

Ed. Howard.

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3 By Representative Hubbard
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Enrolled, An Act,

To add a new Chapter 7A to Title 32, Code of Alabama 1975, to require proof of motor vehicle liability insurance prior to the registration and licensing of motor vehicles; to provide for the administration and enforcement of the act; to provide penalties for violations; to amend Section 40-12-392, Code of Alabama 1975, to provide further for liability insurance of motor vehicle dealers, rebuilders, and wholesalers; and to repeal Section 32-7-6.1, Code of Alabama 1975.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. The following new Chapter 7A is hereby added to Title 32 of the Code of Alabama 1975, consisting of Sections 32-7A-1 through 32-7A-22.

§32-7A-1. This chapter may be cited as the Mandatory Liability Insurance Act.

§32-7A-2. For the purposes of this chapter, the following terms shall have the following meanings respectively ascribed to them in this section, except in those instances where the context clearly indicates a different meaning:

(1) CERTIFICATE OF INSURANCE. A document issued by an insurer or its authorized representative showing that a specific vehicle is insured for liability.

(2) DEALER. Any person dealing in, buying, selling, exchanging, advertising, or negotiating the sale of motor

1 vehicles and licensed under the provisions of Section
2 40-12-391, Code of Alabama 1975.

3 (3) DECLARATIONS PAGE. That part of an insurance
4 policy showing all of the pertinent information, name of
5 insured, insuring company, the vehicle make, the year model,
6 the vehicle identification number (VIN), the policy number,
7 the amount of coverage or coverages and the effective and
8 expiration dates of the policy.

9 (4) DEPARTMENT. The Department of Revenue.

10 (5) DEPOSIT OF CASH. Funds deposited with and held
11 by the State Treasurer as security for payment by the
12 depositor, or by any person responsible for the depositor's
13 motor vehicle with his or her express or implied consent, of
14 all judgments rendered against the depositor or other
15 authorized operator of the depositor's motor vehicle arising
16 from injury, death, or damage sustained through use,
17 operation, maintenance, or control of the motor vehicle within
18 the State of Alabama.

19 (6) DIRECTOR. The Director of Public Safety of the
20 State of Alabama.

21 (7) DISPLAY. The temporary manual surrender of the
22 evidence of insurance into the hands of the law enforcement
23 officer making the request for the officer's inspection
24 thereof as provided in Section 32-7A-6, Code of Alabama 1975.

1 (8) INSURANCE BINDER. A document issued by an
2 insurer or its authorized representative showing that a
3 specific vehicle is insured for liability.

4 (9) LIABILITY INSURANCE POLICY. An owner's or an
5 operator's policy of liability insurance, issued by an
6 insurance carrier duly authorized to transact business in this
7 state, to or for the benefit of the person or vehicle
8 identified in the policy as insured.

9 (10) MOTOR VEHICLE. Every vehicle that is designed
10 and manufactured to be operated on the streets and highways of
11 Alabama, but not operated upon rails.

12 (11) MOTOR VEHICLE LIABILITY BOND. A bond of a
13 surety company duly authorized to transact business in this
14 state, which is conditioned for payments in amounts and under
15 the same circumstances as would be required in a motor vehicle
16 liability insurance policy.

17 (12) OPERATOR. Every person who is in actual
18 physical control of a motor vehicle.

19 (13) OWNER. Any of the following persons:

20 a. A person or persons holding the legal title to a
21 motor vehicle unless subsection b. or c. is applicable.

22 ~~b. The mortgagor or conditional vendee of a vehicle~~
23 ~~that is the subject of a chattel mortgage or an agreement for~~
24 ~~the conditional sale thereof or other like agreement with the~~
25 ~~right of purchase upon performance of the conditions stated in~~

1 ~~the agreement and with the immediate right of possession~~
2 ~~vested in the mortgagor or conditional vendee.~~

3 b. The mortgagor, debtor, conditional vendee, or
4 lessee of a vehicle that is the subject a chattel mortgage,
5 lien, agreement for the conditional sale thereof, lease or
6 other like agreement with the right of purchase upon
7 performance of the conditions stated in the agreement and with
8 the immediate right of possession vested in the mortgagor,
9 debtor, conditional vendee, or lessee, in which event the
10 mortgagor, debtor, conditional vendee, or lessee shall be
11 deemed the owner for purposes of this chapter.

12 c. The lessee of a vehicle owned by the United
13 States of America or any of its agencies or instrumentalities.

14 (14) PERSON. Every natural person, firm,
15 partnership, association, estate, trust, corporation, limited
16 liability partnership, limited liability company, or other
17 entity.

