

FIRST REGULAR SESSION

[CORRECTED]

SENATE BILL NO. 4

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR WIELAND.

0870S.01I

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 303.025 and 303.041, RSMo, and to enact in lieu thereof seven 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. Sections 303.025 and 303.041, RSMo, are
2 repealed and seven new sections enacted in lieu thereof, to be
3 known as sections 303.025, 303.041, 303.420, 303.422, 303.425,
4 303.430, and 303.440, to read as follows:

303.025. 1. No owner of a motor vehicle registered in
2 this state, or required to be registered in this state,
3 shall operate, register or maintain registration of a motor
4 vehicle, or permit another person to operate such vehicle,
5 unless the owner maintains the financial responsibility
6 which conforms to the requirements of the laws of this
7 state. No nonresident shall operate or permit another
8 person to operate in this state a motor vehicle registered
9 to such nonresident unless the nonresident maintains the
10 financial responsibility which conforms to the requirements
11 of the laws of the nonresident's state of residence.
12 Furthermore, no person shall operate a motor vehicle owned
13 by another with the knowledge that the owner has not
14 maintained financial responsibility unless such person has
15 financial responsibility which covers the person's operation
16 of the other's vehicle; however, no owner or nonresident

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

17 shall be in violation of this subsection if he or she fails
18 to maintain financial responsibility on a motor vehicle
19 which is inoperable or being stored and not in operation.
20 The director may prescribe rules and regulations for the
21 implementation of this section.

22 2. A motor vehicle owner shall maintain the owner's
23 financial responsibility in a manner provided for in section
24 303.160, or with a motor vehicle liability policy which
25 conforms to the requirements of the laws of this state. A
26 nonresident motor vehicle owner shall maintain the owner's
27 financial responsibility which conforms to the requirements
28 of the laws of the nonresident's state of residence.

29 3. Any person who violates this section is guilty of a
30 misdemeanor. A first violation of this section shall be
31 [punishable as] a class D misdemeanor **punished by a fine of**
32 **not less than two hundred fifty dollars and not more than**
33 **five hundred dollars.** A second or subsequent violation of
34 this section [shall] **may** be [punishable] **punished** by
35 imprisonment in the county jail for a term not to exceed
36 fifteen days [and/or] **and shall be punished by** a fine [not
37 to exceed] **of** five hundred dollars. Prior pleas of guilty
38 and prior findings of guilty shall be pleaded and proven in
39 the same manner as required by section 558.021. However, no
40 person shall be found guilty of violating this section if
41 the operator demonstrates to the court that he or she met
42 the financial responsibility requirements of this section at
43 the time the peace officer, commercial vehicle enforcement
44 officer or commercial vehicle inspector wrote the citation.
45 In addition to any other authorized punishment, the court
46 shall notify the director of revenue of any person convicted
47 pursuant to this section and shall do one of the following:

48 (1) Enter an order suspending the driving privilege as
49 of the date of the court order. If the court orders the
50 suspension of the driving privilege, the court shall require
51 the defendant to surrender to it any driver's license then
52 held by such person. The length of the suspension shall be
53 as prescribed in subsection 2 of section 303.042. The court
54 shall forward to the director of revenue the order of
55 suspension of driving privilege and any license surrendered
56 within ten days;

57 (2) Forward the record of the conviction for an
58 assessment of four points;

59 (3) In lieu of an assessment of points, render an
60 order of supervision as provided in section 302.303. An
61 order of supervision shall not be used in lieu of points
62 more than one time in any thirty-six-month period. Every
63 court having jurisdiction pursuant to the provisions of this
64 section shall forward a record of conviction to the Missouri
65 state highway patrol, or at the written direction of the
66 Missouri state highway patrol, to the department of revenue,
67 in a manner approved by the director of the department of
68 public safety. The director shall establish procedures for
69 the record keeping and administration of this section; or

70 (4) For a nonresident, suspend the nonresident's
71 driving privileges in this state in accordance with section
72 303.030 and notify the official in charge of the issuance of
73 licenses and registration certificates in the state in which
74 such nonresident resides in accordance with section 303.080.

75 4. Nothing in sections 303.010 to 303.050, 303.060,
76 303.140, 303.220, 303.290, 303.330 and 303.370 shall be
77 construed as prohibiting the department of commerce and
78 insurance from approving or authorizing those exclusions and
79 limitations which are contained in automobile liability

80 insurance policies and the uninsured motorist provisions of
81 automobile liability insurance policies.

82 5. If a court enters an order of suspension, the
83 offender may appeal such order directly pursuant to chapter
84 512 and the provisions of section 302.311 shall not apply.

