

FIRST REGULAR SESSION

[PERFECTED]

HOUSE BILL NO. 643

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE FRANCIS.

1498H.01P

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 303, RSMo, by adding thereto five new sections relating to motor vehicle financial responsibility, with penalty provisions.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 303, RSMo, is amended by adding thereto five new sections, to be
2 known as sections 303.420, 303.422, 303.425, 303.430, and 303.440, to read as follows:

**303.420. As used in sections 303.420 to 303.440, unless the context requires
2 otherwise, the following terms mean:**

3 (1) "Law enforcement agency", the department of revenue, the Missouri state
4 highway patrol, the prosecuting attorney or sheriff's office of any county or city not
5 within a county, the chiefs of police of any city or municipality, or any other authorized
6 law enforcement agency recognized by the state;

7 (2) "Program", the motor vehicle financial responsibility enforcement and
8 compliance incentive program established under section 303.425;

9 (3) "System" or "verification system", the web-based resource established
10 under section 303.430 for online verification of motor vehicle financial responsibility.

**303.422. 1. There is hereby created in the state treasury the "Motor Vehicle
2 Financial Responsibility Verification and Enforcement Fund", which shall consist of
3 moneys received by the department of revenue under sections 303.420 to 303.440. The
4 state treasurer shall be custodian of the fund. In accordance with sections 30.170 and
5 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated**

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

6 fund and moneys in the fund shall be used solely by the department of revenue for the
7 administration of sections 303.420 to 303.440.

8 **2. Notwithstanding the provisions of section 33.080 to the contrary, any moneys**
9 **remaining in the fund at the end of the biennium shall not revert to the credit of the**
10 **general revenue fund.**

11 **3. The state treasurer shall invest moneys in the fund in the same manner as**
12 **other funds are invested. Any interest and moneys earned on such investments shall be**
13 **credited to the fund.**

303.425. 1. (1) There is hereby created within the department of revenue the
2 **motor vehicle financial responsibility enforcement and compliance incentive program.**
3 **The department of revenue may enter into contractual agreements with third-party**
4 **vendors to facilitate the necessary technology and equipment, maintenance thereof, and**
5 **associated program management services and may enter into contractual agreements**
6 **with the Missouri office of prosecution services as provided in sections 303.420 to**
7 **303.440. Where sections 303.420 to 303.440 authorize the department of revenue to**
8 **enter into contracts with a third-party vendor or the Missouri office of prosecution**
9 **services at its option, the department of revenue shall contract with the Missouri office**
10 **of prosecution services unless the Missouri office of prosecution services declines to**
11 **enter into the contract.**

12 **(2) The department of revenue or a third-party vendor shall utilize technology to**
13 **compare vehicle registration information with the financial responsibility information**
14 **accessible through the system. The department of revenue shall utilize this information**
15 **to identify motorists who are in violation of the motor vehicle financial responsibility**
16 **law. The department of revenue may offer offenders under this program the option of**
17 **pretrial diversion as an alternative to statutory fines or reinstatement fees prescribed**
18 **under the motor vehicle financial responsibility law as a method of encouraging**
19 **compliance and discouraging recidivism.**

20 **(3) All fees paid to or collected by third-party vendors or the Missouri office of**
21 **prosecution services under sections 303.420 to 303.440 may come from violator**
22 **diversion fees generated by the pretrial diversion option established under this section.**
23 **A contractual agreement between the department of revenue and the Missouri office of**
24 **prosecution services under sections 303.420 to 303.440 may provide for retention by the**
25 **Missouri office of prosecution services of part or all of the violator diversion fees as**
26 **consideration for the contract.**

27 **2. The department of revenue may authorize law enforcement agencies or third-**
28 **party vendors to use technology to collect data for the investigation, detection, analysis,**
29 **and enforcement of the motor vehicle financial responsibility law.**

30 **3. The department of revenue may authorize law enforcement officers, as**
31 **defined in section 556.061, third-party vendors, or the Missouri office of prosecution**
32 **services to administer the processing and issuance of notices of violation or the referral**
33 **of cases for prosecution under the program. The department may authorize third-party**
34 **vendors to collect fees for a violation of the motor vehicle financial responsibility law.**