18 (15) REGISTRATION. Certificate or certificates and
19 license plates issued under the laws of this state pertaining
20 to the registration of motor vehicles.

21 (16) SIGNATURE. A unique mark, process, or
22 verification in a manner prescribed by the department, as
23 provided in Section 40-30-1, Code of Alabama 1975.

24 (17) STATE. Any state, territory or possession of
25 the United States, the District of Columbia, any province or

1 territory of the Dominion of Canada or a state of the Republic
2 of Mexico.

3 (18) SUSPENSION. The temporary withdrawal by formal
4 action of the department of a vehicle's registration for a
5 period specified by this chapter. The terms "liability
6 insurance policy," "deposit of cash," and a motor vehicle
7 liability bond" are used interchangeably throughout this
8 chapter.

9 §32-7A-3. (a) The department shall administer and
10 enforce the provisions of this chapter and shall make such
11 reasonable rules and regulations concerning any matter
12 administered in this chapter and shall provide for hearings
13 upon the request of persons aggrieved by orders or acts of the
14 department under the provisions of this chapter.

15 (b) The department may prescribe and provide
16 suitable forms, notices, and all other notices and forms
17 necessary to carry out the provisions of this chapter.

18 (c) The department may:

19 (1) Make necessary investigations to procure
20 information required to carry out the provisions of this
21 chapter.

22 (2) Suspend the motor vehicle registrations pursuant
23 to the provisions of this chapter.

24 (d) At any time within 30 calendar days after the
25 rendition of any suspension, or decision under the provisions
26 of this chapter, any person may appeal to the administrative

1 law judge pursuant to Section 40-2A-8, Code of Alabama 1975.
2 After exhausting his or her appeal rights provided under
3 Section 40-2A-8, Code of Alabama 1975, and, upon providing
4 evidence of payment of the reinstatement fee provided in this
5 chapter, the person may appeal to the circuit court. The
6 appeals to the administrative law judge or circuit court shall
7 be as provided in Section 40-2A-9, Code of Alabama 1975.

8 §32-7A-4. (a) No person shall operate, register or
9 maintain registration of, and no owner shall permit another
10 person to operate, register or maintain registration of, a
11 motor vehicle designed to be used on a public highway unless
12 the motor vehicle is covered by a liability insurance policy,
13 motor vehicle liability bond, or deposit of cash.

14 (b)(1) The insurance policy shall be issued in
15 amounts no less than the minimum amounts set for bodily injury
16 or death and for destruction of property under Section
17 32-7-6(c), Code of Alabama 1975.

18 (2) The motor vehicle liability bond shall be in the
19 amount of not less than fifty thousand dollars (\$50,000). The
20 bond shall be conditioned on the payment of the amount of any
21 judgment rendered against the principal in the bond or any
22 person responsible for the operation of the principal's motor
23 vehicle with his or her express or implied consent, arising
24 from injury, death, or damage sustained through the use,
25 operation, maintenance, or control of the motor vehicle within
26 the State of Alabama.

1 (3) The deposit of cash with the State Treasurer
2 shall be a sum of not less than fifty thousand dollars
3 (\$50,000).

4 (c) Only an insurer authorized to do business in
5 this state shall issue a policy pursuant to this section for
6 any vehicle subject to registration under Chapter 12 of Title
7 40, Code of Alabama 1975. Nothing herein shall deprive an
8 insurer of any policy defense available at common law.

9 §32-7A-5. This chapter shall not apply to any of the
10 following vehicles or operators:

11 (1) Trailers as defined in Section 40-12-240, Code
12 of Alabama 1975, including, but not limited to, semitrailers,
13 travel trailers, boat trailers, pole trailers, and utility
14 trailers.

15 (2) Motor vehicles owned and operated by the United
16 States or any agency thereof, the State of Alabama, or any
17 political or governmental subdivision thereof.

18 (3) Any motor vehicle which is subject to the
19 supervision and regulation of the Alabama Public Service
20 Commission and for which the owner and/or operator has filed
21 with the commission a bond or insurance policy, the liability
22 under which is not less than that required of the operator of
23 a motor vehicle under the terms of this chapter.

24 (4) Motor vehicles covered by a certificate of
25 self-insurance issued by the director under the provisions of
26 Section 32-7-34, Code of Alabama 1975.

1 (5) Other motor vehicles complying with laws which
2 require the vehicles to be insured in amounts meeting or
3 exceeding the minimum amounts required under Section
4 32-7-6(c), Code of Alabama 1975.

5 (6) Implements of husbandry as defined in Section
6 32-8-2(5), Code of Alabama 1975.

7 (7) Any vehicle moved solely by animal power.

8 (8) Special mobile equipment, as defined in Section
9 32-8-2(20), Code of Alabama 1975.

10 (9) Inoperable or stored motor vehicles that are not
11 operated, as defined by rules and regulations of the
12 department.

13 (10) Motor vehicles owned by a licensed motor
14 vehicle dealer and held for sale that are covered by a blanket
15 liability insurance policy.

16 (11) Vehicles properly registered in another
17 jurisdiction and not legally required to be registered
18 pursuant to Chapter 12 of Title 40, Code of Alabama 1975.

19 (12) Vehicles owned by a bank, a subsidiary or
20 affiliate of a bank, or finance company acquired as an
21 incident to their regular business that are covered by a
22 blanket liability insurance policy.

23 §32-7A-6. (a) Every operator of a motor vehicle
24 subject to the provisions of Section 32-7A-4 shall carry
25 within the vehicle evidence of insurance. The evidence shall
26 be legible and sufficient to demonstrate that the motor

1 vehicle currently is covered by a liability insurance policy
2 as required under Section 32-7A-4 and may include, but is not
3 limited to, the following:

4 (1) An insurance card, or temporary insurance card,
5 provided by the insurer under this section.

6 (2) The combination of proof of purchase of the
7 motor vehicle within the previous 60 calendar days and a
8 current and valid insurance card issued for the motor vehicle
9 replaced by such purchase.

10 (3) The current declarations page of a liability
11 insurance policy.

12 (4) A liability insurance binder, or legible copy
13 thereof, certificate of liability insurance, or legible copy
14 thereof, or receipt for payment to an insurer or its
15 authorized representative for a liability insurance premium,
16 or legible copy thereof; provided such document contains all
17 information required in this chapter.

18 (5) A current motor vehicle rental agreement for the
19 vehicle, which specifies insurance coverage by the rental
20 company or the operator in the minimum amounts, provided in
21 Section 32-7-6(c), Code of Alabama 1975.

22 (b) The insurer issuing the liability insurance
23 policy shall provide an insurance card for each motor vehicle
24 insured that shall contain the following information:

25 (1) The vehicle year model.

26 (2) The vehicle make.

1 (3) The vehicle identification number (VIN).

2 (4) The name of the insured(s).

3 (5) The name of the insurance company.

4 (6) The policy number.

5 (7) The effective date and expiration date, which
6 shall cover a period of time not to exceed 12 months.

7 (c) Notwithstanding the foregoing, if the insurance
8 card is issued for a fleet policy, the card may state "FLEET"
9 in lieu of vehicle years, makes, and VIN's; and further
10 provided that if the insurance card is issued for a nonowner
11 policy, the card may state "NONOWNER POLICY" in lieu of the
12 vehicle year, make and VIN.

13 (d) The minimum size of the insurance card shall be
14 3" by 2 1/8", with a minimum 20 pound paper stock required or
15 the equivalent. All required information shall be displayed on
16 the front of the card. The insurance card may include other
17 information at the discretion of the insurer. Insurance
18 companies may allow authorized representatives to issue
19 temporary insurance cards to satisfy the requirements of this
20 chapter. Temporary insurance cards are not required to have
21 the policy number but shall contain all other required
22 information.

23 (e) No insurer shall issue a card, similar in
24 appearance, form and content to the insurance card required
25 under this section, in connection with an insurance policy

1 that does not provide the liability insurance coverage
2 required under Section 32-7-4, Code of Alabama 1975.

3 (f) Insurance binders, certificates of liability
4 insurance, and premium receipts, in order to qualify as proof
5 of insurance, must meet the following requirements (except
6 where noted):

7 (1) Insurance company name.

8 (2) Policy number - not required on a binder or
9 premium receipt.

10 (3) Effective date.

11 (4) Expiration date.

12 (5) Name of insured(s).

13 (6) Vehicle year model - not required if issued for
14 a fleet policy or for a nonowner policy.

15 (7) Vehicle make - not required if issued for a
16 fleet policy or for a nonowner policy.

17 (8) Vehicle identification number - not required if
18 issued for a fleet policy or for a nonowner policy.

19 (9) Date of premium payment - required only on a
20 premium receipt.

21 (10) Signature of authorized representative.

22 (g) The combination proof of purchase of a motor
23 vehicle, as provided in subsection (a) above, shall consist of
24 a legible copy of the legal bill of sale if the motor vehicle
25 is not subject to the provisions of the Alabama Uniform
26 Certificate of Title and Antitheft Act, or the owner's copy of

1 the application for certificate of title for a 1975 and
2 subsequent year model vehicle, or an official copy of a
3 current and valid Alabama temporary registration receipt as
4 authorized under Section 32-6-210 to Section 32-6-219,
5 inclusive, Code of Alabama 1975, assigned to the vehicle being
6 operated.

7 (h) The evidence of insurance shall be displayed
8 upon request made by any law enforcement officer wearing a
9 uniform or displaying a badge or other sign of authority. Any
10 person who fails or refuses to comply with such request is in
11 violation of Section 32-7A-16. Any person who displays
12 evidence of insurance, knowing there is no valid liability
13 insurance in effect on the motor vehicle as required under
14 Section 32-7A-4 or knowing the evidence of insurance is
15 illegally altered, counterfeit or otherwise invalid, is in
16 violation of Section 32-7A-16.

17 §32-7A-7. (a) The department ~~may select random~~
18 ~~samples shall select a 10 percent random sampling~~ may select
19 random samples of registrations of motor vehicles subject to
20 Section 32-7A-4, or owners thereof, for the purpose of
21 verifying whether or not the motor vehicles are insured.

22 (b) In addition to such general random samples of
23 motor vehicle registrations, the department may select for
24 verification other random samples including, but not limited
25 to, registrations of motor vehicles owned by persons:

1 (1) Whose motor vehicle registrations during the
2 preceding four years have been suspended pursuant to Section
3 32-7A-9 or 32-7A-11.

4 (2) Who during the preceding four years have been
5 convicted of violating Section 32-7A-16 while operating
6 vehicles owned by other persons.

7 (3) Whose driving privileges have been suspended or
8 revoked during the preceding four years.

9 (4) Who during the preceding four years have
10 received a disposition of supervision by the courts of this
11 state for a violation of the provisions of this chapter.

12 (c) The director shall provide to the department, in
13 a manner designated by the department, the name of an owner or
14 operator of any motor vehicle involved in an accident without
15 liability insurance who is determined not to be subject to the
16 suspension by the director pursuant to the provisions of
17 Section 32-7-6. The director shall also provide to the
18 department, in a manner designated by the department, the name
19 of an owner or operator of any motor vehicle that has been
20 found in violation of Section 32-7A-16.

21 The department may then verify whether or not at the
22 time of the accident such motor vehicle was covered by a
23 liability insurance policy in accordance with Section 32-7A-4.

24 (d) The department may send to owners of randomly
25 selected motor vehicles or to randomly selected motor vehicle
26 owners, requests for information about their motor vehicles

1 and liability insurance coverage. The request shall require
2 the owner to state:

3 (1) Whether or not the motor vehicle was insured on
4 the verification date stated in the department's request, and
5 the reason no insurance existed for the vehicle if not
6 insured.

7 (2) The name, address, and telephone number of the
8 insurance company that insures the motor vehicle.

9 (3) The effective date of the policy and the
10 expiration date of the policy.

11 (4) The owner's signature.

12 (5) The policy number

13 (e) Within 30 calendar days after the department
14 mails a request, the owner to whom it is sent shall furnish
15 the requested information to the department with the owner's
16 signed and dated affirmation that such information is true and
17 correct. Proof of insurance in effect on the verification
18 date, as prescribed by the department, may be considered by
19 the department to be a satisfactory response to the request
20 for information.

21 (f) Any owner whose response indicates that his or
22 her vehicle was not covered by a liability insurance policy in
23 accordance with Section 32-7A-4 shall be deemed to have
24 registered or maintained registration of a motor vehicle in
25 violation of that section. Any owner who fails to respond to
26 such a request shall be deemed to have registered or

1 maintained registration of a motor vehicle in violation of
 2 Section 32-7A-4.

3 (g) If the owner responds to the request for
 4 information by asserting that his or her vehicle was covered
 5 by a liability insurance policy on the verification date
 6 stated in the department's request, the department may conduct
 7 a verification of the response by furnishing necessary
 8 information to the insurer named in the response. The insurer
 9 shall within 30 calendar days inform the department if on the
 10 verification date stated the motor vehicle was not insured by
 11 the insurer in accordance with Section 32-7A-4.

12 (h) No random sample selected under this section
 13 shall be categorized on the basis of race, color, religion,
 14 sex, national origin, ancestry, age, marital status, physical
 15 or mental disability, economic status, or geography.

16 §32-7A-8. If the department determines that an owner
 17 has registered or maintained the registration of a motor
 18 vehicle without a liability insurance policy in accordance
 19 with Section 32-7A-4, the department shall notify the owner
 20 that such owner's vehicle registration shall be suspended 45
 21 calendar days after the date of the mailing of the notice
 22 unless the owner within 30 calendar days furnishes proof of
 23 insurance in effect on the verification date, as prescribed by
 24 the department. The notice shall be in writing and shall be
 25 mailed by first class U.S. Postal Service or by certified

1 mail, return receipt requested, to the owner's last known
 2 address.

3 §32-7A-9. (a) The department shall suspend the
 4 vehicle registration of any motor vehicle determined to be in
 5 violation of Section 32-7A-4, including any motor vehicle
 6 operated in violation of Section 32-7A-16 by an operator other
 7 than the owner of the vehicle. Neither the fact that,
 8 subsequent to the date of verification or violation, the owner
 9 acquired the required liability insurance policy nor the fact
 10 that the owner terminated ownership of the motor vehicle shall
 11 have any bearing upon the required suspension.

12 (b) The registration of any motor vehicle registered
 13 in this state shall be suspended upon the department receiving
 14 notice of the conviction of the operator of the motor vehicle
 15 in another state of an offense which, if committed in this
 16 state, would constitute a violation of Section 32-7A-4. Until
 17 it is terminated, any suspension under this chapter shall
 18 remain in force even if the registration is renewed or a new
 19 registration is acquired for the motor vehicle contrary to
 20 Section 32-7A-10.

21 (c) In the case of a first violation, the department
 22 shall terminate the suspension upon payment by the owner of a
 23 reinstatement fee of one hundred dollars (\$100) in certified
 24 funds and submission of proof of insurance as prescribed by
 25 the department. Upon a first violation, the owner's name and
 26 identifying information shall be provided to the director by

1 the department, for the purpose of requiring the owner to
2 purchase and maintain insurance pursuant to Section ~~32-7-13~~ or
3 ~~Section 32-7-31, or both,~~ 32-7-20 Code of Alabama 1975, for a
4 period of one year.

5 (d) In the case of a second or subsequent violation
6 by a person having ownership interest in a motor vehicle or
7 vehicles within the preceding four years, or a violation of
8 Section 32-7A-16(3), the department shall terminate the
9 suspension four months after its effective date upon payment
10 by the owner of a reinstatement fee of two hundred dollars
11 (\$200) in certified funds and submission of proof of insurance
12 as prescribed by the department. In the case of a second or
13 subsequent violation, the owner's name and identifying
14 information shall be provided to the director by the
15 department, for the purpose of the director requiring the
16 owner to purchase and maintain insurance pursuant to Section
17 ~~32-7-13~~ or ~~Section 32-7-31, or both,~~ 32-7-20 Code of Alabama
18 1975, for a period of three years.

19 Upon conviction of a second offense the violator
20 shall be guilty of a Class B misdemeanor.

21 (e) All fees collected under this section shall be
22 retained by the department for use in the administration of
23 this chapter. Refunds of reinstatement fees shall be granted
24 in cases of duplicate payment, or as approved by the
25 department. Anyone who is denied a refund of the

1 reinstatement fee may appeal the denial to the administrative
 2 law judge pursuant to Section 40-2A-8, Code of Alabama 1975.

3 §32-7A-10. (a) The No later than the tenth day
 4 (10th) of each month, the department shall provide a current
 5 list of owners whose license plates have been suspended
 6 pursuant to Section 32-7A-9 to officials authorized to issue
 7 motor vehicle license plates or authorized, or both, to
 8 perform other duties in connection with the issuance of motor
 9 vehicle license plates.

10 The department may provide the list electronically
 11 to those officials indicating a preference for electronic
 12 transmission of information.

13 (b) All officials authorized by law to register
 14 motor vehicles, issue motor vehicle license plates and to
 15 perform other duties in connection with the issuance of motor
 16 vehicle license plates shall refuse to register or reregister
 17 a motor vehicle or refuse to transfer the license plates if
 18 the registration is suspended pursuant to Section 32-7A-9.

19 (c) Beginning with the effective date of this act
 20 Section, all officials authorized by law to issue motor
 21 vehicle license plates shall obtain, when issuing or
 22 transferring motor vehicle registrations, the Alabama driver's
 23 license number of the owner, of the vehicle, or, if the owner
 24 does not have a driver's license number, the identification
 25 card number as provided under Section 32-6-4, Code of Alabama
 26 1975, or for a company or other entity, the federal employer

1 identification number, for inclusion with the motor vehicle
 2 registration records in the state and county databases.