303.041. 1. If the director determines that as a
2 result of a verification sample or accident report that the
3 owner of a motor vehicle has not maintained financial
4 responsibility, or if the director determines as a result of
5 an order of supervision that the operator of a motor vehicle
6 has not maintained the financial responsibility as required
7 in this chapter, **or if the director determines a motor**
8 **vehicle has been operated in violation of the motor vehicle**
9 **financial responsibility law**, the director shall thirty-
10 three days after mailing notice, suspend the driving
11 privilege of the owner or operator and/or the registration
12 of the vehicle failing to meet such requirement. The notice
13 of suspension shall be mailed to the person at the last
14 known address shown on the department's records. The notice
15 of suspension is deemed received three days after mailing.
16 The notice of suspension shall clearly specify the reason
17 and statutory grounds for the suspension and the effective
18 date of the suspension, the right of the person to request a
19 hearing, the procedure for requesting a hearing, and the
20 date by which that request for a hearing must be made. If
21 the request for a hearing is received by the department
22 prior to the effective date of the suspension, the effective
23 date of the suspension will be stayed until a final order is
24 issued following the hearing.

25 2. Neither the fact that subsequent to the date of
26 verification or conviction, the owner acquired the required
27 liability insurance policy nor the fact that the owner

28 terminated ownership of the motor vehicle, shall have any
29 bearing upon the director's decision to suspend. Until it
30 is terminated, the suspension shall remain in force after
31 the registration is renewed or a new registration is
32 acquired for the motor vehicle. The suspension also shall
33 apply to any motor vehicle to which the owner transfers the
34 registration. Effective January 1, 2000, the department
35 shall not extend any suspension for failure to pay a
36 delinquent late surrender fee pursuant to this subsection.

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

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

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

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

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

9 the department of revenue for the administration of sections
10 303.420 to 303.440.

11 2. Notwithstanding the provisions of section 33.080 to
12 the contrary, any moneys remaining in the fund at the end of
13 the biennium shall not revert to the credit of the general
14 revenue fund.

15 3. The state treasurer shall invest moneys in the fund
16 in the same manner as other funds are invested. Any
17 interest and moneys earned on such investments shall be
18 credited to the fund.

303.425. 1. There is hereby created within the
2 department of revenue the motor vehicle financial
3 responsibility enforcement and compliance incentive
4 program. The department of revenue may enter into
5 contractual agreements with third-party vendors to
6 facilitate the necessary technology and equipment,
7 maintenance thereof, and associated program management
8 services. All fees paid to or collected by such third-party
9 vendors may come from violator diversion fees generated by
10 the pretrial diversion option established under this
11 section. The department of revenue may offer offenders
12 under this program the option of pretrial diversion as an
13 alternative to statutory fines or reinstatement fees
14 prescribed under the motor vehicle financial responsibility
15 law as a method of encouraging compliance and discouraging
16 recidivism.

17 2. The department of revenue may authorize law
18 enforcement agencies or third-party vendors to use
19 technology to collect data for the investigation, detection,
20 analysis, and enforcement of the motor vehicle financial
21 responsibility law.

22 3. The department of revenue may authorize traffic
23 enforcement officers or third-party vendors to administer
24 the processing and issuance of notices of violation, and the
25 collection of fees for a violation of the motor vehicle
26 financial responsibility law, under the program.

27 4. Access to the system shall be restricted to
28 authorized law enforcement agency users in the program, the
29 department of revenue, and the third-party vendors with
30 which the department of revenue contracts for purposes of
31 the program, provided that any third-party vendor with which
32 a contract is executed to provide necessary technology,
33 equipment, or maintenance for the program shall be
34 authorized as necessary to collaborate for required updates
35 and maintenance of system software.

36 5. For purposes of the program, any data collected,
37 when matched to a corresponding vehicle insurance record as
38 verified through the system, and Missouri vehicle
39 registration databases may be used to identify a particular
40 vehicle that was not in compliance with the motor vehicle
41 financial responsibility law at the time the vehicle was
42 being operated. Such images and corresponding data shall
43 constitute evidence of a violation of the motor vehicle
44 financial responsibility law.

45 6. The department of revenue shall suspend, in
46 accordance with section 303.041, the registration of any
47 owner or registrant of a motor vehicle that is determined
48 under the program to have been operated in violation of the
49 motor vehicle financial responsibility law.

50 7. An owner whose vehicle has been identified as
51 operating in violation of the motor vehicle financial
52 responsibility law may be offered participation in a
53 pretrial diversion option to preclude registration

suspension. Upon payment of a diversion participation fee not to exceed two hundred dollars, if the offending vehicle owner responds within the time noted on the notice of violation and agrees to secure proof of financial responsibility within the time provided in the notice of violation, and agrees that such financial responsibility shall be maintained for a minimum of two years, no points shall be assessed to the vehicle owner's driver's license under section 302.302, subject to compliance with the terms of the pretrial diversion option. The department of revenue or its third-party vendor shall issue receipts for the collection of such fees. All such fees received by the department of revenue or its third-party vendor shall be deposited into the motor vehicle financial responsibility verification and enforcement fund established in section 303.422. The department of revenue may refer cases to the appropriate prosecuting attorney for prosecution of vehicle owners who choose not to participate in the pretrial diversion option, are not offered the option to participate in pretrial diversion, or who violate the conditions of the pretrial diversion option. A vehicle owner whose registration has been suspended under sections 303.420 to 303.440 may obtain reinstatement of the registration upon providing proof of financial responsibility and payment to the department of revenue of a nonrefundable reinstatement fee of five hundred dollars.

8. 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 noncompliance with the motor vehicle financial responsibility law is

86 confirmed. The evidence, and an affidavit stating that the
87 evidence identifies a particular vehicle operating on or
88 having previously been operated on a public highway or other
89 public place, and that the system indicated the vehicle was
90 not in compliance with the motor vehicle financial
91 responsibility law at the time the vehicle was being
92 operated, shall constitute probable cause for prosecution
93 and may, at the discretion of the department of revenue, be
94 forwarded to the prosecuting attorney for the jurisdiction
95 in which the vehicle was being operated.

96 9. Owners of vehicles identified under the program as
97 having been operated in violation of the motor vehicle
98 financial responsibility law shall be provided with options
99 for disputing such claims which do not require appearance at
100 any state or local court of law, or administrative
101 facility. Any person who presents timely proof that he or
102 she was in compliance with the motor vehicle financial
103 responsibility law at the time of the alleged offense shall
104 be entitled to dismissal of the charge with no assessment of
105 fees or fines. Any person who presents proof that he or she
106 was in compliance at the time of the suspected violation of
107 the motor vehicle financial responsibility law shall be
108 noted in the system established by the department of revenue
109 under section 303.430.

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

114 11. Law enforcement agencies, third-party vendors, or
115 other entities authorized to operate under the program shall
116 not sell data collected or retained under the program for
117 any purpose or share it for any purpose not expressly

118 authorized in this section. All data shall be secured and
119 any third-party vendor may be liable for any data security
120 breach.

121 12. Following one year after the implementation of the
122 program, and every year thereafter, the department of
123 revenue shall provide a report to the president pro tempore
124 of the senate, the speaker of the house of representatives,
125 the chairs of the house and senate committees with
126 jurisdictions over insurance or transportation matters, and
127 the chairs of the house budget and senate appropriations
128 committees. The report shall include an evaluation of
129 program operations, information as to the costs of the
130 program incurred by the department of revenue, insurers, and
131 the public, and information as to the effectiveness of the
132 program in reducing the number of uninsured motor vehicles,
133 and may include any additional information and
134 recommendations for improvement of the program deemed
135 appropriate by the department of revenue. The department of
136 revenue may, by rule, require the state, counties, and
137 municipalities to provide information in order to complete
138 the report.

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

12 sole system used for the purpose of verifying financial
13 responsibility required under this chapter.

14 2. The system established pursuant to subsection 1 of
15 this section shall be subject to the following:

16 (1) The verification system shall transmit requests to
17 insurers for verification of motor vehicle insurance
18 coverage via web services established by the insurers
19 through the internet in compliance with the specifications
20 and standards of the Insurance Industry Committee on Motor
21 Vehicle Administration, or "IICMVA". Insurance company
22 systems shall respond to each request with a prescribed
23 response upon evaluation of the data provided in the
24 request. The system shall include appropriate protections
25 to secure its data against unauthorized access, and the
26 department of revenue shall maintain a historical record of
27 the system data for a period of no more than twelve months
28 from the date of all requests and responses. The system
29 shall be used for verification of the financial
30 responsibility required under this chapter. The system
31 shall be accessible to authorized personnel of the
32 department of revenue, the courts, law enforcement
33 personnel, and other entities authorized by the state as
34 permitted by state or federal privacy laws, and it shall be
35 interfaced, wherever appropriate, with existing state
36 systems. The system shall include information enabling the
37 department of revenue to submit inquiries to insurers
38 regarding motor vehicle insurance which are consistent with
39 insurance industry and IICMVA recommendations,
40 specifications, and standards by using the following data
41 elements for greater matching accuracy: insurer National
42 Association of Insurance Commissioners, or "NAIC", company
43 code; vehicle identification number; policy number;

44 verification date; or as otherwise described in the
45 specifications and standards of the IICMVA. The department
46 of revenue shall promulgate rules to offer insurers who
47 insure one thousand or fewer vehicles within this state an
48 alternative method for verifying motor vehicle insurance
49 coverage in lieu of web services, and to provide for the
50 verification of financial responsibility when financial
51 responsibility is proven to the department to be maintained
52 by means other than a policy of motor vehicle insurance.
53 Insurers shall not be required to verify insurance coverage
54 for vehicles registered in other jurisdictions;

55 (2) The verification system shall respond to each
56 request within a time period established by the department
57 of revenue. An insurer's system shall respond within the
58 time period prescribed by the IICMVA's specifications and
59 standards. Insurer systems shall be permitted reasonable
60 system downtime for maintenance and other work with advance
61 notice to the department of revenue. Insurers shall not be
62 subject to enforcement fees or other sanctions under such
63 circumstances, or when systems are not available because of
64 emergency, outside attack, or other unexpected outages not
65 planned by the insurer and reasonably outside its control;

66 (3) The system shall assist in the identification of
67 motorists operating in violation of the motor vehicle
68 financial responsibility law in the most effective way
69 possible. Responses to individual insurance verification
70 requests shall have no bearing on whether insurance coverage
71 is determined to be in force at the time of a claim. Claims
72 shall be individually investigated to determine the
73 existence of coverage. Nothing in sections 303.420 to
74 303.440 shall prohibit the department of revenue from
75 contracting with a third-party vendor or vendors who have

76 successfully implemented similar systems in other states to
77 assist in establishing and maintaining this verification
78 system;

79 (4) The department of revenue shall consult with
80 representatives of the insurance industry and may consult
81 with third-party vendors to determine the objectives,
82 details, and deadlines related to the system by
83 establishment of an advisory council. The advisory council
84 shall consist of voting members comprised of:

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

87 (b) Two representatives of the department of revenue,
88 to be appointed by the director of the department of revenue;

89 (c) One representative of the department of commerce
90 and insurance, to be appointed by the director of the
91 department of commerce and insurance;

92 (d) Three representatives of insurance companies, to
93 be appointed by the director of the department of commerce
94 and insurance;

95 (e) One representative from the Missouri Insurance
96 Coalition;

97 (f) One representative chosen by the National
98 Association of Mutual Insurance Companies;

99 (g) One representative chosen by the American Property
100 and Casualty Insurance Association;

101 (h) One representative chosen by the Missouri
102 Independent Agents Association; and

103 (i) Such other representatives as may be appointed by
104 the director of the department of commerce and insurance;

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

(6) 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;

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

(8) Every property and casualty insurance company licensed to issue motor vehicle insurance or authorized to do business in this state shall comply with sections 303.420 to 303.440, and corresponding rules promulgated by the department of revenue, for the verification of such insurance for every vehicle insured by that company in this state;

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

(10) For the purposes of this section, "commercial auto coverage" shall mean any coverage provided to an insured, regardless of number of vehicles or entities covered, under a commercial coverage form and rated from a commercial manual approved by the department of commerce and insurance. Sections 303.420 to 303.440 shall not apply to

140 vehicles insured under commercial auto coverage; however,
141 insurers of such vehicles may participate on a voluntary
142 basis;

143 (11) Insurers shall provide commercial or fleet
144 automobile customers with evidence reflecting that the
145 vehicle is insured under a commercial or fleet automobile
146 liability policy. Sufficient evidence shall include an
147 insurance identification card clearly marked with a suitable
148 identifier such as "commercial auto insurance identification
149 card", "fleet auto insurance identification card", or other
150 clear identification that the vehicle is insured under a
151 fleet or commercial policy;

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

155 (13) Nothing in this section shall prohibit an insurer
156 from using the services of a third-party vendor for
157 facilitating the verification system required under sections
158 303.420 to 303.440.

159 3. The department of revenue shall promulgate rules as
160 necessary for the implementation of sections 303.420 to
161 303.440. Any rule or portion of a rule, as that term is
162 defined in section 536.010, that is created under the
163 authority delegated in this section shall become effective
164 only if it complies with and is subject to all of the
165 provisions of chapter 536 and, if applicable, section
166 536.028. This section and chapter 536 are nonseverable and
167 if any of the powers vested with the general assembly
168 pursuant to chapter 536 to review, to delay the effective
169 date, or to disapprove and annul a rule are subsequently
170 held unconstitutional, then the grant of rulemaking

171 authority and any rule proposed or adopted after August 28,
172 2021, shall be invalid and void.

303.440. The verification system established under
2 section 303.430 shall be installed and fully operational by
3 January 1, 2023, following an appropriate testing or pilot
4 period of not less than nine months. Until the successful
5 completion of the testing or pilot period in the judgment of
6 the director of the department of revenue, no enforcement
7 action shall be taken based on the system, including but not
8 limited to action taken under the program established under
9 section 303.425.

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