

HCS SS SCS SB 4 -- TRANSPORTATION

SPONSOR: Wieland (Francis)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Public Safety by a vote of 6 to 1. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 10 to 1.

The following is a summary of the House Committee Substitute for SB 4.

MEDAL OF HONOR RECIPIENTS (Sections 42.320, 43.253, 143.1032, 227.299, 227.450, 227.463, 227.464, 227.465, 227.466, 227.467, 227.474, 227.477, 227.478, 227.479, 227.485, 227.486, 227.488, 227.489, 227.490, 227.494, 227.495, 227.496, 227.497, 227.498, 227.499, 227.774, 227.775, 227.776, 227.777, 227.778, 227.779, 227.780, 227.781, 227.782, 227.783, 227.784, 227.785, 227.787, 227.788, 227.789, 227.790, 227.793, 227.794, 227.803, 301.020, and 302.171, RSMo)

This bill creates the "Missouri Medal of Honor Recipients Fund", the money in which will be sent to the Department of Transportation to be used to pay any renewal fee for memorial bridge or memorial highway signs for Missouri Medal of Honor recipients and for the maintenance and repair of all such signs. The bill also designates various portions of highways in the state as memorial highways, the costs of signs for which will be paid by private donations. The bill adds "Missouri recipients of the Medal of Honor" to the list of recipients to whom the memorial designation requirements do not apply.

The bill also provides that beginning August 28, 2021, no fees will be assessed and all costs associated with a memorial designation for a deceased recipients of the Medal of Honor will be funded by the Department of Transportation, or by the public through a donation check-off when they register their vehicles, apply for a drivers license, or pay their taxes. All moneys donated in these provisions shall be deposited into the newly created "Missouri Medal of Honor Recipients Fund".

Starting January 1, 2022, individuals and corporations entitled to a tax refund may designate certain amounts from the refund to be designated to the Missouri Medal of Honor recipients fund. Additionally, an applicant for vehicle registration may make a \$1 donation to the fund.

Additionally, where there are allowable fees of less than \$5 for records requests under Chapter 43 or Chapter 610, the State Highway

Patrol is authorized to charge a minimum fee of \$5. The superintendent of the Highway Patrol may increase the minimum fee by \$1 every other year, but the minimum fee must not exceed \$10. If a person requesting records fails to remit all fees within 30 days of the Highway Patrol requesting payment of the fees for the records, the records request will be considered withdrawn.

VOTER REGISTRATION (Sections 115.151, 115.160, and 115.960)

The bill requires the use of electronic voter registration application forms by the Director of Revenue. The Director must additionally provide for the secure electronic transfer of voter registration information to election authorities in the manner described in the bill. Election authorities are required to accept and process such records. All voter registration information sent electronically to the election authorities shall be printed out by the election authorities and retained for a period of at least two years.

The bill requires the Division of Motor Vehicle and Drivers Licensing to transmit voter registration application forms to the appropriate election authority no later than 3, rather than 5, business days after the form is completed by the applicant.

ETHANOL (Section 135.755)

For all tax years beginning on or after January 1, 2022, this bill establishes a tax credit for retail dealers selling higher ethanol blend at the retail dealer's service station. The credit is equal to \$0.05 per gallon of higher ethanol blend sold and dispensed through metered pumps at the service station during the tax year. The tax credit is nontransferable and nonrefundable. The tax credit will sunset on December 31, 2025, unless reauthorized by the General Assembly.

FARM VEHICLES (Section 301.033)

This bill requires the Department of Revenue to establish a system in which persons who own multiple farm vehicles can elect to have the vehicles placed on the same registration renewal schedule.

All farm vehicles included in the fleet of a registered farm vehicle fleet owner shall be registered during April or on a prorated basis, as specified in the bill. The bill allows the owner of a farm vehicle fleet to add a farm vehicle or transfer plates to a fleet vehicle. The owner must pay a transfer fee of \$2 for each vehicle transferred.

Farm vehicles registered under this provision shall be issued a

special license plate with the phrase "Farm Fleet Vehicle" and be issued multiyear license plates that do not require a renewal tab. The Director of Revenue shall issue a registration certificate or other proof of payment of the annual or biennial fee that must be carried in the vehicle for which it is issued.

ODOMETER READINGS (Section 301.192, 301.280, 407.526, 407.556, and 407.536)

The bill also changes various laws in which a motor vehicle odometer reading certification is or is not required.