3 Provided, the county shall not include these numbers on the
 4 motor vehicle registration receipts. This information shall be
 5 used by the department in the administration of the provisions
 6 of this chapter.

7 (d) Officials authorized to issue motor vehicle
 8 license plates shall require an affirmation ~~on a form designed~~
 9 ~~and provided by the department~~ that the owners are in
 10 compliance with the liability insurance requirements of this
 11 chapter on each registration and on each transfer of
 12 registration.

13 ~~Affirmation language may be contained on the renewal~~
 14 ~~notice card along with a signature line for the owner to~~
 15 ~~indicate compliance when renewing registration by mail.~~

16 ~~The affirmations required by this subsection shall~~
 17 ~~be forwarded by the official authorized to issue motor vehicle~~
 18 ~~license plates in each county to the department no later than~~
 19 ~~the tenth (10th) day of each month. The affirmations shall be~~
 20 ~~retained by the department.~~

21 If the county allows renewal by mail or electronic
 22 means, it shall allow the owner to indicate compliance with
 23 this chapter by including affirmation language as developed by
 24 the department on the renewal notice along with a signature
 25 line on mail renewals and an alternative method to indicate
 26 acceptance of the affirmation on electronic renewals.

1 §32-7A-11. (a) If the department or the director
 2 determines that the proof of insurance submitted by a motor
 3 vehicle owner under Sections 32-7A-7, 32-7A-8, or 32-7A-9 is
 4 false, the department shall suspend the owner's vehicle
 5 registration. The department shall terminate the suspension
 6 six months after its effective date upon payment by the owner
 7 of a reinstatement fee of two hundred dollars (\$200) in
 8 certified funds, and submission of proof of insurance as
 9 prescribed by the department.

10 (b) Upon a violation of this section, the owner's
 11 name and identifying information shall be provided to the
 12 director by the department, for the purpose of the director
 13 requiring the owner to purchase and maintain liability
 14 insurance pursuant to Section 32-7-13 or Section 32-7-31, Code
 15 of Alabama 1975, or both, for a period of three years.

16 (c) All funds collected under this section shall be
 17 retained by the department for use in the administration of
 18 this chapter.

19 §32-7A-12. No verification procedure established
 20 under this chapter shall include individual inspections of
 21 vehicles on the public streets or highways solely for the
 22 purpose of verifying the existence of an insurance policy. No
 23 law enforcement officer shall stop a vehicle solely for the
 24 purpose of verifying the existence of a valid insurance
 25 policy.

1 §32-7A-13. No state or local governmental unit and
2 no government official or employee acting in the course of his
3 or her official duties in the administration or enforcement of
4 Section 32-7A-4 and related provisions of this chapter shall
5 be liable for any damages, brought directly or indirectly by
6 the injured party or a third party, except for damages
7 resulting from willful and wanton misconduct or gross
8 negligence on the part of the governmental unit, official or
9 employee.

10 §32-7A-14. A person who, whether present or
11 absent, aids, abets, induces, procures or causes the
12 commission of an act which, if done directly by him, would be
13 a felony or a misdemeanor under a provision of this chapter,
14 is guilty of the same felony or misdemeanor.

15 §32-7A-15. A person is guilty of a Class C felony
16 who, with fraudulent intent:

17 (1) Alters, forges or counterfeits an insurance card
18 to make it appear valid.

19 (2) Makes, sells or otherwise makes available an
20 invalid or counterfeit insurance card, or other evidence of
21 insurance.

22 §32-7A-16. A person is guilty of a Class C
23 misdemeanor who:

24 (1) Operates a motor vehicle unless the motor
25 vehicle is covered by a liability insurance policy in
26 accordance with this chapter.

1 (2) Fails or refuses to comply with a request by a
2 law enforcement officer for display of evidence of insurance
3 as required under this chapter.

4 (3) Operates a vehicle the registration of which is
5 suspended pursuant to the provisions of this chapter.

6 (4) Displays evidence of insurance knowing there is
7 no valid liability insurance in effect on the motor vehicle as
8 required by this chapter.

