

1 SB423  
2 148071-1  
3 By Senator Ross  
4 RFD: Commerce, Transportation, and Utilities  
5 First Read: 11-APR-13

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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.