Currently, the first time a certificate of ownership is sought for a vehicle that is at least seven years old at the time of application and the value of which is less than \$3,000, the certificate may be issued if the application is accompanied by certain documents, including an odometer reading certification if the vehicle is less than 10 years old. The bill changes the requirement for the odometer reading certification from 10 to 20 years old.

Motor vehicle dealers are required to make a monthly report to the Department of Revenue regarding vehicles or trailers sold, taxes collected, etc., which includes an odometer reading for vehicles that are less than 10 years old. This bill changes this provision to require an odometer reading for any vehicle that is less than 20 years old.

The crime of odometer fraud in the third degree is changed to occur upon the operation of a motor vehicle less than 20 years old, increased from 10 years old.

The provisions of Sections 407.511 to 407.556, RSMo, regarding odometer fraud, currently do not apply to a motor vehicle that is 10 or more years old. The bill now limits that exception to motor vehicles that are 20 or more years old.

MOTOR VEHICLE TECHNOLOGY FUND(Section 301.558)

The bill creates the Motor Vehicle Administration Technology Fund, to which 10% of administrative fees charged by motor vehicle dealers shall be remitted for purposes of developing a modernized, integrated system for the titling of vehicles, the issuance and renewal of vehicle registrations, driver's licenses, and identification cards, and the perfection and release of liens and encumbrances on vehicles. Following establishment of the system, the percentage of the fees required to be remitted is reduced to 1%. These provisions shall expire on January 1, 2037.

Additionally, this bill increases, from less than \$200 to \$500 or less, the maximum administrative fee a motor vehicle, boat, or powersport dealer licensed by the Department of Revenue may charge for document storage or other administrative or clerical services without being deemed to be engaged in the unauthorized practice of law. The maximum administrative fee specified under the bill shall be increased annually by the greater of the Consumer Price Index for All Urban Consumers, or by zero, whichever is greater.

The bill provides that the same administrative fee need not be charged to all retail customers if the dealer's franchise agreement limits the fee to certain classes of customers.

COMMERCIAL VEHICLES AND HUMAN TRAFFICKING (Section 302.755)

This bill disqualifies any person from driving a commercial motor vehicle for life if they are convicted of using a commercial motor vehicle in the commission of a felony involving severe forms of trafficking in persons. These provisions are subject to an emergency clause.

PERMANENT CERTIFICATES OF NUMBER (Section 306.030)

This bill provides that vessels may be issued a permanent certificate of number upon payment of three times the amount required for a three-year certificate of number and three times any processing fee applicable to a three-year certificate of number. Permanent certificates of number shall not be transferred to any other person or vessel, or displayed on any vessel other than the vessel for which it was issued, and shall continue in force and effect until terminated or discontinued as provided by law.

NEW VEHICLE INSPECTIONS (Section 307.380)

This bill exempts new motor vehicles from the requirement that motor vehicles receive a safety inspection immediately prior to their sale regardless of any current certificate of inspection and approval.

TRANSFER OF VEHICLE OWNERSHIP (Section 407.536)

The bill also specifies that the Department of Revenue may allow electronic signatures on written powers of attorney authorizing mileage disclosures and transfers of ownership.

These provisions are subject to an emergency clause.

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MOTOR VEHICLE FINANCIAL RESPONSIBILITY (Sections 303.025, 303.420, 303.422, 303.425, 303.430, and 303.440)

This bill provides that the Department of Revenue may verify motor vehicle financial responsibility as provided by law, but shall not otherwise take enforcement action unless the Director determines a violation has occurred as described in the bill. These provisions shall take effect on January 1, 2023.

Currently, a first violation of The Motor Vehicle Financial Responsibility Law is punishable as a class D misdemeanor, meaning a fine may be imposed of up to \$500; a second or subsequent offense is punishable by up to 15 days in jail and/or a fine not to exceed \$500. Under the bill, a second or subsequent offense may be punished by up to 15 days in jail and shall be punished by a fine not less than \$200 but not to exceed \$500 (Section 303.025.3). Fines owed to the state for violations of the Motor Vehicle Financial Responsibility Law may be eligible for payment in installments. Rules for the application of payment plans shall take into account individuals' ability to pay (Section 303.025.6).

These provisions shall take effect on January 1, 2023.

The bill establishes the "Motor Vehicle Financial Responsibility Verification and Enforcement Fund" to be used by the Department of Revenue for the administration of the bill.

