

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 1st Session of the 54th Legislature (2013)

4 COMMITTEE SUBSTITUTE
5 FOR
6 HOUSE BILL NO. 1792

By: Christian of the House

and

Holt of the Senate

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10 COMMITTEE SUBSTITUTE

11 An Act relating to uninsured motorists; creating the
12 Oklahoma Temporary Motorist Liability Plan;
13 describing coverage provided under the plan;
14 providing time period and circumstances in which
15 coverage will be applicable; creating the Temporary
16 Insurance Premium Pool; limiting coverage if any
17 other coverage is in effect; requiring the Insurance
18 Commissioner to develop forms; providing bid
19 selection process; providing for Plan Administrator;
20 providing cost of temporary insurance; providing for
21 cause of action; authorizing the Department of Public
22 Safety to promulgate rules; amending 47 O.S. 2011,
23 Section 7-606, as amended by Section 4, Chapter 207,
24 O.S.L. 2012 (47 O.S. Supp. 2012, Section 7-606),
 which relates to penalties for failure to maintain
 insurance; providing for seizure of license plate,
 citation and fees; providing for codification; and
 providing an effective date.

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

1 SECTION 1. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 7-621 of Title 47, unless there
3 is created a duplication in numbering, reads as follows:

4 A. There is hereby created the "Oklahoma Temporary Motorist
5 Liability Plan".

6 B. The Oklahoma Temporary Motorist Liability Plan will provide
7 minimum vehicle liability insurance coverage for the payment of loss
8 resulting from the liability imposed by law for bodily injury, death
9 and property damage sustained by any person arising out of the
10 ownership, maintenance, operation or use of a vehicle when a
11 citation is issued and the vehicle license plate has been seized
12 pursuant to subparagraph b of paragraph 1 of subsection A of Section
13 7-606 of Title 47 of the Oklahoma Statutes.

14 C. Coverage amount will be equal to the state minimum liability
15 requirement.

16 SECTION 2. NEW LAW A new section of law to be codified
17 in the Oklahoma Statutes as Section 7-622 of Title 47, unless there
18 is created a duplication in numbering, reads as follows:

19 A. Coverage shall only be provided by the Oklahoma Temporary
20 Motorist Liability Plan from the time period beginning when the
21 citation is issued and the vehicle license plate is seized pursuant
22 to subparagraph b of paragraph 1 of subsection A of Section 7-606 of
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1 Title 47 of the Oklahoma Statutes, and ending at the earliest of the
2 following times:

3 1. When the owner of the vehicle has:

4 a. obtained documentation from the Department of Public
5 Safety showing the owner of the vehicle has secured
6 for the payment of loss resulting from the liability
7 imposed by law for bodily injury, death and property
8 damage sustained by any person arising out of the
9 ownership, maintenance, operation or use of the
10 vehicle meeting the minimum vehicle liability limits,
11 or

12 b. obtained the state minimum mandatory insurance from an
13 insurance carrier;

14 2. Retrieved the license plate from the county sheriff's office
15 pursuant to subparagraph b of paragraph 1 of subsection A of Section
16 7-606 of Title 47 of the Oklahoma Statutes; or

17 3. When the citation serving as the temporary license plate has
18 expired pursuant to subparagraph b of paragraph 1 of subsection A of
19 Section 7-606 of Title 47 of the Oklahoma Statutes.

20 B. Coverage shall only be provided while the motor vehicle is
21 operated in this state during the time period provided in subsection
22 A of this section.

1 SECTION 3. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 7-623 of Title 47, unless there
3 is created a duplication in numbering, reads as follows:

4 A. There is hereby created the Temporary Insurance Premium
5 Pool. Funds shall be deposited into the Temporary Insurance Premium
6 Pool pursuant to subparagraph b of paragraph 1 of subsection A of
7 Section 7-606 of Title 47 of the Oklahoma Statutes.

8 B. Any interest or earning accrued to the Plan Administrator
9 accounts associated with the Oklahoma Temporary Motorist Liability
10 Plan shall be deposited into the Temporary Insurance Premium Pool.

