

SENATE BILL NO. 1304

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR SCHROER.

4797S.01H

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 303.425, 303.430, and 303.440, RSMo, and to enact in lieu thereof three new sections relating to motor vehicle financial responsibility.

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

Section A. Sections 303.425, 303.430, and 303.440, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 303.425, 303.430, and 303.440, to read as follows:

303.425. 1. (1) There is hereby created within the department of revenue the motor vehicle financial responsibility enforcement and compliance incentive program. The department of revenue may enter into contractual agreements with third-party vendors to facilitate the necessary technology and equipment, maintenance thereof, and associated program management services.

(2) The department of revenue or a third-party vendor shall utilize technology to compare vehicle registration information with the financial responsibility information accessible through the system. The department of revenue shall utilize this information to identify motorists who are in violation of the motor vehicle financial responsibility law. The department of revenue may offer offenders under this program the option of pretrial diversion as an alternative to statutory fines or reinstatement fees

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

18 prescribed under the motor vehicle financial responsibility
19 law as a method of encouraging compliance and discouraging
20 recidivism.

21 (3) The department of revenue or third-party vendors
22 shall not use any data collected from or technology
23 associated with any automated motor vehicle financial
24 responsibility enforcement system. For purposes of this
25 subdivision, "motor vehicle financial responsibility
26 enforcement system" means a device consisting of a camera or
27 cameras and vehicle sensor or sensors installed to record
28 motor vehicle financial responsibility violations.

29 (4) All fees paid to or collected by third-party
30 vendors under sections 303.420 to 303.440 may come from
31 violator diversion fees generated by the pretrial diversion
32 option established under this section.

33 2. The department of revenue may authorize law
34 enforcement agencies or third-party vendors to use
35 technology to collect data for the investigation, detection,
36 analysis, and enforcement of the motor vehicle financial
37 responsibility law.

38 3. The department of revenue may authorize traffic
39 enforcement officers or third-party vendors to administer
40 the processing and issuance of notices of violation, the
41 collection of fees for a violation of the motor vehicle
42 financial responsibility law, or the referral of cases for
43 prosecution, under the program.

44 4. Access to the system shall be restricted to
45 qualified agencies and the third-party vendors with which
46 the department of revenue contracts for purposes of the
47 program, provided that any third-party vendor with which a
48 contract is executed to provide necessary technology,
49 equipment, or maintenance for the program shall be

50 authorized as necessary to collaborate for required updates
51 and maintenance of system software.

52 5. For purposes of the program, any data collected and
53 matched to a corresponding vehicle insurance record as
54 verified through the system, and any Missouri vehicle
55 registration database, may be used to identify violations of
56 the motor vehicle financial responsibility law. Such
57 corresponding data shall constitute evidence of the
58 violations.

59 6. Except as otherwise provided in this section, the
60 department of revenue shall suspend, in accordance with
61 section 303.041, the registration of any motor vehicle that
62 is determined under the program to be in violation of the
63 motor vehicle financial responsibility law.

64 7. The department of revenue shall send to an owner
65 whose vehicle is identified under the program as being in
66 violation of the motor vehicle financial responsibility law
67 a notice that the vehicle's registration may be suspended
68 unless the owner, within thirty days, provides proof of
69 financial responsibility for the vehicle or proof, in a form
70 specified by the department of revenue, that the owner has a
71 pending criminal charge for a violation of the motor vehicle
72 financial responsibility law. The notice shall include
73 information on steps an individual may take to obtain proof
74 of financial responsibility and a web address to a page on
75 the department of revenue's website where information on
76 obtaining proof of financial responsibility shall be
77 provided. If proof of financial responsibility or a pending
78 criminal charge is not provided within the time allotted,
79 the department of revenue shall provide a notice of
80 suspension and suspend the vehicle's registration in
81 accordance with section 303.041, or shall send a notice of

82 vehicle registration suspension, clearly specifying the
83 reason and statutory grounds for the suspension and the
84 effective date of the suspension, the right of the vehicle
85 owner to request a hearing, the procedure for requesting a
86 hearing, and the date by which that request for a hearing
87 must be made, as well as informing the owner that the matter
88 will be referred for prosecution if a satisfactory response
89 is not received in the time allotted, informing the owner
90 that the minimum penalty for the violation is three hundred
91 dollars [and four license points], and offering the owner
92 participation in a pretrial diversion option to preclude
93 referral for prosecution and registration suspension under
94 sections 303.420 to 303.440. The notice of vehicle
95 registration suspension shall give a period of thirty-three
96 days from mailing for the vehicle owner to respond, and
97 shall be deemed received three days after mailing. If no
98 request for a hearing or agreement to participate in the
99 diversion option is received by the department of revenue
100 prior to the date provided on the notice of vehicle
101 registration suspension, the director shall suspend the
102 vehicle's registration, effective immediately, and refer the
103 case to the appropriate prosecuting attorney. If an
104 agreement by the vehicle owner to participate in the
105 diversion option is received by the department of revenue
106 prior to the effective date provided on the notice of
107 vehicle registration suspension, then upon payment of a
108 diversion participation fee not to exceed two hundred
109 dollars, agreement to secure proof of financial
110 responsibility within the time provided on the notice of
111 suspension, and agreement that such financial responsibility
112 shall be maintained for a minimum of two years, no points
113 shall be assessed to the vehicle owner's driver's license

114 under section 302.302 and the department of revenue shall
115 not take further action against the vehicle owner under
116 sections 303.420 to 303.440, subject to compliance with the
117 terms of the pretrial diversion option. The department of
118 revenue shall suspend the vehicle registration of, and shall
119 refer the case to the appropriate prosecuting attorney for
120 prosecution of, participating vehicle owners who violate the
121 terms of the pretrial diversion option. If a request for
122 hearing is received by the department of revenue prior to
123 the effective date provided on the notice of vehicle
124 registration suspension, then for all purposes other than
125 eligibility for participation in the diversion option, the
126 effective date of the suspension shall be stayed until a
127 final order is issued following the hearing. The department
128 of revenue shall suspend the registration of vehicles
129 determined under the final order to have violated the motor
130 vehicle financial responsibility law, and shall refer the
131 case to the appropriate prosecuting attorney for
132 prosecution. Notices under this subsection shall be mailed
133 to the vehicle owner at the last known address shown on the
134 department of revenue's records. The department of revenue
135 or its third-party vendor shall issue receipts for the
136 collection of diversion participation fees. Except as
137 otherwise provided in subsection 1 of this section, all such
138 fees shall be deposited into the motor vehicle financial
139 responsibility verification and enforcement fund established
140 in section 303.422. A vehicle owner whose registration has
141 been suspended under sections 303.420 to 303.440 may obtain
142 reinstatement of the registration upon providing proof of
143 financial responsibility and payment to the department of
144 revenue of a nonrefundable reinstatement fee equal to the
145 fee that would be applicable under subsection 2 of section

146 303.042 if the registration had been suspended under section
147 303.041.

148 8. Data collected or retained under the program shall
149 not be used by any entity for purposes other than
150 enforcement of the motor vehicle financial responsibility
151 law. Data collected and stored by law enforcement under the
152 program shall be considered evidence if noncompliance with
153 the motor vehicle financial responsibility law is
154 confirmed. The evidence, and an affidavit stating that the
155 evidence and system have identified a particular vehicle as
156 being in violation of the motor vehicle financial
157 responsibility law, shall constitute probable cause for
158 prosecution and shall be forwarded in accordance with
159 subsection 7 of this section to the appropriate prosecuting
160 attorney.

161 9. Owners of vehicles identified under the program as
162 being in violation of the motor vehicle financial
163 responsibility law shall be provided with options for
164 disputing such claims which do not require appearance at any
165 state or local court of law, or administrative facility.
166 Any person who presents timely proof that he or she was in
167 compliance with the motor vehicle financial responsibility
168 law at the time of the alleged violation shall be entitled
169 to dismissal of the charge with no assessment of fees or
170 fines. Proof provided by a vehicle owner to the department
171 of revenue that the vehicle was in compliance at the time of
172 the suspected violation of the motor vehicle financial
173 responsibility law shall be recorded in the system
174 established by the department of revenue under section
175 303.430.

176 10. The collection of data pursuant to this section
177 shall be done in a manner that prohibits any bias towards a

178 specific community, race, gender, or socioeconomic status of
179 vehicle owner.

180 11. Law enforcement agencies, third-party vendors, or
181 other entities authorized to operate under the program shall
182 not sell data collected or retained under the program for
183 any purpose or share it for any purpose not expressly
184 authorized in this section. All data shall be secured and
185 any third-party vendor or other entity authorized to operate
186 under the program may be liable for any data security breach.

187 12. The department of revenue shall not take action
188 under sections 303.420 to 303.440 against vehicles
189 registered as fleet vehicles under section 301.032, or
190 against vehicles known to the department of revenue to be
191 insured under a policy of commercial auto coverage, as such
192 term is defined in subdivision (10) of subsection 2 of
193 section 303.430.

194 13. Following one year after the implementation of the
195 program, and every year thereafter **for a period of five**
196 **years**, the department of revenue shall provide a report to
197 the president pro tempore of the senate, the speaker of the
198 house of representatives, the chairs of the house and senate
199 committees with jurisdictions over insurance or
200 transportation matters, and the chairs of the house budget
201 and senate appropriations committees. The report shall
202 include an evaluation of program operations, information as
203 to the costs of the program incurred by the department of
204 revenue, insurers, and the public, information as to the
205 effectiveness of the program in reducing the number of
206 uninsured motor vehicles, and anonymized demographic
207 information including the race and zip code of vehicle
208 owners identified under the program as being in violation of
209 the motor vehicle financial responsibility law, and may

210 include any additional information and recommendations for
211 improvement of the program deemed appropriate by the
212 department of revenue. The department of revenue may, by
213 rule, require the state, counties, and municipalities to
214 provide information in order to complete the report.