TOWING (Section 304.153)

The bill creates, within the Department of Revenue, the Motor Vehicle Financial Responsibility Enforcement and Compliance Incentive Program ("the program") for the purpose of enforcing The Motor Vehicle Financial Responsibility Law. The Department of Revenue shall have the authority to contract with third-party vendors to facilitate the program. The Department of Revenue or its third-party vendor shall utilize technology to compare vehicle registration information with the information accessible through the motor vehicle financial responsibility verification system

established under the bill ("the verification system"), and the Department shall use this information to identify motorists who are in violation of The Motor Vehicle Financial Responsibility Law. All fees paid to the third-party vendors may come from violator diversion fees generated by the pretrial diversion option established under the bill as an alternative to statutory fines and reinstatement fees prescribed under The Motor Vehicle Financial Responsibility Law.

The Department of Revenue may authorize law enforcement agencies or third-party vendors to use technology to collect data for purposes of the program. The Department may authorize traffic enforcement officers or third-party vendors to administer the processing and issuance of notices of violation and the collection of fees under the program. Access to the verification system shall be restricted to authorized parties as provided in the bill. For purposes of the program, certain data specified in the bill may be used to identify vehicles as being in violation of The Motor Vehicle Financial Responsibility Law, and shall constitute evidence of the violation.

Except as otherwise provided in the bill, the Department of Revenue shall suspend, as provided by law, the registration of any motor vehicle that is determined under the program to be in violation of The Motor Vehicle Financial Responsibility Law.

The Department of Revenue shall send to an owner whose vehicle is identified under the program as being in violation of The Motor Vehicle Financial Responsibility Law a notice that the vehicle's registration may be suspended unless the owner, within 30 days, provides proof of financial responsibility or proof of a pending criminal charge for a violation of The Motor Vehicle Financial Responsibility Law. The notice shall include information on obtaining proof of financial responsibility, as provided in the bill. If proof of financial responsibility or a pending criminal charge is not provided within the time allotted, the Department shall suspend the vehicle's registration in accordance with current law, or shall send a notice of vehicle registration suspension, clearly specifying the grounds for and effective date of the suspension, the right to and procedure for requesting a hearing, and the date by which the request for hearing must be made, as well as informing the owner that the matter will be referred for prosecution, informing the owner that the minimum penalty for the violation is \$300 and 4 license points, and offering the owner participation in a pretrial diversion option to preclude referral for prosecution and registration suspension under the bill. The notice of vehicle registration suspension shall give a period of three days from mailing for the vehicle owner to respond, and shall be deemed received three days after mailing.

If no request for hearing or agreement to participate in the diversion option is received prior to the date of suspension, the Director shall suspend the registration immediately and refer the case for prosecution.

If an agreement to participate in the diversion option is received prior to the date of suspension, then upon payment of a diversion participation fee not to exceed \$200, and agreement to obtain and retain financial responsibility for a period of two years, then no points shall be assessed to the owner's driver's license, and the Department shall not take further action against the owner under the bill, subject to compliance with the terms of the pretrial diversion option. The Department shall suspend the registration of, and refer cases for prosecution of, participating vehicle owners who violate the terms of the pretrial diversion option.

If a request for hearing is received prior to the date of suspension, then for all purposes other than eligibility for the diversion option, the effective date of suspension shall be stayed until a final order is entered following the hearing. The Department shall suspend the registration of vehicles determined under the final order to have been in violation of The Motor Vehicle Financial Responsibility Law, and shall refer the case for prosecution.

The Department of Revenue or its third-party vendor shall issue receipts for the collection of diversion option participation fees, and the fees shall be paid into the Motor Vehicle Financial Responsibility Verification and Enforcement Fund, established in the bill. A vehicle owner whose registration is suspended under the bill may obtain reinstatement upon providing proof of financial responsibility and payment to the Department of a nonrefundable reinstatement fee.

Data collected or retained under the program shall not be used by any entity for purposes other than enforcement of The Motor Vehicle Financial Responsibility Law. Data collected and stored by law enforcement under the program shall be considered evidence if a violation is confirmed. The evidence and a corresponding affidavit as provided in the bill shall constitute probable cause for prosecution, and shall be forwarded to the appropriate prosecuting attorney as provided in the bill.

Owners of vehicles identified as being in violation of The Motor Vehicle Financial Responsibility Law shall be provided with options for disputing claims which do not require appearance at any court of law or administrative facility. Any person who provides timely proof that he or she was in compliance with The Motor Vehicle Financial Responsibility Law at the time of the alleged violation

shall be entitled to dismissal of the charge with no assessment of fees or fines. Any proof provided that a vehicle was in compliance at the time of the alleged offense shall be recorded in the system established by the Department of Revenue under the bill.

