

1 HB40  
2 171054-1  
3 By Representative Wood  
4 RFD: Public Safety and Homeland Security  
5 First Read: 03-AUG-15

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8 SYNOPSIS: This bill removes the restriction that the  
9 registration fee exemption for active and retired  
10 members of the Alabama National Guard or the  
11 Alabama State Guard must be applied to the  
12 distinctive National Guard plate. This bill would  
13 also amend current law to allow evidence of motor  
14 vehicle liability insurance to be presented in  
15 electronic formats and would allow the Department  
16 of Revenue to send notices, in an electronic  
17 format, to verify that a liability insurance policy  
18 exists on a motor vehicle.

19  
20 A BILL  
21 TO BE ENTITLED  
22 AN ACT  
23

24 To amend 31-2-12, 32-6-110, and 40-12-244, Code of  
25 Alabama 1975 relating to the license tax and registration fee  
26 exemption provided to active and retired members of the  
27 Alabama National Guard or the Alabama State Guard; to remove

1 plate exemption restrictions. To amend Section 32-7A-6, Code  
2 of Alabama 1975, and add Section 32-7A-26 to provide for the  
3 acceptance of electronic evidence of insurance and allow the  
4 Department of Revenue to send notices, in an electronic  
5 format, for the verification of motor vehicle liability  
6 insurance policies. BE IT ENACTED BY THE LEGISLATURE OF  
7 ALABAMA:

8 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

9 Section 1. Sections 31-2-12, 32-6-110, 32-7A-6, and  
10 40-12-244, Code of Alabama 1975, are amended to read as  
11 follows:

12 "§31-2-12.

13 "(a) There shall be exempt from the operation of the  
14 privilege or license tax and registration fee now or hereafter  
15 to be levied on automobiles and motor vehicles by the State of  
16 Alabama, one passenger vehicle owned by any active member of  
17 the Alabama National Guard or the Alabama State Guard when  
18 organized in lieu of the National Guard. Each active member of  
19 the National Guard shall be entitled to an exemption for only  
20 one vehicle, ~~and the exemption shall extend only to~~  
21 ~~distinctive National Guard license tags~~. The exemption shall  
22 be claimed upon presentation of proper identification on forms  
23 prescribed by the Adjutant General. Active members of the  
24 National Guard may obtain additional ~~distinctive license tags~~  
25 plates for other passenger vehicles which they own by paying  
26 the regular privilege or license tax provided by law.

1           "(b) There shall be exempt from the operation of the  
2           privilege or license tax and registration fee now or hereafter  
3           to be levied on automobiles and motor vehicles by the State of  
4           Alabama, one passenger vehicle owned by any retired member of  
5           the Alabama National Guard with 20 years or more service. Each  
6           retired member with 20 years or more service shall be entitled  
7           to an exemption for only one vehicle, ~~and the exemption shall~~  
8           ~~extend only to distinctive National Guard license tags~~ which  
9           shall be claimed upon presentation and proper identification  
10          on forms prescribed by the Adjutant General. Retired members  
11          of the Alabama National Guard may obtain additional  
12          ~~distinctive license tags~~ plates for passenger vehicles which  
13          they own upon presentation and proper identification on forms  
14          prescribed by the Adjutant General and by paying the regular  
15          privilege license tax as provided by law.

16                "§32-6-110.

17                "In recognition of the many and varied patriotic  
18          services rendered the state and the citizens thereof by the  
19          National Guard and Air National Guard of Alabama, members  
20          thereof, including both enlisted and officer personnel, may,  
21          upon application and subject to the provisions of this  
22          division, be issued annually distinctive motor vehicle license  
23          plates ~~or tags~~ identifying these persons with such  
24          organizations. The distinctive plates ~~or tags~~ so issued  
25          members of these organizations shall be of such color and  
26          design as may be agreed upon by the Adjutant General and the  
27          Commissioner of Revenue and shall bear the words "National

1 Guard" and need not bear prefixed numbers identifying the  
2 county of issuance. The words "Heart of Dixie" need not be  
3 placed on such plates ~~or tags~~.

4 "§32-7A-6.

5 "(a) Every operator of a motor vehicle subject to  
6 the provisions of Section 32-7A-4 shall carry within the  
7 vehicle evidence of insurance. The evidence shall be legible  
8 and sufficient to demonstrate that the motor vehicle currently  
9 is covered by ~~a~~ an Alabama liability insurance policy or ~~a~~ an  
10 Alabama commercial automobile liability insurance policy as  
11 required under Section 32-7A-4 and may include, but is not  
12 limited to, the following:

13 "(1) An insurance card, or temporary insurance card,  
14 provided by the insurer or an authorized representative under  
15 this section.

16 "(2) The combination of proof of purchase of the  
17 motor vehicle within the previous 20 calendar days and a  
18 current and valid insurance card issued for the motor vehicle  
19 replaced by such purchase.

20 "(3) The current declarations page of ~~a~~ an Alabama  
21 liability insurance policy.

22 "(4) ~~A~~ An Alabama liability insurance binder, or  
23 legible copy thereof, Alabama certificate of liability  
24 insurance, or legible copy thereof; provided such document  
25 contains all information required in this chapter.

26 "(5) A current motor vehicle rental agreement for  
27 the vehicle, which specifies insurance coverage by the rental

1 company or the operator in the minimum amounts, provided in  
2 Section 32-7-6(c).

3 "(b) The insurer issuing the Alabama liability  
4 insurance policy or the Alabama commercial automobile  
5 liability insurance policy shall provide an Alabama insurance  
6 card for each motor vehicle insured that shall contain the  
7 following information:

8 "(1) The vehicle year model.

9 "(2) The vehicle make.

10 "(3) The vehicle identification number (VIN).

11 "(4) The name of the insured(s).

12 "(5) The name of the insurance company.

13 "(6) The Alabama policy number, not required on  
14 temporary insurance card.

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

17 "(8) Insurance company's NAIC number.

18 "(c) Notwithstanding the foregoing, if the insurance  
19 card is issued for a commercial automobile liability insurance  
20 policy, the card may state "FLEET," "COMMERCIAL," "COMMERCIAL  
21 POLICY," or "COMMERCIAL EXEMPT" in lieu of vehicle years,  
22 makes, and VIN's if vehicle years, makes, and VIN's are not  
23 captured by the insurer. If the vehicle years, makes, and  
24 VIN's are captured by the insurer, then the insurer may  
25 provide such information on the insurance card, but must state  
26 "FLEET," "COMMERCIAL," "COMMERCIAL POLICY," or "COMMERCIAL  
27 EXEMPT" on the insurance card. If the insurance card is issued

1 for a nonowner policy, the card may state "NONOWNER POLICY" in  
2 lieu of the vehicle year, make, and VIN.

3 "(d) ~~The minimum size of the insurance card shall be~~  
4 ~~3" by 2 1/8"~~. All required information shall ~~be printed~~ appear  
5 on the front of the card. The insurance card may include other  
6 information at the discretion of the insurer. Insurance  
7 companies may allow authorized representatives to issue  
8 temporary insurance cards to satisfy the requirements of this  
9 chapter. Temporary insurance cards are not required to have  
10 the policy number but shall contain all other required  
11 information.

12 "(e) No insurer shall issue a card, similar in  
13 appearance, form, and content to the insurance card required  
14 under this section, in connection with an Alabama insurance  
15 policy that does not provide the liability insurance coverage  
16 required under Section 32-7A-4.

17 "(f) Insurance binders, certificates of liability  
18 insurance, and other evidence of insurance as required under  
19 this section, must meet the following requirements (except  
20 where noted):

21 "(1) Insurance company name.

22 "(2) Alabama Policy number - not required on a  
23 binder or temporary insurance card.

24 "(3) Effective date.

25 "(4) Expiration date.

26 "(5) Name of insured(s).

1           "(6) Vehicle year model - not required if issued for  
2 a commercial automobile liability insurance policy or for a  
3 nonowner policy.

4           "(7) Vehicle make - not required if issued for a  
5 commercial automobile liability insurance policy or for a  
6 nonowner policy.

7           "(8) Vehicle identification number - not required if  
8 issued for a commercial automobile liability insurance policy  
9 or for a nonowner policy.

10          "(9) Signature of authorized representative.

11          "(g) The combination proof of purchase of a motor  
12 vehicle, as provided in subsection (a) above, shall consist of  
13 a legible copy of the legal bill of sale if the motor vehicle  
14 is not subject to the provisions of the Alabama Uniform  
15 Certificate of Title and Antitheft Act, or the owner's copy of  
16 the application for certificate of title for a motor vehicle  
17 subject to the provisions of the Alabama Uniform Certificate  
18 of Title and Antitheft Act, or an Alabama certificate of title  
19 issued in the name of the vehicle owner or operator.