11 C. At the end of any state fiscal year, if the Temporary
12 Insurance Premium Pool reserves exceed that year's three-month
13 average total statewide premium, then the excess funds shall be
14 distributed to the Department of Public Safety's operations fund.

15 D. The Temporary Insurance Premium Pool is subject to audit by
16 the state auditor.

17 SECTION 4. NEW LAW A new section of law to be codified
18 in the Oklahoma Statutes as Section 7-624 of Title 47, unless there
19 is created a duplication in numbering, reads as follows:

20 Coverage provided by the Oklahoma Temporary Motorist Liability
21 Plan will be secondary to any other coverage in effect on the
22 vehicle.
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1 SECTION 5. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 7-625 of Title 47, unless there
3 is created a duplication in numbering, reads as follows:

4 A. The Insurance Commissioner shall annually develop and
5 approve a policy form for the purpose of providing coverage under
6 the Oklahoma Temporary Motorist Liability Plan. All coverage and
7 exclusions shall be defined in the form prescribed by the
8 Commissioner. The exclusions may include, but are not limited to,
9 driving without a license, driving during the commission of a felony
10 or driving while under the influence. The approved policy form
11 shall become part of a Request for Proposals.

12 B. The Office of Management and Enterprise Services, in
13 consultation with the Insurance Commissioner, shall select an
14 insurer through a competitive bidding process to administer
15 insurance coverage under the Plan.

16 C. Bids shall be received by the Office of Management and
17 Enterprise Services by November 1 of each year. Bids shall be
18 expressed as a daily temporary insurance rate and shall include all
19 costs associated with administering the insurance portion of the
20 Plan. Bids may not include any additional administrative fees. The
21 Office of Management and Enterprise Services, in consultation with
22 the Insurance Commissioner, shall select the lowest and best bid.

1 D. If no acceptable bids are received, the Office of Management
2 and Enterprise Services may suspend coverage provided under the Plan
3 until acceptable bids are received.

4 SECTION 6. NEW LAW A new section of law to be codified
5 in the Oklahoma Statutes as Section 7-626 of Title 47, unless there
6 is created a duplication in numbering, reads as follows:

7 A. A statewide association of county sheriffs in Oklahoma shall
8 serve as the Plan Administrator.

9 B. The daily rate for temporary insurance under the Oklahoma
10 Temporary Motorist Liability Plan for the following calendar year
11 shall be announced on the first Monday in December. The daily cost
12 of coverage shall be paid to the county sheriff's office and the
13 fine and fees associated with the traffic ticket shall be paid to
14 the court clerk. The daily cost of coverage shall be calculated on
15 each twenty-four-hour period from the time the citation was issued
16 pursuant to subparagraph b of paragraph 1 of subsection A of Section
17 7-606 of Title 47 of the Oklahoma Statutes, rounding up. The county
18 sheriff's office shall not waive premium dues for any defendant.
19 The county sheriff's office shall remit all proceeds from the daily
20 cost of insurance to the Plan on the first business day of each
21 month to the Plan Administrator. The Plan Administrator shall remit
22 the total statewide monthly premium to the appropriate insurance
23 carrier within sixty (60) days of the premium being earned.

1 C. If for any reason the premium is not collected, then the
2 Oklahoma Temporary Motorist Liability Plan shall pay the premium out
3 of the Temporary Insurance Premium Pool.

4 D. If the citation issued pursuant to subparagraph b of
5 paragraph 1 of subsection A of Section 7-606 of Title 47 of the
6 Oklahoma Statutes is dismissed without cost, the coverage provided
7 under the Plan is considered never activated and the premium is
8 considered unearned and shall be waived.

9 E. Tag agents shall not issue a new or renewed tag for this
10 vehicle until all fines, fees and premiums have been paid and the
11 license plate has been released by the county sheriff's office.