The collection of data or use of technology shall be done in a manner that prohibits bias towards a specific community, race, gender, or socioeconomic status of vehicle owner. Law enforcement agencies, third-party vendors, or other entities authorized to operate under the program shall not sell data collected or retained under the program for any purpose or share it for any purpose not expressly authorized by law. All data shall be secured and any third-party vendor may be liable for any data security breach.

The Department of Revenue shall not take action under the bill against fleet vehicles, or against vehicles known to the Department of Revenue to be insured under a policy of commercial auto insurance, as defined in the bill.

Following one year after the implementation of the program, and annually thereafter, the Department of Revenue shall provide a report on the program's operations as provided in the bill. The Department may, by rule, require the state, counties, and municipalities to provide information in order to complete the report.

This bill requires the Department of Revenue to establish a web-based system for the verification of motor vehicle financial responsibility, and to provide access to insurance reporting data and vehicle registration and financial responsibility data. The Department shall require motor vehicle insurers to establish functionality for it as provided in the bill, and the system shall be the sole system used in the state for online verification of financial responsibility.

The verification system shall transmit requests to insurers for verification of insurance coverage via web services established in accordance with Insurance Industry Committee on Motor Vehicle Administration ("IICMVA") specifications, and the insurance company system shall respond with a prescribed response upon evaluating the data provided in the request. The system shall include appropriate data security protections, and the Department of Revenue shall maintain a historical record of the system data for up to 12 months from the date of the requests and responses. The system shall be used to verify financial responsibility required by law, and shall be accessible by authorized employees of the Department, the courts, law enforcement, and other entities as authorized by law, and shall be interfaced, wherever appropriate, with existing state systems. The system shall include information enabling the

Department to submit inquiries to insurers regarding motor vehicle insurance which are consistent with insurance industry and IICMVA standards by using the insurer's National Association of Insurance Commissioners company code, vehicle identification number, policy number, verification date, or as otherwise described in IICMVA standards. The Department shall promulgate rules to offer insurers of 1000 or fewer vehicles an alternative method for verifying coverage in lieu of web services, and to provide for the verification of financial responsibility when proof of financial responsibility is provided to the Department by means other than a policy of insurance. Insurers are not required to verify insurance coverage for vehicles registered in other jurisdictions.

The verification system shall respond within a time period established by the Department of Revenue. An insurer's system shall respond within the time period prescribed by the IICMVA's specifications and standards. Insurer systems shall be permitted reasonable system downtime for maintenance and other work with advance notice to the Department. Insurers shall not be subject to enforcement fees or other sanctions under such circumstances, or when their systems are not available because of emergency, outside attack, or other unexpected outages not planned by the insurer and reasonably outside of its control (Section 303.430.2(2)).

The verification system shall assist in the identification of motorists operating in violation of The Motor Vehicle Financial Responsibility Law in the most effective way possible. System responses shall have no effect on the determination of coverage under a claim. Nothing in this bill shall prohibit the Department of Revenue from contracting with a third-party vendor or vendors who have successfully implemented similar systems in other states.

The Department of Revenue shall consult with insurance industry representatives and may consult with third-party vendors to determine the objectives, details, and deadlines related to the system by establishing an advisory council with membership as specified in the bill.

The Department of Revenue shall publish for comment, and then issue, a detailed implementation guide for its online verification system.

The Department of Revenue and its third-party vendors, if any, shall each maintain a contact person for insurers during the establishment, implementation, and operation of the system.

If the Department of Revenue has reason to believe a vehicle owner does not maintain financial responsibility as required by law, it may also request for the insurer to verify the existence of

financial responsibility in a form approved by the Department of Revenue. Insurers shall cooperate with the Department of Revenue in establishing and maintaining the verification system, and shall provide motor vehicle insurance policy status information in accordance with rules promulgated by the Department of Revenue.

Every property and casualty insurer licensed to issue motor vehicle insurance or authorized to do business in this state shall comply with this bill for the verification of any vehicle for which the insurer issues a policy in this state.

For purposes of historical verification inquiries, insurers shall maintain a historical record of insurance data for a minimum period of 6 months from the date of a policy's inception or modification.

The bill shall not apply with regard to "commercial auto coverage", as defined in the bill. However, such insurers may participate on a voluntary basis, and vehicle owners may provide the Department with proof of commercial auto coverage to be recorded in the verification system. Individuals covered by commercial or fleet automobile policies shall be provided with proof of coverage as described in the bill.

Insurers shall be immune from civil and administrative liability for good faith efforts to comply with this bill. Nothing in this bill shall prohibit an insurer from using the services of a third-party vendor for facilitating the verification system as required under the bill.

