name or other identifying characteristic or
22 marker to verify valid and current security and establish compliance
23 with the Compulsory Insurance Law. If the operator fails to produce
24 the security verification form and compliance is not confirmed

1 through the online verification system, the officer shall issue a
2 citation to the operator for failure to comply with the Compulsory
3 Insurance Law;

4 10. Establishing compliance with the Compulsory Insurance Law
5 through the online verification system shall not be the primary
6 cause for law enforcement to stop a motor vehicle; and

7 ~~9.~~ 11. All information exchanged between the Department and
8 insurance companies, any database created, and all reports,
9 responses, or other information generated for the purposes of the
10 verification system shall not be subject to the Oklahoma Open
11 Records Act.

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

18 C. As a condition for writing motor vehicle liability policies
19 in this state, insurance carriers shall cooperate with the
20 Department in establishing and maintaining the insurance
21 verification system and shall provide access to motor vehicle
22 insurance policy status information as provided in the rules of the
23 Department.
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1 SECTION 2. AMENDATORY 47 O.S. 2011, Section 7-606, as
2 last amended by Section 10, Chapter 54, O.S.L. 2015 (47 O.S. Supp.
3 2015, Section 7-606), is amended to read as follows:

4 Section 7-606. A. 1. An owner or operator who fails to comply
5 with the Compulsory Insurance Law, or who fails to produce for
6 inspection a valid and current security verification form or
7 equivalent form which has been issued by the Department of Public
8 Safety upon request of any peace officer, representative of the
9 Department of Public Safety or other authorized person, shall be
10 guilty of a misdemeanor and upon conviction shall be subject to a
11 fine of not more than Two Hundred Fifty Dollars (\$250.00), or
12 imprisonment for not more than thirty (30) days, or by both such
13 fine and imprisonment, ~~and,~~ and, in addition thereto, shall be subject to
14 suspension of the driving privilege of the person in accordance with
15 Section 7-605 of this title; provided that if the requesting law
16 enforcement officer verifies valid and current security and
17 compliance with the Compulsory Insurance Law, there shall be no
18 violation of the Compulsory Insurance Law and no citation shall be
19 issued. Upon issuing a citation under this paragraph, the law
20 enforcement officer issuing the citation may:

- 21 a. seize the vehicle being operated by the person and
22 cause the vehicle to be towed and stored as provided
23 by subsection ~~B~~ A of Section 955 of this title, if the
24 officer has probable cause to believe that the vehicle

1 is not insured as required by the Compulsory Insurance
2 Law of this state, or

3 b. seize the license plate of the vehicle and issue the
4 citation to the vehicle operator, provided that the
5 vehicle is in a drivable condition at the time of
6 issuing the citation. A copy of the citation retained
7 by the owner or operator of the vehicle shall serve as
8 the temporary license plate of the vehicle for up to
9 ten (10) calendar days after the issuance of the
10 citation. After ten (10) calendar days, the vehicle
11 shall not be used until the vehicle operator or owner
12 completes the requirements to retrieve the license
13 plate.

14 (1) After the issuance of the citation, the law
15 enforcement agency issuing the citation shall,
16 within three (3) days, deposit the license plate
17 and deliver a copy of the citation to the county
18 sheriff's office of the county where the
19 violation has occurred. The county sheriff's
20 office shall provide the plan administrator with
21 the seized license plate number. The plan
22 administrator shall maintain a database including
23 all seized license plates and shall submit such
24 information to the Oklahoma Tax Commission.

1 (2) The vehicle owner or operator may retrieve the
2 license plate from the county sheriff's office
3 upon providing verification of compliance with
4 the Compulsory Insurance Law, payment in full of
5 an administrative fee of One Hundred Twenty-five
6 Dollars (\$125.00) to the county sheriff's office
7 and payment in full of the citation to the court
8 clerk. The county sheriff's office shall
9 transfer the administrative fee to the Plan
10 Administrator. The Plan Administrator shall
11 notify the Oklahoma Tax Commission that the
12 vehicle owner or operator is in compliance with
13 this division and shall distribute the
14 administrative fee as follows:

15 (a) Twenty Dollars (\$20.00) of the fee shall be
16 distributed to the county sheriff's office
17 to defray any expenses involved in the
18 storage of the license plate,

19 (b) Seventy Dollars (\$70.00) of the fee shall be
20 transferred to the law enforcement agency
21 which issued the citation and may be used
22 for any lawful purpose,
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1 (c) Twenty-five Dollars (\$25.00) of the fee
2 shall be transferred to the Temporary
3 Insurance Premium Pool, and

4 (d) the Plan Administrator shall retain Ten
5 Dollars (\$10.00) of the fee.

6 (3) The county sheriff's office may dispose of any
7 unclaimed license plate after ninety (90) days
8 according to applicable state law. After the
9 license plate has been disposed of by the county
10 sheriff's office, the operator or owner shall be
11 required to obtain a new license plate pursuant
12 to all existing requirements.

13 If the operator of the vehicle produces what appears to be a valid
14 security verification form and the officer is unable to confirm
15 compliance through the online verification system or noncompliance
16 by a subsequent investigation, the officer shall be prohibited from
17 seizing the license plate or seizing the vehicle and causing such
18 vehicle to be towed and stored. Further, no vehicle shall be seized
19 and towed under the provisions of this paragraph if the vehicle is
20 displaying a temporary license plate that has not expired pursuant
21 to the provisions of Sections 1137.1 and 1137.3 of this title.

22 2. An owner other than an owner of an antique or a classic
23 automobile as defined by the Oklahoma Tax Commission who files an
24 affidavit that a vehicle shall not be driven upon the public

1 highways or public streets, pursuant to Section 7-607 of this title,
2 who drives or permits the driving of the vehicle upon the public
3 highways or public streets, shall be guilty of a misdemeanor and
4 upon conviction thereof shall be subject to a fine of not more than
5 Five Hundred Dollars (\$500.00), or imprisonment for not more than
6 thirty (30) days, or by both such fine and imprisonment, and in
7 addition thereto, shall be subject to suspension of the driving
8 privilege of the person in accordance with Section 7-605 of this
9 title.

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

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

1 D. Upon conviction or bond forfeiture, the court clerk shall
2 forward an abstract to the Department of Public Safety within five
3 (5) days reflecting the action taken by the court.

4 E. For purposes of this section, "court" means any court in
5 this state.

6 SECTION 3. This act shall become effective November 1, 2016.

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