35 **4. Access to the system shall be restricted to authorized law enforcement agency**
36 **users in the program, the department of revenue, and the third-party vendors with**
37 **which the department of revenue contracts for purposes of the program, provided that**
38 **any third-party vendor with which a contract is executed to provide necessary**
39 **technology, equipment, or maintenance for the program shall be authorized as**
40 **necessary to collaborate for required updates and maintenance of system software.**

41 **5. For purposes of the program, any data collected and matched to a**
42 **corresponding vehicle insurance record as verified through the system, and any**
43 **Missouri vehicle registration database, may be used to identify violations of the motor**
44 **vehicle financial responsibility law. Such images and corresponding data shall**
45 **constitute evidence of the violations.**

46 **6. Except as otherwise provided in this section, the department of revenue shall**
47 **suspend, in accordance with section 303.041, the registration of any motor vehicle that is**
48 **determined under the program to be in violation of the motor vehicle financial**
49 **responsibility law.**

50 **7. The department of revenue shall send to an owner whose vehicle is identified**
51 **under the program as being in violation of the motor vehicle financial responsibility law**
52 **a notice that the vehicle's registration may be suspended unless the owner, within thirty**
53 **days, provides proof of financial responsibility for the vehicle or proof, in a form**
54 **specified by the department of revenue, that the owner has a pending criminal charge**
55 **for a violation of the motor vehicle financial responsibility law. The notice shall include**
56 **information on steps an individual may take to obtain proof of financial responsibility**
57 **and a web address to a page on the department of revenue's website where information**
58 **on obtaining proof of financial responsibility shall be provided. If proof of financial**
59 **responsibility or a pending criminal charge is not provided within the time allotted, the**
60 **department of revenue shall provide a notice of suspension and suspend the vehicle's**
61 **registration in accordance with section 303.041 or shall send a notice of vehicle**
62 **registration suspension, clearly specifying the reason and statutory grounds for the**
63 **suspension and the effective date of the suspension, the right of the vehicle owner to**
64 **request a hearing, the procedure for requesting a hearing, and the date by which that**
65 **request for a hearing must be made, as well as informing the owner that the matter will**
66 **be referred for prosecution if a satisfactory response is not received in the time allotted,**

67 informing the owner that the minimum penalty for the violation is three hundred
68 dollars and four license points, and offering the owner participation in a pretrial
69 diversion option to preclude referral for prosecution and registration suspension under
70 sections 303.420 to 303.440. The notice of vehicle registration suspension shall give a
71 period of thirty-three days from mailing for the vehicle owner to respond, and shall be
72 deemed received three days after mailing. If no request for a hearing or agreement to
73 participate in the diversion option is received by the department of revenue prior to the
74 date provided on the notice of vehicle registration suspension, the director shall suspend
75 the vehicle's registration, effective immediately, and refer the case to the appropriate
76 prosecuting attorney. If an agreement by the vehicle owner to participate in the
77 diversion option is received by the department of revenue prior to the effective date
78 provided on the notice of vehicle registration suspension, upon payment of a diversion
79 participation fee not to exceed two hundred dollars, agreement to secure proof of
80 financial responsibility within the time provided on the notice of suspension, and
81 agreement that such financial responsibility shall be maintained for a minimum of two
82 years, no points shall be assessed to the vehicle owner's driver's license under section
83 302.302 and the department of revenue shall not take further action against the vehicle
84 owner under sections 303.420 to 303.440, subject to compliance with the terms of the
85 pretrial diversion option. The department of revenue shall suspend the vehicle
86 registration of, and shall refer the case to the appropriate prosecuting attorney for
87 prosecution of, participating vehicle owners who violate the terms of the pretrial
88 diversion option. If a request for hearing is received by the department of revenue prior
89 to the effective date provided on the notice of vehicle registration suspension, for all
90 purposes other than eligibility for participation in the diversion option, the effective date
91 of the suspension shall be stayed until a final order is issued following the hearing. The
92 department of revenue shall suspend the registration of vehicles determined under the
93 final order to have violated the motor vehicle financial responsibility law and shall refer
94 the case to the appropriate prosecuting attorney for prosecution. Notices under this
95 subsection shall be mailed to the vehicle owner at the last known address shown on the
96 department of revenue's records. The department of revenue or its third-party vendor
97 or the Missouri office of prosecution services shall issue receipts for the collection of
98 diversion participation fees. Except as otherwise provided in subsection 1 of this
99 section, all such fees shall be deposited into the motor vehicle financial responsibility
100 verification and enforcement fund established in section 303.422. A vehicle owner whose
101 registration has been suspended under sections 303.420 to 303.440 may obtain
102 reinstatement of the registration upon providing proof of financial responsibility and
103 payment to the department of revenue of a nonrefundable reinstatement fee equal to the

104 fee that would be applicable under subsection 2 of section 303.042 if the registration had
105 been suspended under section 303.041.

106 **8. Data collected or retained under the program shall not be used by any entity**
107 **for purposes other than enforcement of the motor vehicle financial responsibility law.**
108 **Data collected and stored by law enforcement under the program shall be considered**
109 **evidence if noncompliance with the motor vehicle financial responsibility law is**
110 **confirmed. The evidence, and an affidavit stating that the evidence and system have**
111 **identified a particular vehicle as being in violation of the motor vehicle financial**
112 **responsibility law, shall constitute probable cause for prosecution and shall be**
113 **forwarded in accordance with subsection 7 of this section to the appropriate**
114 **prosecuting attorney.**

115 **9. Owners of vehicles identified under the program as being in violation of the**
116 **motor vehicle financial responsibility law shall be provided with options for disputing**
117 **such claims that do not require appearance at any state or local court of law, or**
118 **administrative facility. Any person who presents timely proof that he or she was in**
119 **compliance with the motor vehicle financial responsibility law at the time of the alleged**
120 **violation shall be entitled to dismissal of the charge with no assessment of fees or fines.**
121 **Proof provided by a vehicle owner to the department of revenue that the vehicle was in**
122 **compliance at the time of the suspected violation of the motor vehicle financial**
123 **responsibility law shall be recorded in the system established by the department of**
124 **revenue under section 303.430.**

125 **10. The collection of data or use of any technology pursuant to this section shall**
126 **be done in a manner that prohibits any bias towards a specific community, race, gender,**
127 **or socioeconomic status of vehicle owner.**

128 **11. Law enforcement agencies, third-party vendors, or other entities authorized**
129 **to operate under the program shall not sell data collected or retained under the**
130 **program for any purpose or share it for any purpose not expressly authorized in this**
131 **section. All data shall be secured and any third-party vendor or other entity authorized**
132 **to operate under the program may be liable for any data security breach.**

133 **12. The department of revenue shall not take action under sections 303.420 to**
134 **303.440 against vehicles registered as fleet vehicles under section 301.032, or against**
135 **vehicles known to the department of revenue to be insured under a policy of commercial**
136 **auto coverage, as such term is defined in subdivision (10) of subsection 2 of section**
137 **303.430.**

138 **13. Following one year after the implementation of the program, and every year**
139 **thereafter, the department of revenue shall provide a report to the president pro**
140 **tempore of the senate, the speaker of the house of representatives, the chairs of the**

141 house and senate committees with jurisdictions over insurance or transportation
142 matters, and the chairs of the house budget and senate appropriations committees. The
143 report shall include an evaluation of program operations, information as to the costs of
144 the program incurred by the department of revenue, insurers, and the public,
145 information as to the effectiveness of the program in reducing the number of uninsured
146 motor vehicles, and anonymized demographic information including the race and ZIP
147 code of vehicle owners identified under the program as being in violation of the motor
148 vehicle financial responsibility law, and may include any additional information and
149 recommendations for improvement of the program deemed appropriate by the
150 department of revenue. The department of revenue may, by rule, require the state,
151 counties, and municipalities to provide information in order to complete the report.

152 **14.** The Missouri office of prosecution services in consultation with the
153 department of revenue may promulgate rules as necessary for the implementation of
154 this section. Any rule or portion of a rule, as that term is defined in section 536.010, that
155 is created under the authority delegated in this section shall become effective only if it
156 complies with and is subject to all of the provisions of chapter 536 and, if applicable,
157 section 536.028. This section and chapter 536 are nonseverable and if any of the powers
158 vested with the general assembly pursuant to chapter 536 to review, to delay the
159 effective date, or to disapprove and annul a rule are subsequently held unconstitutional,
160 then the grant of rulemaking authority and any rule proposed or adopted after August
161 28, 2023, shall be invalid and void.

303.430. 1. The department of revenue shall establish and maintain a web-based
2 system for the verification of motor vehicle financial responsibility, shall provide access
3 to insurance reporting data and vehicle registration and financial responsibility data,
4 and shall require motor vehicle insurers to establish functionality for the verification
5 system, as provided in sections 303.420 to 303.440. The verification system, including
6 any exceptions as provided for in sections 303.420 to 303.440 or in the implementation
7 guide developed to support the program, shall supersede any existing verification
8 system and shall be the sole system used for the purpose of verifying financial
9 responsibility required under this chapter.

10 **2.** The system established pursuant to subsection 1 of this section shall be subject
11 to the following:

12 **(1)** The verification system shall transmit requests to insurers for verification of
13 motor vehicle insurance coverage via web services established by the insurers through
14 the internet in compliance with the specifications and standards of the Insurance
15 Industry Committee on Motor Vehicle Administration, or "IICMVA". Insurance
16 company systems shall respond to each request with a prescribed response upon

17 evaluation of the data provided in the request. The system shall include appropriate
18 protections to secure its data against unauthorized access, and the department of
19 revenue shall maintain a historical record of the system data for a period of no more
20 than twelve months from the date of all requests and responses. The system shall be
21 used for verification of the financial responsibility required under this chapter. The
22 system shall be accessible to authorized personnel of the department of revenue, the
23 courts, law enforcement personnel, and other entities authorized by the state as
24 permitted by state or federal privacy laws, and it shall be interfaced, where appropriate,
25 with existing state systems. The system shall include information enabling the
26 department of revenue to submit inquiries to insurers regarding motor vehicle
27 insurance that are consistent with insurance industry and IICMVA recommendations,
28 specifications, and standards by using the following data elements for greater matching
29 accuracy: insurer National Association of Insurance Commissioners, or "NAIC",
30 company code; vehicle identification number; policy number; verification date; or as
31 otherwise described in the specifications and standards of the IICMVA. The
32 department of revenue shall promulgate rules to offer insurers who insure one
33 thousand or fewer vehicles within this state an alternative method for verifying motor
34 vehicle insurance coverage in lieu of web services, and to provide for the verification of
35 financial responsibility when financial responsibility is proven to the department to be
36 maintained by means other than a policy of motor vehicle insurance. Insurers shall not
37 be required to verify insurance coverage for vehicles registered in other jurisdictions;

38 (2) The verification system shall respond to each request within a time period
39 established by the department of revenue. An insurer's system shall respond within the
40 time period prescribed by the IICMVA's specifications and standards. Insurer systems
41 shall be permitted reasonable system downtime for maintenance and other work with
42 advance notice to the department of revenue. Insurers shall not be subject to
43 enforcement fees or other sanctions under such circumstances, or when systems are not
44 available because of emergency, outside attack, or other unexpected outages not planned
45 by the insurer and reasonably outside its control;

46 (3) The system shall assist in identifying violations of the motor vehicle financial
47 responsibility law in the most effective way possible. Responses to individual insurance
48 verification requests shall have no bearing on whether insurance coverage is determined
49 to be in force at the time of a claim. Claims shall be individually investigated to
50 determine the existence of coverage. Nothing in sections 303.420 to 303.440 shall
51 prohibit the department of revenue from contracting with a third-party vendor or
52 vendors who have successfully implemented similar systems in other states to assist in
53 establishing and maintaining this verification system;

54 **(4) The department of revenue shall consult with representatives of the**
55 **insurance industry and may consult with third-party vendors to determine the**
56 **objectives, details, and deadlines related to the system by establishment of an advisory**
57 **council. The advisory council shall consist of voting members comprised of:**

58 **(a) The director of the department of commerce and insurance, or his or her**
59 **designee, who shall serve as chair;**

60 **(b) Two representatives of the department of revenue, to be appointed by the**
61 **director of the department of revenue;**

