An Act

ENROLLED HOUSE
BILL NO. 1792

By: Christian, Turner, Moore and Kirby of the House

and

Brooks and Holt of the Senate

An Act relating to uninsured motorists; creating the Oklahoma Temporary Motorist Liability Plan; describing coverage provided under the plan; providing time period and circumstances in which coverage will be applicable; creating the Temporary Insurance Premium Pool; limiting coverage if any other coverage is in effect; requiring the Insurance Commissioner to develop forms; providing bid selection process; providing for Plan Administrator; providing cost of temporary insurance; providing for cause of action; authorizing the Department of Public Safety to promulgate rules; amending 47 O.S. 2011, Section 7-606, as amended by Section 4, Chapter 207, 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.

SUBJECT: Motor vehicle liability coverage

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

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

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

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

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

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

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

1. When the owner of the vehicle has:

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

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

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

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

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

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

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

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

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

D. The Temporary Insurance Premium Pool is subject to audit by the State Auditor and Inspector.

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

Coverage provided by the Oklahoma Temporary Motorist Liability Plan will be secondary to any other coverage in effect on the vehicle.

SECTION 5. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 7-625 of Title 47, unless there is created a duplication in numbering, reads as follows:

A. The Insurance Commissioner shall annually develop and approve a policy form for the purpose of providing coverage under the Oklahoma Temporary Motorist Liability Plan. All coverage and exclusions shall be defined in the form prescribed by the

Commissioner. The exclusions may include, but are not limited to, driving without a license, driving during the commission of a felony or driving while under the influence. The approved policy form shall become part of a Request for Proposals.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 7-606. A. 1. An owner or operator who fails to comply with the Compulsory Insurance Law, or who fails to produce for inspection a valid and current security verification form or equivalent form which has been issued by the Department of Public Safety upon request of any peace officer, representative of the Department of Public Safety or other authorized person, shall be guilty of a misdemeanor and upon conviction shall be subject to a fine of not more than Two Hundred Fifty Dollars ($250.00), or imprisonment for not more than thirty (30) days, or by both such

fine and imprisonment, and in addition thereto, shall be subject to suspension of the driving privilege of the person in accordance with Section 7-605 of this title. Upon issuing a citation under this paragraph, the law enforcement officer issuing the citation may:

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

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

(1) After the issuance of the citation, the law enforcement agency issuing the citation shall, within three (3) days, deposit the license plate and deliver a copy of the citation to the county sheriff's office of the county where the violation has occurred.

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

(a) Twenty Dollars ($20.00) of the fee shall be distributed to the county sheriff's office

to defray any expenses involved in the storage of the license plate,

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

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

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

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

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

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

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

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

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

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

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

Passed the House of Representatives the 12th day of March, 2013.

Presiding Officer of the House
of Representatives

Passed the Senate the 23rd day of April, 2013.

Presiding Officer of the Senate

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this 24th

day of April, 20 13, at 5:28 o'clock P M.

By: Audrey Rockwell

Approved by the Governor of the State of Oklahoma this 29th

day of April, 20 13, at 4:25 o'clock P M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this 29th

day of April, 20 13, at 5:30 o'clock P. M.

By: