

1 SB30
2 148071-1
3 By Senator Ross
4 RFD: Banking and Insurance
5 First Read: 14-JAN-14
6 PFD: 10/22/2013

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8 SYNOPSIS: Under existing law liability insurance is
9 not required for a vessel operated on the waters of
10 this state.

11 This bill would require proof of liability
12 insurance prior to registration and licensing of
13 vessels operated on the waters of this state if the
14 vessel is registered in this state.

15 This bill would exempt vessels that are not
16 powered by a motor.

17 This bill would provide penalties for
18 violations.

19 This bill would provide for the
20 administration and enforcement of this act.

21 Amendment 621 of the Constitution of Alabama
22 of 1901, now appearing as Section 111.05 of the
23 Official Recompilation of the Constitution of
24 Alabama of 1901, as amended, prohibits a general
25 law whose purpose or effect would be to require a
26 new or increased expenditure of local funds from
27 becoming effective with regard to a local

1 governmental entity without enactment by a 2/3 vote
2 unless: it comes within one of a number of
3 specified exceptions; it is approved by the
4 affected entity; or the Legislature appropriates
5 funds, or provides a local source of revenue, to
6 the entity for the purpose.

7 The purpose or effect of this bill would be
8 to require a new or increased expenditure of local
9 funds within the meaning of the amendment. However,
10 the bill does not require approval of a local
11 governmental entity or enactment by a 2/3 vote to
12 become effective because it comes within one of the
13 specified exceptions contained in the amendment.

14
15 A BILL
16 TO BE ENTITLED
17 AN ACT
18

19 To add a new Chapter 5A to Title 33, Code of Alabama
20 1975, to require proof of liability insurance prior to
21 registration and licensing of vessels operated on the waters
22 of this state if the vessel is registered in this state; to
23 exempt vessels that are not powered by a motor; to provide
24 penalties for violations; to provide for the administration
25 and enforcement of this act; and in connection therewith to
26 have as its purpose or effect the requirement of a new or
27 increased expenditure of local funds within the meaning of

1 Amendment 621 of the Constitution of Alabama of 1901, now
2 appearing as Section 111.05 of the Official Recompilation of
3 the Constitution of Alabama of 1901, as amended.

4 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

5 Section 1. The following new Chapter 5A is added to
6 Title 33 of the Code of Alabama 1975, consisting of Sections
7 33-5A-1 through 33-5A-22.

8 §33-5A-1. This chapter may be cited as the Mandatory
9 Vessel Liability Insurance Act.

10 §33-5A-2. For the purposes of this chapter, the
11 following terms shall have the following meanings respectively
12 ascribed to them in this section, except in those instances
13 where the context clearly indicates a different meaning:

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

17 (2) COMMISSIONER. The Commissioner of the State
18 Department of Conservation and Natural Resources.

19 (3) DEALER. Any person dealing in, buying, selling,
20 exchanging, advertising, or negotiating the sale of vessels
21 and licensed under the provisions of Section 33-5-9.

22 (4) DECLARATIONS PAGE. That part of an insurance
23 policy showing all of the pertinent information, name of
24 insured, insuring company, the vessel make, the year model,
25 the vessel identification number, the policy number, the
26 amount of coverage or coverages and the effective and
27 expiration dates of the policy.

1 (5) DEPARTMENT. The Department of Conservation and
2 Natural Resources.

3 (6) DEPOSIT OF CASH. Funds deposited with and held
4 by the State Treasurer as security for payment by the
5 depositor, or by any person responsible for the depositor's
6 vessel with his or her express or implied consent, of all
7 judgments rendered against the depositor or other authorized
8 operator of the depositor's vessel arising from injury, death,
9 or damage sustained through use, operation, maintenance, or
10 control of the vessel within the State of Alabama.

11 (7) DISPLAY. The temporary manual surrender of the
12 evidence of insurance into the hands of the law enforcement
13 officer making the request for the officer's inspection
14 thereof as provided in Section 33-5A-6.

15 (8) INSURANCE BINDER. A document issued by an
16 insurer or its authorized representative showing that a
17 specific vessel is insured for liability.

18 (9) IDENTIFYING NUMBER. A numbering system
19 determined and promulgated by the commission for certain boats
20 and other numbers assigned to other types of watercraft.

21 (10) LIABILITY INSURANCE POLICY. An owner's or an
22 operator's policy of liability insurance, issued by an
23 insurance carrier duly authorized to transact business in this
24 state, to or for the benefit of the person or vessel
25 identified in the policy as insured.

26 (11) OPERATOR. Every person who is in actual
27 physical control of a vessel.

1 (12) OWNER. Any of the following persons:

2 a. A person or persons holding the legal title to a
3 vessel unless paragraph b. or c. is applicable.

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

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

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

19 (14) REGISTRATION. Certificate or certificates
20 issued pursuant to Section 33-5-10.

21 (15) STATE. Any state, territory or possession of
22 the United States, the District of Columbia, any province or
23 territory of the Dominion of Canada or a state of the Republic
24 of Mexico.

25 (16) SUSPENSION. The temporary withdrawal by formal
26 action of the department of a vessels registration for a
27 period specified by this chapter. The terms "liability

1 insurance policy," "deposit of cash," and a "vessel liability
2 bond" are used interchangeably throughout this chapter.

3 (17) VESSEL. Every watercraft as that term is
4 defined in Section 33-5-3.

5 (18) VESSEL LIABILITY BOND. A bond of a surety
6 company duly authorized to transact business in this state,
7 which is conditioned for payments in amounts and under the
8 same circumstances as would be required in a vessel liability
9 insurance policy.

10 §33-5A-3. (a) The department shall administer and
11 enforce this chapter and shall make reasonable rules and
12 regulations concerning any matter administered in this chapter
13 and shall provide for hearings upon the request of persons
14 aggrieved by orders or acts of the department under this
15 chapter.

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

19 (c) The department may do any of the following:

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

22 (2) Suspend the vessel registrations pursuant to
23 this chapter.

24 (d) At any time within 30 calendar days after the
25 rendition of any suspension, or decision under this chapter,
26 any person may appeal to the administrative law judge pursuant
27 to Section 40-2A-8. After exhausting his or her appeal rights

1 provided under Section 40-2A-8, and, upon providing evidence
2 of payment of the reinstatement fee provided in this chapter,
3 the person may appeal to the circuit court. The appeals to the
4 administrative law judge or circuit court shall be as provided
5 in Section 40-2A-9.

6 §33-5A-4. (a) A person may not operate, register, or
7 maintain registration of, and an owner may not permit another
8 person to operate, register, or maintain registration of, a
9 vessel designed to be used on the public waters of this state
10 unless the vessel is covered by a liability insurance policy,
11 vessel liability bond, or deposit of cash.

12 (b) (1) The policy or bond may not be effective under
13 this section unless issued by an insurance company or surety
14 company authorized to do business in this state unless the
15 vessel as not registered in this state, or was a vessel
16 registered elsewhere than in this state at the effective date
17 of the policy or bond, or the most recent renewal of the
18 policy or bond. The policy or bond may not be effective under
19 this section unless the insurance company or surety company,
20 if not authorized to do business in this state, executes a
21 power of attorney authorizing the director to accept service
22 on its behalf of notice or process in any action upon the
23 policy or bond arising out of the accident provided, that
24 every policy or bond is subject, if the accident has resulted
25 in bodily injury or death, to a limit, exclusive of interest
26 and costs, of not less than twenty-five thousand dollars
27 (\$25,000) because of bodily injury to or death to one person

1 in any one accident and subject to the limit for one person,
2 to a limit of not less than fifty thousand dollars (\$50,000)
3 because of bodily injury to or death of two or more persons in
4 any one accident, and, if the accident has resulted in injury
5 to or destruction of property, to a limit of not less than
6 twenty-five thousand dollars (\$25,000) because of injury to or
7 destruction of property of others in any one accident.

8 (2) The vessel liability bond shall be in the amount
9 of not less than fifty thousand dollars (\$50,000). The bond
10 shall be conditioned on the payment of the amount of any
11 judgment rendered against the principal in the bond or any
12 person responsible for the operation of the principal's vessel
13 with his or her express or implied consent, arising from
14 injury, death, or damage sustained through the use, operation,
15 maintenance, or control of the vessel within the State of
16 Alabama.

17 (3) The deposit of cash with the State Treasurer
18 shall be a sum of not less than fifty thousand dollars
19 (\$50,000).

20 (c) Only an insurer authorized to do business in
21 this state shall issue a policy pursuant to this section for
22 any vessel subject to registration under Section 33-5-9.
23 Nothing in this chapter shall deprive an insurer of any policy
24 defense available at common law.

25 §33-5A-5. This chapter may not apply to any of the
26 following vessels or operators:

1 (1) Vessels owned and operated by the United States
2 or any agency of the United States, the State of Alabama, or
3 any political or governmental subdivision of the state.

4 (2) Vessels covered by a certificate of
5 self-insurance approved by the commissioner.

6 (3) Other vessels complying with laws which require
7 the vessels to be insured in amounts meeting or exceeding the
8 minimum amounts required under Section 33-5A-4(b).

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

12 (5) Vessels owned by a licensed vessel dealer and
13 held for sale that are covered by a blanket liability
14 insurance policy.

15 (6) Vessels properly registered in another
16 jurisdiction and not legally required to be registered in this
17 state.

18 (7) Vessels by an individual or a company acquired
19 as an incident to their regular business that are covered by a
20 blanket liability insurance policy.

21 §33-5A-6. (a) Each operator of a vessel subject to
22 Section 33-5A-4 shall carry within the vessel evidence of
23 insurance. The evidence shall be legible and sufficient to
24 demonstrate that the vessel currently is covered by a
25 liability insurance policy as required under Section 33-5A-4
26 and may include, but is not limited to, the following:

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

3 (2) The combination of proof of purchase of the
4 vessel within the previous 60 calendar days and a current and
5 valid insurance card issued for the vessel replaced by the
6 purchase.

7 (3) The current declarations page of a liability
8 insurance policy.

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

15 (5) A current vessel rental agreement for the
16 vessel, which specifies insurance coverage by the rental
17 company or the operator in the minimum amounts, provided in
18 Section 33-5A-4(b).

19 (b) The insurer issuing the liability insurance
20 policy shall provide an insurance card for each vessel insured
21 that shall contain the following information:

22 (1) The vessel year model.

23 (2) The vessel make.

24 (3) The vessel identification number.

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

26 (5) The name of the insurance company.

27 (6) The policy number.

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

3 (c) Notwithstanding the foregoing, if the insurance
4 card is issued for a fleet policy, the card may state "FLEET"
5 in lieu of vessel years, makes, and vessel identification
6 numbers; and further provided that if the insurance card is
7 issued for a non-owner policy, the card may state "NON-OWNER
8 POLICY" in lieu of the vessel year, make, and vessel
9 identification number.

10 (d) The minimum size of the insurance card shall be
11 3" by 2 1/8", with a minimum 20 pound paper stock required or
12 the equivalent. All required information shall be displayed on
13 the front of the card. The insurance card may include other
14 information at the discretion of the insurer. Insurance
15 companies may allow authorized representatives to issue
16 temporary insurance cards to satisfy the requirements of this
17 chapter. Temporary insurance cards are not required to have
18 the policy number but shall contain all other required
19 information.

20 (e) No insurer shall issue a card, similar in
21 appearance, form, and content to the insurance card required
22 under this section, in connection with an insurance policy
23 that does not provide the liability insurance coverage
24 required under Section 33-5A-4.

25 (f) Insurance binders, certificates of liability
26 insurance, and premium receipts, in order to qualify as proof

1 of insurance, must meet the following requirements, except
2 where noted:

3 (1) Insurance company name.

4 (2) Policy number - not required on a binder or
5 premium receipt.

6 (3) Effective date.

7 (4) Expiration date.

8 (5) Name of insured(s).

9 (6) Vessel year model - not required if issued for a
10 fleet policy or for a non-owner policy.

11 (7) Vessel make - not required if issued for a fleet
12 policy or for a non-owner policy.

13 (8) Vessel identifying number - not required if
14 issued for a fleet policy or for a non-owner policy.

15 (9) Date of premium payment - required only on a
16 premium receipt.

17 (10) Signature of authorized representative.

18 (g) The combination proof of purchase of a vessel,
19 as provided in subsection (a), shall consist of a legible copy
20 of the legal bill of sale if the vessel is a 1975 and
21 subsequent year model vessel, or an official copy of a current
22 and valid Alabama temporary registration receipt assigned to
23 the vessel being operated.

24 (h) The evidence of insurance shall be displayed
25 upon request made by any law enforcement officer wearing a
26 uniform or displaying a badge or other sign of authority. Any
27 person who fails or refuses to comply with the request is in

1 violation of Section 33-5A-16. Any person who displays
2 evidence of insurance, knowing there is no valid liability
3 insurance in effect on the vessel as required under Section
4 33-5A-4 or knowing the evidence of insurance is illegally
5 altered, counterfeit, or otherwise invalid, is in violation of
6 Section 33-5A-16.

7 §33-5A-7. (a) The department may select random
8 samples of registrations of vessels subject to Section
9 33-5A-4, or owners of the vessels, for the purpose of
10 verifying whether or not the vessels are insured.

11 (b) In addition to the general random samples of
12 vessel registrations, the department may select for
13 verification other random samples including, but not limited
14 to, registrations of vessels owned by persons:

15 (1) Whose vessel registrations during the preceding
16 four years have been suspended pursuant to Section 33-5A-9 or
17 33-5A-11.

18 (2) Who, during the preceding four years, have been
19 convicted of violating Section 33-5A-16 while operating
20 vessels owned by other persons.

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

23 (4) Who, during the preceding four years, have
24 received a disposition of supervision by the courts of this
25 state for a violation of this chapter.

26 (c) The director shall provide to the department, in
27 a manner designated by the department, the name of an owner or

1 operator of any vessel involved in an accident without
2 liability insurance who is determined not to be subject to the
3 suspension by the director. The director shall also provide to
4 the department, in a manner designated by the department, the
5 name of an owner or operator of any vessel that has been found
6 in violation of Section 33-5A-16.

7 The department may then verify whether or not at the
8 time of the accident the vessel was covered by a liability
9 insurance policy in accordance with Section 33-5A-4.

10 (d) The department may send to owners of randomly
11 selected vessels or to randomly selected vessel owners,
12 requests for information about their vessels and liability
13 insurance coverage. The request shall require the owner to
14 state:

15 (1) Whether or not the vessel was insured on the
16 verification date stated in the department's request, and the
17 reason no insurance existed for the vessel if not insured.

18 (2) The name, address, and telephone number of the
19 insurance company that insures the vessel.

20 (3) The effective date of the policy and the
21 expiration date of the policy.

22 (4) The owner's identifying number.

23 (5) The policy number.

24 (e) Within 30 calendar days after the department
25 mails a request, the owner to whom it is sent shall furnish
26 the requested information to the department with the owner's
27 signed and dated affirmation that the information is true and

1 correct. Proof of insurance in effect on the verification
2 date, as prescribed by the department, may be considered by
3 the department to be a satisfactory response to the request
4 for information.

5 (f) Any owner whose response indicates that his or
6 her vessel was not covered by a liability insurance policy in
7 accordance with Section 33-5A-4 shall be deemed to have
8 registered or maintained registration of a vessel in violation
9 of that section. Any owner who fails to respond to the request
10 shall be deemed to have registered or maintained registration
11 of a vessel in violation of Section 33-5A-4.

12 (g) If the owner responds to the request for
13 information by asserting that his or her vessel was covered by
14 a liability insurance policy on the verification date stated
15 in the department's request, the department may conduct a
16 verification of the response by furnishing necessary
17 information to the insurer named in the response. The insurer
18 shall within 30 calendar days inform the department if on the
19 verification date stated the vessel was not insured by the
20 insurer in accordance with Section 33-5A-4.

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

25 §33-5A-8. If the department determines that an owner
26 has registered or maintained the registration of a vessel
27 without a liability insurance policy in accordance with

1 Section 33-5A-4, the department shall notify the owner that
2 the owner's vessel registration shall be suspended 45 calendar
3 days after the date of the mailing of the notice unless the
4 owner within 30 calendar days furnishes proof of insurance in
5 effect on the verification date, as prescribed by the
6 department. The notice shall be in writing and shall be mailed
7 by first class U.S. Postal Service or by certified mail,
8 return receipt requested, to the owner's last known address.

9 §33-5A-9. (a) The department shall suspend the
10 vessel registration of any vessel determined to be in
11 violation of Section 33-5A-4, including any vessel operated in
12 violation of Section 33-5A-16 by an operator other than the
13 owner of the vessel. Neither the fact that, subsequent to the
14 date of verification or violation, the owner acquired the
15 required liability insurance policy nor the fact that the
16 owner terminated ownership of the vessel shall have any
17 bearing upon the required suspension.

18 (b) The registration of any vessel registered in
19 this state shall be suspended upon the department receiving
20 notice of the conviction of the operator of the vessel in
21 another state of an offense which, if committed in this state,
22 would constitute a violation of Section 33-5A-4. Until it is
23 terminated, any suspension under this chapter shall remain in
24 force even if the registration is renewed or a new
25 registration is acquired for the vessel contrary to Section
26 33-5A-10.

1 (c) In the case of a first violation, the department
2 shall terminate the suspension upon payment by the owner of a
3 reinstatement fee of one hundred dollars (\$100) in certified
4 funds and submission of proof of insurance as prescribed by
5 the department. Upon a first violation, the owner's name and
6 identifying information shall be provided to the director by
7 the department, for the purpose of requiring the owner to
8 purchase and maintain insurance for a period of one year.

9 (d) (1) In the case of a second or subsequent
10 violation by a person having ownership interest in a vessel or
11 vessels within the preceding four years, or a violation of
12 Section 33-5A-16(3), the department shall terminate the
13 suspension four months after its effective date upon payment
14 by the owner of a reinstatement fee of two hundred dollars
15 (\$200) in certified funds and submission of proof of insurance
16 as prescribed by the department. In the case of a second or
17 subsequent violation, the owner's name and identifying
18 information shall be provided to the director by the
19 department, for the purpose of the director requiring the
20 owner to purchase and maintain insurance for a period of three
21 years.

22 (2) Upon conviction of a second offense the violator
23 shall be guilty of a Class B misdemeanor.

24 (e) All fees collected under this section shall be
25 retained by the department for use in the administration of
26 this chapter. Refunds of reinstatement fees shall be granted
27 in cases of duplicate payment, or as approved by the

1 department. Anyone who is denied a refund of the reinstatement
2 fee may appeal the denial to the administrative law judge
3 pursuant to Section 40-2A-8.

4 §33-5A-10. (a) (1) No later than the tenth day of
5 each month, the department shall provide a current list of
6 owners whose registrations have been suspended pursuant to
7 Section 33-5A-9 to officials authorized to perform other
8 duties in connection with the issuance of registration of
9 vessels.

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

13 (b) All officials authorized by law to register
14 vessels, issue vessel license plates and to perform other
15 duties in connection with the issuance of vessel license
16 plates shall refuse to register or reregister a vessel or
17 refuse to transfer the license plates if the registration is
18 suspended pursuant to Section 33-5A-9.

19 (c) Beginning with the effective date of this
20 section, all officials authorized by law to issue vessel
21 registration shall obtain, when issuing or transferring the
22 registrations, the Alabama driver's license number of the
23 owner of the vessel, or, if the owner does not have a driver's
24 license number, the identification card number as provided
25 under Section 32-6-4, or for a company or other entity, the
26 federal employer identification number, for inclusion with the
27 vessel's registration records in the state and county

1 databases. Provided, the county may not include these numbers
2 on the vessel registration receipts. This information shall be
3 used by the department in the administration of this chapter.

4 (d) Officials authorized to issue vessel
5 registration shall require an affirmation on a form designed
6 and provided by the department that the owners are in
7 compliance with the liability insurance requirements of this
8 chapter on each registration and on each transfer of
9 registration.

10 (e) If vessel registration renewal is allowed by
11 mail or electronic means, the owner shall indicate compliance
12 with this chapter by including affirmation language as
13 developed by the department on the renewal notice along with
14 an identifying number line on mail renewals and an alternative
15 method to indicate acceptance of the affirmation on electronic
16 renewals.

17 §33-5A-11. (a) If the department or the director
18 determines that the proof of insurance submitted by a vessel
19 owner under Section 33-5A-7, 33-5A-8, or 33-5A-9 is false, the
20 department shall suspend the owner's vessel registration. The
21 department shall terminate the suspension six months after its
22 effective date upon payment by the owner of a reinstatement
23 fee of two hundred dollars (\$200) in certified funds, and
24 submission of proof of insurance as prescribed by the
25 department.

26 (b) Upon a violation of this section, the owner's
27 name and identifying information shall be provided to the

1 director by the department, for the purpose of the director
2 requiring the owner to purchase and maintain liability
3 insurance for a period of three years.

4 (c) All funds collected under this section shall be
5 retained by the department for use in the administration of
6 this chapter.

7 §33-5A-12. No verification procedure established
8 under this chapter shall include individual inspections of
9 vessels on the public waters solely for the purpose of
10 verifying the existence of an insurance policy. No law
11 enforcement officer shall stop a vessel solely for the purpose
12 of verifying the existence of a valid insurance policy.