62 **(c) One representative of the department of commerce and insurance, to be**
63 **appointed by the director of the department of commerce and insurance;**

64 **(d) Three representatives of insurance companies, to be appointed by the**
65 **director of the department of commerce and insurance;**

66 **(e) One representative from the Missouri Insurance Coalition;**

67 **(f) One representative chosen by the National Association of Mutual Insurance**
68 **Companies;**

69 **(g) One representative chosen by the American Property and Casualty**
70 **Insurance Association;**

71 **(h) One representative chosen by the Missouri Independent Agents Association;**

72 **(i) One representative who is currently employed as a law enforcement officer in**
73 **the state; and**

74 **(j) Such other representatives as may be appointed by the director of the**
75 **department of commerce and insurance;**

76 **(5) The department of revenue shall publish for comment, and then issue, a**
77 **detailed implementation guide for its online verification system;**

78 **(6) The department of revenue and its third-party vendors, if any, shall each**
79 **maintain a contact person for insurers during the establishment, implementation, and**
80 **operation of the system;**

81 **(7) If the department of revenue has reason to believe a vehicle owner does not**
82 **maintain financial responsibility as required under this chapter, it may also request an**
83 **insurer to verify the existence of such financial responsibility in a form approved by the**
84 **department of revenue. In addition, insurers shall cooperate with the department of**
85 **revenue in establishing and maintaining the verification system established under this**
86 **section, and shall provide motor vehicle insurance policy status information as provided**
87 **in the rules promulgated by the department of revenue;**

88 **(8) Every property and casualty insurance company licensed to issue motor**
89 **vehicle insurance or authorized to do business in this state shall comply with sections**
90 **303.420 to 303.440, and corresponding rules promulgated by the department of revenue,**

91 for the verification of such insurance for every vehicle insured by that company in this
92 state;

93 (9) Insurers shall maintain a historical record of insurance data for a minimum
94 period of six months from the date of policy inception or policy change for the purpose
95 of historical verification inquiries;

96 (10) For the purposes of this section, "commercial auto coverage" shall mean
97 any coverage provided to an insured, regardless of number of vehicles or entities
98 covered, under a commercial coverage form and rated from a commercial manual
99 approved by the department of commerce and insurance. Sections 303.420 to 303.440
100 shall not apply to vehicles insured under commercial auto coverage; however, insurers
101 of such vehicles may participate on a voluntary basis, and vehicle owners may provide
102 proof at or subsequent to the time of vehicle registration that a vehicle is insured under
103 commercial auto coverage, which the department of revenue shall record in the system;

104 (11) Insurers shall provide commercial or fleet automobile customers with
105 evidence reflecting that the vehicle is insured under a commercial or fleet automobile
106 liability policy. Sufficient evidence shall include an insurance identification card clearly
107 marked with a suitable identifier such as "commercial auto insurance identification
108 card", "fleet auto insurance identification card", or other clear identification that the
109 vehicle is insured under a fleet or commercial policy;

110 (12) Insurers shall be immune from civil and administrative liability for good
111 faith efforts to comply with the terms of sections 303.420 to 303.440;

112 (13) Nothing in this section shall prohibit an insurer from using the services of a
113 third-party vendor for facilitating the verification system required under sections
114 303.420 to 303.440.

115 3. The department of revenue shall promulgate rules as necessary for the
116 implementation of sections 303.420 to 303.440. Any rule or portion of a rule, as that
117 term is defined in section 536.010, that is created under the authority delegated in this
118 section shall become effective only if it complies with and is subject to all of the
119 provisions of chapter 536 and, if applicable, section 536.028. This section and chapter
120 536 are nonseverable and if any of the powers vested with the general assembly
121 pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul
122 a rule are subsequently held unconstitutional, then the grant of rulemaking authority
123 and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

2 303.440. The verification system established under section 303.430 shall be
3 installed and fully operational on January 1, 2025, following an appropriate testing or
4 pilot period of not less than nine months. Until the successful completion of the testing
or pilot period in the judgment of the director of the department of revenue, no

5 enforcement action shall be taken based on the system including, but not limited to,
6 action taken under the program established under section 303.425.

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