9 (5) With notice, registers, or attempts to register
10 a vehicle. *

11 §32-7A-17. Whenever a court convicts a person of a
12 violation of Section 32-7A-15 or Section 32-7A-16, ~~or enters~~
13 ~~an order placing on supervision the person charged with~~
14 ~~violation,~~ the clerk of the court within 10 days shall forward
15 a report of the conviction ~~or order of supervision~~ to the
16 department in a form prescribed by the department. The
17 department shall keep records of such reports. ~~However,~~
18 ~~reports of orders of supervision shall not be released to any~~
19 ~~outside source, except the affected person and law enforcement~~
20 ~~agencies, and shall be used only to inform the department and~~
21 ~~the courts that such person previously has been assigned court~~
22 ~~supervision.~~

23 §32-7A-18. The following penalties are applicable to
24 violations of this chapter.

25 (1) FELONIES. A person convicted of a felony for the
26 violation of a provision of this chapter is guilty of a Class

1 C felony and is subject to punishment by a fine of not less
 2 than five hundred dollars (\$500) nor more than five thousand
 3 dollars (\$5,000), or by imprisonment for not less than one
 4 year and one day or not more than 10 years, or both the fine
 5 and imprisonment.

6 (2) MISDEMEANORS. A person convicted of a
 7 misdemeanor for the violation of a provision of this chapter
 8 is guilty of a Class C misdemeanor and is subject to
 9 punishment by a fine not to exceed five hundred dollars (\$500)
 10 for the first conviction. Upon each subsequent conviction, the
 11 fine shall not exceed one thousand dollars (\$1,000) or
 12 suspension of the person's driver's license for a period not
 13 to exceed six months, or both fine and suspension.

14 §32-7A-19. No person shall display evidence of
 15 insurance to a law enforcement officer, court, or officer of
 16 the court, knowing there is no valid liability insurance in
 17 effect on the motor vehicle as required under Section 32-7A-4
 18 or knowing the evidence of insurance is altered, counterfeit,
 19 or otherwise invalid as evidence of insurance required under
 20 Section 32-7A-4. If the law enforcement officer issues a
 21 citation to a motor vehicle operator for displaying invalid
 22 evidence of insurance, the officer shall confiscate the
 23 evidence for presentation in court.

24 §32-7A-20. No person charged with violating the
 25 requirements of this chapter to maintain or display, or both,
 26 evidence of insurance shall be convicted if such person

1 produces in court satisfactory evidence that at the time of
2 the citation the motor vehicle was covered by a liability
3 insurance policy in accordance with Section 32-7A-4. The chief
4 judge of each circuit may designate an officer of the court to
5 review the documentation demonstrating that at the time of
6 citation the motor vehicle was covered by a liability
7 insurance policy in accordance with Section 32-7A-4.

8 §32-7A-21. Information regarding the motor vehicle
9 registration suspension or reinstatement status of any person
10 is confidential and shall be released only to the person who
11 is the subject of a suspension or possible suspension, or to
12 law enforcement agencies, courts, and other governmental
13 entities, including officials responsible for the issuance of
14 license plates, as necessary in the administration of the
15 provisions of this chapter.

16 ~~§32-7A-22. All violations of Section 32-7-6.1 as~~
17 ~~provided in Act 99-430 committed prior to January 1, 2001,~~
18 ~~shall remain subject to the penalties provided in the act~~
19 ~~regardless of the subsequent repeal of the act.~~

20 Section 2. Section 40-12-392, Code of Alabama 1975,
21 is amended as follows:

22 "§40-12-392

23 "(a) The application for a license shall be in such
24 form and shall be subject to such rules and regulations as may
25 be prescribed by the commissioner. An application shall be
26 verified by the oath or affirmation of the applicant. If the

1 applicant is a sole proprietorship, the application shall
2 contain the name and residence of the applicant. If the
3 applicant is a partnership, the application shall contain the
4 names and residences of each partner. If the applicant is a
5 corporation, the application shall contain the names and
6 residences of the officers and directors. If the applicant is
7 a new motor vehicle dealer, or used motor vehicle dealer in
8 this state, the application shall contain the state sales tax
9 number assigned to the applicant. The application shall
10 enumerate the number of new and used vehicles sold during the
11 previous calendar year; describe the exact location of the
12 place of business, and shall state: That the location is a
13 permanent one; that the location affords sufficient space upon
14 and within which to adequately display one or more motor
15 vehicles offered for sale and that an appropriate sign
16 designates the location as being the place of business of a
17 motor vehicle dealer; that it is a suitable place from which
18 the applicant can in good faith carry on such business and
19 keep and maintain books and records necessary to conduct
20 business, which shall be available at all reasonable hours for
21 inspection by the commissioner. The application shall state
22 that the applicant is either (i) franchised by a manufacturer
23 of motor vehicles, and, if so, the name of the manufacturer
24 and line make that the applicant is authorized to represent,
25 or (ii) a used motor vehicle dealer, reconditioner, rebuilder,
26 or wholesaler. Upon making application, the person applying