13 §33-5A-13. No state or local governmental unit and
14 no government official or employee acting in the course of his
15 or her official duties in the administration or enforcement of
16 Section 33-5A-4 and related provisions of this chapter shall
17 be liable for any damages, brought directly or indirectly by
18 the injured party or a third party, except for damages
19 resulting from willful and wanton misconduct or gross
20 negligence on the part of the governmental unit, official, or
21 employee.

22 §33-5A-14. A person who, whether present or absent,
23 aids, abets, induces, procures, or causes the commission of an
24 act which, if done directly by him or her, would be a felony
25 or a misdemeanor under this chapter, is guilty of the same
26 felony or misdemeanor.

1 §33-5A-15. A person is guilty of a Class C felony
2 who, with fraudulent intent:

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

5 (2) Makes, sells, or otherwise makes available an
6 invalid or counterfeit insurance card, or other evidence of
7 insurance.

8 §33-5A-16. A person is guilty of a Class C
9 misdemeanor who:

10 (1) Operates a vessel unless the vessel is covered
11 by a liability insurance policy in accordance with this
12 chapter.

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

16 (3) Operates a vessel the registration of which is
17 suspended pursuant to this chapter.

18 (4) Displays evidence of insurance knowing there is
19 no valid liability insurance in effect on the vessel as
20 required by this chapter.

21 (5) With notice, registers, or attempts to register
22 a vessel.

23 §33-5A-17. Whenever a court convicts a person of a
24 violation of Section 33-5A-15 or Section 33-5A-16, the clerk
25 of the court within 10 days shall forward a report of the
26 conviction to the department in a form prescribed by the
27 department. The department shall keep records of the reports.

1 §33-5A-18. The following penalties are applicable to
2 violations of this chapter:

3 (1) FELONIES. A person convicted of a felony for the
4 violation of this chapter is guilty of a Class C felony and is
5 subject to punishment by a fine of not less than five hundred
6 dollars (\$500) nor more than five thousand dollars (\$5,000),
7 or by imprisonment for not less than one year and one day or
8 not more than 10 years, or both the fine and imprisonment.

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

17 §33-5A-19. A person may not display evidence of
18 insurance to a law enforcement officer, court, or officer of
19 the court, knowing there is no valid liability insurance in
20 effect on the vessel as required under Section 33-5A-4 or
21 knowing the evidence of insurance is altered, counterfeit, or
22 otherwise invalid as evidence of insurance required under
23 Section 33-5A-4. If the law enforcement officer issues a
24 citation to a vessel operator for displaying invalid evidence
25 of insurance, the officer shall confiscate the evidence for
26 presentation in court.

1 §33-5A-20. A person charged with violating the
2 requirements of this chapter to maintain or display, or both,
3 evidence of insurance may not be convicted if the person
4 produces in court satisfactory evidence that at the time of
5 the citation the vessel was covered by a liability insurance
6 policy in accordance with Section 33-5A-4. The presiding judge
7 of each circuit may designate an officer of the court to
8 review the documentation demonstrating that at the time of
9 citation the vessel was covered by a liability insurance
10 policy in accordance with Section 33-5A-4.

11 §33-5A-21. Information regarding the vessel
12 registration suspension or reinstatement status of any person
13 is confidential and shall be released only to the person who
14 is the subject of a suspension or possible suspension, or to
15 law enforcement agencies, courts, and other governmental
16 entities, including officials responsible for the issuance of
17 license plates, as necessary in the administration of the
18 provisions of this chapter.

19 §33-5A-22. Each vessel dealer, vessel reconditioner,
20 vessel rebuilder, and vessel wholesaler shall maintain blanket
21 vessel liability insurance coverage on vessels operated on the
22 public waters of this state, including vessels in dealership
23 inventory. Evidence of liability insurance for business and
24 inventory vessels shall be filed with the application for
25 license, and the application for license shall be denied if
26 proof of liability insurance satisfactory to the commissioner
27 is not provided.

1 Section 2. Although this bill would have as its
2 purpose or effect the requirement of a new or increased
3 expenditure of local funds, the bill is excluded from further
4 requirements and application under Amendment 621, now
5 appearing as Section 111.05 of the Official Recompilation of
6 the Constitution of Alabama of 1901, as amended, because the
7 bill defines a new crime or amends the definition of an
8 existing crime.

9 Section 3. This act shall become effective on the
10 first day of the third month following its passage and
11 approval by the Governor, or its otherwise becoming law.