20          "(h) The evidence of insurance shall be presented  
21 upon request made by any law enforcement officer wearing a  
22 uniform or presenting a badge, or both or other sign of  
23 authority. Any person who fails or refuses to comply with such  
24 request is in violation of Section 32-7A-16 unless evidence of  
25 motor vehicle liability insurance or other evidence of  
26 financial responsibility as provided in this chapter is  
27 verified through the online insurance verification system. Any



1 person who presents evidence of insurance, knowing there is no  
2 valid liability insurance in effect on the motor vehicle as  
3 required under Section 32-7A-4 or knowing the evidence of  
4 insurance is illegally altered, counterfeit, or otherwise  
5 invalid, is in violation of Section 32-7A-16.

6 "(i) The evidence of insurance may be provided in  
7 either a tangible format or in an electronic format.  
8 Acceptable electronic formats include the display of  
9 electronic images on a cellular phone or other electronic  
10 device.

11 "(j) The use of a cellular phone or other electronic  
12 device to display evidence of insurance does not constitute  
13 consent for law enforcement or other governmental employees to  
14 access any other content on the electronic device. Any law  
15 enforcement officer or other governmental employee presented  
16 with an electronic device pursuant to this section shall be  
17 subject to the provisions of Section 36-1-12 for damages to  
18 the electronic device resulting from acts taken when viewing  
19 the device pursuant to this section."

20 "§40-12-244.

21 THIS SECTION WAS AMENDED BY ACT 2015-362 IN THE 2015  
22 REGULAR SESSION, EFFECTIVE JANUARY 1, 2016. THIS IS NOT IN THE  
23 CURRENT CODE SUPPLEMENT.

24 "There shall be exempt from the operation of the  
25 privilege or license tax and registration fee now or  
26 hereinafter to be levied on automobiles and motor vehicles by

1 the State of Alabama one passenger vehicle owned by any of the  
2 following:

3 "(1)a. An active member of the Alabama National  
4 Guard or the Alabama State Guard, when organized in lieu of  
5 the National Guard or for any service-connected disabled  
6 veteran. The exemption for ~~only one vehicle~~ any  
7 service-connected disabled veteran extends only to ~~distinctive~~  
8 ~~National Guard or the~~ service-connected disabled veterans'  
9 license plates and plate. The exemption for active members of  
10 the Alabama National Guard or Alabama State Guard, when  
11 organized in lieu of the National Guard, shall be claimed upon  
12 presentation of proper identification on forms prescribed by  
13 the Adjutant General. Active members of the National Guard may  
14 obtain additional ~~distinctive~~ license plates for other  
15 passenger vehicles which they own by paying the regular  
16 privilege or license tax provided by law.

17 "b. A retired member of the Alabama National Guard  
18 with 20 years or more service. The exemption ~~for only one~~  
19 ~~vehicle extends only to distinctive National Guard license~~  
20 ~~plates and~~ shall be claimed upon presentation of proper  
21 identification on forms prescribed by the Adjutant General.  
22 Retired members of the Alabama National Guard may obtain  
23 additional ~~distinctive~~ license plates for passenger vehicles  
24 which they own upon presentation and proper identification on  
25 forms prescribed by the Adjutant General and by paying the  
26 regular privilege or license tax and registration fee as  
27 provided by law.

1           "(2) An officer, warrant officer, or enlisted person  
2       serving as an active member of any United States armed forces  
3       reserve organization or any service-connected disabled  
4       veterans who were residents of Alabama at the time of entering  
5       the service and who are still residents of Alabama at the time  
6       the exemption is claimed. The exemption shall be claimed by  
7       presentation of proper identification and proof of residence  
8       requirements on forms prescribed by the state Department of  
9       Revenue.

10           "(3) A member of a volunteer rescue squad.

11           "(4) The Civil Air Patrol; including those vehicles  
12       owned by the national headquarters and those owned by the  
13       Alabama wing of the Civil Air Patrol.

14           "(5) A volunteer firefighter who is a resident of  
15       Alabama and who is entitled to the distinctive firefighter  
16       plate issued pursuant to Section 32-6-272. The exemption for  
17       one vehicle extends only to the firefighter distinctive  
18       license plate.

19           "(6) A recipient of the "Alabama Gold Star Family"  
20       distinctive plate, with respect to the registration fee, ad  
21       valorem tax, and any additional fees.

22           Section 2. Section 32-7A-26, Code of Alabama 1975,  
23       is enacted to read as follows:

24           "§ 32-7A-26.

25           "The department may establish rules pursuant to the  
26       Administrative Procedures Act regarding procedures to send  
27       notices, prescribed in this chapter, in an electronic format.

1 Notices sent in electronic format shall be allowed only if the  
2 content satisfies all of the requirements of this chapter."

3 Section 3. This act shall become effective  
4 immediately following its passage and approval by the  
5 Governor, or its otherwise becoming law.