

STATE OF OKLAHOMA

2nd Session of the 55th Legislature (2016)

COMMITTEE SUBSTITUTE
FOR
HOUSE BILL NO. 2473

By: Walker

COMMITTEE SUBSTITUTE

An Act relating to compulsory liability insurance; amending 47 O.S. 2011, Section 7-600.2, which relates to the online verification system; removing requirement to issue citation if no security form is produced; modifying requirement to issue citations; requiring law enforcement officer to access the online verification system if no security verification form is produced; prohibiting issuance of citation if security is established; requiring issuance of citation under certain circumstances; amending 47 O.S. 2011, Section 7-606, as last amended by Section 10, Chapter 54, O.S.L. 2015 (47 O.S. Supp. 2015, Section 7-606), which relates to penalties for failure to maintain and provide proof of insurance or security; removing certain unlawful acts; providing that if an officer obtains certain online verification there shall be no violation of the Compulsory Insurance Law; and providing an effective date.

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

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

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

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

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

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

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

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

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

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

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

21 9. If the operator fails to produce the security verification
22 form during a traffic stop or accident investigation, the requesting
23 law enforcement officer shall access information from the online
24 verification system through the vehicle's identification number,

1 registered owner's name or other identifying characteristic or
2 marker to verify valid and current security and establish compliance
3 with the Compulsory Insurance Law and shall not issue a citation if
4 valid and current security is established. If the operator fails to
5 produce the security verification form and compliance is not
6 confirmed through the online verification system, the officer may
7 issue a citation to the operator for failure to comply with the
8 Compulsory Insurance Law;

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

12 ~~9.~~ 11. 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. As a condition for writing motor vehicle liability policies
24 in this state, insurance carriers shall cooperate with the

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

5 SECTION 2. AMENDATORY 47 O.S. 2011, Section 7-606, as
6 last amended by Section 10, Chapter 54, O.S.L. 2015 (47 O.S. Supp.
7 2015, Section 7-606), is amended to read as follows:

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

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

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

18 (1) After the issuance of the citation, the law
19 enforcement agency issuing the citation shall,
20 within three (3) days, deposit the license plate
21 and deliver a copy of the citation to the county
22 sheriff's office of the county where the
23 violation has occurred. The county sheriff's
24 office shall provide the plan administrator with

1 the seized license plate number. The plan
2 administrator shall maintain a database including
3 all seized license plates and shall submit such
4 information to the Oklahoma Tax Commission.

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

- 19 (a) Twenty Dollars (\$20.00) of the fee shall be
20 distributed to the county sheriff's office
21 to defray any expenses involved in the
22 storage of the license plate,
23 (b) Seventy Dollars (\$70.00) of the fee shall be
24 transferred to the law enforcement agency

1 which issued the citation and may be used
2 for any lawful purpose,

3 (c) Twenty-five Dollars (\$25.00) of the fee
4 shall be transferred to the Temporary
5 Insurance Premium Pool, and

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

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

15 If the operator of the vehicle produces what appears to be a valid
16 security verification form and the officer is unable to confirm
17 compliance through the online verification system or noncompliance
18 by a subsequent investigation, the officer shall be prohibited from
19 seizing the license plate or seizing the vehicle and causing such
20 vehicle to be towed and stored. Further, no vehicle shall be seized
21 and towed under the provisions of this paragraph if the vehicle is
22 displaying a temporary license plate that has not expired pursuant
23 to the provisions of Sections 1137.1 and 1137.3 of this title.
24

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

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

16 C. Any person producing proof in court that a current security
17 verification form or equivalent form which has been issued by the
18 Department of Public Safety reflecting liability coverage for the
19 person was in force at the time of the alleged offense shall be
20 entitled to dismissal of the charge. If proof of security
21 verification is presented to the court by no later than the business
22 day preceding the first scheduled court appearance date, the
23 dismissal shall be without payment of court costs. The court may
24 access information from the online verification system to confirm

1 liability coverage. The court shall not dismiss the fine unless
2 proof that liability coverage for the person was in force at the
3 time of the alleged offense is presented to the court.

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

7 E. For purposes of this section, "court" means any court in
8 this state.

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

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