The verification system shall be in operation by January 1, 2023, following a testing period of not less than nine months. No enforcement action shall be taken based on the system until successful completion of the testing period.

This bill creates within the Department of Transportation the "Commercial Vehicle Towing Advisory Committee", with membership as specified in the bill. The committee shall hold its first meeting no later than June 1, 2022, and shall, at the discretion of the Department of Transportation, make recommendations regarding the towing of commercial vehicles.

No later than June 1, 2023, the Department of Transportation, in consultation with the Highway Patrol and the Commercial Vehicle Towing Advisory Committee, shall promulgate rules regarding the towing of commercial vehicles. The rules shall ensure towing companies charge fair, equitable, and reasonable rates for services rendered, and shall be made available on the Department of Transportation's website. The rules shall:

- (1) Establish factors used in determining whether a rate is fair, equitable, and reasonable;
- (2) Establish a process for complaints against towing companies;
- (3) Establish a process for suspending or removing a towing company from any tow list; and
- (4) Establish information required to be included on invoices or notices associated with commercial vehicle towing.

VEHICLES THAT MAY USE FLASHING LIGHTS (Section 307.175)

The bill adds vehicles and equipment owned, leased, or operated by a coroner, medical examiner, or forensic investigator of the County's Medical Examiner's Office, when responding to a crime scene, motor vehicle accident, workplace accident, or any location at which the services of those professionals have been requested by a law enforcement officer, to the list of vehicles authorized to use or display fixed, flashing, or rotating red or red and blue lights.

CATALYTIC CONVERTERS (Sections 407.300 and 570.030)

This bill requires scrap metal dealers and others regulated under Section 407.300, RSMo, to require proof that the seller of a catalytic converter is a bona fide automobile repair shop or sign an affidavit that the converter was lawfully acquired. The make, model, year, and vehicle identification number of the vehicle from which the converter originated will be required and maintained for four years. Records will be submitted to the Department of Public Safety in either a paper or electronic format as specified in the bill.

Transactions involving catalytic converters must occur at the primary place of business of the scrap metal dealer or person regulated under Section 407.300. Such individuals must possess the catalytic converter for five days before modifying it in any way. A violation of the bill will be a fine from \$5000 for the first violation, \$10,000 for the second violation and a business license revocation for the third violation as described under Section 301.218.

The bill adds unlawfully acquiring a catalytic converter to the offense of stealing. Anyone unlawfully acquiring a catalytic converter will be charged with a class A misdemeanor unless the person has been found guilty of the same offense within the last 10 years or if the person unlawfully acquired and is in possession of two or more catalytic converters the offense shall be a class E

felony.

VACCINATION DOCUMENTATION (Section 1)

This bill prohibits entities in this state from requiring documentation of an individual having received a vaccination against any disease in order to access transportation systems or services, or any public transportation facility.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that this gives the Department of Revenue and the Department of Transportation the tools they need for dealing with uninsured motorists. Missouri has the 17th highest rate of people driving without insurance. Supporters don't want people tried for the same offense twice. There should be penalties for letting your insurance lapse. Other states are doing cameras where they take photos of license plates, and he does not like the photo idea, which is why he likes the diversion idea. The goal is to drive uninsured motorists down to 10%, which isn't ideal but it's much better than where it currently is. There are 12-13 states that are doing something along these lines, and he believes that the rate of uninsured motorists has decreased. There are states that are very strict, where if you're pulled over without insurance you get your car towed and that's it. There is support for the real-time exchange of data and it's utilized in other states. This is not cost prohibitive. Insurance companies can be pinged and information can be pulled. There is a support fee limit increase but we do want to cap the increase. The administrative fee is basically a dealer's way of covering fees and costs in the making of a car deal. The cost has gone up but the cap has not. Everyone charges something, but not everyone charges the same amount. But once they charge a certain fee, they have to charge it to everyone. They cannot charge different amounts to different people. It used to be all over the board and there was a class action lawsuit and now they have to charge the same across the board. It's a way to help the small business person to take care of the day-to-day costs.

Testifying for the bill were Senator Wieland; Missouri Fraternal Order of Police; Missouri State Troopers Association; Missouri Insurance Coalition; Missouri Automobile Dealers Association; Missouri Bankers Association; Heartland Credit Union Association; Missouri Auto Dealers Association; and Will Marrs, Missouri RV Dealers Association.

OPPONENTS: Those who oppose the bill submitted written testimony,

which can be found online.

Testifying against the bill was Arnie C. Dienoff.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.