1 shall pay an application fee of ten dollars (\$10) to the
2 commissioner in addition to other fees required by law. The
3 commissioner may cause an investigation to be made and upon
4 being satisfied that the facts set forth in the application
5 are true, shall issue a license certificate to the applicant,
6 which shall entitle the licensee to operate as a motor vehicle
7 dealer, reconditioner, rebuilder, or wholesaler for one year
8 from the first day of October of each year. If the
9 commissioner, upon investigation, determines that a license
10 should not be issued, the commissioner may deny the license
11 and the applicant may appeal the denial to the Administrative
12 Law Division of the department as allowed in Chapter 2A of
13 this title.

14 "(b) A motor vehicle reconditioner, motor vehicle
15 rebuilder, or a motor vehicle wholesaler shall not be required
16 to maintain a sign designating the location, and may maintain
17 books, records, and files of his or her business at his or her
18 home; provided, that books, records, and files shall be
19 accessible and available for inspection by the commissioner,
20 inspectors, or employees during normal business hours on usual
21 business days. The location may be adjacent to his or her
22 residence.

23 "(c) If a motor vehicle reconditioner, a motor
24 vehicle rebuilder, or a motor vehicle wholesaler shall also be
25 a motor vehicle dealer within the meaning of this article, he
26 or she shall qualify with the commissioner both as a motor

1 vehicle dealer and motor vehicle reconditioner, or motor
 2 vehicle rebuilder or motor vehicle wholesaler, and shall file
 3 his or her application and pay the fee for each business, and
 4 shall comply with the requirements of subsections (a) and (b)
 5 of this section as to the business location for each business
 6 licensed by the commissioner.

7 "(d) A motor vehicle reconditioner, motor vehicle
 8 rebuilder, or motor vehicle wholesaler may not sell any motor
 9 vehicles or component parts to anyone other than a licensed
 10 motor vehicle dealer, motor vehicle wholesaler, or other motor
 11 vehicle reconditioner or motor vehicle rebuilder, or as
 12 salvage.

13 "(e) Motor vehicle dealers, motor vehicle
 14 reconditioners, motor vehicle rebuilders, and motor vehicle
 15 wholesalers shall be required to maintain blanket motor
 16 vehicle liability insurance coverage on vehicles operated on
 17 the public streets and highways of this state, including
 18 vehicles in dealership inventory. Evidence of liability
 19 insurance for business and inventory vehicles shall be filed
 20 with the application for license, and the application for
 21 license shall be denied if proof of liability insurance
 22 satisfactory to the commissioner is not provided."

23 Section 3. This act is supplemental to other laws
 24 relative to motor vehicles and financial responsibility, and
 25 insofar as possible shall be construed in pari materia with
 26 such laws. Nevertheless, Section 32-7-6.1, Code of Alabama

1 1975, and all other laws or parts of laws in conflict or
2 inconsistent with this act are hereby repealed.

3 Section 4. The provisions of this act are severable.
4 If any part of the act is declared invalid or
5 unconstitutional, such declaration shall not affect the part
6 that remains.

7 ~~Section 5. This act shall become effective January~~
8 ~~1, 2001, upon its passage and approval by the Governor, or its~~
9 ~~otherwise becoming law.~~

10 Section 5. Code Sections §32-7A-1 through §32-7A-6
11 inclusive, and §32-7A-12 through §32-7A-20 inclusive, set
12 forth in Section 1 of this act, shall become effective June 1,
13 2000. Code Sections §32-7A-7 through §32-7A-11 inclusive, and
14 §32-7A-21, also set forth in Section 1 of this act, shall be
15 effective January 1, 2001. Section 2 of this act shall become
16 effective June 1, 2000. Section 3 of this act shall become
17 effective January 1, 2001.

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Adm. Huff

Speaker of the House of Representatives

Gene Hinson

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in
and was passed by the House 10-FEB-2000, as amended and was
passed again as amended by Executive Amendment 02-MAY-2000.
Yeas 84, Nays 0

Greg Pappas
Clerk

Senate	<u>18-APR-2000</u>	Passed
Senate	<u>09-MAY-2000</u>	Passed, as amended by Exec. Amendment Yeas 27, Nays 0, Abstains 0

APPROVED 5-15-00
TIME 2:35PM
[Signature]
GOVERNOR

Alabama Secretary of State

Act Num....: 2000-554
Bill Num...: H-134