12 SECTION 7. NEW LAW A new section of law to be codified
13 in the Oklahoma Statutes as Section 7-627 of Title 47, unless there
14 is created a duplication in numbering, reads as follows:

15 The insurance carrier whose bid was selected by the Office of
16 Management and Enterprise Services shall have right to recover from
17 the owner of the vehicle or the driver of the vehicle that was cited
18 for claims paid by the Oklahoma Temporary Motorist Liability Plan.

19 SECTION 8. NEW LAW A new section of law to be codified
20 in the Oklahoma Statutes as Section 7-628 of Title 47, unless there
21 is created a duplication in numbering, reads as follows:

1 The Department of Public Safety may promulgate reasonable and
2 necessary rules concerning the implementation of the Oklahoma
3 Temporary Motorist Liability Plan.

4 SECTION 9. AMENDATORY 47 O.S. 2011, Section 7-606, as
5 amended by Section 4, Chapter 207, O.S.L. 2012 (47 O.S. Supp. 2012,
6 Section 7-606), is amended to read as follows:

7 Section 7-606. A. 1. An owner or operator who fails to comply
8 with the Compulsory Insurance Law, or who fails to produce for
9 inspection a valid and current security verification form or
10 equivalent form which has been issued by the Department of Public
11 Safety upon request of any peace officer, representative of the
12 Department of Public Safety or other authorized person, shall be
13 guilty of a misdemeanor and upon conviction shall be subject to a
14 fine of not more than Two Hundred Fifty Dollars (\$250.00), or
15 imprisonment for not more than thirty (30) days, or by both such
16 fine and imprisonment, and in addition thereto, shall be subject to
17 suspension of the driving privilege of the person in accordance with
18 Section 7-605 of this title. Upon issuing a citation under this
19 paragraph, the law enforcement officer issuing the citation may:

- 20 a. seize the vehicle being operated by the person and
21 cause the vehicle to be towed and stored as provided
22 by subsection B of Section 955 of this title, if the
23 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) working days after the issuance of the
10 citation. After ten (10) working 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.

20 (2) The vehicle owner or operator may retrieve the
21 license plate from the county sheriff's office
22 upon providing verification of compliance with
23 the Compulsory Insurance Law, payment in full of
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1 an administrative fee of One Hundred Twenty-five
2 Dollars (\$125.00) to the county sheriff's office
3 and payment in full of the citation to the court
4 clerk. The county sheriff's office shall
5 transfer the administrative fee to the Plan
6 Administrator. The Plan Administrator shall
7 distribute the administrative fee as follows:

8 (a) Twenty Dollars (\$20.00) of the fee shall be
9 distributed to the county sheriff's office
10 to defray any expenses involved in the
11 storage of the license plate,

12 (b) Seventy Dollars (\$70.00) of the fee shall be
13 transferred to the law enforcement agency
14 which issued the citation and may be used
15 for any lawful purpose,

16 (c) Twenty-five Dollars (\$25.00) of the fee
17 shall be transferred to the Temporary
18 Insurance Premium Pool, and

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

21 (3) The county sheriff's office may dispose of any
22 unclaimed license plate after ninety (90) days
23 according to applicable state law. After the
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1 license plate has been disposed of by the county
2 sheriff's office, the operator or owner shall be
3 required to obtain a new license plate pursuant
4 to all existing requirements.

5 If the operator of the vehicle produces what appears to be a valid
6 security verification form and the officer is unable to confirm
7 compliance through the online verification system or noncompliance
8 by a subsequent investigation, the officer shall be prohibited from
9 seizing the license plate or seizing the vehicle and causing such
10 vehicle to be towed and stored. Further, no vehicle shall be seized
11 and towed under the provisions of this paragraph if said vehicle is
12 displaying a temporary license plate that has not expired pursuant
13 to the provisions of Sections 1137.1 and 1137.3 of this title.

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

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

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

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

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

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1 SECTION 10. This act shall become effective November 1, 2013.

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3 COMMITTEE REPORT BY: COMMITTEE ON TRANSPORTATION, dated 02/28/2013 -
4 DO PASS, As Amended and Coauthored.

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