215 14. The department of revenue may promulgate rules as
216 necessary for the implementation of this section. Any rule
217 or portion of a rule, as that term is defined in section
218 536.010, that is created under the authority delegated in
219 this section shall become effective only if it complies with
220 and is subject to all of the provisions of chapter 536 and,
221 if applicable, section 536.028. This section and chapter
222 536 are nonseverable and if any of the powers vested with
223 the general assembly pursuant to chapter 536 to review, to
224 delay the effective date, or to disapprove and annul a rule
225 are subsequently held unconstitutional, then the grant of
226 rulemaking authority and any rule proposed or adopted after
227 August 28, 2023, shall be invalid and void.

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 identifying violations
67 of the motor vehicle financial responsibility law in the
68 most effective way possible. Responses to individual
69 insurance verification requests shall have no bearing on
70 whether insurance coverage is determined to be in force at
71 the time of a claim. Claims shall be individually
72 investigated to determine the existence of coverage.
73 Nothing in sections 303.420 to 303.440 shall prohibit the
74 department of revenue from contracting with a third-party
75 vendor or vendors who have successfully implemented similar
76 systems in other states to assist in establishing and
77 maintaining this verification system;

78 (4) The department of revenue shall consult with
79 representatives of the insurance industry and may consult
80 with third-party vendors to determine the objectives,
81 details, and deadlines related to the system by
82 establishment of an advisory council. **Members of the**
83 **advisory council shall serve in an advisory capacity in**
84 **matters pertaining to the administration of sections 303.420**
85 **to 303.440, as the department of revenue may request. The**
86 **advisory council shall expire one year after implementation**
87 **of the program.** The advisory council shall consist of
88 voting members comprised of:

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

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

93 (c) One representative of the department of commerce
94 and insurance, to be appointed by the director of the
95 department of commerce and insurance;

96 (d) Three representatives of insurance companies, to
97 be appointed by the director of the department of commerce
98 and insurance;

99 (e) One representative from the Missouri Insurance
100 Coalition;

101 (f) One representative chosen by the National
102 Association of Mutual Insurance Companies;

103 (g) One representative chosen by the American Property
104 and Casualty Insurance Association;

105 (h) One representative chosen by the Missouri
106 Independent Agents Association; and

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

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

112 (6) The department of revenue and its third-party
113 vendors, if any, shall each maintain a contact person for
114 insurers during the establishment, implementation, and
115 operation of the system;

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

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

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

138 (10) For the purposes of this section, "commercial
139 auto coverage" shall mean any coverage provided to an
140 insured, regardless of number of vehicles or entities

141 covered, under a commercial coverage form and rated from a
142 commercial manual approved by the department of commerce and
143 insurance. Sections 303.420 to 303.440 shall not apply to
144 vehicles insured under commercial auto coverage; however,
145 insurers of such vehicles may participate on a voluntary
146 basis, and vehicle owners may provide proof at or subsequent
147 to the time of vehicle registration that a vehicle is
148 insured under commercial auto coverage, which the department
149 of revenue shall record in the system;

150 (11) Insurers shall provide commercial or fleet
151 automobile customers with evidence reflecting that the
152 vehicle is insured under a commercial or fleet automobile
153 liability policy. Sufficient evidence shall include an
154 insurance identification card clearly marked with a suitable
155 identifier such as "commercial auto insurance identification
156 card", "fleet auto insurance identification card", or other
157 clear identification that the vehicle is insured under a
158 fleet or commercial policy;

159 (12) Notwithstanding any provision of sections 303.420
160 to 303.440, insurers shall be immune from civil and
161 administrative liability for good faith efforts to comply
162 with the terms of sections 303.420 to 303.440;

163 (13) Nothing in this section shall prohibit an insurer
164 from using the services of a third-party vendor for
165 facilitating the verification system required under sections
166 303.420 to 303.440.

167 3. The department of revenue shall promulgate rules as
168 necessary for the implementation of sections 303.420 to
169 303.440. Any rule or portion of a rule, as that term is
170 defined in section 536.010, that is created under the
171 authority delegated in this section shall become effective
172 only if it complies with and is subject to all of the

173 provisions of chapter 536 and, if applicable, section
174 536.028. This section and chapter 536 are nonseverable and
175 if any of the powers vested with the general assembly
176 pursuant to chapter 536 to review, to delay the effective
177 date, or to disapprove and annul a rule are subsequently
178 held unconstitutional, then the grant of rulemaking
179 authority and any rule proposed or adopted after August 28,
180 2023, shall be invalid and void.

303.440. The verification system established under
2 section 303.430 shall be installed and fully operational [on
3 January 1, 2025] **as soon as technologically possible**
4 **following the development and maintenance of a modernized,**
5 **integrated system for the titling of vehicles, issuance and**
6 **renewal of vehicle registrations, issuance and renewal of**
7 **driver's licenses and identification cards, and perfection**
8 **and release of liens and encumbrances on vehicles, to be**
9 **funded by the motor vehicle administration technology fund**
10 **as created in section 301.558,** following an appropriate
11 testing or pilot period of not less than nine months. Until
12 the successful completion of the testing or pilot period in
13 the judgment of the director of the department of revenue,
14 no enforcement action shall be taken based on the system,
15 including but not limited to action taken under the program
16 established under section 303.425.

✓